

# **CRAVEN COUNTY, NORTH CAROLINA**

## **ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**June 30, 2022**

**Craven County**



**PREPARED BY THE FINANCE DEPARTMENT**

**CRAIG A. WARREN, FINANCE OFFICER**

# Craven County



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# Craven County





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November 30, 2022

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

It is my pleasure to submit the Comprehensive Annual Financial Report of Craven County for the fiscal year ended June 30, 2022. North Carolina State law requires all general-purpose local governments to publish within four months of the close of each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with the requirements of GASB Statement No. 34.

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

The County's financial statements have been audited by Thompson, Price, Scott, Adams and Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component in the financial section of this report.

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

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

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

## **Profile of the County**

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

Craven County is located midway along North Carolina's lace work coastal fringe and is diverse in its physical characteristics, demographics and economic base. The County's land area totals approximately 712 square miles or 455,680 acres. Settled in 1710 by Swiss and German immigrants at the confluence of the Trent and Neuse Rivers, New Bern, the county seat, is the second oldest town in the state. Rich in history, it is the site of North Carolina's Colonial Capitol and its first State Capitol.



New Bern is also the Birthplace of Pepsi Cola, a drink first concocted by Caleb Bradham, a local pharmacist, in 1898. Downtown New Bern offers museums, shops, galleries, restaurants, historic sites, waterfront hotels, bed and breakfast accommodations, marinas, convention center, parks, historic homes and churches. Tryon Palace Historic Sites & Gardens, the first permanent seat of colonial government in North Carolina, offers visitors an opportunity to experience over 300 years of American history and acres of period inspired gardens.

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

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

## **Local Economy**

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

Craven County continues to experience a steady level of growth. The County's average unemployment rate for calendar year 2021 improved to 4.7 percent from the previous 6.6 percent reported for calendar year 2020. The rate remained steady for most of the year reaching its lowest point at 3.0 percent in December 2021. Comparatively, the statewide average unemployment rate for calendar 2021 was 4.8

percent, a decrease from the 7.3 percent reported for the previous calendar year 2020. The County ended the fiscal year 2022 with an unemployment rate of 4.1 percent for June. Overall, the total number of people employed in Craven County increased 2.0 percent during calendar year 2021 (using annual average figures) compared to last year. Government (federal, state and local) employment decreased by 1.0 percent from the prior year while private sector employment increased 3.5 percent. While the private sector makes up 68.1 percent of all total jobs in Craven County, the single largest sector of employment in the County remains Government at 31.5 percent of all total jobs. The County continues to encourage diversification by seeking a wide variety of industries to create jobs in the community.

The County's top employers represent industries in Government, Health Care, Education, and Manufacturing. The following table lists the 10 largest employers in Craven County for calendar year 2021 according to the North Carolina Department of Commerce.

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

Source: NC Commerce LEAD Division

The United States Marine Corps Air Station at Cherry Point is home to Fleet Readiness Center East which is the single largest industrial employer east of I-95, providing employment for a total work force of 12,288 personnel, including 5,456 civilians. According to the latest information available, total payroll for the base in including Fleet Readiness Center East was \$1.25 billion while the total economic impact of the Marine Corps Air Station at Cherry Point was \$2.19 billion. The military and surrounding local communities have developed a strong relationship from which both have benefited. Craven County continues its efforts to ensure that decision makers in Washington, DC and Raleigh, NC understand the significance and importance of the military presence in the County and all of eastern North Carolina.

In 2021 per capita personal income in Craven County increased by 7.4 percent (the latest information available), to \$54,135. The change for the state of North Carolina in 2021 was a 8.2 percent increase and nationally the change was a 7.3 percent increase. The County's per capita income level is 96.4 percent of the state's average of \$56,173 and 84.4 percent of the national average of \$64,143. The County ranked 22nd out of 100 counties in the state in per capita income, down two positions reported for the previous year. The 2011-2021 average annual growth rate of per capita personal income for Craven County was 3.8 percent, while the average annual growth rate for the state was 4.3 percent and 4.1 percent for the nation.

Both residential development and the local housing market in Craven County remain positive reporting modest growth over last year. In 2022 new home construction increased by 4.5 percent from the previous year with 257 new home starts compared to 246 reported in 2021. Although recent sales data shows the number of homes sold in calendar year 2022 decreased by 7.9 percent from the previous year, the average home sales price in Craven County increased 16.4 percent to \$255,000. Historically high inflation and the Federal Reserve's response to increase interest rates is expected to have negative impacts on this sector of the economy heading into 2023.

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

Tourism in Craven County has returned to pre-pandemic levels generating an economic impact of \$160.4 million in 2021, which was an increase of 39.6 percent from the previous year. Across the state visitor spending was up 44.9 percent reaching \$28.9 billion, just short of the record \$29.22 spent in 2019. State and local tax revenues generated from travel to Craven County amounted to \$12.1 million which represents a \$121.31 tax savings to each county resident. According to North Carolina Division of Tourism, Film and Sports Development, in 2021 there were 1,185 jobs in Craven County related to tourism with an annual payroll of \$42.5 million.

The Riverfront Convention Center of Craven County located in historic downtown New Bern was constructed by the County at a cost of \$12 million and opened in August 2000. The facility is approximately 50,000 square feet and houses a 12,000 square foot ballroom designed to seat and serve groups up to 1,000. The site is adjacent to one of the major hotel facilities in the downtown area and within walking distance of two other hotels and several bed and breakfast facilities. After a challenging two years of being closed because of damages related to Hurricane Florence and operating at limited capacity due to pandemic meeting restrictions, the Center was finally able to be open for a full year. Operating revenues for fiscal 2022 were \$609,000 compared to \$190,000 in fiscal 2021. The Center incurred an operating deficit of \$562,000 in fiscal 2022 compared to a budgeted deficit of \$732,000. The Center was not built with the expectation that it would generate a direct profit but was intended to provide an economic stimulus for the County creating a multiplier effect of additional visitor spending throughout the community. The Center hosted a total of 163 events and generated approximately \$2.1 million of economic impact to the community during the fiscal year ending June 30, 2022. Debt incurred for the Center is serviced through the increase in occupancy tax enacted in November 1996 from 3 percent to 6 percent and will retire in 2034.

### **Long-term Financial Planning**

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Providing services desired by its citizens and those required by statute is a recurring challenge faced by all local governments. Craven County continues to remain committed to only expanding services when corresponding resources are available to support them. For fiscal year 2023, the County's total operating budget is \$132.3 million with a General Fund tax rate of \$.56 cents per \$100 of assessed valuation. The estimate of property values used for fiscal 2023 was \$10.457 billion, an increase of 4.5 percent from the 10.01 billion used for fiscal 2022. While the County has experienced significant growth in the tax base over the past year, much of the estimated increase is related to registered motor vehicles. As a result of supply shortages on microchips used in motor vehicle production, the values of new and used vehicles have risen almost 30% from the previous year due to supply and demand. The growth in motor vehicle values is expected to be temporary only for the next fiscal year while supply chains catch up to demand.

Efforts to keep fiscal year expenditures within available resources without providing too much reliance on the fund balance continues with the fiscal year 2023 budget. Fund balance is monitored very closely to ensure adequate reserves are maintained to fund projects and to keep the tax rate at a necessary funding level. For fiscal year 2023, only \$3,731 of fund balance was appropriated in the General Fund. Although the North Carolina State Treasurers Office recommends no less than an available fund balance of 8

percent, the County has a stated goal of maintaining available fund balance between 18 – 25 percent. On June 30, 2023, the County ended the year with an available General Fund balance of 35.38 percent of total expenditures and transfers out.

Capital needs of the County are assessed on an annual basis. The County's Capital Improvement Plan is budgeted at \$4.4 million for fiscal 2023 and serves as the primary tool for planning the County's annual capital budget. The plan establishes a framework for capital additions and the method of financing them over a five-year period. The Capital Reserve Fund is the primary source of funding for capital projects allowing the County to pay for future capital needs as they arise. Budgeted transfers from the County's Capital Reserve Fund totaled \$5.7 million for fiscal 2022 however only \$3.9 million were made for capital items. Additionally, budgeted transfers of \$4.4 million were made into the Capital Reserve in 2022 or future capital needs. As a result of this activity, the County added approximately \$510,000 to its Capital Reserve during fiscal 2022.

### **Major Initiatives**

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The County is involved in several initiatives heading into fiscal 2023. Some of these initiatives are discussed in the following section.

Economic Development efforts in the County continue in partnership with the Craven 100 Alliance (C1A), a public private partnership between Craven County, the cities of New Bern and Havelock, and the private sector. Fiscal year 2022 proved to be a time of investment in Craven County. During the year, Hatteras Yachts was acquired by White River Marine Group, a subsidiary of Bass Pro Shop. The planned investments into the facility were announced to be \$36 million. All existing 188 Hatteras employees were offered jobs with White River Marine Group while the firm also intends on bringing the total employment up to 504 jobs over the next five years. A second announcement came later in the year by the company ASI, a prime contractor for the Department of Defense, who intends to invest \$5.6 million in their own facility and create approximately 30 jobs within five years. With this continued growth, much of the County's economic development efforts have been on real estate development and workforce attraction. The county, with its state partners, invested \$500,000 in extending water and sewer in the industrial park. This allowed ASI to purchase 8 acres of property for their project in addition to the land purchase by Bayfront Development, a developer who purchased 6 acres to build a shell building. The project gained interest quickly and Bayfront began negotiating with an end user, changing their project from speculative to end use.

In 2018, the County completed its facilities master plan and space needs assessment study. The purpose of the study was to develop a long-range plan to address the current and future space needs of the County over the next 15 to 30 years. The study's findings recommended improvements to County facilities including major renovations and new construction at an approximate cost of \$59 million into multiple phases over a 15-year period. Major projects completed to date include the renovation and improvement of the Convention Center and the construction of a new Parks and Recreation Office Building at Creekside Park. Next on the schedule to begin construction in fiscal 2023 is a new building for Craven's Area Rural Transportation Department (CARTS) and County fuel center. Other major facility needs identified in the plan are still being evaluated for incorporation into the County's long-term capital improvement plan.

The County will also continue with its Enterprise Resource Planning (ERP) software replacement project budgeted at \$2 million heading into next fiscal year. The modules being upgraded under this project include the Financial, Payroll, Human Resources, Utility Billing, Permitting, and Tax. With the financial, payroll, human resources, and tax modules completed, resources will be allocated towards implementing the remaining utility and permitting modules which will occur over the next two fiscal years.

## **Awards and Acknowledgements**

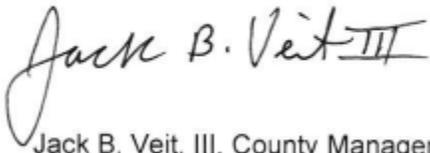
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Craven County for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the thirty-first consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectively submitted,



Jack B. Veit, III, County Manager



Craig A. Warren, Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Craven County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**CRAVEN COUNTY, NORTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS**

June 30, 2022

**BOARD OF  
COMMISIONERS**

JASON R. JONES

Chairman

DENNY BUCHER

Vice-Chairman

CHADWICK HOWARD

SHERRY HUNT

THOMAS MARK

E. T. MITCHELL

BEATRICE SMITH

**COUNTY OFFICIALS**

JACK B. VEIT III

County Manager

CRAIG A. WARREN

Finance Officer

GENE HODGES

Assistant County Manager

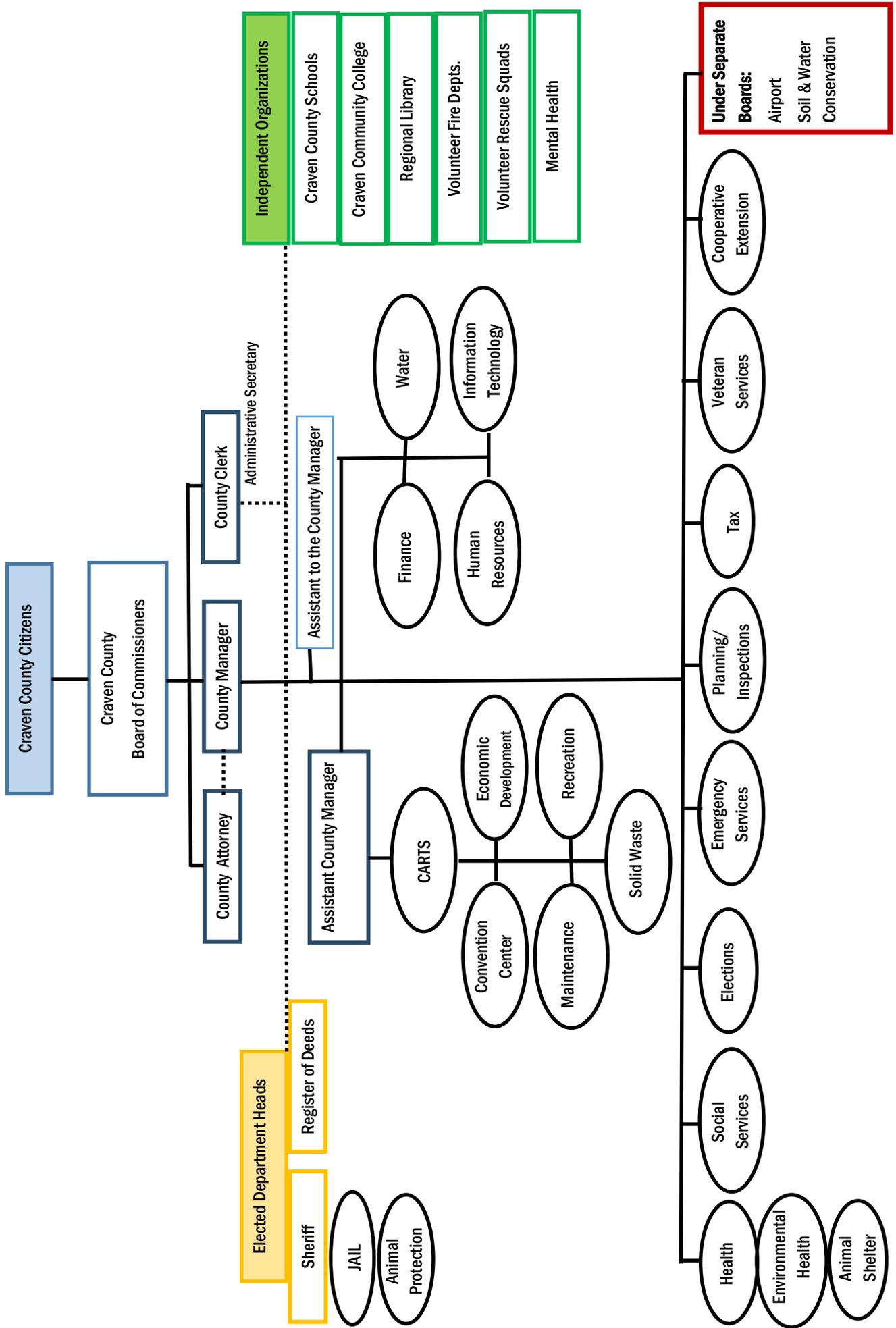
SHERRI B. RICHARD

Register of Deeds

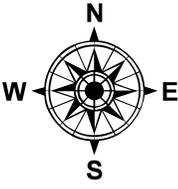
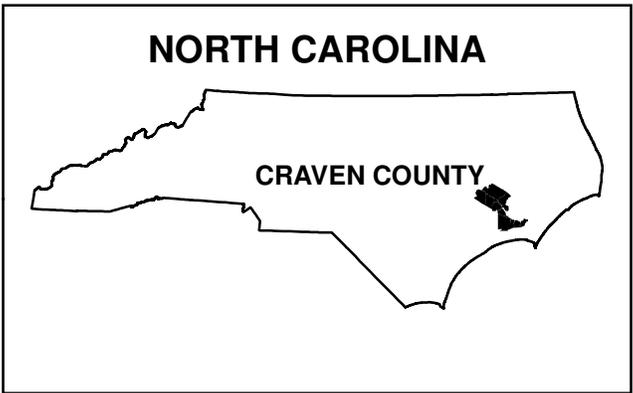
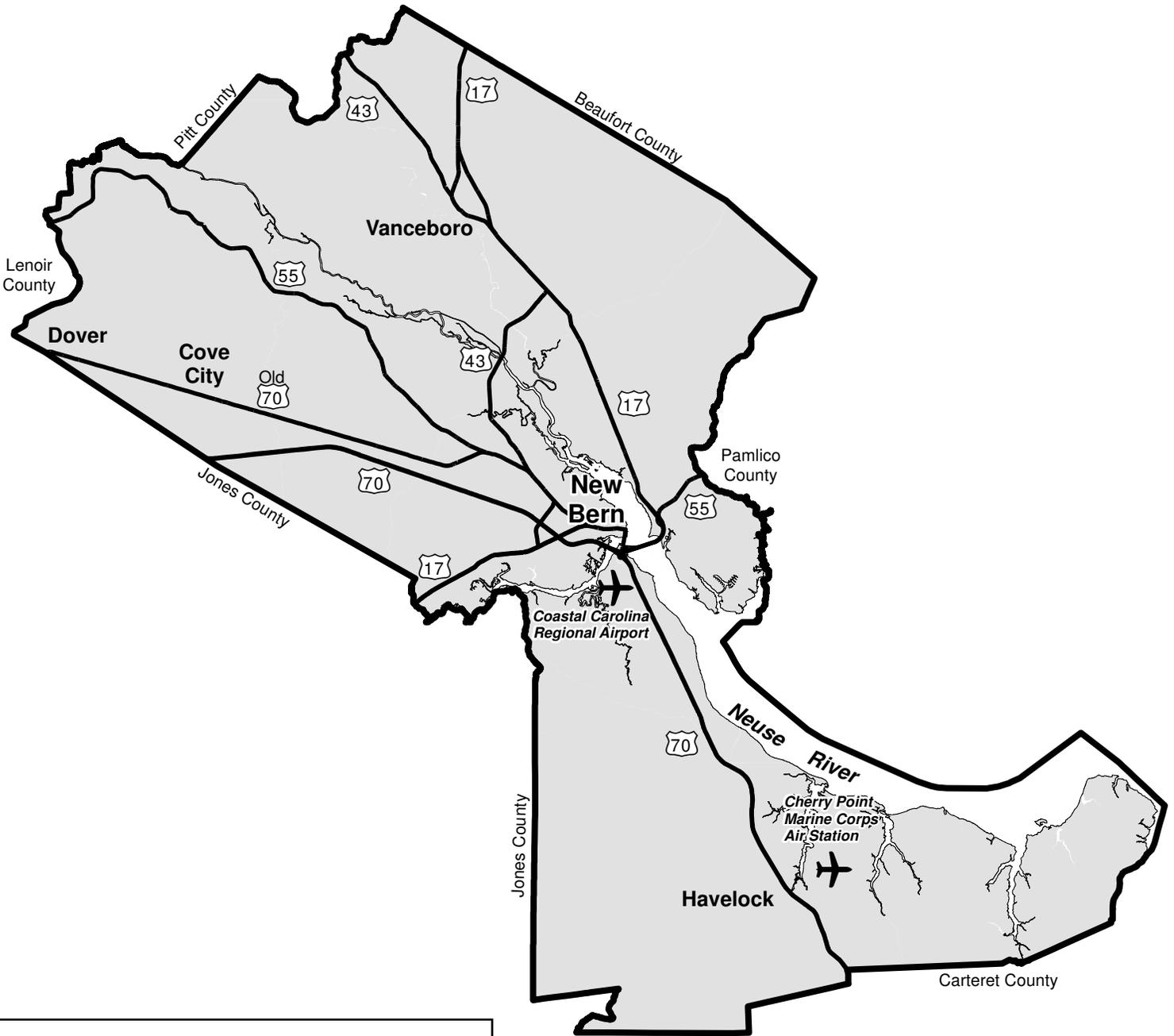
CHIP HUGHES

Sheriff

# CRAVEN COUNTY ORGANIZATIONAL CHART



# Craven County North Carolina



## **FINANCIAL SECTION**

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

# Craven County





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

**P.O Box 398  
1626 S. Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
Fax (910) 642-5958**

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**Alan W. Thompson, CPA  
R. Bryon Scott, CPA  
Gregory S. Adams, CPA**

## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business--type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise Craven County's basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Craven County Tourism Development Authority, and the Craven County Regional Airport Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Craven County Alcoholic Beverage Control Board (ABC Board) or CarolinaEast Health System (the Health System), which represents 92.6 percent, 91.7 percent, and 98.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board and Health System, is based solely on the reports of the other auditors.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Craven County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the ABC Board and Health System were not audited in accordance with *Governmental Auditing Standards*.

**Members**

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

### ***Responsibilities of Management for the Audit of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Craven County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standard* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Governmental Auditing Standards, we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Craven County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, Coastal Carolina Regional Airport Authority's Local Government Employees' Retirement System schedules of the County's Proportionate Share of the Net Pension Liability and Authority Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, be presented to supplement the basic financial statements. Such

information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Craven County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, and component unit schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Passenger Facility Charge Revenue and Expenditures as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (the "Guide") are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, component unit schedules, the Schedule of Expenditures of Federal and State Awards, and the Schedule of Passenger Facility Charge Revenue and Expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022 on our consideration of Craven County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Craven County's internal control over financial reporting and compliance.

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

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

Whiteville, NC

November 30, 2022

# Craven County



**Craven County**  
**Management's Discussion and Analysis**  
**June 30, 2022**

As management of Craven County, we offer readers of Craven County's financial statements this narrative overview and analysis of the financial activities of Craven County for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

**Financial Highlights**

The assets and deferred outflows of resources of Craven County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$153,093,887 (net position).

The government's total net position increased by \$21,105,085 in fiscal year 2022. Of this amount, \$663,727 was an increase in net position resulting from the operations of the Water enterprise fund. The remaining \$20,441,358 increase in net position was in governmental activities and was primarily due to revenues exceeding projections and under spending appropriations by \$11,236,684 in the general fund.

As of the close of the current fiscal year, Craven County's governmental funds reported combined ending fund balances of \$87,920,981, reflecting a net increase of \$17,727,190 for the year. Approximately 50 percent of the total amount or \$43,953,869, is restricted, committed, or assigned.

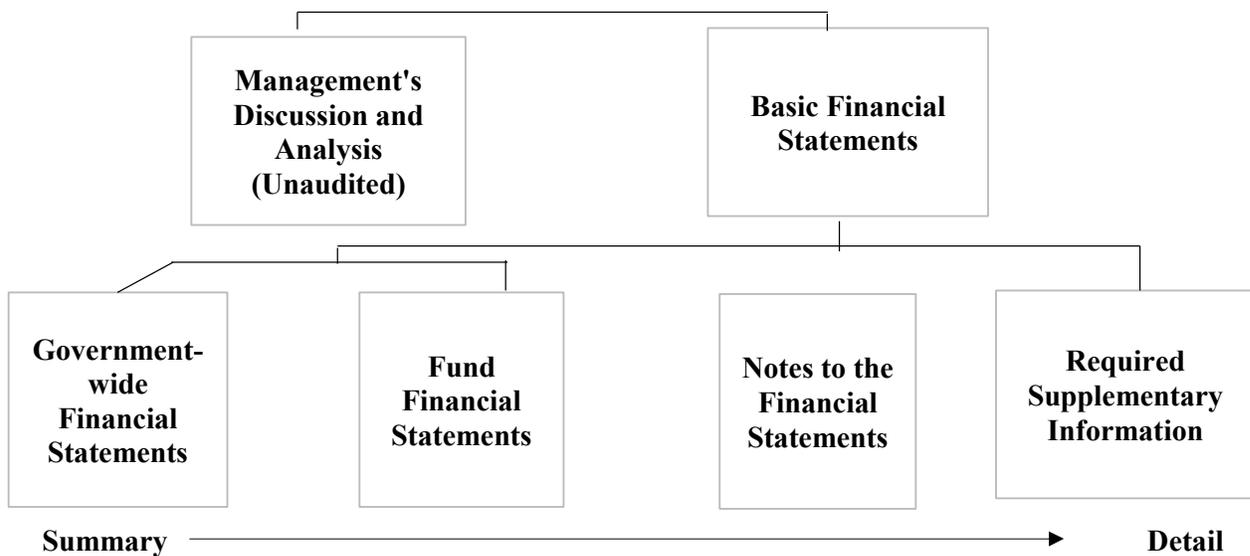
At the end of the current fiscal year, unassigned fund balance for the General Fund was \$44,004,435 or 35.34 percent of total General Fund expenditures including transfers out and excluding capital outlay financed by leases.

The County's total long-term debt decreased by \$6,790,058 as a result of debt service payments made during the fiscal year.

**Overview of Financial Statements**

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

## Required Components of Annual Financial Report



### Basic Financial Statements

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

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

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

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

### Government-wide Financial Statements

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

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

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

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

The government-wide financial statements follow this analysis.

### ***Fund Financial Statements***

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

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

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

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

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

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

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

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

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$153,093,887 as of June 30, 2022. The County's net position increased by \$21,105,085 for the fiscal year ended June 30, 2022. By far, the largest category of net position, totaling \$79,430,685 or 51.88 percent of the total net position, is the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. Craven County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Craven County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of Craven County's net position \$31,832,175 or 20.79 percent, represents resources that are subject to external restrictions on how they may be used. Most of this amount is a result of North Carolina statutes requiring restriction of assets not readily converted into cash. The remaining balance of \$41,831,028 is unrestricted at June 30, 2022 and would be significantly larger were it not for the method used to finance public school and community college debt in North Carolina. Under North Carolina law, the County is responsible for providing capital funding for the school system and the community college. The County has chosen to meet its legal obligation to provide the schools capital funding by using a mixture of County funds and debt. The assets funded by the County, however, are owned and utilized by the school systems. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$7,902,750 of outstanding debt on the County's financial statements was related to assets included in the school system's and community college's financial statements.

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

School/College System Debt	\$	(7,902,750)
All Other		49,733,778
Total unrestricted net position	\$	<u>41,831,028</u>

#### Craven County's Net Position

	Governmental Activities		Business Type Activities		Total Activities	
	2022	2021	2022	2021	2022	2021
Current and other Assets	\$ 124,787,962	\$ 91,923,472	\$ 14,657,212	\$ 14,095,623	\$ 139,445,174	\$ 106,019,095
Capital Assets, net	69,763,102	71,337,048	38,632,324	39,611,242	108,395,426	110,948,290
Total assets	<u>194,551,064</u>	<u>163,260,520</u>	<u>53,289,536</u>	<u>53,706,865</u>	<u>247,840,600</u>	<u>216,967,385</u>
Total deferred outflows of resources	<u>17,820,972</u>	<u>15,705,312</u>	<u>274,843</u>	<u>270,863</u>	<u>18,095,815</u>	<u>15,976,175</u>
Long-term liabilities	52,057,477	60,805,600	11,801,267	13,043,492	63,858,744	73,849,092
Other Liabilities	6,556,061	14,553,482	583,739	1,543,606	7,139,800	16,097,088
Total liabilities	<u>58,613,538</u>	<u>75,359,082</u>	<u>12,385,006</u>	<u>14,587,098</u>	<u>70,998,544</u>	<u>89,946,180</u>
Total deferred inflows of resources	<u>9,281,786</u>	<u>1,020,273</u>	<u>211,281</u>	<u>13,243</u>	<u>9,493,067</u>	<u>1,033,516</u>
Net position:						
Net investment in capital assets	53,172,950	53,731,048	26,257,735	26,347,589	79,430,685	80,078,637
Restricted	31,832,175	29,444,458	-	-	31,832,175	29,444,458
Unrestricted	28,047,649	9,435,909	13,783,379	13,029,798	41,831,028	22,465,707
Total net position	<u>\$ 113,052,773</u>	<u>\$ 92,611,415</u>	<u>\$ 40,041,114</u>	<u>\$ 39,377,387</u>	<u>\$ 153,093,887</u>	<u>\$ 131,988,802</u>

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

- Continued diligence in the collection of property taxes. The collection percentage was 98.97, which was slightly down from the previous year's collection percentage of 99.23, and lower than the statewide average of 99.10 percent for the previous year.
- Conservative approach to projecting revenue and expenditure based upon the economy and local trends. Total General Fund revenues were more than projected by \$2.8 million while total General Fund expenditures were less than projected by \$11.2 million.
- Managements proactive stance on monitoring spending across County departments to ensure compliance with the budget.

**Craven County's Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenues:</b>						
Program Revenues						
Charges for services	\$ 15,752,578	\$ 15,376,119	\$ 4,464,707	\$ 4,290,039	\$ 20,217,285	\$ 19,666,158
Operating grants and contributions	33,087,082	36,350,598	-	62,864	33,087,082	36,413,462
Capital grants and contributions	2,203,238	1,739,141	-	-	2,203,238	1,739,141
General revenues:						
Property taxes	59,946,931	57,394,807	-	-	59,946,931	57,394,807
Sales and use taxes	25,160,570	22,920,189	-	-	25,160,570	22,920,189
Other	8,613,795	4,818,634	17,111	12,454	8,630,906	4,831,088
Total revenues	<u>144,764,194</u>	<u>138,599,489</u>	<u>4,481,818</u>	<u>4,365,357</u>	<u>149,246,012</u>	<u>142,964,846</u>
<b>Expenses:</b>						
General government	15,288,066	14,737,395	-	-	15,288,066	14,737,395
Public Safety	29,899,762	29,041,862	-	-	29,899,762	29,041,862
Environmental Protection	7,389,226	7,259,522	-	-	7,389,226	7,259,522
Economic and physical development	4,596,491	4,701,754	-	-	4,596,491	4,701,754
Human Services	32,869,512	32,524,881	-	-	32,869,512	32,524,881
Culture and recreation	3,242,162	2,700,856	-	-	3,242,162	2,700,856
Education	29,422,557	29,087,523	-	-	29,422,557	29,087,523
Interest on long term debt	1,119,654	1,256,730	-	-	1,119,654	1,256,730
Water and sewer districts	-	-	4,313,497	4,201,885	4,313,497	4,201,885
Total expenses	<u>123,827,430</u>	<u>121,310,523</u>	<u>4,313,497</u>	<u>4,201,885</u>	<u>128,140,927</u>	<u>125,512,408</u>
Increase in net position before transfers	20,936,764	17,288,966	168,321	163,472	21,105,085	17,452,438
Transfers	<u>(495,406)</u>	<u>130,000</u>	<u>495,406</u>	<u>(130,000)</u>	<u>-</u>	<u>-</u>
Increase in net position after transfers	20,441,358	17,418,966	663,727	33,472	21,105,085	17,452,438
Net position beginning of year	92,611,415	75,094,656	39,377,387	39,343,915	131,988,802	114,438,571
Restatement	-	97,793	-	-	-	97,793
Net Position, beginning, as restated	<u>92,611,415</u>	<u>75,192,449</u>	<u>39,377,387</u>	<u>39,343,915</u>	<u>131,988,802</u>	<u>114,536,364</u>
Net Position ending	<u>\$ 113,052,773</u>	<u>\$ 92,611,415</u>	<u>\$ 40,041,114</u>	<u>\$ 39,377,387</u>	<u>\$ 153,093,887</u>	<u>\$ 131,988,802</u>

**Governmental Activities** - Governmental activities increased the County's net position by \$20,441,358 from the prior fiscal year. Key elements of this increase are as follows:

- Property tax revenues increased by \$2.5 million in 2022 due to continued diligence in collection efforts along with modest growth in the tax base.
- Sales tax revenues increased approximately \$2.2 million from the prior year due to increased consumer spending in the County and around the State.
- Overall expenses increased \$2.5 million from the previous year with Public Safety, General Government, Culture and Recreation, and Human Services making up the largest portions of the increase at \$858 thousand, \$551 thousand, \$541 thousand and \$344 thousand, respectively.
- Many expense categories such as Human Services, General Government, and Public Safety all came in under budget which contributed to the increase in net position.

**Business-type activities** - Business-type activities for the County's water utility increased the County's total net position by \$663,727.

- Total revenues were up \$174 thousand compared to last fiscal year mostly due to additional tap fees collected. Also contributing to the increase during the year were approximately \$52 thousand of preliminary SCADA/Telemetry project expenses reimbursed from the prior fiscal year.
- The last rate increase was implemented in October 2011 in order to finance the construction of the new water treatment plant along with the additional operating expenses.

### **Financial Analysis of the County's Funds**

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

**Governmental Funds** - The focus of Craven County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Craven County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2022, the governmental funds of Craven County reported a combined fund balance of \$87,920,981, which represents a 25.25 percent increase from last year.

The General Fund is the chief operating fund of Craven County. At the end of fiscal 2022, the County's unassigned fund balance in the General Fund was \$44,004,435 while total fund balance reached \$59,604,035. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of the County's General Fund represents 35.34 percent of total General Fund expenditures including transfers out, while total fund balance represents 47.87 percent of the total General Fund expenditures. The County has not adopted a formal fund balance policy but has identified a goal of maintaining an available fund balance in the range of 18 to 25 percent of expenditures to meet any unforeseen needs or opportunities that may arise.

The American Rescue Plan Fund (major governmental fund) had a increase in fund balance of approximately \$1,855 due to earnings on investments. The County reported \$19,192,897 as unearned grant revenues in this fund.

The Courthouse/EOC Recovery Project Fund (major governmental fund) had a increase in fund balance of approximately \$681,215 due to the receipt of State Appropriations for the project. The County reported \$4,324,424 as unearned grant revenues in this fund.

Fund balances of the non-major governmental funds increased by \$7,521,036. The primary reason for this increase is the was related to transfers for projects for which the expenditures had not been incurred by year end.

**General Fund Budgetary Highlights** - The County approaches the budget using conservative, fact-based estimates for revenues and expenditures. As a result, actual revenues during 2022 exceeded budget estimates by \$2.8 million, less than one percent. Higher than projected property taxes, sales taxes, and insurance proceeds from Hurricane Florence accounted for most of the positive variances on the revenue side.

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted revenues by \$10.9 million and expenditure appropriations by \$9.5 million.

Total expenditures during 2022 came in under budget by \$11.2 million or 8.95 percent. Savings from underspending appropriations occurred in all programs with human services, general government, and public safety accounting for most of the variance. Appropriations in these three categories were underspent by \$ 5.7 million, \$2.7 million, and \$1.3 million, respectively.

Net transfers out were increased in the budget by approximately \$4.5 million and consisted of additional sales tax revenue designated for school capital expenditures transferred to the Debt Service Fund and \$4.4 million transferred to the Capital Reserve Fund.

**Proprietary Funds** – Craven County’s proprietary funds statements provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the Water Fund at increased during the fiscal year by \$754 thousand to \$13.8 million while net investment in capital assets decreased \$90 thousand. As a result of this activity, the total net position in the Water Fund increased by \$663 thousand. Better than projected revenues from water sales and new tap installations were the main factors factors that contributed to the increase.

## Capital Asset and Debt Administration

**Capital assets** - Craven County's capital assets for its governmental and business-type activities as of June 30, 2022 totaled approximately \$108,395,426 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and water production and distribution infrastructure.

Major capital asset transactions during the year included:

- HVAC upgrades at Court Facilities
- New windows at St. Luke's Building
- Completed hurricane restoration and mitigation work at Convention Center
- Improvements to recreation assets at Creekside Park
- Purchase of 32 vehicles including 21 for the Sheriff's Department
- Camera system installations at Solid Waste Convenience sites
- Improvements at Senior Center
- Purchase of new banquet seating at Convention Center
- Restoration of Courtroom seating

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 10,645,739	\$ 10,640,372	\$ 947,354	\$ 947,354	\$ 11,593,093	\$ 11,587,726
Buildings	67,567,371	67,537,091	30,742,432	30,695,648	98,309,803	98,232,739
Improvements	36,235,862	23,104,951	30,153,432	30,153,432	66,389,294	53,258,383
Machinery and Equipment	9,332,611	9,346,622	272,318	238,887	9,604,929	9,585,509
Vehicles	9,011,739	8,226,205	418,542	342,320	9,430,281	8,568,525
Construction in progress	3,992,616	15,021,095	1,344,156	772,374	5,336,772	15,793,469
Total	136,785,938	133,876,336	63,878,234	63,150,015	200,664,172	197,026,351
Less accumulated depreciation	67,022,836	62,539,288	25,245,910	23,538,773	92,268,746	86,078,061
Total, net of depreciation	\$ 69,763,102	\$ 71,337,048	\$ 38,632,324	\$ 39,611,242	\$ 108,395,426	\$ 110,948,290

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

**Long-term Debt** - As of June 30, 2022, Craven County had total bonded general obligation debt outstanding of \$1,326,000 all of which is backed by the full faith and credit of the County. All other debt is covered by pledged collateral and is subject to appropriation.

### Craven County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
G.O. bonds	\$ 1,326,000	\$ 3,610,000	\$ -	\$ -	\$ 1,326,000	\$ 3,610,000
Installment debt	23,185,000	27,065,000	12,374,589	13,263,651	35,559,589	40,328,651
Lease liability	263,004	-	-	-	263,004	-
Total	\$ 24,774,004	\$ 30,675,000	\$ 12,374,589	\$ 13,263,651	\$ 37,148,593	\$ 43,938,651

Craven County's total debt decreased \$6.8 million during the fiscal year, primarily due to the retirement of existing debt principal. The County did not issue any new debt during the year, but recorded lease liabilities as a result of the implementation of GASB 87.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The balance remaining of the legal debt margin for Craven County is \$794,756,496.

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

### **Economic Factors and Next Year's Budget and Rates**

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

- The County's average unemployment rate for calendar year 2021 improved to 4.7 percent from the previous 6.6 percent reported for calendar year 2020. The rate remained steady for most of the year reaching its lowest point at 3.0 percent in December 2021. Comparatively, the statewide average unemployment rate for calendar 2021 was 4.8 percent, a decrease from the 7.3 percent reported for the previous calendar year 2020. The County ended the fiscal year 2022 with an unemployment rate of 4.1 percent for June.
- Per capita personal income in Craven County increased by 7.4 percent (the latest information available), to \$54,135. The change for the state of North Carolina in 2021 was a 8.2 percent increase and nationally the change was a 7.3 percent increase. The County's per capita income level is 96.4 percent of the state's average of \$56,173 and 84.4 percent of the national average of \$64,143. The County ranked 22nd out of 100 counties in the state in per capita income, down two positions reported for the previous year. The 2011-2021 average annual growth rate of per capita personal income for Craven County was 3.8 percent, while the average annual growth rate for the state was 4.3 percent and 4.1 percent for the nation.
- Residential development and the local housing market in Craven County remain positive reporting modest growth over last year. In 2022 new home construction increased by 4.5 percent from the previous year with 257 new home starts compared to 246 reported in 2021. Although recent sales data shows the number of homes sold in calendar year 2022 decreased by 7.9 percent from the previous year, the average home sales price in Craven County increased 16.4 percent to \$255,000. Historically high inflation and the Federal Reserve's response to bring it down by increasing interest rates is expected to have some negative impact on this sector of the economy heading into 2023.

### **Budget Highlights for the Fiscal Year Ending June 30, 2023**

**Governmental Activities** - The County approved a \$132.3 million General Fund budget for fiscal year 2023, which is an increase of \$11.2 million or 9.24 percent from the previous year. Estimated assessed property values for fiscal 2023 were \$10.457 billion, a 4.5 percent increase from the \$10.01 billion estimate used for the 2022 budget. The County adopted the ad valorem tax rate of 56.00 cents per \$100 of assessed valuation which reflects no change from the previous year. All revenues were budgeted conservatively with projected increases of 4.9 percent in property tax revenues and 12.1 percent in sales tax receipts.

The County appropriated \$3,731 of fund balance in order to balance the 2023 budget. Management does not anticipate that any of the fund balance appropriated will be expended as revenues and expenditures were budgeted conservatively.

Capital expenditures in the amount of \$3.8 million are included in the 2023 budget. Major capital acquisitions include:

- Recreational improvements at County parks \$435,000
- Emergency 911 dispatch console replacements \$329,000
- Vehicle purchases in multiple departments \$243,000
- Transportation (CARTS) vehicles \$231,000
- Industrial Park infrastructure improvements \$126,000
- Solid Waste equipment replacements \$107,000
- Maintenance projects and improvements \$603,000
- Sheriff Department vehicles \$372,000
- Construction of fleet fueling center \$1,200,000
- Furniture replacement at Convention Center \$100,000

Education is the single largest category in terms of its portion of total expenditures and includes both the public school system and community college. Appropriated operating and capital expenditures remained flat from the previous year totaling \$29.7 million or 22.46 percent of the fiscal year 2023 budget. As always, additional funding may be provided to the public schools from the County's fund balance after potential impacts of the State's budget are finalized. The second largest category includes both Health and Social Services expenditures totaling approximately \$33.2 million or 25.08 percent of budgeted appropriations. Public Safety, the third largest category, totals approximately 25.0 million and makes up 18.92 percent of the total general fund budget. Overall fiscal year 2023 budget increases were attributed to higher operating costs associated with inflation.

**Business-type Activities:** The County approved a \$5.4 million budget for the operations of the County's water system with no change to water rates for fiscal 2023. In fiscal 2018 the County completed construction on its new \$30.9 million Water Treatment Plant. This facility can process approximately 3 million gallons per day and is readily expandable to 5 million should future demands require it. The annual debt service payments for this new facility are budgeted at \$808,950. The last rate increase for the water system was implemented in October 2011 and was designed to provide the funds needed to cover the debt service and increased operating cost on the new water treatment plant. Management reviews these rates annually to ensure they remain sufficient to cover all operating and capital costs. There are several maintenance and efficiency projects under development that could require rate adjustments in future years should the County decide to move forward with them.

#### **Request for Information**

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

# Craven County



## **BASIC FINANCIAL STATEMENTS**

**CRAVEN COUNTY, NORTH CAROLINA**  
STATEMENT OF NET POSITION  
June 30, 2022

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Coastal Carolina Regional Airport Authority	CarolinaEast Health System	Craven County ABC Board
<b>ASSETS</b>							
Cash and cash equivalents	\$ 38,571,735	\$ 8,550,161	\$ 47,121,896	\$ 435,191	\$ 6,760,780	\$ 18,801,113	\$ 2,316,724
Short-term investments	36,272,343	4,914,433	41,186,776	-	-	64,679,969	-
Restricted cash	24,649,798	325,760	24,975,558	-	1,329,606	-	-
Accounts Receivable (net)	9,497,232	761,052	10,258,284	139,451	1,687,215	77,778,482	-
Lease Receivable - current	-	2,448	2,448	-	6,534	-	-
Taxes Receivable (net)	10,418,347	-	10,418,347	-	-	-	-
Accrued Interest Receivable	51,006	-	51,006	-	-	-	-
Inventories	-	-	-	-	-	11,880,945	1,290,061
Prepays	45,891	105,806	151,697	-	420	8,402,398	45,488
Long-term cash and investments	4,777,031	-	4,777,031	-	-	383,728,898	-
Lease Receivable - noncurrent	20,249	-	20,249	-	-	-	-
Other assets	-	-	-	-	-	3,645,437	-
Net pension asset	200,780	-	200,780	-	-	-	-
Capital asset:							
Land and construction in progress	14,638,355	2,291,510	16,929,865	-	24,699,936	16,165,896	900,480
Other capital assets, net of depreciation	55,124,747	36,340,814	91,465,561	-	28,304,005	204,373,634	1,111,652
Total capital assets	69,763,102	38,632,324	108,395,426	-	53,003,941	220,539,530	2,012,132
Right to use assets, net of amortization	281,102	-	281,102	-	-	-	338,681
Total assets	194,551,064	53,289,536	247,840,600	574,642	62,788,496	789,456,772	6,003,086
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	17,820,972	274,843	18,095,815	-	326,609	1,382,727	270,833
<b>LIABILITIES</b>							
Accounts payable	5,191,200	225,800	5,417,000	12,898	293,322	49,366,055	2,418,416
Accrued salaries and benefits	1,289,686	31,113	1,320,799	-	79,684	12,343,676	-
Accrued interest payable	75,175	1,066	76,241	-	-	-	-
Customer Deposits	-	325,760	325,760	-	-	-	-
Unearned grant revenues	24,491,035	-	24,491,035	300	1,329,606	-	-
Current maturities of long term obligations	6,932,904	926,978	7,859,882	-	-	1,585,000	30,337
Long-term liabilities:							
Due in more than one year	21,301,668	11,510,571	32,812,239	-	-	53,388,269	315,921
Net pension liability	8,182,036	133,121	8,315,157	-	99,684	-	139,711
Total OPEB liability	22,573,773	157,575	22,731,348	-	411,918	-	-
Total Liabilities	90,037,477	13,311,984	103,349,461	13,198	2,214,214	116,683,000	2,904,385
<b>DEFERRED INFLOWS OF RESOURCES</b>	9,281,786	211,281	9,493,067	-	169,237	1,314,855	199,604
<b>NET POSITION</b>							
Net Investments in capital assets	53,172,950	26,257,735	79,430,685	-	53,003,941	166,559,532	2,012,132
Restricted for:							
Stabilization by State Statute	15,524,186	-	15,524,186	139,451	-	-	-
General government	1,425,806	-	1,425,806	-	-	-	-
Education	9,451,097	-	9,451,097	-	-	-	-
Human services	186,989	-	186,989	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Public Safety	2,501,208	-	2,501,208	-	-	-	-
Economic and physical development	2,742,889	-	2,742,889	421,993	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	28,047,649	13,783,379	41,831,028	-	7,727,713	3,245,435	451,137
Total net position	\$ 113,052,773	\$ 40,041,114	\$ 153,093,887	\$ 561,444	\$ 60,731,654	\$ 672,841,644	\$ 3,169,930

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2022

Activities	Program Revenues					Net (Expense) Revenue and Changes in Net Position					
	Primary Government			Component Units		Primary Government			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Regional Airport Authority	CarolinaEast Health System	Craven County Board
<b>Primary Government:</b>											
Governmental:											
General government	\$ 15,288,066	\$ 2,274,794	\$ 6,622,662	\$ 675,576	\$ (5,715,034)	-	\$ (5,715,034)				
Public Safety	29,899,762	3,463,365	3,999,066	-	(22,437,331)	-	(22,437,331)				
Social Services	21,770,369	546,446	13,533,733	756	(7,689,434)	-	(7,689,434)				
Economic and physical development	4,596,491	57,193	172,298	646,406	(3,720,594)	-	(3,720,594)				
Environmental protection	7,389,226	3,871,355	153,260	-	(3,364,611)	-	(3,364,611)				
Health	11,099,143	4,863,155	6,474,842	-	238,854	-	238,854				
Cultural and recreation	3,242,162	676,270	165,500	-	(2,400,392)	-	(2,400,392)				
Education	29,422,557	-	1,965,721	880,500	(26,576,336)	-	(26,576,336)				
Interest on long-term debt	1,119,654	-	-	-	(1,119,654)	-	(1,119,654)				
Total governmental activities	123,827,430	15,752,578	33,087,082	2,203,238	(72,784,532)	-	(72,784,532)				
Business-type:											
Water	4,313,497	4,464,707	-	-	-	151,210	151,210				
Total business-type activities	4,313,497	4,464,707	-	-	-	151,210	151,210				
Total primary government	\$ 128,140,927	\$ 20,217,285	\$ 33,087,082	\$ 2,203,238	\$ (72,784,532)	\$ 151,210	\$ (72,633,322)				
<b>Component units:</b>											
Tourism Development Authority	\$ 669,783	\$ 766,004	\$ -	\$ -	-	-	\$ 96,221	\$ -	\$ -	\$ -	\$ -
Coastal Carolina Regional Airport Authority	4,808,679	2,130,255	3,369,003	3,308,601	-	-	-	3,999,180	-	-	-
CarolinaEast Health System	476,624,388	467,405,340	4,183,979	-	-	-	-	-	-	(5,035,069)	-
Craven County ABC Board	11,681,707	11,729,555	-	-	-	-	-	-	-	-	47,848
Total component units	\$ 493,784,557	\$ 482,031,154	\$ 7,552,982	\$ 3,308,601	-	-	\$ 96,221	\$ 3,999,180	\$ -	\$ (5,035,069)	\$ 47,848
<b>General Revenues:</b>											
Taxes:											
Property taxes, levied for general purposes					59,946,931		59,946,931				
Local option sales tax					25,160,570		25,160,570				
Other taxes					4,698,756		4,698,756				
Investment earnings, unrestricted					(63,708)	17,111	(46,597)		6,419		(47,848)
Miscellaneous, unrestricted					3,978,747		3,978,747		180		7,541,570
Transfers					(495,406)	495,406	-		-		-
Total general revenues and transfers					93,225,890	512,517	93,738,407	4,139	6,599		76,556,914
Change in net position					20,441,358	663,727	21,105,085	100,360	4,005,779		71,521,845
Net position, beginning					92,611,415	39,377,387	131,988,802	461,084	56,725,875		601,319,799
Net position, ending					\$ 113,052,773	\$ 40,041,114	\$ 153,093,887	\$ 561,444	\$ 60,731,654	\$ 672,841,644	\$ 3,169,930

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2022

	<u>Major Funds</u>			<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>American Rescue Plan Fund</u>	<u>Courthouse/ EOC Recovery Project</u>		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 15,635,060	\$ -	\$ 1,028,055	\$ 19,132,169	\$ 35,795,284
Short-term investments	33,606,672	-	-	4,988,500	38,595,172
Restricted cash	642,937	19,194,752	4,324,424	487,685	24,649,798
Taxes receivable	8,350,677	-	-	2,067,670	10,418,347
Accounts receivable	5,578,539	-	2,589	3,714,133	9,295,261
Lease receivable	22,697	-	-	-	22,697
Due from other funds	2,576,557	-	-	-	2,576,557
Prepays	33,891	-	-	-	33,891
Total Assets	<u>\$ 66,447,030</u>	<u>\$ 19,194,752</u>	<u>\$ 5,355,068</u>	<u>\$ 30,390,157</u>	<u>\$ 121,387,007</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 3,740,150	\$ -	\$ 102,459	\$ 36,007	\$ 3,878,616
Accrued salaries and benefits	1,289,686	-	-	-	1,289,686
Due to other funds	-	-	-	2,576,557	2,576,557
Unearned Revenues	642,937	19,192,897	4,324,424	330,777	24,491,035
Total liabilities	<u>5,672,773</u>	<u>19,192,897</u>	<u>4,426,883</u>	<u>2,943,341</u>	<u>32,235,894</u>
Deferred inflows of resources	<u>1,170,222</u>	<u>-</u>	<u>-</u>	<u>59,910</u>	<u>1,230,132</u>
Fund Balances:					
Non spendable					
Prepays	33,891	-	-	-	33,891
Leases	181	-	-	-	181
Restricted:					
Stabilization by State Statute	15,518,429	-	-	5,757	15,524,186
General Government	-	-	928,185	497,621	1,425,806
Human Services	-	-	-	186,989	186,989
Public Safety	43,368	-	-	2,457,840	2,501,208
Economic and physical development	-	1,855	-	2,741,034	2,742,889
Education, schools	-	-	-	9,451,097	9,451,097
Committed:					
Capital Projects	-	-	-	12,084,072	12,084,072
Assigned:					
For subsequent year's expenditures	3,731	-	-	-	3,731
Unassigned	44,004,435	-	-	(37,504)	43,966,931
Total fund balances	<u>59,604,035</u>	<u>1,855</u>	<u>928,185</u>	<u>27,386,906</u>	<u>87,920,981</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 66,447,030</u>	<u>\$ 19,194,752</u>	<u>\$ 5,355,068</u>	<u>\$ 30,390,157</u>	<u>\$ 121,387,007</u>

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

**CRAVEN COUNTY, NORTH CAROLINA**  
 Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position  
 June 30, 2022

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

Total fund balance Governmental Funds	\$ 87,920,981
Charges relating to advance refunding debt issue	1,569,426
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	69,763,102
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated amortization	281,102
Register of Deeds Net Pension Asset	200,780
Contributions to pension plans in the current fiscal year are deferred outflows or resources in the Statement of Net Position	3,542,093
Benefit payments and pension administration costs for LEOSSA paid in the current year are deferred outflows of resources in the Statement of Net Position	58,821
Contributions and pension administration costs for OPEB are deferred outflows of resources in the Statement of Net Position	500,399
Other Long term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds	51,006
Net pension liability (LGERS)	(5,899,892)
Total pension liability (LEOSSA)	(2,282,144)
Total OPEB liability	(22,573,773)
Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities in the Statement of Net Position.	4,132,040
Amounts reported in the fund statements as deferred inflows of resources for tax and fee receivables.	1,047,254
Pension related deferrals	(2,159,386)
OPEB related deferrals	5,210,711
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(28,309,747)
Net position of governmental activities	<u><u>\$ 113,052,773</u></u>

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2022

	<u>General</u>	<u>American Rescue Plan Fund</u>	<u>Courthouse/ EOC Recovery Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 57,451,585	\$ -	\$ -	\$ 2,414,418	\$ 59,866,003
Sales	23,952,604	-	-	1,207,966	25,160,570
Tourism Room	-	-	-	2,249,242	2,249,242
Intergovernmental	28,727,920	646,406	675,576	5,777,590	35,827,492
Charges for services	17,629,177	-	-	-	17,629,177
Interest	(87,993)	1,855	842	21,588	(63,708)
Miscellaneous	3,997,870	-	-	4,139	4,002,009
Total revenues	<u>131,671,163</u>	<u>648,261</u>	<u>676,418</u>	<u>11,674,943</u>	<u>144,670,785</u>
<b>EXPENDITURES</b>					
Current:					
General government	15,684,932	-	724,306	197,345	16,606,583
Public Safety	22,578,274	-	-	5,613,748	28,192,022
Environmental protection	7,347,292	-	-	-	7,347,292
Economic and physical development	2,762,522	-	-	1,106,265	3,868,787
Health	10,534,453	-	-	-	10,534,453
Social services	20,173,753	-	-	668,007	20,841,760
Culture and recreation	3,045,225	-	-	-	3,045,225
Education	29,250,647	-	-	171,910	29,422,557
Debt service:					
Principal	2,578,695	-	-	3,708,250	6,286,945
Interest	394,315	-	-	244,199	638,514
Total expenditures	<u>114,350,108</u>	<u>-</u>	<u>724,306</u>	<u>11,709,724</u>	<u>126,784,138</u>
Excess of revenues over (under) expenditures	<u>17,321,055</u>	<u>648,261</u>	<u>(47,888)</u>	<u>(34,781)</u>	<u>17,886,647</u>
<b>OTHER FINANCING SOURCES</b>					
Lease Proceeds	385,949	-	-	-	385,949
Transfers in	2,372,098	-	729,103	12,358,018	15,459,219
Transfers out	(10,556,018)	(646,406)	-	(4,802,201)	(16,004,625)
Total other financing sources (uses)	<u>(7,797,971)</u>	<u>(646,406)</u>	<u>729,103</u>	<u>7,555,817</u>	<u>(159,457)</u>
Net change in fund balances	9,523,084	1,855	681,215	7,521,036	17,727,190
<b>FUND BALANCES</b>					
Fund balance, beginning	<u>50,080,951</u>	<u>-</u>	<u>246,970</u>	<u>19,865,870</u>	<u>70,193,791</u>
Fund balance, ending	<u>\$ 59,604,035</u>	<u>\$ 1,855</u>	<u>\$ 928,185</u>	<u>\$ 27,386,906</u>	<u>\$ 87,920,981</u>

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

**CRAVEN COUNTY, NORTH CAROLINA**  
 Reconciliation of the Statement of Revenues, Expenditures, and changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2022

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

Net Change in fund balances - total government funds	\$ 17,727,190
Government funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,363,406)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(210,540)
Capital outlay expenditures associated with leases are recorded in the fund statements but capitalized as right to use assets in the statement of activities.	385,949
Amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(104,847)
The contributions to the pension plans in the current fiscal year are not included in the Statement of Activities	3,542,093
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	58,821
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	500,399
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	93,409
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,900,996
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(6,219,960)
Internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>131,253</u>
Change in net position of governmental activities	<u><u>\$ 20,441,358</u></u>

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

**CRAVEN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

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

For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>				
Taxes:				
Property	\$ 56,119,356	\$56,119,356	\$ 57,451,585	\$ 1,332,229
Sales	20,589,740	23,614,740	23,952,604	337,864
Intergovernmental	23,179,715	29,806,215	28,727,920	(1,078,295)
Charges for services	17,373,410	18,196,310	17,629,177	(567,133)
Interest	50,470	50,470	(87,993)	(138,463)
Miscellaneous	535,135	1,049,449	3,997,870	2,948,421
Total revenues	<u>117,847,826</u>	<u>128,836,540</u>	<u>131,671,163</u>	<u>2,834,623</u>
<b>EXPENDITURES</b>				
General government	16,327,242	18,414,540	15,684,932	2,729,608
Public Safety	22,036,311	23,897,115	22,578,274	1,318,841
Environmental protection	7,756,694	7,800,990	7,347,292	453,698
Economic and physical development	3,055,938	3,399,410	2,762,522	636,888
Health	10,891,637	13,227,991	10,534,453	2,693,538
Social services	21,563,627	23,230,162	20,173,753	3,056,409
Culture and recreation	2,819,573	3,259,141	3,045,225	213,916
Education - schools	28,749,416	29,384,416	29,250,647	133,769
Debt Service:				
Principal	2,455,752	2,578,706	2,578,695	11
Interest	388,679	394,321	394,315	6
Bond issuance cost	-	-	-	-
Total debt service	<u>2,844,431</u>	<u>2,973,027</u>	<u>2,973,010</u>	<u>17</u>
Total expenditures	<u>116,044,869</u>	<u>125,586,792</u>	<u>114,350,108</u>	<u>11,236,684</u>
Excess of revenues over expenditures	<u>1,802,957</u>	<u>3,249,748</u>	<u>17,321,055</u>	<u>14,071,307</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Lease proceeds	-	-	385,949	385,949
Transfer in	2,923,916	4,207,744	2,372,098	(1,835,646)
Transfer out	(5,151,434)	(10,990,647)	(10,556,018)	434,629
Total other financing sources (uses)	<u>(2,227,518)</u>	<u>(6,782,903)</u>	<u>(7,797,971)</u>	<u>(1,015,068)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(424,561)</u>	<u>(3,533,155)</u>	<u>9,523,084</u>	<u>13,056,239</u>
Appropriated fund balance	<u>424,561</u>	<u>3,533,155</u>	<u>-</u>	<u>(3,533,155)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>9,523,084</u>	<u>\$ 9,523,084</u>
Fund balance, beginning			<u>50,080,951</u>	
Fund balance, ending			<u>\$ 59,604,035</u>	

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Water Fund	Non-major Northwest Craven Water and Sewer District	Eliminations	Total	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 8,550,161	\$ -	\$ -	\$ 8,550,161	\$ 2,776,451
Short-term investments	4,914,433	-	-	4,914,433	2,454,202
Accounts receivable, net of allowance for doubtful accounts	761,052	-	-	761,052	201,971
Prepays	105,806	-	-	105,806	12,000
Lease receivable-current	-	80,115	(80,115)	-	-
Total current assets	<u>14,331,452</u>	<u>80,115</u>	<u>(80,115)</u>	<u>14,331,452</u>	<u>5,444,624</u>
Noncurrent Assets:					
Restricted cash and cash equivalents	325,760	-	-	325,760	-
Lease receivable-noncurrent	-	160,228	(160,228)	-	-
Capital assets:					
Land	947,354	-	-	947,354	-
Construction in process	1,344,156	-	-	1,344,156	-
Improvements other than buildings	30,200,215	-	-	30,200,215	-
Buildings	30,695,648	-	-	30,695,648	-
Machinery and equipment	690,711	-	-	690,711	-
Less accumulated depreciation	(25,245,760)	-	-	(25,245,760)	-
Total capital assets (net of accumulated depreciation)	<u>38,632,324</u>	<u>-</u>	<u>-</u>	<u>38,632,324</u>	<u>-</u>
Total noncurrent assets	<u>38,958,084</u>	<u>160,228</u>	<u>(160,228)</u>	<u>38,958,084</u>	<u>-</u>
Total assets	<u>53,289,536</u>	<u>240,343</u>	<u>(240,343)</u>	<u>53,289,536</u>	<u>5,444,624</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>274,843</u>	<u>-</u>	<u>-</u>	<u>274,843</u>	<u>-</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	225,800	-	-	225,800	1,312,584
Accrued salaries and benefits	31,113	-	-	31,113	-
Accrued interest payable	1,066	-	-	1,066	-
Customer deposit payable	325,760	-	-	325,760	-
Compensated absences liability - current	37,914	-	-	37,914	-
Installment notes payable - current	808,949	80,115	-	889,064	-
Obligations under lease - current	80,115	-	(80,115)	-	-
Total current liabilities	<u>1,510,717</u>	<u>80,115</u>	<u>(80,115)</u>	<u>1,510,717</u>	<u>1,312,584</u>
Noncurrent liabilities					
Compensated absences liability	25,046	-	-	25,046	-
Net pension liability	133,121	-	-	133,121	-
Total OPEB Liability	157,575	-	-	157,575	-
Installment notes payable	11,325,297	160,228	-	11,485,525	-
Obligations under lease	160,228	-	(160,228)	-	-
Total noncurrent liabilities	<u>11,801,267</u>	<u>160,228</u>	<u>(160,228)</u>	<u>11,801,267</u>	<u>-</u>
Total Liabilities	<u>13,311,984</u>	<u>240,343</u>	<u>(240,343)</u>	<u>13,311,984</u>	<u>1,312,584</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>211,281</u>	<u>-</u>	<u>-</u>	<u>211,281</u>	<u>-</u>
<b>NET POSITION</b>					
Net Investment in capital assets	26,257,735	-	-	26,257,735	-
Unrestricted	13,783,379	-	-	13,783,379	4,132,040
Total net position	<u>\$ 40,041,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,041,114</u>	<u>\$ 4,132,040</u>

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2022

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Non-major Northwest Craven Water and Sewer District	Total	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 4,192,029	\$ -	\$ 4,192,029	\$ 7,379,552
Miscellaneous	272,678	-	272,678	-
Total operating revenues	<u>4,464,707</u>	<u>-</u>	<u>4,464,707</u>	<u>7,379,552</u>
<b>OPERATING EXPENSES</b>				
Cost of services	2,598,191	-	2,598,191	7,306,907
Depreciation and amortization	1,707,137	-	1,707,137	-
Total operating expenses	<u>4,305,328</u>	<u>-</u>	<u>4,305,328</u>	<u>7,306,907</u>
Operating income/(loss)	<u>159,379</u>	<u>-</u>	<u>159,379</u>	<u>72,645</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	17,111	-	17,111	8,608
Interest expense	-	(8,169)	(8,169)	-
Total net nonoperating revenues (expenses)	<u>17,111</u>	<u>(8,169)</u>	<u>8,942</u>	<u>8,608</u>
Income (loss) before transfers	<u>176,490</u>	<u>(8,169)</u>	<u>168,321</u>	<u>81,253</u>
Transfers in	664,406	8,169	672,575	50,000
Transfers out	(177,169)	-	(177,169)	-
Total transfers in (out)	<u>487,237</u>	<u>8,169</u>	<u>495,406</u>	<u>50,000</u>
Change in net position	<u>663,727</u>	<u>-</u>	<u>663,727</u>	<u>131,253</u>
Net position, beginning	<u>39,377,387</u>	<u>-</u>	<u>39,377,387</u>	<u>4,000,787</u>
Net position, ending	<u>\$ 40,041,114</u>	<u>\$ -</u>	<u>\$ 40,041,114</u>	<u>\$ 4,132,040</u>

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2022

	Business-type Activities -			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Water Fund	Non-major Craven Water and Northwest Sewer District	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 4,224,456	\$ -	\$ 4,224,456	\$ 7,234,236
Payments to customers and suppliers	(1,768,491)	-	(1,768,491)	(6,844,603)
Payments to employees	(1,056,694)	-	(1,056,694)	-
Net cash provided by (used in) operating activities	<u>1,399,271</u>	<u>-</u>	<u>1,399,271</u>	<u>389,633</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisitions & construction of capital assets	(751,227)	-	(751,227)	-
Repayment of installment notes and bonds	(808,948)	-	(808,948)	-
Payments on obligations under capital lease payable	-	(80,114)	(80,114)	-
Interest paid	-	(8,524)	(8,524)	-
Capital contributions - grant	-	-	-	-
Net cash used in capital and related financing activities	<u>(1,560,175)</u>	<u>(88,638)</u>	<u>(1,648,813)</u>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfer in	664,406	88,638	753,044	50,000
Transfer out	(257,638)	-	(257,638)	-
Net cash provided by (used in) noncapital financing activities	<u>406,768</u>	<u>88,638</u>	<u>495,406</u>	<u>50,000</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest on cash and investments	17,111	-	17,111	8,608
Net cash provided by investing activities	<u>17,111</u>	<u>-</u>	<u>17,111</u>	<u>8,608</u>
Net increase (decrease) in cash and cash equivalents	262,975	-	262,975	448,241
<b>CASH AND CASH EQUIVALENTS*</b>				
Beginning*	13,527,381	-	13,527,381	4,782,412
Ending*	<u>\$ 13,790,356</u>	<u>\$ -</u>	<u>\$ 13,790,356</u>	<u>\$ 5,230,653</u>

\* Includes short-term investments

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2022

	Business-type Activities -			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Water Fund	Non-major Northwest Craven Water and Sewer District	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ 159,379	\$ -	\$ 159,379	\$ 72,645
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,707,137	-	1,707,137	-
Change in assets, liabilities, and deferred inflows and outflows:				
(Increase) decrease in accounts receivable	(250,256)	-	(250,256)	(145,316)
(Increase) decrease in prepaids	(48,359)	-	(48,359)	-
(Increase) decrease in deferred outflows of resources - pension	(25,474)	-	(25,474)	-
(Increase) decrease in deferred outflows of resources - OPEB	21,494	-	21,494	-
Increase (decrease) in accounts payable	(37,062)	-	(37,062)	462,304
Increase (decrease) in accrued payroll	7,390	-	7,390	-
Increase (decrease) in customer deposits	10,005	-	10,005	-
Increase (decrease) in compensated absences	399	-	399	-
Increase (decrease) in net pension liability	(187,152)	-	(187,152)	-
Increase (decrease) in total OPEB liability	(156,268)	-	(156,268)	-
Increase (decrease) in deferred inflows of resources - pension	195,275	-	195,275	-
Increase (decrease) in deferred inflows of resources - OPEB	2,763	-	2,763	-
Net cash provided by (used in) operating activities	<u>\$ 1,399,271</u>	<u>\$ -</u>	<u>\$ 1,399,271</u>	<u>\$ 389,633</u>

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDICIARY NET POSITION**  
**FIDICIARY FUND**  
**JUNE 30, 2022**

	Custodial Fund
<b>ASSETS</b>	
Cash and investments	\$ 78,985
Taxes receivable for other governments, net	271,436
Total Assets	350,421
 <b>LIABILITIES</b>	
Accounts payable	-
Due to other governments	-
Total liabilities	-
 <b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	350,421
Total fiduciary net position	\$ 350,421

**CRAVEN COUNTY, NORTH CAROLINA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Ad valorem taxes for other governments	\$ 22,360,643
Collections on behalf of inmates	<u>1,000,156</u>
Total additions	<u>23,360,799</u>
 <b>DEDUCTIONS</b>	
Tax distributions to other governments	22,309,444
Payments on behalf of inmates	<u>967,483</u>
Total deductions	<u>23,276,927</u>
Net increase (decrease) in fiduciary net position	83,872
Net position, beginning	<u>266,549</u>
Net position, ending	<u><u>\$ 350,421</u></u>

## **NOTES TO FINANCIAL STATEMENTS**

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

# Craven County



## Craven County, North Carolina

### Notes to Financial Statements

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

##### Summary of Significant Accounting Policies

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

##### Reporting Entity

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

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

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

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

CarolinaEast Health System. The Craven County Commissioners established the CarolinaEast Health System ("Health System") to provide medical services to County residents. The Commissioners select the Health System's governing board. In addition, Craven County leases land and improvements to The Health System for \$1 per year "in perpetuity", and therefore does not record these assets in the County's financial statements. The Health System's financial statements are presented as of and for the year ended September 30, 2021 as if it were a proprietary fund. Complete financial statements for the Health System may be obtained at 2000 Neuse Boulevard, New Bern, NC 28561.

Craven County Alcoholic Beverage Control Board. The Craven County Alcoholic Beverage Control Board ("ABC Board") is governed by a board appointed by the County Commissioners. The ABC Board is required by State statute to distribute surpluses to the General Fund of the County. The ABC Board's financial statements are presented as of and for the year ended June 30, 2022 as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained at 3493 Martin Drive, New Bern, NC 28561.

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

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

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

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

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

Craven County Finance Corporation. Craven County Finance Corporation (CCFC) is a nonprofit public benefit corporation. The Corporation was organized and shall be operated exclusively for the purpose of providing debt financing for the County, to fulfill various statutory obligations involving, but not limited to, purchase and sale, construction and/or lease of real estate and improvements, facilities, and equipment. County debt and debt payments are made by the County's governmental funds. CCFC is a blended component unit and does not issue separate financial statements. During the June 30, 2022 year, the CCFC had no activity.

**Basis of Presentation**

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

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

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

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

The County reports the following major governmental funds:

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

American Rescue Plan Fund. The project fund accounts for revenues and expenditures relative to the American Rescue Plan Act of 2021.

Courthouse/ EOC Recovery Project Fund. This capital projects fund is used to fund upgrades and repairs at the Courthouse and County Emergency Operations Center.

The County reports the following major enterprise fund:

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

The County reports the following other fund types:

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

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

**Measurement Focus, Basis of Accounting**

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

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

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

### **Measurement Focus, Basis of Accounting (continued)**

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

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

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

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

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

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

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

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

### **Budgetary Data**

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

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

The Board of Commissioners may amend the budget ordinance at any time after its adoption as long as the amended ordinance continues to meet the requirements of North Carolina's "Local Government Budget and Fiscal Control Act". No amendment may change the property tax levy unless the Board of Commissioners is so ordered by competent authority. During the year, several supplementary appropriations to the original budget were necessary. Individual amendments to the ordinance were not material in relation to the original appropriations, and all amendments were legally made. The budget amounts shown in the basic financial statements include the original budget as adopted prior to July 1, 2021 and the budget as amended at June 30, 2022.

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

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

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

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

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

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

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

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

The majority of the County and its component unit's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

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

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

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

Restricted Assets. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statutes 159-18 through 22. Unspent funds for School Capital Projects and unspent grant proceeds are shown as restricted. Customer deposits held in the Water Fund are also shown as restricted. Money at the Coastal Carolina Regional airport received from the State Aid to Airports program has been restricted.

Craven County Restricted Cash

Governmental Activities

School Capital Projects Fund	Unexpended Public School Building funds	\$ 156,908
General Fund	Unspent grant proceeds	642,937
Opioid Settlement Fund	Unexpended settlement funds	330,777
American Rescue Plan Fund	Unspent grant proceeds	19,194,752
Courthouse / EOC Recovery Project Fund	Unspent grant proceeds	4,324,424
Total Governmental Activities		<u>\$ 24,649,798</u>

Business-Type Activities

Water Fund	Customer Deposits	\$ 325,760
Total Business-Type Activities		<u>\$ 325,760</u>

Total Restricted Cash		<u><u>\$ 24,975,558</u></u>
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Component Units

Coastal Carolina Regional Airport	State Aid to Airport Funds Appropriated	<u>\$ 1,329,606</u>
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**Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)**

Ad Valorem Taxes Receivable. In accordance with North Carolina General Statutes [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles at July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021.

**Lease Receivable**

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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

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

Exclusive of ad valorem taxes, the following summarizes other allowances for doubtful accounts by fund and receivable type at June 30, 2022:

Water Fund receivables allowance	\$ 23,871
<u>Component Unit - CarolinaEast Health System</u>	
Patient receivables allowance (at September 30, 2021)	\$ 23,150,317

Interfund Receivables/Payables. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" in the fund financial statements.

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

Prepaid Items. Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items. Prepaid items for the County's governmental funds are treated using the consumption method.

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

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

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

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

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

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

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

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

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

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

2022	\$	518,424
2023		487,358
2024		38,763
Thereafter		-
	\$	<u>1,044,545</u>

**Right to use assets**

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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

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

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

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

Compensated Absences. For the County's government-wide financial statements and in proprietary fund statements, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. The County or its component units do not have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made. Compensated absences are not recognized in governmental fund financial statements until they are due to be paid.

Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The County received \$330,777 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

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

### Reimbursements for Pandemic-related Expenditures

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$19,839,303 of fiscal recovery funds to be paid in two equal installments. The first installment of \$9,919,651.50 was received in May 2021. The second installment of \$9,919,651.50 was received in June 2022. County staff and the Board of Commissioners have elected to use \$161,000 towards the County's public health response to COVID-19, \$2,875,000 for premium pay, and \$7,500,000 to replace water and broadband infrastructure. The County plans on using the rest of the funds for revenue replacement in Fiscal Year 2023. \$646,406 was used for water infrastructure upgrades and was transferred to the SCADA/Telemetry Project Fund from the ARPA Fund. Revenue replacement funds will be transferred to the appropriate funds once the County has determined the intended use of the funds.

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

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

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

The governmental fund types classify fund balances as follows:

**Nonspendable fund balance:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The following are the County's nonspendable fund balances as of June 30, 2022:

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

Leases - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

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

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

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

Restricted fund balance (continued):

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

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

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

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

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

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

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

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

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

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

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

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

<b>Total Fund Balance - General Fund</b>	<b>\$ 59,604,035</b>
Less:	
Nonspendable - Prepays	33,891
Nonspendable - Leases	181
Stabilization by State Statute	15,518,429
Public Safety	43,368
Appropriated Fund Balance in 2023 Budget	3,731
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	44,004,435

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

**Defined Benefit Pension Plans**

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

*Reconciliation of Government-wide and Fund Financial Statements*

Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position.

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment of \$24,856,214 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 136,785,938
Less accumulated depreciation	<u>(67,022,836)</u>
Net capital assets	69,763,102
Right to Use assets used in governmental activities are not financial resources and are therefore not reported in the funds (net of accumulated amortization)	385,949
Less accumulated amortization	<u>(104,847)</u>
Net right to use assets	281,102
Net pension asset	200,780
Contributions to the pension plan in the current fiscal year	3,542,093
Benefit payments and pension administration costs for LEOSSA	58,821
Contributions to OPEB plan in the current fiscal year	500,399
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	51,006
Deferred outflows of resources related to refunding-included on government-wide Statement of Net Position but are not current financial resources	1,569,426
Deferred inflows of resources reported in the fund financial statements but not the government-wide statements	1,047,254

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

*Reconciliation of Government-wide and Fund Financial Statements (continued):*

Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the Statement of Net Position for the governmental activities	4,132,040
Pension related deferrals	(2,159,386)
OPEB related deferrals	5,210,711
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and therefore not reported in the fund statements:	
Installment notes financing	(23,185,000)
Lease Liability	(263,004)
General obligation bonds	(1,326,000)
Accrued interest payable	(75,175)
Total OPEB Liability	(22,573,773)
Compensated absences	(3,460,568)
Net pension obligation (LEOSSA)	(2,282,144)
Net pension obligation (LGRS)	(5,899,892)
Total Adjustment	<u>\$ 25,131,793</u>

Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the government-wide Statement of Activities.

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$2,438,569 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 4,204,159
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	(5,567,565)
Cost of disposed capital asset not recorded in fund statements.	(210,540)
Capital outlay expenditures associated with leases are recorded in the fund statements but capitalized as right to use assets in the statement of activities.	385,949
Amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(104,847)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position.	(385,949)

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

*Reconciliation of Government-wide and Fund Financial Statements (Continued)*

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,542,093
Benefit payments and administration costs for LEOWSA are deferred outflows of resources on the Statement of Net Position	58,821
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	500,399
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in fund statements:	
Compensated absences	(158,720)
OPEB expense	(2,554,608)
Pension expense	(3,025,492)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	14,386
Bond refunding costs, premiums and other similar items, are amortized in the government-wide statements but not in the fund statements because they do not use current resources	(495,526)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements.	93,409
Internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	131,253
Total adjustment	<u>\$ 2,714,167</u>

**Note 2. Stewardship, Compliance, and Accountability**

**Excess of Expenditures over Appropriations**

None to Report.

**Note 3. Detail Notes on All Funds**

A. Assets

**1. Deposits**

All of the County and its component units' deposits are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the units' agents in the units' name. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the units, these deposits are considered to be held by their agents in the entities' name. The amount of the pledged collateral is based on an approved averaging method for noninterest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the units or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the units under the pooling method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and its component unit's relies on the State Treasurer to monitor those financial institutions. The County, the ABC Board, the Tourism Development Authority, the Airport Authority and the Health System do not have policies regarding custodial credit risk for deposits.

At June 30, 2022, the County's (primary government) deposits had a carrying amount of \$72,176,439, and a bank balance of \$73,265,620. Of the bank balance, \$250,000 was covered by federal depository insurance and \$73,015,620 was covered by collateral held under the pooling method. The County is required to maintain a certificate of deposit totaling \$60,000 at a bank.

At June 30, 2022, Craven County had \$13,899 cash on hand.

Component Unit Information

At June 30, 2022, the Tourism Development Authority had a carrying amount of \$435,191 and a bank balance of deposits of \$445,127. Of the bank balance, \$250,000 was covered by federal depository insurance and \$195,127 was covered by collateral held under the pooling method.

At June 30, 2022, the Airport Authority had a carrying amount of \$8,087,836 and a bank balance of deposits of \$8,940,148. The Airport Authority and the County share a common operating bank account, therefore, the bank balance was covered one-hundred percent by collateral held under the pooling method. Of the carrying amount, \$2,550 was cash on hand.

At June 30, 2022, the ABC Board had \$11,400 in cash on hand, and deposits in financial institutions with a carrying amount of \$887,370 and a bank balance of \$775,765. Of the bank balance, \$385,566 was covered by federal depository insurance and \$390,199 was covered by collateral held under the pooling method.

At September 30, 2020, the carrying amount of deposits for the Health System was \$18,572,116 and the bank balance was \$22,489,259. Of the bank balance, \$500,000 was covered by federal depository insurance and \$21,989,259 was covered by collateral held under the pooling method. Cash and cash equivalents consist of the following as of September 30, 2021:

Cash on hand	\$	10,936
Deposits		18,572,116
Mutual fund money markets		218,061
	\$	<u>18,801,113</u>

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

**2. Investments**

As of June 30, 2022 the County had the following investments and maturities:

<b>Investment Type</b>	<b>Valuation Measurement Method</b>	<b>Reported Value</b>	<b>Less Than Six Months</b>	<b>6-12 Months</b>	<b>1-3 Years</b>
NC Capital Management Trust, Government Portfolio	Fair Value-Level 1	\$ 18,976,936	\$ 18,976,936	\$ -	\$ -
Wells Fargo Securities Commercial paper	Fair Value-Level 2	22,209,840	12,412,861	9,796,979	-
Federal Home Loan Bank	Fair Value-Level 2	4,777,031	-	-	4,777,031
		<u>\$ 45,963,807</u>	<u>\$ 31,389,797</u>	<u>\$ 9,796,979</u>	<u>\$ 4,777,031</u>

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

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

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

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

*Credit Risk:* State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County has no formal policy on managing credit risk. Instead, the County informally utilizes the State Law to minimize credit risks. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2022.

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

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

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

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

**2. Investments (Continued)**

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

<b>CarolinaEast Health System Investment Type</b>	<b>Fair Value</b>	<b>Maturity</b>
US Government Agency Mutual Funds	\$ 56,581	N/A
Vanguard Bond Mutual Funds-Corp	76,680	N/A
Equity Securities and Mutual Funds	291,511	N/A
Short Term Cash Equivalents	18	N/A
NC Capital Management Trust	23,619	N/A
Bond Proceeds	-	N/A
	<u>\$ 448,409</u>	

The above table does not include \$218,061 which is included in unrestricted cash and cash equivalents.

	<b>Assets (Level 1)</b>	<b>Inputs (Level 2)</b>	<b>Inputs (Level 3)</b>	<b>Fair Value at 9/30/20</b>
Assets:				
Mutual funds:				
Money market	\$ 18,086	\$ -	\$ -	\$ 18,086
Fixed income	133,092,522	-	-	133,092,522
Equity	291,511,062	-	-	291,511,062
Total assets at fair value	<u>\$ 424,621,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,621,670</u>
Liability				
Interest rate swap	<u>\$ -</u>	<u>\$ (993,269)</u>	<u>\$ -</u>	<u>\$ (993,269)</u>

Cash and cash equivalents as of 9/30/2021 not included above \$ 18,583,053

North Carolina Management Capital Trust - cash portfolio as of 9/30/21 carried at amortized cost. \$ 23,836,733

Interest receivable as of 9/30/2021 not included above \$ 168,524

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

The System does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 2 or 3, and there were no transfers in or out of Level 3 during 2021. There were no changes during 2021 to the System's valuation technique used to measure asset and liability fair values on a recurring basis.

### Note 3. Detail Notes on All Funds (Continued)

#### 2. Investments (Continued)

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

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

As of September 30, 2021, the total quality ratings for the above holdings were as follows:

	<b>Holdings</b>				
	US Government Agencies	Corporate/Other Bond	Mutual Funds	Short term Cash Equivalents	NC Capital Management
AAA	100.00%	8.58%		100.00%	100.00%
AA		5.53%			
A		35.20%			
BBB		47.82%			
BB		0.00%			
B		0.00%			
Not Rated		2.87%			
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>		<b>100.00%</b>	<b>100.00%</b>

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

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

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

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

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

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

**2. Investments (Continued)**

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

As of June 30, 2022 the ABC Board had the following investments and maturities:

<b>Investment Type</b>	<b>Valuation Measurement Method</b>	<b>Book Value at 6/30/22</b>	<b>Maturity</b>	<b>Rating</b>
US Government Treasuries	Fair Value-Level 1	\$ 1,276,399	Up to 3 years	AAA
US Government Agencies	Fair Value-Level 1	-	Up to 3 years	AAA
NC Capital Management Trust Government FD #47	Fair Value-Level 1	141,555	Up to 3 years	AAA
		\$ 1,417,954		

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

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

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 1,302,411	\$ 426,605	\$ 1,729,016
2020	1,343,224	319,020	1,662,244
2021	1,336,792	197,180	1,533,972
2022	1,372,209	78,902	1,451,111
Total	\$ 5,354,636	\$ 1,021,707	\$ 6,376,343

**Note 4. Receivables**

Receivables at the government-wide level at June 30, 2022, were as follows:

	<b>Accounts Receivable</b>	<b>Taxes Receivable</b>	<b>Interest Receivable</b>	<b>Total</b>
<b>Governmental Activities</b>				
General	\$ 5,580,829	\$ 9,050,677	\$ 51,006	\$ 14,682,512
Other Governmental	3,919,154	2,064,919	-	5,984,073
Total Receivables	9,499,983	11,115,596	51,006	20,666,585
Allowance for Doubtful Accounts	-	(700,000)	-	(700,000)
Total - governmental activities	<u>\$ 9,499,983</u>	<u>\$ 10,415,596</u>	<u>\$ 51,006</u>	<u>\$ 19,966,585</u>
<b>Business-type activities</b>				
Water	\$ 717,099	\$ 67,824	\$ -	\$ 784,923
Allowance for doubtful accounts	(23,871)	-	-	(23,871)
Total - business-type activities	<u>\$ 693,228</u>	<u>\$ 67,824</u>	<u>\$ -</u>	<u>\$ 761,052</u>

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

**Leases Receivable**

General Fund

On 7/1/21, the County entered into a 115 month lease as Lessor for the use of network fiber. An initial lease receivable was recorded in the amount of \$25,139. As of 06/30/2022, the value of the lease receivable is \$22,697. The lessee is required to make monthly fixed payments of \$240 for July 2021 thru January 2031. The lease has an interest rate of 2%. The value of the deferred inflow of resources as of 06/30/2022 was \$22,516, and the County recognized lease revenue of \$2,623 during the fiscal year.

Year Ending June 30	<u>Governmental Activities</u>	
	Principal	Interest
2023	\$ 2,448	\$ 432
2024	2,498	382
2025	2,548	332
2026	2,600	280
2027	2,652	228
2028-2032	9,951	369
Total	<u>\$ 22,697</u>	<u>\$ 2,023</u>

**Component Unit**

Coastal Carolina Regional Airport Authority

On 7/1/21, the Coastal Carolina Regional Airport Authority entered into a 23 month lease as Lessor for the use of restaurant space. An initial lease receivable was recorded in the amount of \$13,054. As of 06/30/2022, the value of the lease receivable is \$6,534. The lessee is required to make monthly fixed payments of \$550 for July 2021 thru May 2023. The lease has an interest rate of 2%. The value of the deferred inflow of resources as of 06/30/2022 was \$6,243, and the County recognized lease revenue of \$6,811 during the fiscal year.

Year Ending June 30	<u>Governmental Activities</u>	
	Principal	Interest
2023	\$ 6,534	\$ 66
Total	<u>\$ 6,534</u>	<u>\$ 66</u>

**Note 5. Capital Assets**

Capital asset activity for the primary government for the year ended June 30, 2022 was as follows:

	<b>Capital Assets</b>			<b>Capital Assets</b>
	<b>June 30, 2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2022</b>
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land, other	\$ 10,640,372	\$ 113,117	\$ 107,750	\$ 10,645,739
Construction in progress	15,021,095	1,304,579	12,333,058	3,992,616
Total capital assets not being depreciated	<u>25,661,467</u>	<u>1,417,696</u>	<u>12,440,808</u>	<u>14,638,355</u>
Capital assets, being depreciated				
Buildings	67,537,091	30,280	-	67,567,371
Vehicles	8,226,205	1,227,157	441,623	9,011,739
Equipment	9,346,622	320,047	334,058	9,332,611
Other improvements	23,104,951	13,542,037	411,126	36,235,862
Total capital assets being depreciated	<u>108,214,869</u>	<u>15,119,521</u>	<u>1,186,807</u>	<u>122,147,583</u>
Less accumulated depreciation for:				
Buildings	39,419,650	2,084,730	-	41,504,380
Vehicles	5,691,496	1,114,032	419,175	6,386,353
Equipment	6,488,370	647,748	280,300	6,855,818
Other Improvements	10,939,772	1,721,055	384,542	12,276,285
Total accumulated depreciation	<u>62,539,288</u>	<u>\$ 5,567,565</u>	<u>\$ 1,084,017</u>	<u>67,022,836</u>
Total capital assets, being depreciated, net	<u>45,675,581</u>			<u>55,124,747</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 71,337,048</u>			<u>\$ 69,763,102</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated				
Land, other	\$ 947,354	\$ -	\$ -	\$ 947,354
Construction in process	772,374	571,782	-	1,344,156
Total capital assets not being depreciated	<u>1,719,728</u>	<u>571,782</u>	<u>-</u>	<u>2,291,510</u>
Capital assets, being depreciated				
Buildings & other improvements	60,849,080	46,784	-	60,895,864
Vehicles	342,320	76,222	-	418,542
Equipment	238,887	33,431	-	272,318
Total capital assets being depreciated	<u>61,430,287</u>	<u>156,437</u>	<u>-</u>	<u>61,586,724</u>
Less accumulated depreciation for:				
Buildings & other improvements	23,115,523	1,635,534	-	24,751,057
Vehicles	251,271	45,624	-	296,895
Equipment	171,979	25,979	-	197,958
Total accumulated depreciation	<u>23,538,773</u>	<u>\$ 1,707,137</u>	<u>\$ -</u>	<u>25,245,910</u>
Total capital assets, being depreciated, net	<u>37,891,514</u>			<u>36,340,814</u>
<b>Business activity capital assets, net</b>	<u>\$ 39,611,242</u>			<u>\$ 38,632,324</u>

**Note 5. Capital Assets (continued)**

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

Governmental activities:	
General government	\$ 1,093,131
Public Safety	1,992,101
Social services	524,037
Economic and physical development	613,918
Health	420,879
Environmental protection	128,577
Culture and recreation	794,922
Total depreciation expense, governmental activities	<u>\$ 5,567,565</u>
Business-type activities:	
Water Fund	<u>\$ 1,707,137</u>
Total depreciation expense-business-type activities	<u>\$ 1,707,137</u>

The government has an active construction project as of June 30, 2022. At June 30, 2022, the government's commitment with a contractor is as follows:

Project	Spent-to-date	Remaining Commitment
CARTS Building Project	\$ -	\$ 1,342,000
Courthouse/EOC Restoration Project	2,467,565	154,029
Fuel Center Project	254,676	764,030
Lawson Creek Pump Station Project	-	966,657
Total	<u>\$ 2,722,241</u>	<u>\$ 3,226,716</u>

**Discretely presented component units**

The following is a summary of the capital assets of the Airport Authority at June 30, 2022.

	Year Ended June 30, 2022			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 9,930,991	\$ 386,679	\$ -	\$ 10,317,670
Construction in progress	15,839,057	5,194,952	(6,651,748)	14,382,261
Total capital assets, not being depreciated	<u>25,770,048</u>	<u>5,581,631</u>	<u>(6,651,748)</u>	<u>24,699,931</u>
Capital assets, being depreciated				
Buildings	10,390,579	5,904,700	-	16,295,279
Improvements other than buildings	33,269,764	290,366	-	33,560,130
Machinery, equipment, and vehicles	2,361,005	833,202	(37,034)	3,157,173
Total capital assets being depreciated	<u>46,021,348</u>	<u>7,028,268</u>	<u>(37,034)</u>	<u>53,012,582</u>
Less accumulated depreciation	23,299,760	1,445,853	(37,034)	24,708,579
Total capital assets being depreciated, net	<u>22,721,588</u>	<u>\$ 5,582,415</u>	<u>\$ -</u>	<u>28,304,003</u>
Capital assets, net	<u>\$ 48,491,636</u>			<u>\$ 53,003,934</u>

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

**Note 5. Capital Assets (continued)**

The following is a summary of the Health System capital asset activity for the year ended September 30, 2021:

	Year Ended September 30, 2021			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets, not being depreciated				
Land	\$ 10,195,986	\$ 4,236,244	\$ -	\$ 14,432,230
Construction in progress	10,371,455	10,666,343	(19,304,132)	1,733,666
Total capital assets, not being depreciated	<u>20,567,441</u>	<u>14,902,587</u>	<u>(19,304,132)</u>	<u>16,165,896</u>
Capital assets, being depreciated/amortized				
Land improvements	7,072,620	6,805,535	-	13,878,155
Building and fixtures	276,893,270	16,962,753	(1,514,512)	292,341,511
Equipment	225,084,663	24,705	-	225,109,368
Total capital assets being depreciated	<u>509,050,553</u>	<u>23,792,993</u>	<u>(1,514,512)</u>	<u>531,329,034</u>
Less accumulated depreciation/amortization for:				
Land Improvements, buildings and fixtures and equipment	(302,202,113)	(26,221,702)	1,468,415	(326,955,400)
	<u>(302,202,113)</u>	<u>\$ (26,221,702)</u>	<u>\$ 1,468,415</u>	<u>(326,955,400)</u>
Total capital assets being depreciated/amortized, net	<u>206,848,440</u>			<u>204,373,634</u>
Health System capital assets, net	<u>\$ 227,415,881</u>			<u>\$ 220,539,530</u>

All depreciation is directly or indirectly in relation to the provision of healthcare services. Depreciation expense was approximately \$26,222,000 for the year ended September 30, 2021. The Health System has various renovation projects in progress at September 30, 2021. The estimated cost to complete the projects is approximately \$8,873,000. Interest expense capitalized was \$2,000 for the year ended September 30, 2021.

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

The following is a summary of the capital assets of the ABC Board at June 30, 2022:

Capital assets, not being depreciated	
Land	\$ 473,830
Construction in progress	426,650
Total capital assets not being depreciated	<u>900,480</u>
Capital assets, being depreciated:	
Buildings	1,736,103
Furniture & Equipment	735,003
Automobile	189,184
Total capital assets being depreciated	<u>2,660,290</u>
Less accumulated depreciation	<u>1,548,638</u>
Total capital assets being depreciated, net	<u>1,111,652</u>
Capital assets, net	<u>\$ 2,012,132</u>

**Note 5. Capital Assets (continued)**

**Right to Use Leased Assets**

The County has recorded two right to use leased assets. The assets are right to use assets for leased equipment, land, and buildings. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased equipment	\$ -	\$ 71,023	\$ -	\$ 71,023
Leased land	-	41,966	-	41,966
Leased buildings	-	272,960	-	272,960
Total right to use assets	-	385,949	-	385,949
Less accumulated amortization for:				
Leased equipment	-	16,596	-	16,596
Leased land	-	13,989	-	13,989
Leased buildings	-	74,262	-	74,262
Total accumulated amortization	-	104,847	-	104,847
Right to use assets, net	\$ -	\$ 281,102	\$ -	\$ 281,102

**Note 6. Pension Plan and Other Postemployment Benefits**

**Local Governmental Employees' Retirement System**

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

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

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

**Local Governmental Employees' Retirement System (Continued)**

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their compensation. The County, Airport Authority and ABC Board's contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County, Airport Authority and ABC Board's contractually required contribution rate for the year ended June 30, 2022, are as follows:

	Employees Not Engaged In Law Enforcement	Employees Engaged In Law Enforcement
Craven County	11.41%	12.04%
Airport Authority	11.65%	
ABC Board	11.47%	

The rates shown above were actuarially determined as amounts that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County, Airport Authority and ABC Board were \$3,625,969, \$76,028, and \$104,439, respectively, for the year ended June 30, 2022.

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

At June 30, 2022, the County, Airport Authority and ABC Board reported liabilities of \$6,033,013, \$99,684, and \$139,711, respectively, for their proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2021. The total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County, Airport Authority and ABC Board's proportion of the net pension liabilities were based on a projection of the County, Airport Authority and ABC Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the County, Airport Authority and ABC Board's proportions were .3934%, .0065% and .00911% (measured as of June 30, 2021), respectively, which were increases/(decreases) of (.0082%), .0.0004%, and (.00003%), respectively (measured as of June 30, 2020).

For the year ended June 30, 2022, the County, Airport Authority and ABC Board's recognized pension expense of \$2,839,912, \$58,794, and \$81,260 respectively.

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

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

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,919,318	\$ -
Changes in assumption	3,790,273	-
Net difference between projected and actual earnings on pension plan investments	-	8,619,364
Changes in proportion and differences between County contributions and proportionate share of contributions	429,923	59,545
County contributions subsequent to the measurement date	3,611,047	-
<b>Total</b>	<b>\$ 9,750,561</b>	<b>\$ 8,678,909</b>

At June 30, 2022, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>
Differences between expected and actual experience	\$ 31,713	\$ -
Changes in assumptions	62,627	-
Net difference between projected and actual earnings on pension plan investments	-	142,418
Changes in proportion and differences between Airport Authority's contributions and proportionate share of contributions	31,242	667
Airport Authority's contributions subsequent to the measurement date	76,028	-
<b>Total</b>	<b>\$ 201,610</b>	<b>\$ 143,085</b>

At June 30, 2022, the ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 44,447	\$ -
Changes in assumptions	87,774	-
Net difference between projected and actual earnings on pension plan investments	-	199,604
Changes in proportion and differences between ABC Board's contributions and proportionate share of contributions	34,173	-
ABC Board's contributions subsequent to the measurement date	104,439	-
<b>Total</b>	<b>\$ 270,833</b>	<b>\$ 199,604</b>

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

**Local Governmental Employees' Retirement System (Continued)**

\$3,625,969, \$76,028, and \$104,439 reported as deferred outflows of resources related to pensions resulting from the County, Airport Authority and ABC Board contributions, respectively, subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Airport		
	County	Authority	ABC Board
2023	\$ 769,011	\$ 23,434	\$ 29,177
2024	2,819	7,818	10,532
2025	(673,647)	(5,173)	(11,840)
2026	(2,637,578)	(43,582)	(61,080)
2027	-	-	-
Thereafter	-	-	-
<b>Total</b>	<b>\$ (2,539,395)</b>	<b>\$ (17,503)</b>	<b>\$ (33,211)</b>

*Actuarial Assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, which includes a 3.25% inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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, 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
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%
<b>Total</b>	<b>100%</b>	

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

**Local Governmental Employees' Retirement System (Continued)**

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension liability (asset) to changes in the discount rate.* The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.500%)
County's proportionate share of the net pension liability (asset)	\$ 23,419,655	\$ 6,033,013	\$ (8,275,183)
Airport Authority's proportionate share of the net pension liability (asset)	\$ 386,964	\$ 99,684	\$ (136,731)
ABC Board's proportionate share of the net pension liability (asset)	\$ 542,345	\$ 139,711	\$ (191,634)

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

**Law Enforcement Officers Special Separation Allowance**

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

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

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

**Law Enforcement Officers Special Separation Allowance (Continued)**

At December 31, 2020 the Separation Allowance's membership consisted of:

Retirees receiving benefits	8
Active plan members	92
Total	<u>100</u>

*Summary of Significant Accounting Policies:*

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

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

*Actuarial Assumptions.* The entry age actuarial cost method was used in the December 31, 2020 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	2.25 percent

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

**Mortality Rate**

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

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

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

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

*Contributions.* The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$129,414 as benefits came due for the reporting period.

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

**Law Enforcement Officers Special Separation Allowance (Continued)**

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

At June 30, 2022, the County reported a total pension liability of \$2,282,144. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022 the County recognized pension expense of \$246,705.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 101,230	\$ 161,365
Changes of assumptions and other inputs	448,061	71,146
County benefit payments and plan administrative expenses subsequent to the measurement date	58,821	-
<b>Total</b>	<b>\$ 608,112</b>	<b>\$ 232,511</b>

The County paid \$58,821 subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2023	\$ 97,875
2024	109,409
2025	80,949
2026	48,524
2027	(18,165)
Thereafter	(1,812)
<b>Total</b>	<b>\$ 316,780</b>

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 2.25 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total Pension Liability	\$ 2,504,511	\$ 2,282,144	\$ 2,081,199

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

**Law Enforcement Officers Special Separation Allowance (Continued)**

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

	<u>2022</u>
Beginning balance	\$ 2,311,100
Service Cost	167,905
Interest on the total pension liability	43,355
Changes of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	(42,045)
Changes of assumptions or other inputs	(68,757)
Benefit payments	(129,414)
Other changes	-
Ending balance of the total pension liability	<u>\$ 2,282,144</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at June 30, 2021 to 2.25 percent at June 30, 2022.

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

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

**Supplemental Retirement Income Plan for Law Enforcement Officers:**

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

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

The County contributed \$241,297 for the reporting year. No amounts were forfeited.

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

**Register of Deeds' Supplemental Pension Fund**

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

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$12,295 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$200,780 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2022, the County's proportion was 0.3934%, which was a decrease of 0.0082% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the County recognized pension expense of \$2,773. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,142	\$ 2,435
Changes of assumptions	14,641	-
Net difference between projected and actual earnings on pension plan investments	-	617
Changes in proportion and differences between County contributions and proportionate share of contributions	900	9,831
County contributions subsequent to the measurement date	12,295	-
<b>Total</b>	<b>\$ 29,978</b>	<b>\$ 12,883</b>

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

**Register of Deeds' Supplemental Pension Fund (Continued)**

\$12,295 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>	
2023	\$ (3,697)
2024	4,286
2025	(470)
2026	4,681
2027	-
Thereafter	-
Total	<u>\$ 4,800</u>

*Actuarial Assumptions:* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.25% - 8.25%
Investment rate of return	3.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODS PF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**Register of Deeds' Supplemental Pension Fund (Continued)**

*Sensitivity of the County's proportionate share of net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	<b>1% Decrease (2.00%)</b>	<b>Discount Rate (3.00%)</b>	<b>1% Increase (4.00%)</b>
County's proportionate share of the net pension liability (asset)	\$ (159,480)	\$ 200,780	\$ (235,485)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as December 31, 2020. The total pension liability for LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020.

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

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>Total</b>
Proportionate Share of Net Pension Liability	\$ 6,033,013	\$ (200,780)	\$ -	\$ 5,832,233
Proportion of the Net Pension Liability (Asset)	0.39339%	1.04502%	n/a	
Total Pension Liability	-	-	2,282,144	2,282,144
Pension Expense	\$ 2,839,912	\$ 2,773	\$ 246,705	\$ 3,089,390

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>Total</b>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual	\$ 1,919,318	\$ 2,142	\$ 101,230	\$ 2,022,690
Changes of assumptions	3,790,273	14,641	448,061	4,252,975
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	429,923	900	-	430,823
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	3,611,047	12,295	58,821	3,682,163

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

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

**Deferred Inflows of Resources**

Differences between expected and actual	\$	-	\$	2,435	\$	161,365	\$	163,800
Changes of assumptions		-		-		71,146		71,146
Net difference between projected and actual earnings on pension plan investments		8,619,364		617		-		8,619,981
Changes in proportion and differences between County contributions and proportionate share of contributions		59,545		9,831		-		69,376

**Health System Plans**

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

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

**Funding Policy:** The Health System's contributions to the primary retirement plan were calculated using a covered payroll amount of \$80,764,451 for the year ended September 30, 2021. Total contributions were \$4,845,867 for the year ended September 30, 2021, which represents 6 percent of covered payroll for the year. Effective January 1, 2014, the effective contribution percentage reduced from ten percent to six percent.

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

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

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

**Health System Plans (continued)**

The Health System's 403(b) contributions were calculated using a covered payroll amount of \$91,942,533 for the year ended September 30, 2021. The Health System's contributions were \$1,838,851, or 2 percent of covered payroll for the year ended September 30, 2021. Employee contributions to the plan totaled \$7,534,574 or 8.19% of covered payroll for the year ended September 30, 2021. Employee contributions to the 457(b) plan totaled \$1,766,399 for the year ended September 30, 2021. These plans are not included in the Health System's reporting entity and do not issue separate, stand-alone financial reports.

**Other Postemployment Benefits**

**Healthcare Benefits**

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

*Benefits Provided.* As of October 1, 2003, this plan provides postemployment healthcare benefits to retirees of the County, provided they participated at least 20 years of creditable service in the North Carolina Local Governmental Employees' Retirement System (System) and have 15 years of creditable service with the County. The County pays the full cost of coverage for employees' benefits through the County's self-insured plan administered by ACS Benefit Services, Inc. and employees have the option of purchasing dependent coverage at the County's group rates. Prior to October 1, 2003, retirees had to contribute 100% towards the healthcare benefits. Employees hired on or after October 1, 2003 who retire with less than 20 years of service are not eligible for postemployment coverage but have the option of purchasing coverage for themselves and dependents at the County' group rate. Upon reaching 20 years of service with the NCLGERS, the County will pay 50% of the group plan individual health premium and will increase that amount by 5% for each additional year of NCLGERS service up to the maximum of 100% for 30 years of service.

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

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

Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers:
Retirees and dependents receiving benefits	44	8
Active plan members	514	92
Total	558	100

**Total OPEB Liability**

The County's total OPEB liability of \$23,143,266 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

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

**Other Postemployment Benefits (Continued)**

**Healthcare Benefits (Continued)**

*Actuarial Assumptions and other inputs.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage Inflation	3.25%
Salary increases, including wage inflation:	
General employees	3.25% - 8.41%
Law Enforcement Officers	3.25% - 7.90%
Municipal Bond Index Rate:	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Health Care Cost Trends:	
Pre-Medicare	7.00 for 2011 decreasing to an ultimate rate of 4.50% by 2031

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

**Changes in the Total OPEB Liability**

	General Fund	Water Fund	Airport	Total
<b>Balance at July 1, 2021</b>	\$ 18,676,612	\$ 313,846	\$ 287,854	\$ 19,278,312
Changes for the year:				
Service cost at the end of the year	993,657	6,936	18,132	1,018,725
Interest on TOL and cash flows	429,037	2,995	7,829	439,861
Difference between expected and actual experience	650,035	4,538	11,862	666,435
Changes of assumptions or other inputs	2,596,955	(165,347)	100,338	2,531,946
Benefit payments and implicit subsidy credit	(772,523)	(5,393)	(14,097)	(792,013)
Other	-	-	-	-
<b>Net Changes</b>	<u>3,897,161</u>	<u>(156,271)</u>	<u>124,064</u>	<u>3,864,954</u>
<b>Balance at June 30, 2022</b>	<u>\$ 22,573,773</u>	<u>\$ 157,575</u>	<u>\$ 411,918</u>	<u>\$ 23,143,266</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

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

**Other Postemployment Benefits (Continued)**

**Healthcare Benefits (Continued)**

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 25,446,490	\$ 23,143,266	\$ 21,063,779

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

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 20,528,654	\$ 23,143,266	\$ 26,236,022

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$2,499,760. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,866,679	\$ -
Changes of assumptions another inputs	3,897,076	405,795
Benefit payments and administrative costs made subsequent to the measurement date	500,399	-
Total	<u>\$ 6,264,154</u>	<u>\$ 405,795</u>

\$500,399 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Measurement Period Ended June</u>	
2023	\$ 897,356
2024	897,356
2025	971,371
2026	998,671
2027	848,219
Thereafter	744,987

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

**Other Postemployment Benefits (Continued)**

**Healthcare Benefits (Continued)**

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

As of the actuarial valuation report date January 1, 2021, the Health System's membership consisted:

Retirees receiving benefits	62
Active Plan members	83
Total	<u>145</u>

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

*Total OPEB Asset (Liability).* The total OPEB asset (liability) was therefore determined based on the January 1, 2021 actuarial valuations, using membership data as of January 1, 2020 and generally accepted actuarial procedures, and update procedures were utilized to roll forward the total OPEB asset (liability) to the measurement date of January 1, 2021. Information included in the following schedules is based on the certification provided by the System's consulting actuary.

For the year ended September 30, 2021, the System recognized an OPEB gain of approximately \$665,000.

The following represents the changes in the net OPEB liability as of September 30, 2021:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Liability) asset (a)+(b)
Balances at September 30, 2020	\$ (5,874,865)	\$ 7,733,597	\$ 1,858,732
Changes for the Year:			
Services cost	(40,290)	-	(40,290)
Interest cost	(369,620)	-	(369,620)
Change in actuarial assumptions	259,141	-	259,141
Contributions from employer	-	124,978	124,978
Net investment earnings	-	1,237,799	1,237,799
Actual Benefits paid	624,978	(624,978)	-
Additional expected benefit payments	584,639	-	584,639
Other	(409,944)		(409,944)
Net Changes	<u>648,904</u>	<u>737,799</u>	<u>1,386,703</u>
Balances at September 30, 2021	<u>\$ (5,225,961)</u>	<u>\$ 8,471,396</u>	<u>\$ 3,245,435</u>

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

**Other Postemployment Benefits (Continued)**

**Healthcare Benefits (Continued)**

*Sensitivity analysis*

The following represents the sensitivity of the total OPEB liability to changes in the discount rate based on values as of September 30, 2021:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 5,376,761	\$ 5,225,961	\$ 5,073,015

The following represents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates based on values as of September 30, 2021:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 5,045,180	\$ 5,225,961	\$ 5,417,493

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

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

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

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

Valuation date	January 1, 2021
Actuarial cost method	Projected unit credit
Amortization method	Level dollar
Remaining amortization period	Immediately
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.00%
Health care cost trend rates	5.50% down to 5.0%
Includes inflation at	3.00%
Cost-of-living adjustments	None

Mortality rates were based on the PUB-2010 Mortality Table with generational projection of mortality improvements using the MP-2019 Projection Scale (previously, MP-2017 Projection Scale was used).

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

**Other Postemployment Benefits (Continued)**

**Healthcare Benefits (Continued)**

*Deferred items related to OPEB.* At September 30, 2021, the Hospital reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 338,182	\$ 706,802
Changes of assumptions and other inputs	-	64,298
Differences between expected and actual return on plan assets	-	543,755
<b>Total</b>	<b>\$ 170,356</b>	<b>\$ 1,314,855</b>

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

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

When quoted prices are available in active markets for identical instruments, investment securities are classified within Level 1 of the fair value hierarchy. Level 1 investments include mutual funds which are valued based on prices readily available in active markets in which those securities are traded.

The Plan does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 2 or 3, and there were no transfers in or out of Level 3 during 2021. There were no changes during 2021 to the Plan's valuation technique used to measure asset and liability fair values on a recurring basis.

The following tables set forth by level within the fair value hierarchy the Plan's assets accounted for at fair value on a recurring basis as of September 30, 2021:

	September 30, 2021			
	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ 8,822	\$ -	\$ -	\$ 8,822
Mutual Funds	8,462,574	-	-	8,462,574
<b>Total</b>	<b>\$ 8,471,396</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,471,396</b>

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

**Other Employment Benefits**

**Death Benefits**

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

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

**Note 7. Commitments and Contingencies**

**Contingent Liabilities**

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

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

**Note 8. Long-Term Obligations**

**Lease Liabilities**

The County has entered into agreements to lease certain equipment and property. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 08/24/2021, the County entered into a 20 month lease as Lessee for the use of postage machine in Finance. An initial lease liability was recorded in the amount of \$16,033. As of 06/30/2022, the value of the lease liability is \$12,888. The County is required to make quarterly fixed payments of \$840 for August 2021 thru July 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$16,033 with accumulated amortization of \$3,054 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 08/24/2021, the County entered into a 20 month lease as Lessee for the use of postage machine in Finance. An initial lease liability was recorded in the amount of \$16,033. As of 06/30/2022, the value of the lease liability is \$12,888. The County is required to make quarterly fixed payments of \$840 for August 2021 thru July 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$16,033 with accumulated amortization of \$3,054 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

**Note 8. Long-Term Obligations (continued)**

**Lease Liabilities (continued)**

On 7/1/21, the County entered into a 5 month lease as Lessee for the use of postage machine in Convention Center. An initial lease liability was recorded in the amount of \$629. As of 06/30/2022, the value of the lease liability is \$126. The County is required to make quarterly fixed payments of \$127 for July 2021 thru July 2022. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$629 with accumulated amortization of \$503 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 17 month lease as Lessee for the use of postage machine in Social Services. An initial lease liability was recorded in the amount of \$13,467. As of 06/30/2022, the value of the lease liability is \$10,285. The County is required to make quarterly fixed payments of \$840 for July 2021 thru July 2025. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$13,467 with accumulated amortization of \$3,169 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 17 month lease as Lessee for the use of postage machine in Health. An initial lease liability was recorded in the amount of \$18,284. As of 06/30/2022, the value of the lease liability is \$14,050. The County is required to make quarterly fixed payments of \$1119 for July 2021 thru July 2025. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$18,284 with accumulated amortization of \$4,302 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 36 month lease as Lessee for the use of land for convenience site. An initial lease liability was recorded in the amount of \$41,966. As of 06/30/2022, the value of the lease liability is \$28,209. The County is required to make monthly fixed payments of \$1,200 for July 2021 thru June 2024. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$41,966 with accumulated amortization of \$13,989 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 57 month lease as Lessee for the use of building space for a FQHC clinic in Havelock. An initial lease liability was recorded in the amount of \$241,824. As of 06/30/2022, the value of the lease liability is \$174,072. The County is required to make monthly fixed payments of \$6,667 for July 2021 thru March 2022 and then \$3,833 for April 2022 through March 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$241,824 with accumulated amortization of \$50,910 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 15 month lease as Lessee for the use of building space for Veteran Services. An initial lease liability was recorded in the amount of \$31,136. As of 06/30/2022, the value of the lease liability is \$6,279. The County is required to make monthly fixed payments of \$2,100 for July 2021 thru September 2022. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$31,136 with accumulated amortization of \$23,352 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 12/21/21, the County entered into a 61 month lease as Lessee for the use of wide format printer in GIS. An initial lease liability was recorded in the amount of \$10,564. As of 06/30/2022, the value of the lease liability is \$9,390. The County is required to make monthly fixed payments of \$182 for December 2021 thru December 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$10,564 with accumulated amortization of \$1,212 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 23 month lease as Lessee for the use of wide format printer in Planning. An initial lease liability was recorded in the amount of \$5,313. As of 06/30/2022, the value of the lease liability is \$2,562. The County is required to make monthly fixed payments of \$235 for July 2021 thru May 2023. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2022 of \$5,313 with accumulated amortization of \$2,772 is included in the Right to Use asset note. The County has 1 extension option(s), each for 12 months.

**Note 8. Long-Term Obligations (continued)**

**Lease Liabilities (continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 80,321	\$ 4,499
2024	74,196	2,999
2025	62,606	1,622
2026	44,794	409
2027	1,085	6
Total	<u>\$ 263,002</u>	<u>\$ 9,535</u>

**General Obligation Bonds**

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

The County's general obligation bonds payable at June 30, 2022 are comprised of the following individual issues:

Serviced by the County's General Fund:

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

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2023	\$ 1,326,000	\$ 34,476
2024	-	-
2025	-	-
2026	-	-
Total	<u>\$ 1,326,000</u>	<u>\$ 34,476</u>

**Note 8. Long-Term Obligations (continued)**

**Advance Refunding**

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

**Loans and Installment notes payable:**

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities:		
2013 LOB Refunded School Projects/Fiber Optic	2.07%	\$ 6,576,750
2013 LOB Refunded LEC/Park/Tyron Palace	2.07%	8,038,250
2019 Convention Center	2.20%	<u>8,570,000</u>
Total Governmental Activities		<u>23,185,000</u>
Business-type Activities:		
Water Line expansion project - Northwest Craven Water	2.66%	240,344
Castle Hayne Aquifer Water Treatment Project - Water	0%	<u>12,134,248</u>
Total Business-Type Activities		<u>12,374,592</u>
Total loans and installment notes payable		<u>\$ 35,559,592</u>

On April 10, 2013, the County issued \$33,950,000 of limited obligation refunding bonds, Series 2013, for the purpose of advance refunding a portion of the County's outstanding Certificates of Participation, Series 2007. The Series 2013 Limited Obligation Refunding Bond was issued for the purpose of locking in a lower interest rate thus reducing overall bond debt service costs. The bonds issued are to provide resources to purchase US Government Securities that were placed in an irrevocable trust to be used for all future debt service payments of \$28,225,000 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The outstanding value remaining on this obligation at June 30, 2022 is \$14,615,000.

**Note 8. Long-Term Obligations (Continued)**

**Loans and Installment notes payable (continued)**

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

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

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

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

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 3,795,000	\$ 459,193	\$ 889,064	\$ 6,393
2024	3,720,000	380,483	889,064	4,262
2025	3,639,000	303,377	889,064	2,131
2026	3,559,000	227,950	808,950	-
2027	3,474,000	154,230	808,950	-
2028-2032	3,570,000	392,700	4,044,750	-
2033-2037	1,428,000	47,124	4,044,750	-
2038-2042	-	-	-	-
Total	<u>\$ 23,185,000</u>	<u>\$ 1,965,057</u>	<u>\$ 12,374,592</u>	<u>\$ 12,786</u>

Changes in the County's long-term obligations for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
General Obligation bonds	\$ 3,610,000	\$ -	\$ 2,284,000	\$ 1,326,000	\$ 1,326,000
Loans and installment notes	27,065,000	-	3,880,000	23,185,000	3,795,000
Lease liability	-	385,949	122,945	263,004	80,321
Total pension liability	2,311,100	-	28,956	2,282,144	-
Total OPEB liability	18,676,614	3,897,159	-	22,573,773	-
Net Pension liability (LGERS)	14,030,606	-	8,130,714	5,899,892	-
Compensated absences	3,301,848	1,890,303	1,731,583	3,460,568	1,731,583
Governmental Activities Long-term Liabilities	<u>\$ 68,995,168</u>	<u>\$ 6,173,411</u>	<u>\$ 16,178,198</u>	<u>\$ 58,990,381</u>	<u>\$ 6,932,904</u>
Due within one year					\$ 6,932,904
Due in more than one year					52,057,477
Total Governmental Activities					<u>\$ 58,990,381</u>

**Note 8. Long-Term Obligations (Continued)**

**Loans and Installment notes payable (continued)**

**Business-type Activities**

Loans and installment notes	\$ 13,263,651	\$ -	\$ 889,062	\$ 12,374,589	\$ 889,064
Total OPEB liability	313,843	-	156,268	157,575	-
Net pension liability (LGERS)	320,273	-	187,152	133,121	-
Compensated absences	62,561	38,313	37,914	62,960	37,914
Business-type Activities Long-term Liabilities	<u>\$ 13,960,328</u>	<u>\$ 38,313</u>	<u>\$ 1,270,396</u>	<u>\$ 12,728,245</u>	<u>\$ 926,978</u>
				\$ 926,978	
				11,801,267	
				<u>\$ 12,728,245</u>	

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

State statutes provide for a legal debt limit of 8 percent of the County's assessed value of taxable property. The County has utilized \$24,774,004 of its legal debt limitation of \$819,530,500, leaving a legal debt margin of \$794,756,496 at June 30, 2022.

**Component Unit Long-Term Obligations**

The Airport Authority does not have any general obligation bonds outstanding at June 30, 2022.

In October 2016, the System issued \$60,000,000 of tax-exempt bank direct purchase bonds named Series 2016 Health Care System Revenue Bonds purchased by Branch Banking and Trust Company (BB&T). The System entered into an interest rate swap agreement effective January 3, 2017. Under the swap agreement the System pays interest at 2.6172% and received interest at 68% of the one-month LIBOR plus 0.468%. The notional amount under the swap at September 30, 2021 was \$53,980,000. During the year ended September 30, 2021, management has assessed the swap as an ineffective interest rate hedge. The fair value of the swap at September 30, 2021 was a liability of approximately \$993,000 with the change in fair value reported in non-operating revenues (expenses) on the statements of revenues, expenses, and changes in net position. The System was in compliance with all other covenants at September 30, 2021.

At June 30, 2022, the ABC Board leased one retail location that qualified as other than short-term leases under GASB 87. The lease agreement was executed on June 1, 2021 and requires 120 monthly payments of \$3,700 to \$4,070. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.20%, which is the Board's incremental borrowing rate. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$338,681 at June 30, 2022.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 30,337	\$ 14,063	\$ 44,400
2023	31,645	12,755	44,400
2024	33,010	11,390	44,400
2025	34,804	9,966	44,770
2026	40,462	8,378	48,840
2027-2031	176,000	15,290	191,290
Total	<u>\$ 346,258</u>	<u>\$ 71,842</u>	<u>\$ 418,100</u>

**Note 9. Interfund Assets/Liabilities and Transfers**

Transfers to/from other funds at June 30, 2022, consist of the following:

From General Fund to the Self Insurance Fund to supplement resources.	\$ 50,000
From Capital Reserve Fund to the Courthouse EOC Recovery Project to provide resources for project expenses.	729,103
From General Fund to the Capital Reserve Fund to provide resources for future capital expenses.	4,376,600
From ARPA Fund to SCADA / Telemetry Project Fund to fund project expenses.	646,406
From General Fund to the School Debt Service Fund to transfer local option sales tax restricted for School Debt Service.	5,991,805
From Capital Reserve Fund to the General Fund to transfer funds for capital expenditures.	1,283,828
From Capital Reserve Fund to CARTS Building Project fund to provide resources for project expenses.	1,870,000
From General Fund to Township 3 for approved reimbursable expenses along with County Grant Match.	59,910
From General Fund to Little Swift Creek VFD for approved reimbursable expenses along with County Grant Match.	29,730
From General Fund to Township 9 for approved reimbursable expenses along with County Grant Match.	29,973
From the Occupancy Tax Fund to the General Fund to service convention center debt payment.	919,270
From the General Fund to the Water Fund to transfer monthly allocation of Howell Rd Building rent.	18,000
From the Water Fund to Northwest Craven Debt Service Fund to cover debt service payment.	88,638
From the Water Fund to the General Fund for IT, Admin, Finance, Maintenance, and Rent allocations.	<u>169,000</u>
Total	<u><u>\$ 16,262,263</u></u>

Balances due to / from other funds at June 30, 2022, consist of the following:

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

CDBG-DR Active Disaster Grants Fund	\$ 1,152
CDBG-NR NC Dept of Commerce Grants Fund	14,722
Grant Project Fund	<u>2,560,683</u>
Total Due to the General Fund	<u><u>\$ 2,576,557</u></u>

**Note 10: Net Investment in Capital Assets**

**Debt Related to Capital Activities** - Of the Governmental Activities debt listed, only \$16,871,254 relates to assets the County holds title.

The total net investment in capital assets at June 30, 2022 is composed of the following elements:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets (net of depreciation)	\$ 70,044,204	\$ 38,632,324
Add:		
Deferred charges (capital related)	-	-
Total capital assets and related deferred charges	<u>70,044,204</u>	<u>38,632,324</u>
Total debt, gross	24,774,004	12,374,589
Less:		
Other non-capital related debt	7,902,750	-
Capital related unspent debt issuances	-	-
Total capital debt	<u>16,871,254</u>	<u>12,374,589</u>
Net investment in capital assets	<u>\$ 53,172,950</u>	<u>\$ 26,257,735</u>

**Note 11: Deferred Compensation Plan**

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

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

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

**Note 12. Deferred Outflows/Inflows of Resources**

Deferred outflows/inflows of resources at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charges of refunding of debt	\$ 1,569,426	\$ -
Pensions - difference between expected and actual experience		
Pensions	2,022,690	163,800
OPEB	1,833,454	-
Pension - Changes of assumptions		
Pensions	4,252,975	71,146
OPEB	3,803,883	385,886
Pensions - difference between projected and actual investment earnings (Pensions)	-	8,619,981
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	430,824	69,376
Contributions to plans in current fiscal year		
Pensions	3,682,163	-
OPEB	500,400	-
Prepaid taxes not yet earned (General Fund)	-	94,622
Prepaid fees (General)	-	65,740
Leases	-	22,516
Total reported in the government wide statements	<u>18,095,815</u>	<u>9,493,066</u>
Property taxes receivable, net (General Fund)	-	771,384
Property taxes receivable, net (Special Revenue Fund)	-	59,910
Recycling fees receivable (General Fund)	-	215,960
Prepaid taxes not yet earned (General Fund)	-	94,622
Prepaid fees (General)	-	65,740
Leases	-	22,516
Total reported in the fund statements	<u>\$ -</u>	<u>\$ 1,230,132</u>

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

**Note 13. Risk Management**

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

The County's Internal Service Fund was established to account for a limited risk, self-insurance program to provide health and dental benefits to County employees. Premiums are paid into the Internal Service Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The interfund premiums are based upon actuarial estimates of the amounts needed to pay prior and current year claims. An excess coverage insurance policy provides for individual claims in excess of \$155,000. A total of \$5,746,711 in claims was incurred for benefits during fiscal year 2022. Payments received from the insurer for claims over the limit of \$328,606 and \$196,520 during fiscal 2022 and fiscal 2021, have been netted against the claims shown below. Changes in the fund's claims liability amounts (net refunds due) for the past two fiscal years were as follows:

**Note 13. Risk Management (continued)**

	Net Liability at Fiscal Year Beginning	Current Claims and Changes in Estimates	Claim Payments	Net Liability at Fiscal Year End
2021-2022	\$ 734,122	\$ 5,746,711	\$ 5,654,711	\$ 826,122
2020-2021	\$ 280,000	\$ 5,610,587	\$ 5,156,465	\$ 734,122

During 2003, the County entered into a limited risk, self-funded workers' compensation claim program with administrative services provided by a third-party administrator. Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims and administrative costs of the program. The interfund premiums are based upon estimates of amounts needed to pay prior and current year claims. An excess coverage insurance policy provides for individual claims in excess of \$500,000. A total of \$952,408 in claims or changes in estimates were incurred for benefits during fiscal year 2022. Changes in the fund's claims liability amounts for the past two fiscal years were as follows:

	Net Liability at Fiscal Year Beginning	Current Claims and Changes in Estimates	Claim Payments	Net Liability at Fiscal Year End
2021-2022	\$ 116,158	\$ 952,408	\$ 639,127	\$ 429,439
2020-2021	\$ 79,223	\$ 221,530	\$ 184,595	\$ 116,158

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

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

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

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

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

**Note 13. Risk Management (continued)**

Effective January 1, 2001, the CarolinaEast Health System established a limited risk, self-insurance program to provide health benefits to the Health System's employees. The Health System changed plan administrator's on January 1, 2016. The System is billed on a weekly basis for claims by MedCost, the plan administrator. The Health System carries stoploss insurance through MedCost, which has stop loss for individual claims in excess of \$200,000. The claims liability reported at year-end is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the statement of net position date and the amount can be reasonably estimated.

Changes in the Health System's claims liability amount for retained risk for the fiscal years ending September 30, 2021 and 2020 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2020-2021	\$ 2,780,000	\$ 26,107,674	\$ 24,727,674	\$ 4,160,000
2019-2020	\$ 2,780,000	\$ 25,526,641	\$ 25,526,641	\$ 2,780,000

Total claims expense is partially offset by employee contributions.

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

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

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

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

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

### **Note 13. Risk Management (continued)**

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

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

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

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

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

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

### **Note 14. Joint Ventures**

The County participates in a joint venture with the City of New Bern to operate the New Bern/Craven County Library. The County appoints five board members of the ten-member board. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2022. During the year ended June 30, 2022, the County appropriated \$1,136,906 to the library. In addition to the New Bern/Craven County Library, the County appoints board members to the three other Craven County municipal library boards. Total funding for these libraries was \$418,590. Complete financial statements for the New Bern/Craven County Library can be obtained from the Library's administrative offices at 400 Johnson Street, New Bern, NC 28560.

**Note 14. Joint Ventures (Continued)**

The County, in conjunction with Carteret County and Pamlico County, participates in the Coastal Regional Solid Waste Management Authority. Craven County appoints three members of the seven-member board. The Waste Management Authority is a joint venture established to provide solid waste management within these counties. The County has an ongoing financial responsibility for the Waste Management Authority because it and the other counties are legally obligated under the intergovernmental agreement that created the Waste Management Authority to honor any deficiencies in the event that proceeds from other sources are insufficient. The County did not contribute any funds to the Waste Management Authority during the fiscal year ended June 30, 2022. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2022. Complete financial statements for the Waste Management Authority can be obtained from the Waste Management Authority's administrative offices at 7400 Old Highway 70 West, Cove City, NC.

The County, in conjunction with Jones, Pamlico, Bertie, Gates, Hertford, Northampton, Pitt, Beaufort, Camden, Chowan, Currituck, Dare, Hyde, Martin, Pasquotank, Perquimans, Tyrrell and Washington Counties, participates in a joint venture to operate East Carolina Behavioral Health ("ECBH") which, effective July 1, 2015, consolidated with a similar entity to become Trillium Health Resources ("THR"). Each of the nineteen counties appoints one commissioner as a member of the Board of Directors which consists of 24 members. The County Commissioner members jointly appoint five non-Commissioner Board members. The County has an ongoing financial responsibility for the joint venture because THR's continued existence depends on the participating governments' funding in conjunction with funding from the State of North Carolina. None of the participating governments have any equity interest in THR, so no equity interest has been reflected in the financial statements at June 30, 2022. The County appropriated \$349,827 to the THR during the fiscal year ended June 30, 2022, which included money received from the ABC Board designated for alcohol education. Complete financial statements for THR can be obtained from THR's administrative offices at 1708 East Arlington Boulevard, Greenville, NC 27858-5782.

The County, in conjunction with the State of North Carolina, participates in a joint venture to operate Craven Community College. The County appoints five members of the eleven-member board of trustees of the Community College. The college is included as a component unit of the State of North Carolina. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the last general obligation bond issue for this purpose, \$-0- is outstanding. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$4,101,425 and \$500,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2022. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2022.

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

**Note 15. Jointly Governed Organizations**

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

Effective June 30, 2022, the County, in conjunction with one other county, governs the operations of the Craven-Pamlico Regional Library. Each participating government appoints three board members to the nine member board. The County has no ongoing financial responsibility for the joint venture because the library's continued existence depends on the State of North Carolina's continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2022.

**Note 16. Related Organization**

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

**Note 17. Summary Disclosure of Significant Commitments and Contingencies****Federal and State-Assisted Programs**

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

**Coronavirus Disease (COVID-19)**

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

**Note 18. Subsequent Events**

The County has evaluated its subsequent events (events occurring after June 30, 2022) through November 28, 2022 which represents the date the financial statements were available to be issued.

**Note 19. Prior Period Adjustment**

Revenues were recorded in the Stream Debris Fund that should have been recorded in the Grant Project Fund. This resulted in prior period adjustment that decreased the Stream Debris fund balance by \$297,191 and increased the Grant Project fund balance by \$297,191.

# Craven County



**REQUIRED SUPPLEMENTARY INFORMATION**  
**(unaudited)**

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset) %	0.393%	0.402%	0.371%	0.378%	0.383%
County's proportionate share of the net pension liability (asset) \$	\$ 6,033,013	\$ 14,350,879	\$ 10,119,705	\$ 8,972,909	\$ 5,843,846
County's covered payroll	\$ 29,665,567	\$ 29,913,077	\$ 25,617,364	\$ 26,440,751	\$ 25,550,943
County's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	20.34%	47.98%	39.50%	33.94%	22.87%
Plan fidiciary net position as a percentage of the total pension liability	95.51%	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
County's proportion of the net pension liability (asset) %	0.381%	0.390%	0.406%	0.408%	
County's proportionate share of the net pension liability (asset) \$	\$ 8,094,798	\$ 1,748,322	\$ (2,397,200)	\$ 4,922,788	
County's covered payroll	\$ 24,774,857	\$ 24,162,555	\$ 24,220,773	\$ 24,447,979	
County's proportionate share of the net pension liability (asset) as a percentage of	32.67%	7.24%	-9.90%	20.14%	
Plan fidiciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%	

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 3,611,047	\$ 3,038,004	\$ 2,700,885	\$ 2,151,022	\$ 2,005,720
Contributions in relation to the contractually required contribution	<u>3,611,047</u>	<u>3,038,004</u>	<u>2,700,885</u>	<u>2,151,022</u>	<u>2,005,720</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	31,514,640	29,665,567	29,913,077	25,617,364	26,440,751
Contributions as a percentage of covered payroll	11.46%	10.24%	9.03%	8.40%	7.59%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contribution	\$ 1,873,840	\$ 1,667,585	\$ 1,718,722	\$ 1,718,740	
Contributions in relation to the contractually required contribution	<u>1,873,840</u>	<u>1,667,585</u>	<u>1,718,722</u>	<u>1,718,740</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	25,550,943	24,774,857	24,162,555	24,220,773	
Contributions as a percentage of covered payroll	7.33%	6.73%	7.11%	7.10%	

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

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

**Schedule of County's Proportionate Share of Net Pension Liability (Asset)**

Register of Deeds' Supplemental Pension Fund

Last Nine Fiscal Years \*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset)%	1.045%	1.052%	0.977%	0.872%	1.178%
County's proportionate share of the net pension liability (asset) \$	\$ (200,780)	\$ (241,008)	\$ (192,901)	\$ (144,347)	\$ (201,138)
Plan fiduciary net position as a percentage of the total pension liability (asset)	156.53%	173.62%	164.11%	153.31%	153.77%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
County's proportion of the net pension liability (asset)%	1.217%	1.111%	1.108%	1.123%	
County's proportionate share of the net pension liability (asset) \$	\$ (227,499)	\$ (257,688)	\$ (251,203)	\$ (239,811)	
Plan fiduciary net position as a percentage of the total pension liability (asset)	160.17%	197.29%	193.88%	190.50%	

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 12,295	\$ 12,542	\$ 10,069	\$ 9,287	\$ 10,238
Contributions in relation to the contractually required contribution	<u>12,295</u>	<u>12,542</u>	<u>10,069</u>	<u>9,287</u>	<u>10,238</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contribution	\$ 10,238	\$ 9,941	\$ 8,897	\$ 9,049	
Contributions in relation to the contractually required contribution	<u>10,238</u>	<u>9,941</u>	<u>8,897</u>	<u>9,049</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

**Schedule of Coastal Carolina Regional Airport Authority's Proportionate Share of Net Pension Liability (Asset)**

Local Governmental Employees' Retirement System  
Last Nine Fiscal Years \*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Authority's proportion of the net pension liability (asset) %	0.007%	0.006%	0.005%	0.001%	0.005%
Authority's proportionate share of the net pension liability (asset) \$	\$ 99,684	\$ 216,550	\$ 146,924	\$ 143,527	\$ 72,567
Authority's covered payroll	\$ 595,446	\$ 538,641	\$ 437,773	\$ 462,079	\$ 366,986
Authority's proportionate share of the net of its covered payroll	16.74%	40.20%	33.56%	31.06%	19.77%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Authority's proportion of the net pension liability (asset) %	0.004%	0.003%	0.003%	0.004%	
Authority's proportionate share of the net pension liability (asset) \$	\$ 92,746	\$ 17,502	\$ (19,462)	\$ 43,394	
Authority's covered payroll	\$ 354,738	\$ 345,577	\$ 314,856	\$ 277,758	
Authority's proportionate share of the net of its covered payroll	26.14%	5.06%	-6.18%	15.62%	
Plan fiduciary net position as a percentage of the total pension liability	91.47%	98.09%	102.64%	94.35%	

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 76,028	\$ 60,438	\$ 49,111	\$ 33,767	\$ 34,656
Contributions in relation to the contractually required contribution	<u>76,028</u>	<u>60,438</u>	<u>49,111</u>	<u>33,767</u>	<u>34,656</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	\$ 652,598	\$ 595,446	\$ 538,641	\$ 437,773	\$ 462,079
Contributions as a percentage of covered payroll	11.65%	10.15%	9.12%	7.71%	7.50%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contribution	\$ 26,606	\$ 23,663	\$ 25,400	\$ 23,551	
Contributions in relation to the contractually required contribution	<u>26,606</u>	<u>23,663</u>	<u>25,400</u>	<u>23,551</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 366,986	\$ 354,738	\$ 345,577	\$ 314,856	
Contributions as a percentage of covered payroll	7.25%	6.67%	7.35%	7.48%	

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ABC Board's proportion of the net pension liability (asset) %	0.00911%	0.00908%	0.00763%	0.00786%	0.00843%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 139,711	\$ 324,467	\$ 208,369	\$ 186,466	\$ 128,787
ABC Board's covered payroll	\$ 789,629	\$ 751,821	\$ 714,459	\$ 676,367	\$ 685,968
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	17.69%	43.16%	29.16%	27.57%	18.77%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	90.86%	92.00%	94.18%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
ABC Board's proportion of the net pension liability (asset) %	0.00728%	0.00735%	0.00621%	0.00700%	
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 154,506	\$ 32,986	\$ (36,623)	\$ 84,377	
ABC Board's covered payroll	\$ 580,917	\$ 570,899	\$ 474,494	\$ 470,002	
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	26.60%	5.78%	-7.72%	17.95%	
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%	

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

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 104,439	\$ 81,332	\$ 68,341	\$ 56,300	\$ 51,877
Contributions in relation to the contractually required contribution	<u>104,439</u>	<u>81,332</u>	<u>68,341</u>	<u>56,300</u>	<u>51,877</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 910,537	\$ 789,629	\$ 751,821	\$ 714,459	\$ 676,367
Contributions as a percentage of covered payroll	11.47%	10.30%	9.09%	7.88%	7.67%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contribution	\$ 51,104	\$ 39,851	\$ 40,320	\$ 33,900	
Contributions in relation to the contractually required contribution	<u>51,104</u>	<u>39,851</u>	<u>40,320</u>	<u>33,900</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 685,968	\$ 580,917	\$ 570,899	\$ 479,494	
Contributions as a percentage of covered payroll	7.45%	6.86%	7.06%	7.07%	

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

**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Five Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning Balance	\$ 2,311,100	\$ 1,800,412	\$ 1,531,403	\$ 1,699,481	\$ 1,585,538
Service Cost	167,905	96,688	80,218	78,775	69,732
Interest on the total pension liability	43,355	56,377	53,039	52,055	58,828
Difference between expected and actual experience in the measurement of the total pension liability	(42,045)	(138,029)	237,415	(140,990)	(1,068)
Changes of assumptions or other inputs	(68,757)	637,773	46,918	(53,553)	109,457
Benefit payments	<u>(129,414)</u>	<u>(142,121)</u>	<u>(148,581)</u>	<u>(104,365)</u>	<u>(123,006)</u>
Ending Balance of the total pension liability	<u>\$ 2,282,144</u>	<u>\$ 2,311,100</u>	<u>\$ 1,800,412</u>	<u>\$ 1,531,403</u>	<u>\$ 1,699,481</u>

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

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

**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Five Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 2,282,144	\$ 2,311,100	\$ 1,800,412	\$ 1,531,403	\$ 1,699,481
Covered payroll	4,520,298	4,158,309	3,798,109	3,344,394	3,206,963
Total pension liability as a percentage of covered payroll	50.49%	55.58%	47.40%	45.79%	52.99%

Notes to the schedules:

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

**Craven County**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Last Five Fiscal Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability - beginning</b>	\$ 19,278,312	\$16,596,576	\$ 14,058,772	\$ 13,825,361	\$13,876,112
Service Cost	1,018,725	751,540	593,237	613,031	662,069
Interest on the total pension liability	439,861	594,429	531,977	477,912	411,261
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	666,435	1,567	1,868,749	369,590	14,747
Changes of assumptions	2,531,946	2,069,353	317,752	(418,307)	(709,756)
Benefit payments	(792,013)	(735,153)	(773,911)	(808,815)	(429,072)
Other changes	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<u>3,864,954</u>	<u>2,681,736</u>	<u>2,537,804</u>	<u>233,411</u>	<u>(50,751)</u>
<b>Total OPEB liability - ending</b>	<u>\$ 23,143,266</u>	<u>\$19,278,312</u>	<u>\$ 16,596,576</u>	<u>\$ 14,058,772</u>	<u>\$13,825,361</u>
Covered Payroll	\$ 29,549,487	\$26,685,118	\$ 26,685,118	\$ 27,587,907	\$27,587,907
Total OPEB Liability as a percentage of covered payroll	78.32%	72.24%	62.19%	50.96%	50.11%

**Notes to Schedule**

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

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

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%

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

# Craven County



**GENERAL FUND**

**CRAVEN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE, BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 56,119,356	\$ 57,451,585	\$ 1,332,229
Sales	23,614,740	23,952,604	337,864
Intergovernmental	29,806,215	28,727,920	(1,078,295)
Charges for services	18,196,310	17,629,177	(567,133)
Interest	50,470	(87,993)	(138,463)
Miscellaneous	1,049,449	3,997,870	2,948,421
Total revenues	<u>128,836,540</u>	<u>131,671,163</u>	<u>2,834,623</u>
<b>EXPENDITURES</b>			
General government:			
Commissioners	723,695	583,064	140,631
Administration	808,574	766,606	41,968
Human Resources	723,662	706,244	17,418
Information technology	2,880,836	2,441,190	439,646
Finance	1,173,672	1,127,687	45,985
Elections	582,795	520,714	62,081
Tax assessor	1,320,252	1,262,243	58,009
Tax collections	816,526	795,338	21,188
Register of Deeds	1,676,263	1,626,618	49,645
Public buildings	1,970,075	811,632	1,158,443
Housekeeping	494,286	388,926	105,360
Court facilities	822,556	802,639	19,917
County garage	462,200	450,688	11,512
Maintenance	1,605,582	1,291,820	313,762
Non-departmental	2,353,566	2,109,523	244,043
Total general government	<u>18,414,540</u>	<u>15,684,932</u>	<u>2,729,608</u>
Public Safety			
Animal control	651,587	586,867	64,720
Medical examiner	200,000	188,900	11,100
Sheriff	10,891,539	10,390,951	500,588
Jail	5,946,991	5,390,060	556,931
Fire marshal/Emergency management	1,501,011	1,458,659	42,352
Inspections	716,004	658,932	57,072
Volunteer rescue squads	3,989,983	3,903,905	86,078
Total public safety	<u>23,897,115</u>	<u>22,578,274</u>	<u>1,318,841</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE, BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
Environmental protection			
Solid Waste	5,811,793	5,545,502	266,291
Environmental health	1,207,166	1,088,736	118,430
Soil Conservation	432,021	398,278	33,743
Cooperative extension	350,010	314,776	35,234
Total environmental protection	<u>7,800,990</u>	<u>7,347,292</u>	<u>453,698</u>
Economic and physical development			
Planning	871,311	858,386	12,925
Economic Development Commission	901,791	617,270	284,521
Convention center	1,351,727	1,170,066	181,661
Special Appropriation	274,581	116,800	157,781
Total economic and physical development	<u>3,399,410</u>	<u>2,762,522</u>	<u>636,888</u>
Health			
Dental	486,161	469,739	16,422
Maternity	1,452,368	1,329,965	122,403
Child Health	1,887,088	1,651,653	235,435
Risk Reduction	169,527	155,299	14,228
WIC	549,689	484,729	64,960
Adult health services	1,836,389	1,462,173	374,216
Communicable disease	1,063,705	477,428	586,277
Bio-terrorism	103,836	45,473	58,363
Family planning	869,823	757,579	112,244
Home health	1,961,193	1,634,832	326,361
Mental health	394,827	388,025	6,802
Pharmacy	819,497	265,788	553,709
Other - unclassified	1,633,888	1,411,770	222,118
Total health	<u>13,227,991</u>	<u>10,534,453</u>	<u>2,693,538</u>
Social services			
Transportation	1,620,526	1,273,137	347,389
Administration	3,209,882	2,869,451	340,431
Employment assistance	5,212,249	4,835,001	377,248
Adult/child services	1,594,990	1,398,780	196,210
Veterans services	321,667	295,725	25,942
Senior services	543,432	501,962	41,470
Public assistance payments	2,311,574	1,554,002	757,572
TANF	7,562,001	6,612,947	949,054
Child support enforcement	731,541	710,448	21,093
Special appropriation	122,300	122,300	-
Total social services	<u>23,230,162</u>	<u>20,173,753</u>	<u>3,056,409</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE, BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget - Positive (Negative)</b>
Culture and recreation			
Recreation	1,498,577	1,370,711	127,866
Libraries	1,555,496	1,555,496	-
Special appropriation	205,068	119,018	86,050
Total culture and recreation	<u>3,259,141</u>	<u>3,045,225</u>	<u>213,916</u>
Education - schools			
Public schools - current expenditures	22,032,238	22,032,237	1
Public schools - fines and forfeitures	792,753	658,985	133,768
Public schools - capital outlay	1,958,000	1,958,000	-
Community college	4,601,425	4,601,425	-
Total education	<u>29,384,416</u>	<u>29,250,647</u>	<u>133,769</u>
Debt Service:			
Principal	2,578,706	2,578,695	11
Interest	394,321	394,315	6
Total debt service	<u>2,973,027</u>	<u>2,973,010</u>	<u>17</u>
Total expenditures	<u>125,586,792</u>	<u>114,350,108</u>	<u>11,236,684</u>
Excess of revenues over expenditures	<u>3,249,748</u>	<u>17,321,055</u>	<u>14,071,307</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease proceeds	-	385,949	385,949
Transfer in	4,207,744	2,372,098	(1,835,646)
Transfer out	(10,990,647)	(10,556,018)	434,629
Total other financing sources (uses)	<u>(6,782,903)</u>	<u>(7,797,971)</u>	<u>(1,015,068)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(3,533,155)</u>	<u>9,523,084</u>	<u>13,056,239</u>
Appropriated fund balance	<u>3,533,155</u>	<u>-</u>	<u>(3,533,155)</u>
Net change in fund balance	<u>\$ -</u>	<u>9,523,084</u>	<u>\$ 9,523,084</u>
<b>FUND BALANCE</b>			
Fund balance, beginning		<u>50,080,951</u>	
Fund balance, ending		<u>\$ 59,604,035</u>	

**OTHER MAJOR GOVERNMENTAL FUNDS**

# Craven County



**CRAVEN COUNTY, NORTH CAROLINA**  
**CORONAVIRUS STATE LOCAL FISCAL RECOVERY FUNDS CFR 21.027 (ARPA FUNDS)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**

From the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Intergovernment	\$ 19,839,303	\$ -	\$ 646,406	\$ 646,406	\$ (19,192,897)
Interest	-	-	1,855	1,855	1,855
Total revenues	<u>19,839,303</u>	<u>-</u>	<u>648,261</u>	<u>648,261</u>	<u>(19,191,042)</u>
<b>EXPENDITURES</b>					
Economic and physical development:					
Expenditures	19,839,303	-	-	-	19,839,303
Total expenditures	<u>19,839,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,839,303</u>
Other financing sources (uses)					
Transfer to Water Proejct Fund	-	-	(646,406)	(646,406)	(646,406)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(646,406)</u>	<u>(646,406)</u>	<u>(646,406)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,855	<u>\$ 1,855</u>	<u>\$ 1,855</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ 1,855</u>		

**CRAVEN COUNTY, NORTH CAROLINA**  
**COURTHOUSE / EOC RECOVERY PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
From the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Restricted intergovernmental	\$ -	\$ -	\$ 675,576	\$ 675,576	\$ 675,576
Interest on investments	-	-	842	842	842
Total revenues	<u>-</u>	<u>-</u>	<u>676,418</u>	<u>676,418</u>	<u>676,418</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Project construction	3,234,487	2,357,263	726,809	3,084,072	150,415
Contingency	89,106	1,865	-	1,865	87,241
Sales tax refund	-	(11,608)	(2,503)	(14,111)	14,111
Total expenditures	<u>3,323,593</u>	<u>2,347,520</u>	<u>724,306</u>	<u>3,071,826</u>	<u>251,767</u>
Revenues over (under) expenditures	<u>(3,323,593)</u>	<u>(2,347,520)</u>	<u>(47,888)</u>	<u>(2,395,408)</u>	<u>928,185</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from other funds	3,323,593	2,594,490	729,103	3,323,593	-
Total other financing sources (uses)	<u>3,323,593</u>	<u>2,594,490</u>	<u>729,103</u>	<u>3,323,593</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 246,970</u>	<u>\$ 681,215</u>	<u>\$ 928,185</u>	<u>\$ 928,185</u>
Fund balance, beginning			<u>246,970</u>		
Fund balance, ending			<u>\$ 928,185</u>		

**COMBINING SCHEDULES OF NONMAJOR FUNDS**

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2022

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,823,201	\$ 8,475,284	\$ 5,833,684	\$ 19,132,169
Investments	-	4,988,500	-	4,988,500
Sales tax receivable	405,530	19,731	1,642,409	2,067,670
Accounts receivable	3,704,677	9,456	-	3,714,133
Restricted cash	330,777	156,908	-	487,685
Total assets	<u>\$ 9,264,185</u>	<u>\$ 13,649,879</u>	<u>\$ 7,476,093</u>	<u>\$ 30,390,157</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 35,223	\$ 784	\$ -	\$ 36,007
Due to other funds	2,576,557	-	-	2,576,557
Unearned revenues	330,777	-	-	330,777
Total liabilities	<u>2,942,557</u>	<u>784</u>	<u>-</u>	<u>2,943,341</u>
Deferred inflows of resources:				
Taxes receivable	59,910	-	-	59,910
Total deferred inflows of resources	<u>59,910</u>	<u>-</u>	<u>-</u>	<u>59,910</u>
Fund balances:				
Restricted				
Stabilization by state statute	5,757	-	-	5,757
Public Safety	2,457,840	-	-	2,457,840
General government	-	497,621	-	497,621
Social services	186,989	-	-	186,989
Economic and physical development	1,830,540	910,494	-	2,741,034
Education, schools	1,818,096	156,908	7,476,093	9,451,097
Committed:				
Capital projects	-	12,084,072	-	12,084,072
Unassigned	(37,504)	-	-	(37,504)
Total fund balances	<u>6,261,718</u>	<u>13,649,095</u>	<u>7,476,093</u>	<u>27,386,906</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,264,185</u>	<u>\$ 13,649,879</u>	<u>\$ 7,476,093</u>	<u>\$ 30,390,157</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2022

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 5,871,626	\$ -	\$ -	\$ 5,871,626
Intergovernmental	4,897,090	-	880,500	5,777,590
Miscellaneous	4,139	-	-	4,139
Interest	1,850	16,359	3,379	21,588
County Appropriations	-	-	-	-
Total revenues	<u>\$ 10,774,705</u>	<u>\$ 16,359</u>	<u>\$ 883,879</u>	<u>\$ 11,674,943</u>
<b>EXPENDITURES</b>				
Current:				
General government	\$ -	\$ 197,345	\$ -	\$ 197,345
Public safety	5,613,748	-	-	5,613,748
Social services	554,187	113,820	-	668,007
Economic and physical development	1,106,265	-	-	1,106,265
Education	45,353	126,557	-	171,910
Debt service:				
Principal	-	-	3,708,250	3,708,250
Interest	-	-	244,199	244,199
Total expenditures	<u>7,319,553</u>	<u>437,722</u>	<u>3,952,449</u>	<u>11,709,724</u>
Excess of revenues over (under) expenditures	<u>3,455,152</u>	<u>(421,363)</u>	<u>(3,068,570)</u>	<u>(34,781)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	119,613	6,246,600	5,991,805	12,358,018
Transfer out	<u>(919,270)</u>	<u>(3,882,931)</u>	-	<u>(4,802,201)</u>
Total other financing sources (uses)	<u>(799,657)</u>	<u>2,363,669</u>	<u>5,991,805</u>	<u>7,555,817</u>
Net change in fund balances	<u>2,655,495</u>	<u>1,942,306</u>	<u>2,923,235</u>	<u>7,521,036</u>
Fund balance, beginning	<u>3,606,223</u>	<u>11,706,789</u>	<u>4,552,858</u>	<u>19,865,870</u>
Fund balance, ending	<u>\$ 6,261,718</u>	<u>\$ 13,649,095</u>	<u>\$ 7,476,093</u>	<u>\$ 27,386,906</u>

# Craven County



## SPECIAL REVENUE FUNDS

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

The following comprise the County's Special Revenue Funds:

### **Major Fund:**

- **ARPA Funds** - The project fund accounts for revenues and expenditures relative to the American Rescue Plan Act of 2021.

### **Non-major Funds:**

- **Fire District Funds** - The Fire District Funds are used to account for the County's collection of tax revenues and related expenditures for each of the 11 fire districts.
- **Emergency Telephone System Fund** - The Emergency Telephone System E-911 Fund is used to account for the revenues and expenditures related to the emergency 911 system.
- **Occupancy Tax Fund** - The Occupancy Tax Fund is used to account for the receipt of occupancy tax legally restricted to be used for a convention center in New Bern, NC and a tourist center in Havelock, NC.
- **Stream Debris Removal Project Fund** - These funds are allocated for the cutting and removing woody and non-woody debris from the targeted stream channels, which impede or potentially impedes water flow during rain events. This program has helped alleviate the severity and duration of flooding caused by upstream discharge.
- **Community Development Block Grant Disaster Recovery (CDBG-DR)** - As a result of Hurricane Matthew, the State of North Carolina made funds available to help low to moderate-income households recover from the storm. These funds will help six to seven household rehabilitate and/or elevate their homes.
- **Flood Mitigation Assistance Grant 2016-006-** As a part of the County's ongoing hazard mitigation activities, the County applied for and received Federal Emergency Management Agency funds to elevate 3 residential structures to help reduce future flood losses to these properties.
- **Flood Mitigation Assistance Grant 2016-014-** As a part of the County's ongoing hazard mitigation activities, the County applied for and received Federal Emergency Management Agency funds to elevate 2 residential structures to help reduce future flood losses to these properties.
- **Community Development Block Grant Neighborhood Revitalization** - As a result of Hurricane Matthew, the County received \$750,000 from the NC Department of Commerce to elevate and rehabilitate 6 structures in western Craven County.
- **Grant Project Fund** - As a result of Hurricane Florence, the County entered into an expedited buyout program for six residential structures. The County will also provide shoreline re-stabilization to forty-two individual sites, and fund an emergency capital need for the Board of Education.
- **Representative Payee Fund** - As a result of the implementation of GASB 84, the County established a representative payee fund to track DSS trust account balances.
- **Opioid Settlement Fund** - Established to track funds received for Opioid Recovery efforts.

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2022**

	<b>Fire District Funds</b>	<b>Emergency Telephone System</b>	<b>Occupancy Tax Fund</b>	<b>Stream Debris Removal Project</b>	<b>CDBG-DR Active Disaster Grants Fund</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,468,313	\$ 639,023	\$ 1,798,210	\$ 32,330	\$ -
Restricted cash	-	-	-	-	-
Taxes receivable	405,530	-	-	-	-
Accounts receivable	-	5,757	-	-	-
Total assets	<b>\$ 1,873,843</b>	<b>\$ 644,780</b>	<b>\$ 1,798,210</b>	<b>\$ 32,330</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 30,000	\$ 425	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	1,152
Unearned revenues	-	-	-	-	-
Total liabilities	<b>30,000</b>	<b>425</b>	<b>-</b>	<b>-</b>	<b>1,152</b>
Deferred inflows of resources:					
Taxes receivable	59,910	-	-	-	-
Total deferred inflows of resources	<b>59,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Restricted					
Stabilization by state statute	-	5,757	-	-	-
Public Safety	1,783,933	638,598	-	-	-
Human services	-	-	-	-	-
Economic and physical development	-	-	1,798,210	32,330	-
Education	-	-	-	-	-
Unassigned	-	-	-	-	(1,152)
Total fund balances	<b>1,783,933</b>	<b>644,355</b>	<b>1,798,210</b>	<b>32,330</b>	<b>(1,152)</b>
Total liabilities, deferred inflows of resources and fund balances	<b>\$ 1,873,843</b>	<b>\$ 644,780</b>	<b>\$ 1,798,210</b>	<b>\$ 32,330</b>	<b>\$ -</b>

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2022**

	CDBG-NR					Totals
	Flood Hazard Mitigation Assist 2016-006	NC Dept of Commerce Grants Fund	Grant Project Fund	Representative Payee Fund	Opioid Settlement Fund	
\$ -	-	-	\$ 698,336	\$ 186,989	-	\$ 4,823,201
Restricted cash	-	-	-	-	330,777	330,777
Taxes receivable	-	-	-	-	-	405,530
Accounts receivable	-	-	3,698,920	-	-	3,704,677
Total assets	-	-	<u>\$ 4,397,256</u>	<u>\$ 186,989</u>	<u>\$ 330,777</u>	<u>\$ 9,264,185</u>

**LIABILITIES, DEFERRED  
INFLOWS, AND FUND BALANCES**

Liabilities:						
Accounts payable	\$ -	\$ 4,798	\$ -	\$ -	\$ -	\$ 35,223
Due to other funds	-	14,722	2,560,683	-	-	2,576,557
Unearned revenues	-	-	-	-	330,777	330,777
Total liabilities	-	<u>19,520</u>	<u>2,560,683</u>	<u>-</u>	<u>330,777</u>	<u>2,942,557</u>

Deferred inflows of resources:

Taxes receivable	-	-	-	-	-	59,910
Total deferred inflows of resources	-	-	-	-	-	<u>59,910</u>

Fund balances:

Restricted						
Stabilization by state statute	-	-	-	-	-	5,757
Public Safety	-	-	35,309	-	-	2,457,840
Human services	-	-	-	186,989	-	186,989
Economic and physical development	-	-	-	-	-	1,830,540
Education	-	-	1,818,096	-	-	1,818,096
Unassigned	-	(19,520)	(16,832)	-	-	(37,504)
Total fund balances	-	<u>(19,520)</u>	<u>1,836,573</u>	<u>186,989</u>	<u>-</u>	<u>6,261,718</u>

Total liabilities, deferred inflows of  
resources and fund balances

\$ -	-	-	<u>\$ 4,397,256</u>	<u>\$ 186,989</u>	<u>\$ 330,777</u>	<u>\$ 9,264,185</u>
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**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

	<b>Fire District Funds</b>	<b>Emergency Telephone System</b>	<b>Occupancy Tax Fund</b>	<b>Stream Debris Removal Project</b>	<b>CDBG-DR Active Disaster Grants Fund</b>
<b>REVENUES</b>					
Taxes	\$ 3,622,384	\$ -	\$ 2,249,242	\$ -	\$ -
Intergovernmental	-	21,161	-	116,621	-
Miscellaneous	-	-	4,139	-	-
Interest	-	490	1,360	-	-
Total revenues	<u>3,622,384</u>	<u>21,651</u>	<u>2,254,741</u>	<u>116,621</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	3,458,108	101,393	-	-	-
Social services	-	-	-	-	-
Economic and physical development	-	-	875,842	124,421	-
Education	-	-	-	-	-
Total expenditures	<u>3,458,108</u>	<u>101,393</u>	<u>875,842</u>	<u>124,421</u>	<u>-</u>
Revenues over (under) expenditures	<u>164,276</u>	<u>(79,742)</u>	<u>1,378,899</u>	<u>(7,800)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)					
To general fund	-	-	(919,270)	-	-
From general fund	119,613	-	-	-	-
Total other financing sources (uses)	<u>119,613</u>	<u>-</u>	<u>(919,270)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>283,889</u>	<u>(79,742)</u>	<u>459,629</u>	<u>(7,800)</u>	<u>-</u>
Fund balance, beginning	1,500,044	724,097	1,338,581	337,321	(1,152)
Prior Period Adjustment	-	-	-	(297,191)	-
Fund balance, beginning, as restated	<u>1,500,044</u>	<u>724,097</u>	<u>1,338,581</u>	<u>40,130</u>	<u>(1,152)</u>
Fund balance, ending	<u>\$ 1,783,933</u>	<u>\$ 644,355</u>	<u>\$ 1,798,210</u>	<u>\$ 32,330</u>	<u>\$ (1,152)</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
For the Year Ended June 30, 2022

	Flood Hazard Mitigation Assist 2016-006	CDBG-NR NC Dept of Commerce Grants Fund	Grant Project Fund	Representative Payee Fund	Totals
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,871,626
Intergovernmental	-	2,075	4,156,423	600,810	4,897,090
Miscellaneous	-	-	-	-	4,139
Interest	-	-	-	-	1,850
Total revenues	<u>-</u>	<u>2,075</u>	<u>4,156,423</u>	<u>600,810</u>	<u>10,774,705</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	-	2,054,247	-	5,613,748
Social services	-	-	-	554,187	554,187
Economic and physical development	(83)	106,085	-	-	1,106,265
Education	-	-	45,353	-	45,353
Total expenditures	<u>(83)</u>	<u>106,085</u>	<u>2,099,600</u>	<u>554,187</u>	<u>7,319,553</u>
Revenues over (under) expenditures	<u>83</u>	<u>(104,010)</u>	<u>2,056,823</u>	<u>46,623</u>	<u>3,455,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)					
To general fund	-	-	-	-	(919,270)
From general fund	-	-	-	-	119,613
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(799,657)</u>
Net change in fund balances	<u>83</u>	<u>(104,010)</u>	<u>2,056,823</u>	<u>46,623</u>	<u>2,655,495</u>
Fund balance, beginning	(83)	84,490	(517,441)	140,366	3,606,223
Prior Period Adjustment	-	-	297,191	-	-
Fund balance, beginning, as restated	<u>(83)</u>	<u>84,490</u>	<u>(220,250)</u>	<u>140,366</u>	<u>3,606,223</u>
Fund balance, ending	<u>-</u>	<u>(19,520)</u>	<u>\$ 1,836,573</u>	<u>\$ 186,989</u>	<u>\$ 6,261,718</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**ALL FIRE DISTRICT FUNDS**  
 June 30, 2022

	No. 1	Tri-	Little	No. 3	No. 5	No. 6	No. 7	West	No. 9	Sandy Point	Totals
Rhems	Township	Community	Swift	Township	Township	Township	Township	New Bern	Township	Service	District
<b>ASSETS</b>											
Cash and cash equivalents	\$ 173,176	\$ 237,720	\$ 90,541	\$ 103,601	\$ 105,969	\$ 189,342	\$ 92,380	\$ 144,390	\$ 133,488	\$ 15,284	\$ 1,468,313
Taxes receivable	35,018	61,257	23,026	38,512	46,556	32,702	60,218	44,798	30,216	1,401	405,530
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 208,194	\$ 298,977	\$ 113,567	\$ 142,113	\$ 152,525	\$ 222,044	\$ 152,598	\$ 189,188	\$ 163,704	\$ 16,685	\$ 1,873,843
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>											
Accounts Payable	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	30,000	-	-	-	-	-	-	30,000
Deferred inflows of resources:											
Unavailable revenue - taxes	\$ 6,006	\$ 10,522	\$ 4,359	\$ 7,845	\$ 7,714	\$ 3,218	\$ 8,101	\$ 3,304	\$ 4,916	\$ 521	\$ 59,910
Total deferred inflows of resources	3,404	10,522	4,359	7,845	7,714	3,218	8,101	3,304	4,916	521	59,910
Fund balances:											
Restricted	-	-	-	-	-	-	-	-	-	-	-
Stabilization by state statute	210,844	288,455	109,208	104,268	144,811	218,826	144,497	185,884	158,788	16,164	1,783,933
Public Safety	210,844	288,455	109,208	104,268	144,811	218,826	144,497	185,884	158,788	16,164	1,783,933
Total fund balances	\$ 208,194	\$ 298,977	\$ 113,567	\$ 112,113	\$ 152,525	\$ 222,044	\$ 152,598	\$ 189,188	\$ 163,704	\$ 16,685	\$ 1,843,843
Total liabilities, deferred inflows of resources and fund balances											

**CRAVEN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ALL FIRE DISTRICT FUNDS**  
For the Year Ended June 30, 2022

	No. 1 Township	Tri- Community	Little Swift Creek	No. 3 Township	No. 5 Township	No. 6 Township	No. 7 Township	West New Bern	No. 9 Township	Sandy Point Service District	Totals
<b>REVENUES</b>											
Taxes:											
Property	\$ 195,448	\$ 330,854	\$ 134,392	\$ 227,233	\$ 279,912	\$ 221,646	\$ 371,881	\$ 286,470	\$ 149,739	\$ 7,885	\$ 2,414,418
Sales and use tax	99,336	177,323	65,242	107,186	135,755	103,047	182,153	145,023	88,426	3,079	1,207,966
Total revenues	308,294	296,844	508,177	334,419	415,667	324,693	554,034	431,493	238,165	10,964	3,622,384
<b>EXPENDITURES</b>											
Remittances to fire districts	209,268	479,731	222,352	373,259	390,754	271,971	544,896	444,507	235,465	-	3,406,811
Workers' compensation	2,635	3,770	2,340	6,760	2,860	2,990	5,330	4,160	4,290	-	39,230
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Grant match - safety	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	1,036	1,036	1,036	2,572	1,036	1,036	1,419	1,036	824	-	12,067
Total expenditures	212,939	239,739	484,537	382,591	394,650	275,997	551,645	449,703	240,579	-	3,458,108
Revenues over (under) expenditures	95,355	57,105	23,640	(48,172)	21,017	48,696	2,389	(18,210)	(2,414)	10,964	164,276
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in (out):											
From General Fund	-	-	29,730	59,910	-	-	-	-	29,973	-	119,613
Between fire districts	(43,151)	(14,568)	7,380	3,000	2,627	(2,627)	-	43,151	(3,000)	(7,380)	-
Total other financing sources (uses)	(43,151)	(14,568)	7,380	62,910	2,627	(2,627)	-	43,151	26,973	(7,380)	119,613
Net change in fund balances	52,204	42,537	31,020	14,738	23,644	46,069	2,389	24,941	24,559	3,584	283,889
Fund balance, beginning	158,640	159,651	257,435	89,530	121,167	172,757	142,108	160,943	134,229	12,580	1,500,044
Fund balance, ending	\$ 210,844	\$ 202,188	\$ 288,455	\$ 104,268	\$ 144,811	\$ 218,826	\$ 144,497	\$ 185,884	\$ 158,788	\$ 16,164	\$ 1,783,933

**CRAVEN COUNTY, NORTH CAROLINA**  
**RHEMS FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 201,654	\$ 208,958	\$ 7,304
Sales and use tax	85,390	99,336	13,946
Total revenues	<u>287,044</u>	<u>308,294</u>	<u>21,250</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	209,268	209,268	-
Workers' compensation	2,781	2,635	146
Capital outlay	29,686	-	29,686
Miscellaneous	1,506	1,036	470
Total expenditures	<u>243,241</u>	<u>212,939</u>	<u>30,302</u>
Revenues over (under) expenditures	<u>43,803</u>	<u>95,355</u>	<u>51,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
To West New Bern Fire District	<u>(43,803)</u>	<u>(43,151)</u>	<u>652</u>
Total other financing sources (uses)	<u>(43,803)</u>	<u>(43,151)</u>	<u>652</u>
Revenues over (under) expenditures and other financing sources (uses)	-	52,204	52,204
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	52,204	<u>\$ 52,204</u>
Fund balance, beginning		<u>158,640</u>	
Fund balance, ending		<u>\$ 210,844</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**NO. 1 TOWNSHIP FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 191,522	\$ 195,448	\$ 3,926
Sales and use tax	87,161	101,396	14,235
Total revenues	278,683	296,844	18,161
<b>EXPENDITURES</b>			
Remittances to fire districts	234,608	234,608	-
Workers' compensation	4,095	4,095	-
Capital outlay	24,375	-	24,375
Grant match - safety	-	-	-
Miscellaneous	1,036	1,036	-
Total expenditures	264,114	239,739	24,375
Revenues over (under) expenditures	14,569	57,105	42,536
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
To Little Swift Creeek Fire District	(14,569)	(14,568)	1
Total other financing sources (uses)	(14,569)	(14,568)	1
Revenues over (under) expenditures and other financing sources (uses)	-	42,537	42,537
Appropriated fund balance	-	-	-
Revenues, other uses, and appropriated fund balance over (under) expenditures	\$ -	42,537	\$ 42,537
Fund balance, beginning		159,651	
Fund balance, ending		\$ 202,188	

**CRAVEN COUNTY, NORTH CAROLINA**  
**TRI-COMMUNITY FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 324,722	\$ 330,854	\$ 6,132
Sales and use tax	152,426	177,323	24,897
Total revenues	<u>477,148</u>	<u>508,177</u>	<u>31,029</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	479,731	479,731	-
Workers' compensation	3,770	3,770	-
Capital outlay	-	-	-
Miscellaneous	1,249	1,036	213
Total expenditures	<u>484,750</u>	<u>484,537</u>	<u>213</u>
Revenues over (under) expenditures	<u>(7,602)</u>	<u>23,640</u>	<u>31,242</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From Sandy Point	7,380	7,380	-
Total other financing sources (uses)	<u>7,380</u>	<u>7,380</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(222)	31,020	31,242
Appropriated fund balance	<u>222</u>	<u>-</u>	<u>(222)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	31,020	<u>\$ 31,020</u>
Fund balance, beginning		<u>257,435</u>	
Fund balance, ending		<u>\$ 288,455</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**LITTLE SWIFT CREEK FIRE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 132,360	\$ 134,392	\$ 2,032
Sales and use tax	56,082	65,242	9,160
Total revenues	<u>188,442</u>	<u>199,634</u>	<u>11,192</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	224,297	222,352	1,945
Workers' compensation	2,544	2,340	204
Capital outlay	4,049	-	4,049
Miscellaneous	1,249	1,036	213
Total expenditures	<u>232,139</u>	<u>225,728</u>	<u>6,411</u>
Revenues over (under) expenditures	<u>(43,697)</u>	<u>(26,094)</u>	<u>17,603</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From General fund	29,730	29,730	-
From Township No. 9 Fire District Fund	13,967	14,568	601
Total other financing sources (uses)	<u>43,697</u>	<u>44,298</u>	<u>601</u>
Revenues over (under) expenditures and other financing sources (uses)	-	18,204	18,204
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	18,204	<u>\$ 18,204</u>
Fund balance, beginning		<u>91,004</u>	
Fund balance, ending		<u>\$ 109,208</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**NO. 3 TOWNSHIP FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 217,964	\$ 227,233	\$ 9,269
Sales and use tax	92,137	107,186	15,049
Total revenues	<u>310,101</u>	<u>334,419</u>	<u>24,318</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	373,259	373,259	-
Workers' compensation	8,535	6,760	1,775
Capital outlay	-	-	-
Grant match	-	-	-
Miscellaneous	3,118	2,572	546
Total expenditures	<u>384,912</u>	<u>382,591</u>	<u>2,321</u>
Revenues over (under) expenditures	<u>(74,811)</u>	<u>(48,172)</u>	<u>26,639</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From General fund	59,910	59,910	-
From Township No. 9 Fire District Fund	3,000	3,000	-
Total other financing sources (uses)	<u>62,910</u>	<u>62,910</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(11,901)	14,738	26,639
Appropriated fund balance	<u>11,901</u>	<u>-</u>	<u>(11,901)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	14,738	<u>\$ 14,738</u>
Fund balance, beginning		<u>89,530</u>	
Fund balance, ending		<u>\$ 104,268</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**NO. 5 TOWNSHIP FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 274,358	\$ 279,912	\$ 5,554
Sales and use tax	116,695	135,755	19,060
Total revenues	<u>391,053</u>	<u>415,667</u>	<u>24,614</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	390,754	390,754	-
Workers' compensation	2,860	2,860	-
Capital outlay	-	-	-
Miscellaneous	1,506	1,036	470
Total expenditures	<u>395,120</u>	<u>394,650</u>	<u>470</u>
Revenues over (under) expenditures	<u>(4,067)</u>	<u>21,017</u>	<u>25,084</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From General fund	-	-	-
From Township No. 6 Fire District Fund	2,619	2,627	8
Total other financing sources (uses)	<u>2,619</u>	<u>2,627</u>	<u>8</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(1,448)</u>	<u>23,644</u>	<u>25,092</u>
Appropriated fund balance	<u>1,448</u>	<u>-</u>	<u>(1,448)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>23,644</u>	<u>\$ 23,644</u>
Fund balance, beginning		<u>121,167</u>	
Fund balance, ending		<u>\$ 144,811</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**NO. 6 TOWNSHIP FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 209,068	\$ 221,646	\$ 12,578
Sales and use tax	88,581	103,047	14,466
Total revenues	<u>297,649</u>	<u>324,693</u>	<u>27,044</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	271,971	271,971	-
Workers' compensation	3,405	2,990	415
Capital outlay	18,139	-	18,139
Miscellaneous	1,506	1,036	470
Total expenditures	<u>295,021</u>	<u>275,997</u>	<u>19,024</u>
Revenues over (under) expenditures	<u>2,628</u>	<u>48,696</u>	<u>46,068</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
To Township No. 5 Fire District Fund	<u>(2,628)</u>	<u>(2,627)</u>	<u>1</u>
Total other financing sources (uses)	<u>(2,628)</u>	<u>(2,627)</u>	<u>1</u>
Revenues over (under) expenditures and other financing sources (uses)	-	46,069	46,069
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	46,069	<u>\$ 46,069</u>
Fund balance, beginning		<u>172,757</u>	
Fund balance, ending		<u>\$ 218,826</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**NO. 7 TOWNSHIP FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 370,688	\$ 371,881	\$ 1,193
Sales and use tax	156,579	182,153	25,574
Total revenues	<u>527,267</u>	<u>554,034</u>	<u>26,767</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	544,896	544,896	-
Workers' compensation	5,623	5,330	293
Miscellaneous	1,591	1,419	172
Total expenditures	<u>552,110</u>	<u>551,645</u>	<u>465</u>
Revenues over (under) expenditures	<u>(24,843)</u>	<u>2,389</u>	<u>27,232</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
To Township No. 5 Fire District Fund	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	(24,843)	2,389	27,232
Appropriated fund balance	<u>24,843</u>	<u>-</u>	<u>(24,843)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>2,389</u>	<u>\$ 2,389</u>
Fund balance, beginning		<u>142,108</u>	
Fund balance, ending		<u>\$ 144,497</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**WEST NEW BERN FIRE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes:			
Property	\$ 282,835	\$ 286,470	\$ 3,635
Sales and use tax	124,662	145,023	20,361
Total revenues	<u>407,497</u>	<u>431,493</u>	<u>23,996</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	444,507	444,507	-
Workers' compensation	4,160	4,160	-
Capital outlay	1,594	-	1,594
Miscellaneous	1,249	1,036	213
Total expenditures	<u>451,510</u>	<u>449,703</u>	<u>1,807</u>
Revenues over (under) expenditures	<u>(44,013)</u>	<u>(18,210)</u>	<u>25,803</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From Rhems	43,803	43,151	(652)
Total other financing sources (uses)	<u>43,803</u>	<u>43,151</u>	<u>(652)</u>
Revenues over (under) expenditures and other financing sources (uses)	(210)	24,941	25,151
Appropriated fund balance	<u>210</u>	<u>-</u>	<u>(210)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	24,941	<u>\$ 24,941</u>
Fund balance, beginning		<u>160,943</u>	
Fund balance, ending		<u>\$ 185,884</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**NO. 9 TOWNSHIP FIRE DISTRICT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 144,123	\$ 149,739	\$ 5,616
Sales and use tax	76,011	88,426	12,415
Total revenues	<u>220,134</u>	<u>238,165</u>	<u>18,031</u>
<b>EXPENDITURES</b>			
Remittances to fire districts	235,858	235,465	393
Workers' compensation	4,418	4,290	128
Capital outlay	5,795	-	5,795
Miscellaneous	1,036	824	212
Total expenditures	<u>247,107</u>	<u>240,579</u>	<u>6,528</u>
Revenues over (under) expenditures	<u>(26,973)</u>	<u>(2,414)</u>	<u>24,559</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
To Township No. 3 Township Fire District Fund	(3,000)	(3,000)	-
From General Fund	29,973	29,973	-
Total other financing sources (uses)	<u>26,973</u>	<u>26,973</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	-	24,559	24,559
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	24,559	<u>\$ 24,559</u>
Fund balance, beginning		<u>134,229</u>	
Fund balance, ending		<u>\$ 158,788</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**SANDY POINT SERVICE DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes:			
Property	\$ 5,027	\$ 7,885	\$ 2,858
Sales and use tax	2,646	3,079	433
Total revenues	<u>7,673</u>	<u>10,964</u>	<u>3,291</u>
<b>EXPENDITURES</b>			
Capital outlay	293	-	(293)
Total expenditures	<u>293</u>	<u>-</u>	<u>(293)</u>
Revenues over (under) expenditures	<u>7,380</u>	<u>10,964</u>	<u>3,584</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
To Tri-Community Fire District Fund	<u>(7,380)</u>	<u>(7,380)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,380)</u>	<u>(7,380)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	-	3,584	3,584
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	3,584	<u>\$ 3,584</u>
Fund balance, beginning		<u>12,580</u>	
Fund balance, ending		<u>\$ 16,164</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental	\$ 21,162	\$ 21,161	\$ (1)
Miscellaneous income	-	-	-
Interest	200	490	290
Total revenues	21,362	21,651	289
<b>EXPENDITURES</b>			
Public safety	153,761	101,393	(52,368)
Total expenditures	153,761	101,393	(52,368)
Revenues over (under) expenditures	(132,399)	(79,742)	52,657
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out):			
To General fund	-	-	-
Total other financing sources (uses)	-	-	-
Revenues over (under) expenditures and other financing sources (uses)	(132,399)	(79,742)	52,657
Appropriated fund balance	132,399	-	(132,399)
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	(79,742)	\$ (79,742)
Fund balance, beginning		724,097	
Fund balance, ending		\$ 644,355	

**CRAVEN COUNTY, NORTH CAROLINA**  
**OCCUPANCY TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Taxes	\$ 1,804,470	\$ 2,249,242	\$ 444,772
Miscellaneous income	5,000	4,139	(861)
Interest	-	1,360	1,360
Total revenues	1,809,470	2,254,741	445,271
<b>EXPENDITURES</b>			
Economic and physical development:			
Remittance to City of Havelock	110,000	105,546	(4,454)
Remittance to Tourism Development Authority	780,000	770,143	(9,857)
Professional services	200	153	(47)
Total expenditures	890,200	875,842	(14,358)
Revenues over (under) expenditures	919,270	1,378,899	459,629
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
To General fund	(919,270)	(919,270)	-
Total other financing sources (uses)	(919,270)	(919,270)	-
Revenues over (under) expenditures and other financing sources (uses)	-	459,629	459,629
Appropriated fund balance	-	-	-
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	459,629	\$ 459,629
Fund balance, beginning		1,338,581	
Fund balance, ending		\$ 1,798,210	

**CRAVEN COUNTY, NORTH CAROLINA**  
**STREAM DEBRIS REMOVAL PROJECT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
From the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Intergovernmental	\$ 709,229	\$ 592,608	\$ 116,621	\$ 709,229	\$ -
Golden Leaf Foundation Grant	<u>618,670</u>	<u>520,745</u>	<u>-</u>	<u>520,745</u>	<u>(97,925)</u>
Total revenues	<u>1,327,899</u>	<u>1,113,353</u>	<u>116,621</u>	<u>1,229,974</u>	<u>(97,925)</u>
<b>EXPENDITURES</b>					
Economic and physical development:					
Expenditures	<u>1,378,129</u>	<u>1,123,453</u>	<u>124,421</u>	<u>1,247,874</u>	<u>130,255</u>
Total expenditures	<u>1,378,129</u>	<u>1,123,453</u>	<u>124,421</u>	<u>1,247,874</u>	<u>130,255</u>
Revenues over (under) expenditures	<u>(50,230)</u>	<u>(10,100)</u>	<u>(7,800)</u>	<u>(17,900)</u>	<u>32,330</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
From Reserve fund	50,230	50,230	-	50,230	-
Total other financing sources (uses)	<u>50,230</u>	<u>50,230</u>	<u>-</u>	<u>50,230</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 40,130</u>	<u>(7,800)</u>	<u>\$ 32,330</u>	<u>\$ 32,330</u>
Fund balance, beginning			337,321		
Prior Period Adjustment (see Note 19)			<u>(297,191)</u>		
Fund balance, ending			<u>\$ 32,330</u>		

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

From the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Intergovernment	\$ 1,000,000	\$ -	\$ -	\$ -	\$ (1,000,000)
Total revenues	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,000,000)</u>
<b>EXPENDITURES</b>					
Economic and physical development:					
Expenditures	1,000,000	1,152	-	1,152	998,848
Total expenditures	<u>1,000,000</u>	<u>1,152</u>	<u>-</u>	<u>1,152</u>	<u>998,848</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (1,152)</u>	<u>-</u>	<u>\$ (1,152)</u>	<u>\$ (1,152)</u>
Fund balance, beginning			<u>(1,152)</u>		
Fund balance, ending			<u>\$ (1,152)</u>		

**CRAVEN COUNTY, NORTH CAROLINA**  
**FLOOD HAZARD MITIGATION ASSISTANCE PROJECT 2016-006**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
From the Inception and for the Fiscal Year Ended June 30, 2022

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

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

From the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Intergovernment	\$ 750,000	\$ 309,772	\$ 2,075	\$ 311,847	\$ (438,153)
Total revenues	<u>750,000</u>	<u>309,772</u>	<u>2,075</u>	<u>311,847</u>	<u>(438,153)</u>
<b>EXPENDITURES</b>					
Economic and physical development:					
Expenditures	750,000	225,282	106,085	331,367	418,633
Total expenditures	<u>750,000</u>	<u>225,282</u>	<u>106,085</u>	<u>331,367</u>	<u>418,633</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 84,490</u>	(104,010)	<u>\$ (19,520)</u>	<u>\$ (19,520)</u>
Fund balance, beginning			<u>84,490</u>		
Fund balance, ending			<u>\$ (19,520)</u>		

**CRAVEN COUNTY, NORTH CAROLINA**  
**GRANT PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
From the Inception and for the Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Intergovernment					
HMGP 4393-0008-R					
FEMA	\$ 629,670	\$ 393,011	\$ 53,602	\$ 446,613	\$ (183,057)
NC Dept of Public Safety	209,889	-	-	-	(209,889)
EWP Event 5038 - Hurricane Florence					
US Department of Agriculture	2,956,088	1,933,481	917,839	2,851,320	(104,768)
NC Dept of Agriculture	1,716,372	297,191	1,219,261	1,516,452	(199,920)
CCBOE Emergency Generator Project					
CC Board of Education	1,862,671	-	1,862,671	1,862,671	-
Goldenleaf Foundation	1,393,800	-	103,050	103,050	(1,290,750)
Miscellaneous revenue	-	2,684	-	2,684	2,684
Total revenues	<u>8,768,490</u>	<u>2,626,367</u>	<u>4,156,423</u>	<u>6,782,790</u>	<u>(1,985,700)</u>
<b>EXPENDITURES</b>					
Economic and physical development:					
HMGP 4393-008-R					
Land Acquisition	688,002	397,265	-	397,265	290,737
Demolition	117,156	43,209	-	43,209	73,947
Admin	34,401	25,655	-	25,655	8,746
Public Safety					
EWP Event 5038 - Hurricane Florence					
Contract Services	668,851	297,435	371,416	668,851	(0)
Admin	481,859	47,300	245,230	292,530	189,329
Grant - Construction	3,521,750	1,933,481	1,437,601	3,371,082	150,668
Construction - Other	20,584	20,584	-	20,584	-
Education:					
CCBOE Emergency Generator Project					
Architect / Engineer	209,070	102,272	14,404	116,676	92,394
Construction	3,047,401	-	30,949	30,949	3,016,452
Total expenditures	<u>8,789,074</u>	<u>2,867,201</u>	<u>2,099,600</u>	<u>4,966,801</u>	<u>3,822,273</u>
Revenues over (under) expenditures	<u>(20,584)</u>	<u>(240,834)</u>	<u>2,056,823</u>	<u>1,815,989</u>	<u>1,836,573</u>
Other financing sources:					
EWP Event 5038 - Hurricane Florence					
Transfer from General Fund	20,584	20,584	-	20,584	-
Total other financing sources	<u>20,584</u>	<u>20,584</u>	<u>-</u>	<u>20,584</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (220,250)</u>	<u>2,056,823</u>	<u>\$ 1,836,573</u>	<u>\$ 1,836,573</u>
Fund balance, beginning			(517,441)		
Prior Period Adjustment (see Note 19)			<u>297,191</u>		
Fund balance, ending			<u>\$ 1,836,573</u>		

**CRAVEN COUNTY, NORTH CAROLINA**  
**REPRESENTATIVE PAYEE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Restricted Intergovernmental	\$ 605,000	\$ 600,810	\$ (4,190)
Investment Earnings	-	-	-
Total revenues	605,000	600,810	(4,190)
<b>EXPENDITURES</b>			
Human Services			
Payments made for the benefit of beneficiaries	605,000	554,187	(50,813)
Total expenditures	605,000	554,187	(50,813)
 Net change in fund balance	 \$ -	 46,623	 \$ 46,623
 Fund balance, beginning		 140,366	
Fund balance, ending		\$ 186,989	

## **DEBT SERVICE FUND**

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

# Craven County



**CRAVEN COUNTY, NORTH CAROLINA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Intergovernmental - lottery proceeds	\$ -	\$ 880,500	\$ 880,500
Interest	-	3,379	3,379
Total revenues	<u>-</u>	<u>883,879</u>	<u>883,879</u>
<b>EXPENDITURES</b>			
Principal	3,708,250	3,708,250	-
Interest and fiscal charges	244,740	244,199	(541)
Total expenditures	<u>3,952,990</u>	<u>3,952,449</u>	<u>(541)</u>
Revenues over (under) expenditures	<u>(3,952,990)</u>	<u>(3,068,570)</u>	<u>884,420</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From General fund	<u>3,952,990</u>	<u>5,991,805</u>	<u>2,038,815</u>
Total other financing sources (uses)	<u>3,952,990</u>	<u>5,991,805</u>	<u>2,038,815</u>
Revenues and other sources over (under) expenditures and other financing uses	-	2,923,235	2,923,235
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>2,923,235</u>	<u>\$ 2,923,235</u>
Fund balance, beginning		<u>4,552,858</u>	
Fund balance, ending		<u>\$ 7,476,093</u>	

# Craven County



## CAPITAL PROJECT FUNDS

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

The following comprise the County's Capital Project Funds:

Major Fund:

- **Courthouse / EOC Recovery Project Fund** - Restoration and improvements of the existing Courthouse.

Non-major Funds:

- **County Reserve Fund** - The County Reserve Capital Project Fund is a capital reserve fund for future acquisitions or construction of buildings and equipment.
- **School Capital Fund** - Fund category 1 capital projects over \$100,000 for Craven County Board of Education.
- **Convention Center Restoration Project Fund** - Restoration and improvements of the existing convention center.
- **ERP Software Replace Phase One** - Conversion from current financial reporting packing software to Munis (Tyler) package.
- **CARTS Building Project Fund** - Improvements at the CARTS Building.

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

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
June 30, 2022

	<b>Capital Reserve Fund</b>	<b>School Capital Fund</b>	<b>Convention Center Restoration Fund</b>	<b>ERP Software Replace Phase One</b>	<b>CARTS Building Project</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,329,936	\$ -	\$ 910,494	\$ 478,674	\$ 1,756,180	\$ 8,475,284
Investments	4,988,500	-	-	-	-	4,988,500
Restricted cash	-	156,908	-	-	-	156,908
Accounts receivable	9,456	-	-	-	-	9,456
Sales tax receivable	-	-	-	19,731	-	19,731
Total assets	<u>10,327,892</u>	<u>156,908</u>	<u>910,494</u>	<u>498,405</u>	<u>1,756,180</u>	<u>13,649,879</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	-	-	-	784	-	784
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>784</u>	<u>-</u>	<u>784</u>
Fund balances:						
Restricted						
Education, schools	-	156,908	-	-	-	156,908
General government	-	-	-	497,621	-	497,621
Economic and physical development	-	-	910,494	-	-	910,494
Committed						
Capital Projects	10,327,892	-	-	-	1,756,180	12,084,072
Unassigned	-	-	-	-	-	-
Total fund balances	<u>10,327,892</u>	<u>156,908</u>	<u>910,494</u>	<u>497,621</u>	<u>1,756,180</u>	<u>13,649,095</u>
Total liabilities and fund balances	<u>\$ 10,327,892</u>	<u>\$ 156,908</u>	<u>\$ 910,494</u>	<u>\$ 498,405</u>	<u>\$ 1,756,180</u>	<u>\$13,649,879</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
For the Year Ended June 30, 2022

	<b>Capital Reserve Fund</b>	<b>School Capital Fund</b>	<b>Covention Center Restoration Fund</b>	<b>ERP Software Replace Phase One</b>	<b>CARTS Building Project</b>	<b>Total</b>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	15,838	134	-	387	-	16,359
Total revenues	<u>15,838</u>	<u>134</u>	<u>-</u>	<u>387</u>	<u>-</u>	<u>16,359</u>
<b>EXPENDITURES</b>						
General government	-	-	-	197,345	-	197,345
Economic and physical development	-	-	-	-	-	-
Social services	-	-	-	-	113,820	113,820
Education	-	126,557	-	-	-	126,557
Total expenditures	<u>-</u>	<u>126,557</u>	<u>-</u>	<u>197,345</u>	<u>113,820</u>	<u>437,722</u>
Revenues over (under) expenditures	<u>15,838</u>	<u>(126,423)</u>	<u>-</u>	<u>(196,958)</u>	<u>(113,820)</u>	<u>(421,363)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	4,376,600	-	-	-	1,870,000	6,246,600
Transfer out	(3,882,931)	-	-	-	-	(3,882,931)
Total other financing sources (uses)	<u>493,669</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,870,000</u>	<u>2,363,669</u>
Net change in fund balances	<u>509,507</u>	<u>(126,423)</u>	<u>-</u>	<u>(196,958)</u>	<u>1,756,180</u>	<u>1,942,306</u>
Fund balance, beginning	<u>9,818,385</u>	<u>283,331</u>	<u>910,494</u>	<u>694,579</u>	<u>-</u>	<u>11,706,789</u>
Fund balance, ending	<u>\$ 10,327,892</u>	<u>\$ 156,908</u>	<u>\$ 910,494</u>	<u>\$ 497,621</u>	<u>\$ 1,756,180</u>	<u>\$ 13,649,095</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
From the Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>		
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>
<b>REVENUES</b>				
Interest	\$ -	\$ 1,453,596	\$ 15,838	\$ 1,469,434
Total revenues	<u>-</u>	<u>1,453,596</u>	<u>15,838</u>	<u>1,469,434</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in (out):				
From General fund	-	11,615,741	4,376,600	15,992,341
To General fund	(3,119,474)	(1,681,855)	(1,283,828)	(2,965,683)
To ERP Software Replace Phase 1	-	(1,518,867)	(2,599,103)	(4,117,970)
To Stream Debris Removal	-	(50,230)	-	(50,230)
Total other financing sources (uses)	<u>(3,119,474)</u>	<u>8,364,789</u>	<u>493,669</u>	<u>8,858,458</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>(3,119,474)</u>	<u>9,818,385</u>	<u>509,507</u>	<u>10,327,892</u>
Appropriated fund balance	<u>5,718,577</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ 2,599,103</u>	<u>\$ 9,818,385</u>	<u>509,507</u>	<u>\$ 10,327,892</u>
Fund balance, beginning			<u>9,818,385</u>	
Fund balance, ending			<u>\$ 10,327,892</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**SCHOOL CAPITAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Interest	\$ -	\$ 134	\$ 134
County Appropriation	-	-	-
Total revenues	-	134	134
<b>EXPENDITURES</b>			
Capital outlay:			
Public schools	126,557	126,557	-
Total expenditures	126,557	126,557	-
Revenues over (under) expenditures	(126,557)	(126,423)	134
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From General fund	-	-	-
Appropriated fund balance	126,557	-	(126,557)
Total other financing sources	126,557	-	(126,557)
Revenues over (under) expenditures and other financing sources	\$ -	(126,423)	\$ (126,423)
Fund balance, beginning		283,331	
Fund balance, ending		\$ 156,908	

**CRAVEN COUNTY, NORTH CAROLINA**  
**CONVENTION CENTER RESTORATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
From the Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>			<b>Variance Positive (Negative)</b>
		<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	
<b>REVENUES</b>					
Interest on investments	\$ 42,000	\$ 55,908	\$ -	\$ 55,908	\$ 13,908
Total revenues	<u>42,000</u>	<u>55,908</u>	<u>-</u>	<u>55,908</u>	<u>13,908</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Project construction	12,760,254	12,163,201	-	12,163,201	597,053
Capital outlay	250,000	238,309	-	238,309	11,691
Contingency	180,807	-	-	-	180,807
Contractor sales tax refund	-	(107,034)	-	(107,034)	107,034
Bond issuance cost	38,983	38,982	-	38,982	1
Total expenditures	<u>13,230,044</u>	<u>12,333,458</u>	<u>-</u>	<u>12,333,458</u>	<u>896,586</u>
Revenues over (under) expenditures	<u>(13,188,044)</u>	<u>(12,277,550)</u>	<u>-</u>	<u>(12,277,550)</u>	<u>910,494</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from other funds	3,188,044	3,188,044	-	3,188,044	-
Issuance of debt	10,000,000	10,000,000	-	10,000,000	-
Total other financing sources (uses)	<u>13,188,044</u>	<u>13,188,044</u>	<u>-</u>	<u>13,188,044</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 910,494</u>	<u>\$ -</u>	<u>\$ 910,494</u>	<u>\$ 910,494</u>
Fund balance, beginning			910,494		
Fund balance, ending			<u>\$ 910,494</u>		

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

From the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Interest	\$ -	\$ 890	\$ 387	\$ 1,277	\$ 1,277
Total revenues	<u>-</u>	<u>890</u>	<u>387</u>	<u>1,277</u>	<u>1,277</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Project construction	1,643,511	1,270,305	179,138	1,449,443	194,068
Capital outlay	233,123	5,995	20,307	26,302	206,821
Contingency	95,455	2,100	(2,100)	-	95,455
Total expenditures	<u>1,972,089</u>	<u>1,278,400</u>	<u>197,345</u>	<u>1,475,745</u>	<u>496,344</u>
Revenues over (under) expenditures	<u>(1,972,089)</u>	<u>(1,277,510)</u>	<u>(196,958)</u>	<u>(1,474,468)</u>	<u>497,621</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in (out):					
From General fund	270,000	270,000	-	270,000	-
From Capital Reserve Fund	1,518,867	1,518,867	-	1,518,867	-
From Water Operating Fund	183,222	183,222	-	183,222	-
Total other financing sources	<u>1,972,089</u>	<u>1,972,089</u>	<u>-</u>	<u>1,972,089</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 694,579</u>	<u>(196,958)</u>	<u>\$ 497,621</u>	<u>\$ 497,621</u>
Fund balance, beginning			<u>694,579</u>		
Fund balance, ending			<u>\$ 497,621</u>		

**CRAVEN COUNTY, NORTH CAROLINA**  
**CARTS BUILDING PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
From the Inception and for the Fiscal Year Ended June 30, 2022

	<u>Actual</u>			<b>Variance Positive (Negative)</b>	
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>		<b>Total to Date</b>
<b>REVENUES</b>					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Architect / Engineer	165,551	-	113,820	113,820	51,731
Construction - General	1,342,000	-	-	-	1,342,000
Construction - Other	101,000	-	-	-	101,000
Construction - Contingency	138,184	-	-	-	138,184
Capital outlay	123,265	-	-	-	123,265
Total expenditures	<u>1,870,000</u>	<u>-</u>	<u>113,820</u>	<u>113,820</u>	<u>1,756,180</u>
Revenues over (under) expenditures	<u>(1,870,000)</u>	<u>-</u>	<u>(113,820)</u>	<u>(113,820)</u>	<u>(1,756,180)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from other funds	1,870,000	-	1,870,000	1,870,000	-
Total other financing sources (uses)	<u>1,870,000</u>	<u>-</u>	<u>1,870,000</u>	<u>1,870,000</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,756,180</u>	<u>\$ 1,756,180</u>	<u>\$ (1,756,180)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 1,756,180</u>		

## ENTERPRISE FUNDS

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

The following comprise the County's Enterprise Fund:

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

- Craven County Water Fund (Major Fund)
- Craven County Water Capital Project Fund (Consolidated with the Operating Fund)
- SCADA / Telemetry Project Fund (Consolidated with the Operating Fund)

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

- Northwest Craven Water and Sewer District

**CRAVEN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF NET POSITION**  
**CRAVEN COUNTY WATER FUND**  
June 30, 2022

	<u><b>Water Operating Fund</b></u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 8,550,161
Short-term investments	4,914,433
Accounts receivable, net of allowance for doubtful accounts	761,052
Prepays	105,806
Total current assets	<u>14,331,452</u>
Noncurrent assets	
Restricted cash and cash equivalents	325,760
Capital assets:	
Land	947,354
Construction in process	1,344,156
Improvement other than buildings	30,200,215
Buildings	30,695,648
Machinery and equipment	690,711
Accumulated depreciation	<u>(25,245,760)</u>
Total capital assets, net of accumulated depreciation	<u>36,340,814</u>
Total noncurrent assets	<u>38,958,084</u>
Total assets	<u>53,289,536</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
	<u>274,843</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	
Current liabilities:	
Accounts payable	225,800
Accrued salaries and benefits	31,221
Accrued payroll taxes	(108)
Accrued interest payable	1,066
Customer deposits payable	325,760
Compensated absences liability - current	37,914
Debt payable - current	808,949
Obligations under capital lease - current	80,115
Total current liabilities	<u>1,510,717</u>
Noncurrent liabilities	
Compensated absence liability	25,046
Net pension liability	133,121
Total OPEB liability	157,575
Debt payable	11,325,297
Obligations under capital lease	160,228
Total noncurrent liabilities	<u>11,801,267</u>
Total liabilities	<u>13,311,984</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
	<u>211,281</u>
<b>NET POSITION</b>	
Net investment in capital assets	26,257,735
Unrestricted	13,783,379
Total net position	<u>\$ 40,041,114</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**CRAVEN COUNTY WATER FUND**  
**DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET**  
**POSITION**  
For the Year Ended June 30, 2022

	<b>Craven County Water Operating Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 4,192,029
Miscellaneous	272,678
Total operating revenues	4,464,707
<b>OPERATING EXPENSES</b>	
Cost of services	2,598,191
Depreciation	1,707,137
Total operating expenses	4,305,328
Operating Income	159,379
<b>NONOPERATING REVENUES AND EXPENSES</b>	
Interest income	17,111
FEMA Grant	-
Interest expense	(8,169)
Total nonoperating	8,942
Income before transfers	168,321
<b>TRANSFER IN (OUT):</b>	
From General Fund	18,000
To General Fund	(169,000)
From ARPA Fund	646,406
Total transfer in (out)	495,406
Change in net position	663,727
Net position, beginning	39,377,387
Net position, ending	\$ 40,041,114

**CRAVEN COUNTY, NORTH CAROLINA**  
**CRAVEN COUNTY WATER OPERATING FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),  
 BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
 For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>OPERATING REVENUES</b>			
Water and sewer sales	\$ 3,850,000	\$ 3,853,724	\$ 3,724
Tap and permit fees	258,800	338,305	79,505
Miscellaneous	158,800	272,678	113,878
Total operating revenues	<u>4,267,600</u>	<u>4,464,707</u>	<u>197,107</u>
<b>OPERATING EXPENSES</b>			
Personnel services:			
Salaries	759,363	733,276	(26,087)
Employee benefits	249,405	219,377	(30,028)
Retirement	115,094	111,431	(3,663)
Professional services:			
Audit and accounting fees	3,000	990	(2,010)
Legal fees	5,000	-	(5,000)
Engineering fees	4,436	4,436	-
Contractual services	150,658	137,370	(13,288)
Operating supplies	16,496	15,739	(757)
Utilities	405,000	397,690	(7,310)
Maintenance and repairs:			
Systems	303,562	303,561	(1)
Building and grounds	79,610	74,840	(4,770)
Vehicle expense	88,695	87,962	(733)
Equipment	5,000	1,334	(3,666)
Sanitation	-	-	-
Hurricane expenses	-	-	-
Insurance	90,000	87,492	(2,508)
Tap outlays	181,038	181,037	(1)
Telephone and postage	21,205	18,120	(3,085)
Lockbox	105,000	102,352	(2,648)
Chemical and lab work	229,000	211,758	(17,242)
Supplies	10,804	9,226	(1,578)
Capital outlay	354,458	167,323	(187,135)
Bad debt Expenses	25,000	20,000	(5,000)
Miscellaneous	22,410	18,277	(4,133)
Total operating expenses	<u>3,224,234</u>	<u>2,903,591</u>	<u>(320,643)</u>
Excess of operating revenues over operating expenditures	<u>1,043,366</u>	<u>1,561,116</u>	<u>517,750</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**CRAVEN COUNTY WATER OPERATING FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),  
 BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
 For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>NONOPERATING REVENUES (EXPENDITURES)</b>			
Interest income	7,000	17,111	10,111
Interest paid	(10,301)	(8,169)	2,132
FEMA Grant	-	-	-
Principal payments	(889,065)	(889,062)	3
Total nonoperating revenues (expenditures)	(892,366)	(880,120)	12,246
Excess of revenues over expenditures	151,000	680,996	529,996
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in (out):			
From General Fund	18,000	18,000	-
To General Fund	(169,000)	(169,000)	-
To Water Project Fund	(1,063,693)	(1,063,693)	-
Appropriated Fund Balance	1,063,693	-	(1,063,693)
Total other financing sources (uses)	(151,000)	(1,214,693)	(1,063,693)
Excess of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ (533,697)	\$ (533,697)

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

Excess of revenues over (under) expenditures and other financing sources (uses), modified accrual basis, above		\$ (533,697)
Capital outlay		156,437
Debt principal payments		889,062
Depreciation		(1,707,137)
Increase (decrease) in deferred outflows of resources - pensions		25,474
Increase (decrease) in deferred outflows of resources - OPEB		(21,494)
(Increase) decrease in compensated absences		(399)
(Increase) decrease in total OPEB liability		156,268
(Increase) decrease in net pension liability		187,152
(Increase) decrease in deferred inflows of resources - pensions		(195,275)
(Increase) decrease in deferred inflows of resources - OPEB		(2,763)
Transfers to project funds		1,710,099
Change in net position, full accrual basis		\$ 663,727

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

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

For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>NONOPERATING REVENUES (EXPENDITURES)</b>			
Interest income	\$ -	\$ -	\$ -
Interest paid	(10,301)	(8,169)	2,132
Principal payments	(80,115)	(80,114)	1
Total nonoperating revenues (expenditures)	(90,416)	(88,283)	2,133
 <b>OTHER FINANCING SOURCES (USES)</b>			
Direct financing lease proceeds	90,416	88,638	1,778
Excess of revenues and other financing sources over (under) expenditures	\$ -	\$ 355	\$ 355
 <b>Reconciliation of modified accrual basis with full accrual basis:</b>			
Excess of revenues and other financing sources over (under) expenditures, modified accrual basis, above		\$ 355	
Reduction of investment in direct financing lease receivable		80,114	
Net position, full accrual basis		\$ 80,469	

**CRAVEN COUNTY, NORTH CAROLINA**  
**WATER CAPITAL PROJECT FUND**

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
		<b>Prior Year</b>	<b>Current Year</b>		
<b>REVENUES</b>					
State Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Engineer	548,000	266,149	114,731	380,880	167,120
Construction	255,763	224,306	-	224,306	31,457
Sales tax refund	-	(4,343)	-	(4,343)	4,343
Total expenditures	<u>803,763</u>	<u>486,112</u>	<u>114,731</u>	<u>600,843</u>	<u>202,920</u>
Excess of revenues over (under) expenditures	<u>(803,763)</u>	<u>(486,112)</u>	<u>(114,731)</u>	<u>(600,843)</u>	<u>202,920</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out):					
From Water Fund	1,867,456	803,763	1,063,693	1,867,456	-
Total other financing sources (uses)	<u>1,867,456</u>	<u>803,763</u>	<u>1,063,693</u>	<u>1,867,456</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ 1,063,693</u>	<u>\$ 317,651</u>	<u>\$ 948,962</u>	<u>\$ 1,266,613</u>	<u>\$ 202,920</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>					
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ 948,962		
Capital outlay			<u>114,731</u>		
Change in net position, full accrual basis			<u>\$ 1,063,693</u>		

**CRAVEN COUNTY, NORTH CAROLINA**  
**SCADA / TELEMETRY PROJECT FUND**

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
		<b>Prior Year</b>	<b>Current Year</b>		
<b>REVENUES</b>					
State Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Engineer	1,668,900	286,262	457,051	743,313	925,587
Construction	2,375,443	-	-	-	2,375,443
Contingency	190,035	-	-	-	190,035
Capital outlay	640,000	-	-	-	640,000
Total expenditures	<u>4,874,378</u>	<u>286,262</u>	<u>457,051</u>	<u>743,313</u>	<u>4,131,065</u>
Excess of revenues over (under) expenditures	<u>(4,874,378)</u>	<u>(286,262)</u>	<u>(457,051)</u>	<u>(743,313)</u>	<u>4,131,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out):					
From American Rescue Plan Act	4,874,378	-	646,406	646,406	4,227,972
Total other financing sources (uses)	<u>4,874,378</u>	<u>-</u>	<u>646,406</u>	<u>646,406</u>	<u>4,227,972</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$(286,262)</u>	<u>\$ 189,355</u>	<u>\$ (96,907)</u>	<u>\$ 8,359,037</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>					
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ 189,355		
Capital outlay			<u>457,051</u>		
Change in net position, full accrual basis			<u>\$ 646,406</u>		

## **INTERNAL SERVICE FUND**

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

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

# Craven County



**CRAVEN COUNTY, NORTH CAROLINA**  
INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),  
BUDEGT AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 7,060,500	\$ 7,379,552	\$ 319,052
Miscellaneous	265,000	-	(265,000)
Total operating revenues	<u>7,325,500</u>	<u>7,379,552</u>	<u>54,052</u>
<b>OPERATING EXPENDITURES</b>			
Claims reimbursement	7,325,500	7,306,907	18,593
Vehicle expense	-	-	-
Capital outlay	50,000	-	50,000
Total operating expenditures	<u>7,375,500</u>	<u>7,306,907</u>	<u>68,593</u>
Excess of operating revenues over (under) operating expenditures	<u>(50,000)</u>	<u>72,645</u>	<u>122,645</u>
<b>NONOPERATING REVENUES</b>			
Interest Income	-	8,608	8,608
Excess of operaitng revenues and nonoperating revenue over operating expenditures	<u>(50,000)</u>	<u>81,253</u>	<u>131,253</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer out:			
From General Fund	50,000	50,000	-
Total other financing uses	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess of revenues under expenditures	<u>\$ -</u>	<u>\$ 131,253</u>	<u>\$ 131,253</u>

# Craven County



## **CUSTODIAL FUNDS**

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

The following comprise the County's Custodial Funds:

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

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

# Craven County



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**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
June 30, 2022

	<b>Municipal Tax Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ 78,985	\$ 78,985
Taxes receivable for other governments, net	271,436	-	271,436
Total assets	<u>271,436</u>	<u>78,985</u>	<u>350,421</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other governments	271,436	78,985	350,421
Total net position	<u>\$ 271,436</u>	<u>\$ 78,985</u>	<u>\$ 350,421</u>

**CRAVEN COUNTY, NORTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
For the Year Ended June 30, 2022

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>			
Ad valorem taxes for other governments	\$ 22,360,643	\$ -	\$ 22,360,643
Collections on behalf of inmates	-	1,000,156	1,000,156
Total additions	<u>22,360,643</u>	<u>1,000,156</u>	<u>23,360,799</u>
<b>DEDUCTIONS</b>			
Tax distributions to other governments	22,309,444	-	22,309,444
Payments on behalf of inmates	-	967,483	967,483
Total deductions	<u>22,309,444</u>	<u>967,483</u>	<u>23,276,927</u>
Net increase (decrease) in fiduciary net position	51,199	32,673	83,872
Net position, beginning	<u>220,237</u>	<u>46,312</u>	<u>266,549</u>
Net position, ending	<u>\$ 271,436</u>	<u>\$ 78,985</u>	<u>\$ 350,421</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

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

# Craven County



**CRAVEN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
For the Year Ended June 30, 2022

<b>Fiscal Year Ended June 30,</b>	<b>Uncollected Balance June 30, 2021</b>	<b>Additions</b>	<b>Collections Credits and Adjustments</b>	<b>Uncollected Balance June 30, 2022</b>
2022	\$ -	\$ 57,421,403	\$ 56,830,120	\$ 591,283
2021	422,916	-	219,718	203,198
2020	223,079	-	88,240	134,839
2019	115,977	-	19,352	96,625
2018	77,658	-	12,056	65,602
2017	72,481	-	9,377	63,104
2016	56,275	-	7,163	49,112
2015	49,689	-	4,547	45,142
2014	100,729	-	50,132	50,597
2013	128,588	-	74,531	54,057
2012	114,133	-	114,133	-
	<u>\$ 1,361,525</u>	<u>\$ 57,421,403</u>	<u>\$ 57,429,369</u>	<u>\$ 1,353,559</u>

Less allowance for uncollectible  
ad valorem taxes receivable

700,000

\$ 653,559

Reconciliation with revenues:

Ad valorem taxes - General Fund

\$ 57,451,585

Less: Interest collected

(251,465)

Less: Collection of taxes older than ten years

(14,642)

Plus: Abatements and adjustments of prior year taxes

243,891

Total collections and credits

\$ 57,429,369

**CRAVEN COUNTY, NORTH CAROLINA**  
**ANALYSIS OF CURRENT TAX LEVY**  
For the Year Ended June 30, 2022

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY:					
Property taxed at current year's rate	\$ 9,847,522,037	\$ 0.5600	\$ 55,146,125	\$ 50,117,038	\$ 5,029,087
Motor vehicles taxed at prior year's rate	313,932,621	0.5494	1,724,746	-	1,724,746
Penalties			154,368	154,368	-
	\$ 10,161,454,658		\$ 57,025,239	\$ 50,271,406	\$ 6,753,833
DISCOVERIES	110,229,035		603,723	603,723	-
	\$ 10,271,683,693		\$ 57,628,962	\$ 50,875,129	\$ 6,753,833
ABATEMENTS	(27,552,437)		(207,559)	(207,559)	-
Total property valuation	\$ 10,244,131,256				
Net Levy			\$ 57,421,403	\$ 50,667,570	\$ 6,753,833
Uncollected taxes at June 30, 2022			591,283	591,283	-
Current year's taxes collected			\$ 56,830,120	\$ 50,076,287	\$ 6,753,833
Current levy collection percentage			98.97%	98.83%	100.00%

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

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

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

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

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

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

**DETAILED STATEMENT OF NET POSITION**  
June 30, 2022

**ASSETS**

Cash and cash equivalents	\$ 435,191
Accounts receivable	139,451
	<u>574,642</u>

**LIABILITIES**

Accounts payable	12,898
Deferred revenue	300
	<u>13,198</u>

Net position:

Unrestricted	
accrued liabilities	<u>\$ 561,444</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
**BUDGET AND ACTUAL**  
For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Occupancy tax	\$ 515,000	\$ 766,004	\$ 251,004
Miscellaneous	-	4,139	4,139
Total revenues	515,000	770,143	255,143
<b>EXPENDITURES</b>			
Economic development	681,758	669,783	(11,975)
Revenues over (under) expenditures	(166,758)	100,360	267,118
Other financing sources (uses)			
Appropriated fund balance	166,758	-	(166,758)
Total other financing sources (uses)	166,758	-	(166,758)
Revenues and other financing sources over expenditures	\$ -	100,360	\$ 100,360
<b>NET POSITION</b>			
Beginning		461,084	
Ending		\$ 561,444	

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

COMBINING STATEMENT OF NET POSITION  
 June 30, 2022

	Airport Authority Operating Fund	Airport Improvement Program No. 40	Airport Improvement Program No. 41	Runway Pavement Rehabilitation	Airfield Improvements FY19	Airfield Improvements STIP	Terminal Area Development Site No. 42	Terminal Area Development Site No. 43	Airport Improvement Project	Airport Reserve Fund	Totals
	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	
<b>ASSETS</b>											
Cash and cash equivalents	\$ 5,705,698	\$ -	\$ -	\$ -	\$ 381,848	\$ -	\$ -	\$ 43,411	\$ -	\$ 629,823	\$ 6,760,780
Restricted Cash	1,329,606	-	-	-	-	-	-	-	-	-	1,329,606
Accounts receivable	36,200	-	-	12,025	80	-	23,893	52,243	859,633	-	984,074
Due from other governments	703,141	-	-	-	-	-	-	-	-	-	703,141
Lease receivable	6,534	-	-	-	-	-	-	-	-	-	6,534
Due from other funds	2,257,492	-	-	-	-	-	-	-	-	-	2,257,492
Prepaid assets	420	-	-	-	-	-	-	-	-	-	420
Total current assets	10,039,091	-	-	12,025	381,928	-	23,893	95,654	859,633	629,823	12,042,047
Capital assets:											
Land	10,317,671	-	-	-	-	-	-	-	-	-	10,317,671
Buildings	16,295,279	-	-	-	-	-	-	-	-	-	16,295,279
Improvements other than buildings	33,560,131	-	-	-	-	-	-	-	-	-	33,560,131
Machinery and Equipment	3,157,174	-	-	-	-	-	-	-	-	-	3,157,174
Construction in progress	326,614	397,298	249,087	2,977,971	110,555	300,000	5,654,215	1,715,641	2,650,884	-	14,382,265
Accumulated depreciation	(24,708,579)	-	-	-	-	-	-	-	-	-	(24,708,579)
Capital assets, net of accumulated depreciation	38,948,290	397,298	249,087	2,977,971	110,555	300,000	5,654,215	1,715,641	2,650,884	-	53,003,941
Total assets	48,987,381	397,298	249,087	2,989,996	492,483	300,000	5,678,108	1,811,295	3,510,517	629,823	65,045,988
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	326,609	-	-	-	-	-	-	-	-	-	326,609
<b>LIABILITIES</b>											
Accounts payable	67,715	-	-	-	-	-	-	-	225,607	-	293,322
Accrued salaries and benefits	79,684	-	-	-	-	-	-	-	-	-	79,684
Unearned grant revenues	1,329,606	-	-	-	-	-	-	-	-	-	1,329,606
Due to other funds	-	-	-	12,564	-	-	13,203	99,619	2,132,106	-	2,257,492
Net pension liability	99,684	-	-	-	-	-	-	-	-	-	99,684
Total OPEB liability	411,918	-	-	-	-	-	-	-	-	-	411,918
Total liabilities	1,988,607	-	-	12,564	-	-	13,203	99,619	2,357,713	-	4,471,706
<b>DEFERRED INFLOWS OF RESOURCES</b>	169,237	-	-	-	-	-	-	-	-	-	169,237
<b>NET POSITION</b>											
Net investments in capital assets	38,948,290	397,298	249,087	2,977,971	110,555	300,000	5,654,215	1,715,641	2,650,884	-	53,003,941
Unrestricted	8,207,856	-	-	(539)	381,928	-	10,690	(3,965)	(1,498,080)	629,823	7,727,713
Total net position	47,156,146	397,298	249,087	2,977,432	492,483	300,000	5,664,905	1,711,676	1,152,804	629,823	60,731,654
Total liabilities and net position	\$ 49,144,753	\$ 397,298	\$ 249,087	\$ 2,989,996	\$ 492,483	\$ 300,000	\$ 5,678,108	\$ 1,811,295	\$ 3,510,517	\$ 629,823	\$ 65,203,360

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION**  
 For the Year Ended June 30, 2022

	Airport Authority Operating Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Airport Improvement Program No. 43 Project Fund	Airport Improvement Project Fund	Airport Reserve Fund	Totals
<b>OPERATING REVENUES</b>											
Charges for services	\$ 1,827,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,827,915
Passenger facility fee	302,340	-	-	-	-	-	-	-	-	-	302,340
Miscellaneous	180	-	-	-	-	-	-	-	-	-	180
Total operating revenues	<u>2,130,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,130,435</u>
<b>OPERATING EXPENDITURES</b>											
Cost of sales and services	3,362,826	-	-	-	-	-	-	-	-	-	3,362,826
Depreciation and amortization	1,445,853	-	-	-	-	-	-	-	-	-	1,445,853
Total operating expenditures	<u>4,808,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,808,679</u>
Operating Income (Loss)	(2,678,244)	-	-	-	-	-	-	-	-	-	(2,678,244)
<b>NONOPERATING REVENUES (EXPENSES)</b>											
Interest income	5,956	-	-	-	-	-	-	-	-	463	6,419
Project reimbursement	-	-	-	-	-	-	-	-	-	463	-
Total nonoperating revenues (expenses)	<u>5,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463</u>	<u>6,419</u>
Income (Loss) before transfers	(2,672,288)	-	-	-	-	-	-	-	-	463	(2,671,825)
Transfers in (out) Airport Funds	550,591	-	-	-	-	-	-	-	(550,591)	-	-
Transfer project expense to operating fund	6,651,748	-	-	-	-	-	-	-	(6,651,748)	-	-
Capital contributions - federal and state grants	3,369,003	-	-	-	-	-	13,783	410,164	2,884,654	-	6,677,604
Change in net position	7,899,054	-	-	-	-	-	13,783	410,164	(4,317,685)	463	4,005,779
Net position, beginning	39,257,092	397,298	249,087	2,977,432	492,483	300,000	5,651,122	1,301,512	5,470,489	629,360	56,725,875
Net position, ending	<u>\$ 47,156,146</u>	<u>\$ 397,298</u>	<u>\$ 249,087</u>	<u>\$ 2,977,432</u>	<u>\$ 492,483</u>	<u>\$ 300,000</u>	<u>\$ 5,664,905</u>	<u>\$ 1,711,676</u>	<u>\$ 1,152,804</u>	<u>\$ 629,823</u>	<u>\$ 60,731,654</u>

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

**COMBINING SCHEDULE OF CASH FLOWS**  
For the Year Ended June 30, 2022

	Airport Authority Operating Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Terminal Area Development Site No. 43 Project Fund	Airport Improvement Project Fund	Airport Reserve Fund	Totals
<b>CASH FLOW FROM (USED IN) OPERATING ACTIVITIES</b>											
Receipts from customers and users	\$ 1,872,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,872,439
Receipts from passenger facility fees	302,340	-	-	-	-	-	-	-	-	-	302,340
Miscellaneous receipts	180	-	-	-	-	-	-	-	-	-	180
Payments to suppliers	(2,125,744)	-	-	-	-	-	-	-	-	-	(2,125,744)
Payments to employees	(1,197,225)	-	-	-	-	-	-	-	-	-	(1,197,225)
Net cash provided by (used in) operating activities	(1,148,010)	-	-	-	-	-	-	-	-	-	(1,148,010)
<b>CASH FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>											
Acquisition & construction of capital assets	(1,089,815)	-	-	-	-	(15,315)	(416,554)	(5,153,240)	-	-	(6,674,924)
Receipts from capital grants	3,320,303	-	-	-	3,526	-	394,163	2,888,203	-	-	6,606,195
Project reimbursements	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	2,230,488	-	-	-	3,526	(15,315)	(22,391)	(2,265,037)	-	-	(68,729)
<b>CASH FLOW FROM (USED IN) NONCAPITAL FINANCING ACTIVITIES</b>											
Transfers in	633,830	-	-	-	-	-	-	83,239	-	-	717,069
Transfers out	(83,239)	-	-	-	-	-	-	(633,830)	-	-	(717,069)
Transfer CIP between funds	-	-	-	-	-	-	-	-	-	-	-
Due to (from) other funds	(2,181,133)	-	-	-	(3,526)	(8,890)	61,443	2,132,106	-	-	-
Net cash provided by (used in) noncapital financing activities	(1,630,542)	-	-	-	(3,526)	(8,890)	61,443	1,581,515	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
Interest on cash and investments	5,956	-	-	-	-	-	-	-	-	463	6,419
Net cash provided by investing activities	5,956	-	-	-	-	-	-	-	-	463	6,419
Net increase (decrease) in cash and cash equivalents	(542,108)	-	-	-	-	(24,205)	39,052	(683,522)	463	-	(1,210,321)
<b>CASH AND CASH EQUIVALENTS</b>											
Beginning	6,247,806	-	-	-	381,848	-	4,359	683,522	629,360	-	7,971,100
Ending	\$ 5,705,698	\$ -	\$ -	\$ 381,848	\$ -	\$ -	\$ 43,411	\$ -	\$ 629,823	\$ -	\$ 6,760,779

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

**COMBINING SCHEDULE OF CASH FLOWS**  
For the Year Ended June 30, 2022

	Airport Authority Operating Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Terminal Area Development Site No. 43 Project Fund	Airport Improvement Project Fund	Airport Reserve Fund	Totals
	\$ (2,678,244)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,678,244)
Operating loss											
Adjustments to reconcile operating loss to net cash provided by operating activities:											
Depreciation and amortization	1,445,853	-	-	-	-	-	-	-	-	-	1,445,853
Change in assets, liabilities, and deferred inflows and outflows:											
(Increase) decrease in accounts receivable	44,524	-	-	-	-	-	-	-	-	-	44,524
(Increase) decrease in prepaid expense	755	-	-	-	-	-	-	-	-	-	755
(Increase) decrease in deferred outflows of resources - pension	(41,035)	-	-	-	-	-	-	-	-	-	(41,035)
(Increase) decrease in deferred outflows of resources - OPEB	(54,114)	-	-	-	-	-	-	-	-	-	(54,114)
Increase (decrease) in accounts payable	(39,324)	-	-	-	-	-	-	-	-	-	(39,324)
Increase (decrease) in accrued payroll	17,070	-	-	-	-	-	-	-	-	-	17,070
Increase (decrease) in net pension liability	(116,866)	-	-	-	-	-	-	-	-	-	(116,866)
Increase (decrease) in total OPEB liability	124,063	-	-	-	-	-	-	-	-	-	124,063
Increase (decrease) in deferred inflows of resources - pension	142,085	-	-	-	-	-	-	-	-	-	142,085
Increase (decrease) in deferred inflows of resources - OPEB	7,223	-	-	-	-	-	-	-	-	-	7,223
Net cash provided by (used in) operating activities	\$ (1,148,010)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,148,010)

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,310,240	\$ 1,827,915	\$ 517,675
Passenger facility fee	135,000	302,340	167,340
Miscellaneous	-	180	180
Total operating revenues	<u>1,445,240</u>	<u>2,130,435</u>	<u>685,195</u>
<b>OPERATING EXPENDITURES</b>			
Personnel Services:			
Salaries	1,153,781	959,728	194,053
Employee benefits	248,032	149,816	98,216
Retirement	98,230	98,229	1
Professional Services:			
Audit and accounting fees	12,000	2,284	9,716
Legal fees	67,000	62,484	4,516
Contractual services	1,030,313	921,821	108,492
Operating supplies	55,500	51,984	3,516
Utilities	175,772	175,771	1
Maintenance and repairs:			
Buildings and grounds	57,300	53,542	3,758
Vehicle expense	17,000	13,519	3,481
Insurance	177,649	175,034	2,615
Telephone and postage	17,598	16,596	1,002
Capital outlay	3,398,382	1,434,506	1,963,876
Sanitation - Hurricane Florence	-	-	-
Miscellaneous	94,500	70,009	24,491
Travel/Training	38,467	24,835	13,632
Advertising	585,500	457,220	128,280
Dues and subscriptions	49,985	43,999	5,986
Total operating expenditures	<u>7,277,009</u>	<u>4,711,377</u>	<u>2,565,632</u>
Excess of operating revenues over (under) operating expenditures	<u>(5,831,769)</u>	<u>(2,580,942)</u>	<u>3,250,827</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	-	5,956	5,956
Capital contributions - intergovernmental grants	6,483,769	3,369,003	(3,114,766)
Total nonoperating revenues (expenses)	<u>6,483,769</u>	<u>3,374,959</u>	<u>(3,108,810)</u>
Excess of revenues over expenditures	<u>652,000</u>	<u>794,017</u>	<u>142,017</u>

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
For the Year Ended June 30, 2022

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>OTHE FINANCING SOURCES (USES)</b>			
Transfers in (out):			
From airport project funds	-	633,830	633,830
To airport project funds	(448,239)	(83,239)	365,000
Appropriated Fund Balance	83,239	-	(83,239)
Total other financing sources (uses)	(365,000)	550,591	915,591
Excess revenues over expenditures and other financing sources (uses)	\$ 287,000	\$ 1,344,608	\$ 1,057,608

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

Excess revenues over expenditures and other financing sources, modified accrual basis, above	\$ 1,344,608
Capital outlay	1,416,429
Depreciation	(1,445,853)
Increase (decrease) in deferred outflows of resources - pensions	41,035
Increase (decrease) in deferred outflows of resources - OPEB	54,114
(Increase) decrease in compensated absences	(6,522)
(Increase) decrease in total OPEB liability	(124,063)
(Increase) decrease in net pension liability	116,866
(Increase) decrease in deferred inflows of resources - pensions	(142,085)
(Increase) decrease in deferred inflows of resources - OPEB	(7,223)
Transfer of asset from project fund to operating fund	6,651,748
Change in net position, full accrual basis	\$ 7,899,054

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total to Date</b>
		<b>Prior Year</b>	<b>Current Year</b>	
<b>REVENUES</b>				
Federal grants	\$ 363,969	\$ 360,594	\$ -	\$ 360,594
Total revenues	<u>363,969</u>	<u>360,594</u>	<u>-</u>	<u>360,594</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Administrative	404,410	397,298	-	397,298
Total expenditures	<u>404,410</u>	<u>397,298</u>	<u>-</u>	<u>397,298</u>
Excess of revenues over (under) expenditures	<u>(40,441)</u>	<u>(36,704)</u>	<u>-</u>	<u>(36,704)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out):				
From Airport Operating Fund	40,441	40,441	-	40,441
To Airport Improvement Project	-	(3,737)	-	(3,737)
Total other financing sources (uses)	<u>40,441</u>	<u>36,704</u>	<u>-</u>	<u>36,704</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

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

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total to Date</b>
		<b>Prior Year</b>	<b>Current Year</b>	
<b>REVENUES</b>				
State grants	\$ 3,000,000	\$ 2,977,432	\$ -	\$ 2,977,432
Total revenues	<u>3,000,000</u>	<u>2,977,432</u>	<u>-</u>	<u>2,977,432</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Administrative	4,600	3,600	-	3,600
Construction	2,995,400	2,974,371	-	2,974,371
Total expenditures	<u>3,000,000</u>	<u>2,977,971</u>	<u>-</u>	<u>2,977,971</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(539)</u>	<u>-</u>	<u>(539)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out):				
From Airport Operating Fund	-	-	-	-
To Airport Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (539)</u>	<u>\$ -</u>	<u>\$ (539)</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total to Date</b>
		<b>Prior Year</b>	<b>Current Year</b>	
<b>REVENUES</b>				
State Grants	\$ 653,162	\$ 653,162	\$ -	\$ 653,162
Total revenues	<u>653,162</u>	<u>653,162</u>	<u>-</u>	<u>653,162</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Construction	653,162	110,555	-	110,555
Total expenditures	<u>653,162</u>	<u>110,555</u>	<u>-</u>	<u>110,555</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>542,607</u>	<u>-</u>	<u>542,607</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out):				
From Airport Operating Fund			-	-
To Airport Operating Fund		(160,679)	-	(160,679)
Total other financing sources (uses)	<u>-</u>	<u>(160,679)</u>	<u>-</u>	<u>(160,679)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 381,928</u>	<u>\$ -</u>	<u>\$ 381,928</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

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

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<b>Project Authorization</b>	<b>Actual</b>		<b>Total to Date</b>
		<b>Prior Year</b>	<b>Current Year</b>	
<b>REVENUES</b>				
Federal Grants	\$ 5,185,000	\$ 5,075,011	\$ 13,783	\$ 5,088,794
Total revenues	<u>5,185,000</u>	<u>5,075,011</u>	<u>13,783</u>	<u>5,088,794</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Administrative	5,280	27,637	3,720	31,357
Construction	5,720,010	5,589,656	-	5,589,656
Land	35,821	33,202	-	33,202
Total expenditures	<u>5,761,111</u>	<u>5,650,495</u>	<u>3,720</u>	<u>5,654,215</u>
Excess of revenues over (under) expenditures	<u>(576,111)</u>	<u>(575,484)</u>	<u>10,063</u>	<u>(565,421)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out):				
From Airport Operating Fund	576,111	576,111	-	576,111
Total other financing sources (uses)	<u>576,111</u>	<u>576,111</u>	<u>-</u>	<u>576,111</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 627</u>	<u>\$ 10,063</u>	<u>\$ 10,690</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 10,063	
Capital Outlay			<u>3,720</u>	
Change in net position, full accrual basis			<u>\$ 13,783</u>	

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual</u>	
			<u>Current Year</u>	<u>Total to Date</u>
<b>REVENUES</b>				
Federal Grants	\$ 1,648,577	\$ 1,150,627	\$ 410,164	\$ 1,560,791
Total revenues	<u>1,648,577</u>	<u>1,150,627</u>	<u>410,164</u>	<u>1,560,791</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Construction / Architect / Engineer	<u>1,799,462</u>	<u>1,335,329</u>	<u>380,312</u>	<u>1,715,641</u>
Total expenditures	<u>1,799,462</u>	<u>1,335,329</u>	<u>380,312</u>	<u>1,715,641</u>
Excess of revenues over (under) expenditures	<u>(150,885)</u>	<u>(184,702)</u>	<u>29,852</u>	<u>(154,850)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out):				
From Airport Operating Fund	<u>150,885</u>	<u>150,885</u>	<u>-</u>	<u>150,885</u>
Total other financing sources (uses)	<u>150,885</u>	<u>150,885</u>	<u>-</u>	<u>150,885</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (33,817)</u>	<u>\$ 29,852</u>	<u>\$ (3,965)</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 29,852	
Capital Outlay			<u>380,312</u>	
Change in net position, full accrual basis			<u>\$ 410,164</u>	

**CRAVEN COUNTY, NORTH CAROLINA**  
**CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)**  
**AIRPORT IMPROVEMENT PROJECT FUND**

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	Project Authorization	Actual			Total to Date
		Prior Year	Current Year	Closed Out	
<b>REVENUES</b>					
Federal Grants	\$ 7,537,354	\$ 4,168,046	\$ 2,884,654	\$ -	\$ 7,052,700
State Grants	1,432,773	-	-	-	-
Total revenues	<u>8,970,127</u>	<u>4,168,046</u>	<u>2,884,654</u>	<u>-</u>	<u>7,052,700</u>
<b>EXPENDITURES</b>					
Capital outlay:					
Administrative	1,036,113	441,211	408,346	-	849,557
Construction	7,938,818	4,390,804	3,370,330	(5,904,700)	1,856,434
Equipment	747,048	-	747,048	(747,048)	-
Sales Tax Refund	-	(13,690)	(41,417)	-	(55,107)
Total expenditures	<u>9,721,979</u>	<u>4,818,325</u>	<u>4,484,307</u>	<u>(6,651,748)</u>	<u>2,650,884</u>
Excess of revenues over (under) expenditures	<u>(751,852)</u>	<u>(650,279)</u>	<u>(1,599,653)</u>	<u>6,651,748</u>	<u>(2,249,932)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out):					
To Airport Operating Fund	(633,830)	-	(633,830)	-	(633,830)
From Airport Operating Fund	1,385,682	1,302,443	83,239	-	1,385,682
Total other financing sources (uses)	<u>751,852</u>	<u>1,302,443</u>	<u>(550,591)</u>	<u>-</u>	<u>751,852</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 652,164</u>	<u>\$ (2,150,244)</u>	<u>\$ 6,651,748</u>	<u>\$ (1,498,080)</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>					
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ (2,150,244)		
Capital Outlay			<u>4,484,307</u>		
Change in net position, full accrual basis			<u>\$ 2,334,063</u>		

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING  
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS  
From Inception and for the Fiscal Year Ended June 30, 2022

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>REVENUES</b>				
Interest	\$ -	\$ 44,446	\$ 463	\$ 44,909
Total revenues	<u>-</u>	<u>44,446</u>	<u>463</u>	<u>44,909</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out):				
To Airport Operating Fund	-	(633,287)	-	(633,287)
From Airport Operating Fund	<u>-</u>	<u>1,218,201</u>	<u>-</u>	<u>1,218,201</u>
Total other financing sources (uses)	<u>-</u>	<u>584,914</u>	<u>-</u>	<u>584,914</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 629,360</u>	<u>\$ 463</u>	<u>\$ 629,823</u>
<b>Reconciliation of modified accrual basis with full accrual basis:</b>				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			<u>\$ 463</u>	
Change in net position, full accrual basis			<u>\$ 463</u>	

## **STATISTICAL SECTION (Unaudited)**

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

# Craven County



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 38,519,516	\$ 40,967,813	\$ 40,687,026	\$ 41,106,523	\$ 42,035,851	\$ 44,781,813	\$ 47,005,982	\$ 48,698,804	\$ 53,731,048	\$ 53,172,950
Restricted	9,316,938	9,303,705	9,704,162	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861	29,446,747	31,832,175
Unrestricted (deficit)	(11,378,791)	(8,377,381)	(4,408,502)	(1,596,184)	5,346,096	1,530,331	3,642,078	1,260,991	9,433,620	28,047,649
<b>Total governmental activities net position</b>	<b>\$ 36,457,663</b>	<b>\$ 41,894,137</b>	<b>\$ 45,982,686</b>	<b>\$ 51,796,771</b>	<b>\$ 58,498,856</b>	<b>\$ 57,108,718</b>	<b>\$ 66,096,778</b>	<b>\$ 75,094,656</b>	<b>\$ 92,611,415</b>	<b>\$ 113,052,774</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 18,944,146	\$ 16,063,577	\$ 21,306,317	\$ 26,133,140	\$ 27,475,458	\$ 27,637,466	\$ 26,919,877	\$ 26,448,945	\$ 26,347,589	\$ 26,257,735
Unrestricted	14,736,630	18,988,230	15,100,037	11,950,188	11,911,171	12,101,314	12,692,737	12,894,970	13,029,798	13,783,379
<b>Total business-type activities net position</b>	<b>\$ 33,680,776</b>	<b>\$ 35,031,807</b>	<b>\$ 36,406,354</b>	<b>\$ 38,083,328</b>	<b>\$ 39,386,629</b>	<b>\$ 39,738,780</b>	<b>\$ 39,612,614</b>	<b>\$ 39,343,915</b>	<b>\$ 39,377,387</b>	<b>\$ 40,041,114</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 57,463,662	\$ 57,031,390	\$ 61,993,343	\$ 67,239,663	\$ 69,511,309	\$ 72,419,279	\$ 73,925,869	\$ 75,147,749	\$ 80,078,637	\$ 79,430,685
Restricted	9,316,938	9,303,705	9,704,162	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861	29,446,747	31,832,175
Unrestricted (deficit)	3,357,839	10,590,849	10,691,535	10,354,004	17,257,267	13,631,645	16,334,815	14,155,961	22,463,418	41,831,028
<b>Total primary government net position</b>	<b>\$ 70,138,439</b>	<b>\$ 76,925,944</b>	<b>\$ 82,389,040</b>	<b>\$ 89,880,099</b>	<b>\$ 97,885,485</b>	<b>\$ 96,847,498</b>	<b>\$ 105,709,392</b>	<b>\$ 114,438,571</b>	<b>\$ 131,988,802</b>	<b>\$ 153,093,888</b>

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

	2013 (as reclassified)	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
General government	\$ 10,453,419	\$ 9,529,776	\$ 9,219,322	\$ 10,291,366	\$ 9,925,453	\$ 11,077,893	\$ 17,072,762	\$ 13,026,648	\$ 14,737,395	\$ 15,288,066
Public safety	16,970,296	18,273,896	18,505,550	19,458,091	20,980,588	21,947,336	23,323,223	23,546,188	29,041,862	29,899,762
Social services	22,566,592	22,078,158	21,913,659	22,231,898	22,760,861	19,157,572	21,170,095	19,946,669	21,217,884	21,770,369
Economic and physical development	2,818,906	3,244,680	4,035,005	4,349,446	4,389,590	2,958,118	3,786,002	4,150,209	4,701,754	4,596,491
Environmental protection	4,949,064	5,200,967	5,121,002	4,998,475	4,608,929	4,950,380	6,370,235	8,048,976	7,259,522	7,389,226
Health	8,883,418	8,495,912	7,784,851	8,338,343	8,626,160	9,404,146	10,508,893	10,605,442	11,306,997	11,089,143
Cultural and recreation	2,334,287	2,435,885	2,289,270	2,403,064	2,535,497	2,675,892	3,346,603	2,871,967	2,700,856	3,242,162
Education	23,743,790	23,691,968	24,559,787	26,108,710	27,005,640	27,018,838	27,166,990	28,571,621	28,777,523	29,422,557
Interest on long term debt	2,739,303	2,617,304	2,360,526	2,105,628	1,803,760	1,550,637	1,152,829	1,347,956	1,256,730	1,119,654
Total governmental activities	\$ 95,459,075	\$ 95,566,546	\$ 95,788,972	\$ 100,285,021	\$ 102,636,478	\$ 100,740,812	\$ 113,897,632	\$ 112,115,676	\$ 121,000,523	\$ 123,827,430
Business-type activities:										
Water	2,428,976	2,559,429	2,510,634	2,489,876	2,667,016	3,338,714	4,090,859	4,089,249	4,201,885	4,313,497
Total primary government expenses	\$ 97,888,051	\$ 98,127,975	\$ 98,299,606	\$ 102,774,897	\$ 105,303,494	\$ 104,079,526	\$ 117,988,491	\$ 116,204,925	\$ 125,202,408	\$ 128,140,927
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 2,056,024	\$ 2,194,205	\$ 3,493,235	\$ 3,170,663	\$ 4,141,074	\$ 3,836,181	\$ 3,139,033	\$ 1,380,174	\$ 1,978,362	\$ 2,274,794
Public safety	2,728,253	2,584,019	2,947,087	3,190,889	3,316,974	3,057,836	4,996,889	3,438,127	3,544,044	3,463,365
Social services	920,099	597,505	572,655	630,752	559,026	595,252	2,520,085	760,964	409,522	546,446
Economic and physical development	1,211,200	1,244,763	925,772	1,052,562	1,101,404	1,159,464	216,037	51,230	50,225	57,193
Environmental protection	2,470,808	2,417,794	2,428,100	2,432,969	2,405,043	2,670,966	2,956,075	3,749,983	3,934,623	3,871,355
Health	5,252,724	5,003,765	3,866,147	5,652,030	5,463,003	5,663,594	5,360,985	4,813,630	5,223,450	4,863,155
Cultural and recreation	80,782	89,512	69,062	66,145	61,401	59,372	324,505	371,788	235,893	676,270
Operating grants and contributions:										
General government	2,051,064	2,337,535	2,306,404	2,122,023	2,166,871	1,929,566	3,894,897	6,671,023	10,241,514	6,622,662
Public safety	824,904	645,226	430,833	651,546	678,254	489,762	1,762,796	1,155,417	3,719,530	3,999,066
Social services	14,979,911	14,917,957	16,040,514	15,798,488	15,324,869	11,768,753	11,973,191	12,240,723	12,910,778	13,533,733
Economic and physical development	34,034	-	1,453,613	1,282,208	1,346,255	630,177	66,283	657,792	1,598,984	172,288
Environmental protection	143,267	253,420	196,894	158,994	158,668	202,131	739,981	227,652	159,586	153,260
Health	1,704,070	1,645,752	1,556,948	2,185,702	2,378,208	2,858,004	3,895,287	4,336,161	7,656,387	6,474,842
Cultural and recreation	37,500	51,500	61,000	563,280	313,000	-	42,000	22,000	63,819	165,500
Education	-	-	-	-	-	-	-	-	-	1,965,721
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	675,576
Public safety	-	-	-	-	-	-	-	-	-	-
Social services	134,820	255,086	181,004	120,012	-	138,417	154,529	154,899	209,441	756
Economic and physical development	452,809	204,085	-	-	-	515,000	-	-	-	646,406
Cultural and recreation	47,731	-	-	-	-	-	-	-	-	-
Education	1,010,010	1,030,840	926,810	1,083,080	842,910	944,400	981,500	1,029,300	1,219,700	880,500
Total governmental activities program revenues	\$ 36,140,010	\$ 35,472,964	\$ 37,456,078	\$ 40,131,343	\$ 40,256,980	\$ 36,518,875	\$ 43,025,073	\$ 41,060,863	\$ 53,155,858	\$ 51,042,898

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charge for services - Water	3,733,491	3,828,806	3,809,820	3,803,643	3,936,307	3,945,311	3,849,791	3,849,499	4,290,039	4,464,707
Capital grants and contributions - Water	-	-	-	-	-	-	-	-	62,864	-
Total business-type activities program revenues	3,733,491	3,828,806	3,809,820	3,803,643	3,936,307	3,945,311	3,849,791	3,849,499	4,352,903	4,464,707
Total primary government program revenues	39,873,501	39,301,770	41,265,898	43,934,986	44,193,287	40,464,186	46,874,864	44,910,362	57,508,761	55,507,605
<b>Net (Expense)/Revenue</b>										
Governmental activities	(59,319,065)	(60,095,582)	(58,332,894)	(60,153,678)	(62,379,498)	(64,221,937)	(70,872,559)	(71,054,813)	(67,844,665)	(72,764,532)
Business-type activities	1,304,515	1,269,377	1,299,186	1,313,767	1,269,291	606,597	(241,068)	(239,750)	151,018	151,210
Total primary government net (expense)/revenue	(58,014,550)	(58,826,205)	(57,033,708)	(58,839,911)	(61,110,207)	(63,615,340)	(71,113,627)	(71,294,563)	(67,693,647)	(72,633,322)

**General Revenues and Other Changes in Net Assets**

Governmental activities:										
Property taxes	47,503,351	48,512,236	48,065,864	49,058,073	51,783,504	52,594,856	54,063,292	55,119,160	57,394,807	59,946,931
Local option sales tax	13,594,555	13,394,720	14,532,240	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653	22,920,189	25,160,570
Other taxes and licenses	827,554	862,997	934,214	1,065,391	1,077,699	1,075,286	1,758,121	2,817,033	3,455,991	4,698,756
Investment earnings	228,358	156,285	163,783	154,860	305,406	634,968	1,091,545	879,774	12,964	(63,708)
Miscellaneous	1,519,890	1,006,261	658,262	471,964	564,447	454,249	3,526,780	1,278,071	1,349,679	3,978,747
Transfers	102,620	83,240	105,000	105,000	130,000	313,222	130,000	130,000	130,000	(495,406)
Special item	-	1,516,317	850,000	-	-	-	-	-	-	-
Total governmental activities:	63,776,328	65,532,066	65,309,363	65,967,763	69,958,168	71,970,088	79,860,619	80,052,891	85,263,630	93,225,890
Business-type activities:										
Investment earnings	70,659	57,122	42,829	19,192	23,151	58,652	135,443	101,051	12,454	17,111
Miscellaneous	110,942	107,772	204,818	449,015	140,859	112,402	109,459	-	-	-
Transfers	(102,820)	(83,240)	(105,000)	(105,000)	(130,000)	(313,222)	(130,000)	(130,000)	(130,000)	485,406
Total business-type activities	78,981	81,654	142,647	363,207	34,010	(142,168)	114,902	(28,949)	(117,546)	512,517
Total primary government	63,855,309	65,613,710	65,452,010	66,330,970	69,992,178	71,827,920	79,975,521	80,023,942	85,146,084	93,738,407

**Change in Net Position**

Governmental activities	4,457,263	5,436,474	6,976,469	5,814,085	7,578,670	7,748,151	8,988,060	8,997,878	17,418,966	20,441,358
Business-type activities	1,383,496	1,351,031	1,441,833	1,676,974	1,303,301	464,429	(126,166)	(288,699)	33,472	683,727
Total primary government	5,840,759	6,787,505	8,418,302	7,491,059	8,881,971	8,212,580	8,861,894	8,729,179	17,452,438	21,105,085

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

General Fund	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ 82,500	\$ 34,582	\$ 40,680	\$ 73,681	\$ 21,711	\$ 33,891
Leases										181
Restricted:										
Stabilization by state statute	6,505,313	5,866,674	6,619,013	8,690,228	7,866,740	7,681,300	9,666,695	12,415,614	16,454,141	15,518,429
Public Safety	117,324	104,005	89,738	81,761	56,262	36,076	24,585	41,029	15,739	43,368
Register of Deeds	30,700	3,030	-	-	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	-	186,332	131,509	79,872	-	-	901,396	1,416,294	424,561	3,731
Unassigned	23,440,262	25,743,810	25,665,252	24,262,888	27,936,364	29,358,798	28,668,673	25,350,019	33,164,799	44,004,435
Total General Fund	\$ 30,093,599	\$ 31,903,851	\$ 32,405,512	\$ 33,114,749	\$ 35,941,866	\$ 37,110,756	\$ 39,302,029	\$ 39,296,637	\$ 50,080,951	\$ 59,604,035
<b>All Other Governmental Funds</b>										
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by state statute	194,002	161,598	183,592	1,102,191	350,482	246,658	350,349	163,893	2,490,112	5,757
General Government	-	-	-	-	-	527,388	913,772	2,107,453	941,549	1,425,806
Human Services	-	-	-	-	-	-	-	-	140,366	186,989
Public Safety	2,045,351	595,537	567,449	759,385	1,463,892	1,188,720	1,328,278	1,874,198	2,204,704	2,457,840
Economic and Physical Development	46,975	1,475,800	1,596,963	1,204,220	1,218,642	1,212,049	1,646,115	6,171,089	2,361,658	2,742,889
Public Schools	377,273	1,097,060	647,407	448,646	160,891	431,771	1,518,914	2,361,585	4,836,189	9,451,097
Committed:										
Capital projects	7,596,194	6,643,056	8,981,920	8,974,443	9,719,331	10,570,948	9,896,332	9,351,742	9,818,385	12,084,072
Unassigned	(19,890)	(268,169)	(145,052)	(47,561)	(136,611)	(149,490)	(240,400)	(378,722)	(2,680,122)	(37,504)
Total all other governmental funds	\$ 10,239,905	\$ 9,704,882	\$ 11,832,279	\$ 12,441,324	\$ 12,776,627	\$ 14,028,044	\$ 15,413,360	\$ 21,651,238	\$ 20,112,841	\$ 28,316,946

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes:										
Property	\$ 47,466,725	\$ 48,823,450	\$ 48,452,331	\$ 49,134,422	\$ 51,917,034	\$ 52,668,757	\$ 54,118,386	\$ 54,957,950	\$ 57,822,448	\$ 59,866,003
Sales	13,594,555	13,394,720	14,532,240	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653	22,920,189	25,160,570
Tourism Room	827,554	862,997	934,214	1,065,391	1,077,699	1,075,286	1,758,121	1,605,717	1,597,678	2,249,242
Total taxes	61,888,834	63,081,167	63,918,785	65,312,288	69,091,845	70,641,550	75,167,388	76,392,320	82,340,315	87,275,815
Intergovernmental	21,695,955	21,341,401	23,154,019	23,935,338	23,209,055	19,476,210	23,511,297	26,494,967	38,102,503	35,827,492
Charges for Services	15,072,071	14,490,392	14,617,799	16,333,950	17,181,291	17,191,527	13,495,640	15,711,402	16,896,108	17,629,177
Interest	209,474	142,116	150,404	148,453	297,665	630,042	1,117,519	879,774	12,964	(63,708)
Miscellaneous	1,524,801	1,432,328	1,428,429	979,965	1,009,671	934,418	3,339,425	1,278,072	1,373,463	4,002,009
Total Revenues	100,391,135	100,487,404	103,269,436	106,709,994	110,789,527	108,873,747	116,631,269	120,756,535	138,725,353	144,670,785
<b>Expenditures</b>										
General Government	9,423,766	9,446,475	9,948,357	10,213,411	10,435,517	12,297,021	15,831,603	14,538,888	18,918,417	16,606,583
Public Safety	16,680,517	18,056,044	17,185,318	17,892,625	19,282,826	19,927,529	21,161,542	22,268,324	26,621,964	28,192,022
Environmental Protection	4,908,080	5,121,996	5,140,583	5,079,891	5,357,128	5,473,167	6,042,356	7,655,428	7,241,021	7,347,292
Economic Development	3,059,513	2,764,612	3,612,837	3,950,990	3,849,000	3,054,020	3,499,091	12,429,224	7,194,853	3,868,787
Health	8,605,502	8,200,004	7,644,382	8,379,656	8,235,214	9,009,776	9,437,637	10,312,247	10,616,068	10,534,453
Social Services	22,457,994	22,150,591	22,355,542	22,305,810	22,309,579	19,118,866	19,023,190	19,120,635	19,937,154	20,841,760
Culture and Recreation	2,197,876	2,314,351	2,341,104	3,028,748	2,919,651	2,688,417	3,185,110	3,004,223	3,173,640	3,045,225
Education	23,743,790	23,691,968	24,559,787	26,108,710	27,005,640	27,018,838	27,166,990	28,571,621	28,777,523	29,422,557
Debt Service:										
Principal	6,802,064	6,832,806	6,831,446	6,816,300	6,891,300	7,021,300	6,845,855	5,914,300	6,400,150	6,286,945
Interest	2,577,753	2,232,885	1,976,022	1,720,571	1,471,252	1,157,728	953,550	809,936	776,440	638,514
Bond issuance costs	-	-	-	-	-	-	36,100	-	-	-
Total Expenditures	100,456,855	100,811,732	101,595,378	105,496,712	107,757,107	106,766,662	113,183,024	124,624,826	129,657,230	126,784,138
Excess of revenues over (under) expenditures	(65,720)	(324,328)	1,674,058	1,213,282	3,032,420	2,107,085	3,448,245	(3,868,291)	9,068,123	17,886,647
<b>Other Financing Sources (Uses)</b>										
Lease Proceeds										
Transfers in	9,278,851	8,702,882	7,619,608	6,425,300	7,855,332	9,122,508	7,503,106	10,752,856	7,794,375	385,949
Transfers out	(9,176,231)	(8,619,642)	(7,514,608)	(6,320,300)	(7,725,332)	(8,809,286)	(7,413,106)	(10,652,079)	(7,714,375)	15,459,219
Refunding bonds issued	33,950,000	-	-	-	-	-	8,335,000	-	-	(16,004,625)
Payment to refunding escrow agent	(33,890,117)	-	-	-	-	-	(8,296,656)	-	-	-
Proceeds from installment note/COPS	-	-	-	-	-	-	-	10,000,000	-	-
Special item	-	1,516,317	850,000	-	-	-	-	-	-	-
Total other financing sources (uses)	162,503	1,599,557	955,000	105,000	130,000	313,222	128,344	10,100,777	80,000	(159,457)
Net change in fund balances	\$ 96,783	\$ 1,275,229	\$ 2,629,058	\$ 1,318,282	\$ 3,162,420	\$ 2,420,307	\$ 3,576,589	\$ 6,232,486	\$ 9,148,123	\$ 17,727,190
Debt service as a percentage of noncapital expenditures	9.57%	9.28%	8.84%	8.28%	7.98%	8.02%	7.11%	6.03%	6.02%	5.65%

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

Fiscal Year	Real Property			Present-use Value (1)	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						
2013	5,808,897,357	2,163,265,740	46,726,780	134,335,862	1,443,216,223	141,607,621	9,738,049,583	0.4700	9,118,877,782
2014	5,863,934,499	2,154,674,323	46,723,660	134,530,824	1,667,107,995	138,720,822	10,005,692,123	0.4675	8,853,027,892
2015	5,902,879,610	2,162,096,295	46,574,740	139,682,484	1,522,563,337	130,349,522	9,904,145,988	0.4675	8,753,885,441
2016	5,947,385,914	2,178,573,186	46,564,923	141,917,615	1,553,771,682	155,515,544	10,023,728,864	0.4675	9,087,696,160
2017 (5)	5,206,928,087	2,030,255,403	42,342,930	131,599,087	1,638,861,659	155,227,537	9,205,214,703	0.5394	9,298,196,670
2018	5,466,479,591	1,860,735,378	43,165,400	133,196,948	1,655,323,746	162,065,213	9,320,966,276	0.5394	9,563,889,058
2019	5,327,228,030	2,108,571,090	43,578,000	133,240,033	1,761,612,228	166,348,703	9,540,578,084	0.5394	10,039,543,391
2020	5,304,353,760	2,108,733,327	45,922,900	133,783,370	1,827,117,756	176,828,919	9,596,740,032	0.5494	10,514,670,792
2021	5,486,948,016	2,127,480,453	48,312,340	132,953,939	2,028,190,175	169,749,363	9,993,634,286	0.5494	11,301,180,918
2022	5,481,813,881	2,242,623,400	48,809,700	135,172,223	2,148,572,925	187,139,127	10,244,131,256	0.5600	13,324,832,539

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place in the calendar year ending during the fiscal year. (The 2022 figure is based on property sales which took place in calendar 2021 and the sales to assessment ratio was 76.88%.)
- (5) Reassessment was performed on January 1, 2016 and was the basis for fiscal year 2017 taxes. The next reassessment will occur on January 1, 2023, then again on January 1, 2028.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 (1)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Craven County Direct Rate	\$ 0.4700	\$ 0.4675	\$ 0.4675	\$ 0.4675	\$ 0.5394	\$ 0.5394	\$ 0.5394	\$ 0.5494	\$ 0.5494	\$ 0.5600
<b><u>Municipality Rates:</u></b>										
Bridgeton	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Cove City	0.1500	0.1500	0.1500	0.2500	0.2678	0.2678	0.2700	0.2700	0.2700	0.2700
Dover	0.3000	0.3000	0.3000	0.3000	0.3500	0.3500	0.3500	0.3500	0.3500	0.2900
Havelock	0.4650	0.4650	0.4850	0.5100	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
New Bern	0.4100	0.4100	0.4100	0.4100	0.4600	0.4600	0.4600	0.4822	0.4822	0.4822
River Bend	0.2650	0.2650	0.2650	0.2650	0.3105	0.2900	0.2400	0.2600	0.2600	0.2600
Trent Woods	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Vanceboro	0.4600	0.4600	0.4600	0.4600	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
<b><u>Fire Districts Rates:</u></b>										
West New Bern II (Rhems)	0.0414	0.0389	0.0389	0.0389	0.0457	0.0457	0.0400	0.0400	0.0400	0.0350
Township #1	0.0250	0.0250	0.0250	0.0250	0.0269	0.0269	0.0269	0.0269	0.0269	0.0250
Tri Community	0.0277	0.0277	0.0377	0.0527	0.0658	0.0555	0.0555	0.0555	0.0555	0.0500
Little Swift Creek	0.0549	0.0549	0.0549	0.0549	0.0700	0.0700	0.0700	0.0650	0.0650	0.0650
Township #3	0.0624	0.0624	0.0624	0.0774	0.0861	0.0861	0.0861	0.0900	0.0900	0.0900
Township #5	0.0453	0.0453	0.0453	0.0553	0.0653	0.0653	0.0653	0.0653	0.0653	0.0653
Township #6	0.0516	0.0480	0.0480	0.0520	0.0586	0.0586	0.0500	0.0500	0.0500	0.0450
Township #7	0.0177	0.0177	0.0177	0.0190	0.0216	0.0272	0.0250	0.0250	0.0250	0.0250
West New Bern	0.0324	0.0324	0.0324	0.0349	0.0391	0.0457	0.0391	0.0391	0.0391	0.0375
Township #9	0.0582	0.0582	0.0682	0.0682	0.0746	0.0746	0.0746	0.0746	0.0746	0.0600
Sandy Point	0.0352	0.0352	0.0377	0.0527	0.0672	0.0672	0.0672	0.0672	0.0672	0.0500

Source: Craven County Tax Department

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

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

	Fiscal Year 2022			Fiscal Year 2013		
	Type of Business	Assessed Valuation	Rank	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
International Paper Company	Wood pulp manufacturer	\$ 171,334,295	1	77,441,318	2	0.80%
BSH Home Appliances Corp	Home appliance manufacturer	159,957,949	2	48,602,379	4	0.50%
Duke Energy Progress Inc.	Electric utility	82,592,665	3	63,719,780	3	0.65%
Weyerhaeuser Company	Real estate investment trust	60,277,720	4			
NC New Bern LLC	Real estate development	34,471,590	5			
Wal-Mart Real Estate Business Trust	Real estate development	32,372,642	6			
Atlantic Marine Corps Communities, LLC	Real estate development	28,623,920	7	32,953,641	6	0.34%
Piedmont Natural Gas	Gas utility	26,108,790	8			
Craven Wood Energy LTD	Electricity manufacturer	25,535,412	9			
New Bern Apartments LLC	Real estate development	24,498,357	10			
Weyerhaeuser NR Company	Wood pulp manufacturer			173,413,103	1	1.78%
Carolina Telephone & Telegraph Co.	Communications utility			38,996,327	5	0.40%
Hatteras Yachts	Yacht builder			25,344,956	8	0.26%
Blakemore 300 Executive Parkway LLC & Kaplan 300 Executive Parkway LLC	Real estate development			23,820,770	9	0.24%
New Bern Riverfront Development LLC	Real estate development			25,146,048	7	0.26%
DDR Xenia & New Bern LLC	Real estate development			19,641,250	10	0.20%
<b>Totals</b>		<b>\$ 645,773,340</b>		<b>\$ 529,079,572</b>		<b>5.43%</b>

Source: Craven County Tax Department

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2013	45,937,323	(101,107)	45,836,216	44,932,857	98.03%	849,302	45,782,159	99.88%
2014	46,405,671	423,380	46,829,051	46,266,555	98.80%	507,242	46,773,797	99.88%
2015	46,074,580	354,529	46,429,109	46,059,154	99.20%	321,086	46,380,240	99.89%
2016	46,661,088	287,113	46,948,201	46,591,996	99.24%	302,531	46,894,527	99.89%
2017	49,281,078	264,724	49,545,802	49,229,371	99.36%	243,277	49,472,648	99.85%
2018	50,133,887	208,230	50,342,117	50,013,650	99.35%	247,703	50,261,353	99.84%
2019	51,207,256	357,778	51,565,034	51,213,187	99.32%	188,312	51,401,499	99.68%
2020	52,499,119	271,764	52,770,883	52,162,736	98.85%	385,068	52,547,804	99.58%
2021	54,749,539	272,681	55,022,220	54,599,304	99.23%	219,718	54,819,022	99.63%
2022	57,025,239	396,164	57,421,403	56,829,343	98.97%	-	56,829,343	98.97%

Source: Craven County Tax Department

Schedule 9  
 Craven County  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Installment Loans	Capital Leases	Leases	General Obligation Bonds	Installment Loans					
2013	24,402,675	50,902,921	41,651	-	45,000	2,820,859		78,213,106	755	1.91%	
2014	21,711,331	46,597,703	20,145	-	25,000	3,735,899		72,090,078	698	1.76%	
2015	19,059,987	42,252,485	-	-	5,000	5,601,369		66,918,841	656	1.62%	
2016	16,448,638	37,862,267	-	-	-	16,279,594		70,590,499	693	1.68%	
2017	13,808,847	33,427,050	-	-	-	16,819,909		64,055,806	629	1.48%	
2018	11,109,056	29,025,750	-	-	-	15,930,845		56,065,651	551	1.29%	
2019	8,614,265	24,654,450	-	-	-	15,041,781		48,310,496	478	1.08%	
2020	6,146,474	31,128,149	-	-	-	14,152,717		51,427,340	512	1.08%	
2021	3,729,683	27,064,999	-	-	-	13,263,653		44,058,335	440	0.89%	
2022	1,365,892	23,185,000	-	263,004	-	12,374,589		37,188,485	*	*	

\*Information not yet available

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the calendar year ended during the fiscal year. Calendar 2019 personal income not available to calculate fiscal year 2020.

Schedule 10  
 Craven County  
 Ratios of Net General Bonded Debt Outstanding,  
 Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Total	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				
2013	24,447,675		377,273	24,070,402	0.59%	0.26%	232	
2014	21,736,331		1,097,061	20,639,270	0.50%	0.23%	200	
2015	19,064,987		647,407	18,417,580	0.45%	0.21%	180	
2016	16,448,638		448,646	15,999,992	0.38%	0.18%	157	
2017	13,808,847		155,992	13,652,855	0.31%	0.15%	134	
2018	11,109,056		401,190	10,707,866	0.25%	0.11%	105	
2019	8,614,265		1,210,957	7,403,308	0.16%	0.07%	73	
2020	6,146,474		2,201,532	3,944,942	0.08%	0.04%	39	
2021	3,729,683		3,729,683	-	*	0.00%	0	
2022	1,365,892		1,365,892	-	*	0.00%	0	

\*Information not yet available.

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See schedule 5 for estimated actual taxable value data.

Schedule 11  
 Craven County  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years  
 (dollars in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Value of Property	\$ 9,738,050	\$ 10,005,692	\$ 9,904,146	\$ 10,023,729	\$ 9,205,215	\$ 9,320,966	\$ 9,540,578	\$ 9,596,740	\$ 9,993,634	\$ 10,244,131
Debt Limit, 8% of Assessed Value (Statutory Limitation)	779,044	800,455	792,332	801,898	736,417	745,677	763,246	767,739	799,491	819,531
Amount of Debt Applicable to Limit										
Gross debt	78,213	72,090	66,919	70,590	64,056	56,066	48,310	51,427	44,058	37,188
Less: Amount available for repayment of g.o. bonds	377	1,097	647	449	156	401	1,211	2,202	3,730	1,366
Debt outstanding for water and sewer purposes	2,866	3,761	5,606	16,280	16,820	15,931	15,042	14,153	13,264	12,375
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	74,970	67,232	60,665	53,862	47,080	39,734	32,058	35,073	27,065	23,448
Legal Debt Margin	\$ 704,074	\$ 733,223	\$ 731,667	\$ 748,036	\$ 689,337	\$ 705,944	\$ 731,188	\$ 732,666	\$ 772,426	\$ 796,082
Total net debt applicable to the limit as a % of debt limit	9.62%	8.40%	7.66%	6.72%	6.39%	5.33%	4.20%	4.57%	3.39%	2.86%

Note: NC Statute GS159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Schedule 12  
 Craven County  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)	Number of Building Inspections Performed(5)
2013	103,573	4,094,203	39,078	14,606	9.70%	8,530
2014	103,219	4,100,424	39,243	14,472	9.00%	7,811
2015	102,048	4,121,440	39,436	14,297	6.80%	7,538
2016	101,875	4,195,496	40,555	14,120	6.12%	8,918
2017	101,863	4,340,800	41,962	14,002	5.26%	9,688
2018	101,809	4,345,888	42,367	13,778	4.73%	8,942
2019	101,167	4,493,680	43,665	13,584	4.19%	15,602
2020	100,534	4,743,930	46,446	13,113	4.08%	14,063
2021	100,128	4,943,453	48,832	12,542	6.66%	13,436
2022	99,851	*	*	12,353	4.68%	15,075

\* Information not yet available.

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year (July 1)
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are as of the end of the calendar year ended during the fiscal year.
- (3) N.C. Department of Public Instruction, First Month Average Daily Membership.
- (4) N. C. Employment Security Commission, Annual Average as of the end of the calendar year ended during the fiscal year.
- (5) Total number of inspections performed by Craven County Inspections Department. Does not include inspections by municipalities.

Schedule 13  
 Craven County  
 Principal Employers  
 Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,456	1	13.92%	5,274	1	13.34%
CarolinaEast Health Systems	2,759	2	7.04%	2,192	2	5.55%
BSH Home Appliances	1,724	4	4.40%	884	5	2.24%
Craven County Schools	1,439	3	3.67%	1,942	3	4.91%
Moen Incorporated	835	5	2.13%	935	4	2.37%
State of North Carolina	801	6	2.04%	817	6	2.07%
Craven County	694	7	1.77%	587	7	1.48%
Wal-Mart	537	8	1.37%	481	9	1.22%
Craven Community College	524	9	1.34%	533	8	1.35%
City of New Bern	477	10	1.22%	479	10	1.21%
	<u>15,246</u>		<u>38.90%</u>	<u>14,124</u>		<u>35.74%</u>

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

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

**Schedule 14**  
**Craven County**  
**Full-time Equivalent County Government Employees by Function,**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government	77	80	78	77	78	78	79	84	96	86
Public safety	142	158	154	157	162	164	183	178	186	176
Social services	191	197	188	195	204	207	211	192	194	180
Economic and physical development	22	21	20	23	23	20	20	9	10	10
Environmental protection	29	30	31	29	28	30	32	28	34	31
Health	102	97	90	93	99	98	105	101	102	101
Transportation (1)								17	16	17
Cultural and recreation (2)	11	11	14	13	13	9	13	25	23	22
Water/Sewer (Business activity)	13	13	13	14	15	18	18	16	17	17
<b>Total</b>	<b>587</b>	<b>607</b>	<b>588</b>	<b>601</b>	<b>622</b>	<b>624</b>	<b>661</b>	<b>650</b>	<b>678</b>	<b>640</b>

Source: Craven County Human Resources, Finance Department

Notes: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this schedule the number of part time employees has been divided by 2.5 to arrive at the full time equivalents.

(1) Effective 2020. Transportation function added to schedule. Employees were previously included in the social services count.

(2) Effective 2020. Convention Center FTE's were reclassified from economic and physical development to cultural and recreation.

Schedule 15  
Craven County  
Operating Indicators by Function,  
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020 (5)	2021	2022
<b>Public Safety</b>										
Fire/Rescue calls to County E911 (A)	9,294	8,587	9,457	9,453	9,823	9,483	10,212	9,774	10,364	11,176
Average daily population in jail (B)	259	277	261	276	275	287	306	304	297	326
<b>Health Services (C)</b>										
Food and lodging inspections	1,354	1,322	1,312	1,299	1,374	1,190	1,471	788	1,027	1,215
Visits to health department	27,268	28,774	30,576	30,014	29,298	27,262	28,151	26,900	26,073	25,453
<b>Transportation Services (D)</b>										
Number of miles driven	794,110	772,009	708,841	673,929	599,621	594,277	588,401	527,137	446,095	486,584
Number of trips provided	105,965	91,554	86,927	74,346	69,359	64,167	63,144	55,027	42,239	46,117
<b>Tax/Real Estate Services (E)</b>										
Deed transfers processed	3,449	3,953	3,970	4,136	4,567	4,484	4,815	4,859	5,930	6,624
Number of real estate parcels	56,774	56,898	57,097	57,354	57,438	57,571	57,952	58,385	58,734	59,285
Number of tax bills generated (3)(6)	150,381	114,148	65,112	67,034	67,398	67,425	67,813	68,488	74,057	71,815
<b>Economic and Physical Development</b>										
County tourism revenues (1)(2)(6)(G)	119	121	127	131	137	142	149	155	115	160
Economic impact of convention center (2)(5)(G)	9.0	9.0	9.0	9.0	9.0	9.0	2.0	1.0	0.8	2.1
Number of registered voters (H)	68,770	69,455	66,478	69,459	66,615	68,827	67,487	72,995	69,206	69,206
Number of enplanements at airport (I)	129,529	128,157	114,373	111,909	111,962	116,647	112,889	87,335	56,709	76,539
<b>Water Services</b>										
Number of service connections (J)	13,378	13,459	13,442	13,615	13,664	13,821	13,949	14,119	14,331	14,462

Notes:

- (1) The amounts shown are for calendar year ending December 31 during the fiscal year.
- (2) Amounts shown are millions of dollars.
- (3) Fiscal 2015 decrease due to DMV billing for motor vehicles property tax at time of registration renewal.
- (4) Fiscal 2019 decrease due to damages caused by Hurricane Florence September 12-15, 2018. Facility closed for repairs following the storm for the remainder of the fiscal year. Facility reopened October 2019.
- (5) Fiscal 2020 decreases in most categories can be attributed to COVID-19 restrictions.
- (6) Fiscal 2021 increase due to first year of GAP Billing.

Source of data:

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

Schedule 16  
 Craven County  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Public Safety (A)</b>										
Correction facility rated capacities	292	292	292	292	292	292	292	292	292	292
<b>Parks and Land Use (B)</b>										
Number of county parks	4	4	4	4	4	4	4	4	4	4
Boat ramps operated (1)	2	2	2	0	0	0	0	0	0	0
<b>Water Service (C)</b>										
Miles of water main	633	633	634	634	634	650	650	655	657	658
Number of elevated water tanks	9	9	9	9	9	9	9	9	9	9
Number of system wells	10	10	10	10	10	18	18	18	18	18
Water Treatment Plant						1	1	1	1	1
<b>Transportation Services (D)</b>										
Number of CARTS vehicles	32	32	32	32	32	32	32	29	29	29
<b>Economic and Physical Development</b>										
Convention center	1	1	1	1	1	1	1	1	1	1
Number of acres remaining at Industrial Park (E)	213	213	183	161	161	161	142	142	135	111
<b>Airport (E)</b>										
Number of runways	2	2	2	2	2	2	2	2	2	2

Source of data:

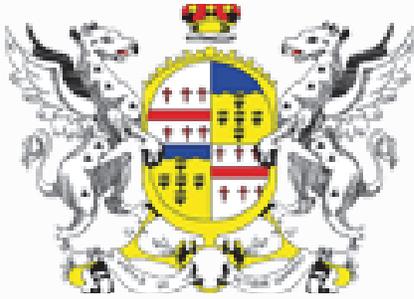
- (A) Craven County Sheriff Department
- (B) Craven County Recreation Department
- (C) Craven County Water Department
- (D) CARTS (Craven County Transportation)
- (E) Craven County Finance Department
- (F) Craven County Regional Airport

Note:

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

# Craven County





# **COMPLIANCE SECTION**

# Craven County





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

**Independent Auditors' Report**

To the Board of County Commissioners  
Craven County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises Craven County's basic financial statements, and have issued our report thereon dated November 30, 2022. Our report includes a reference to other auditors who audited the financial statements of Carolina East Health System and Craven County Alcoholic Beverage Control Board, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matter that are reported on separately by those auditors. The financial statements of Carolina East Health System and Craven County Alcoholic Beverage Control Board were not audited in accordance with Government Auditing Standards.

Report on Internal Control Over Financial Reporting

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

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

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

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### Report on Compliance and Other Matters

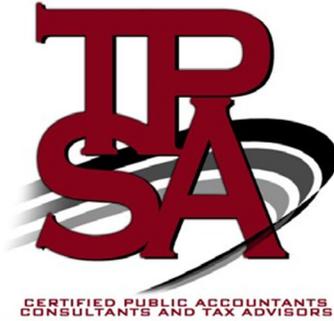
As part of obtaining reasonable assurance about whether Craven County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters<sup>6</sup> that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 30, 2022



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Craven County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Craven County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Craven County's major federal programs for the year ended June 30, 2022. Craven County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Craven County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Craven County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Craven County's compliance with the compliance requirements referred to above.

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### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Craven County federal programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Craven County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Craven County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Craven County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Craven County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Craven County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-001, 2022-002, 2022-003, 2022-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

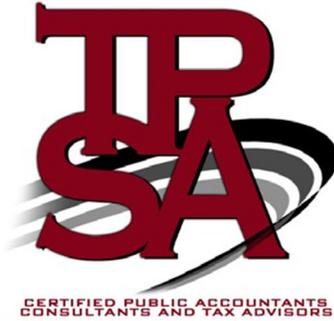
*Government Auditing Standards* requires the auditor to perform limited procedures on Craven County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Craven County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Craven County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Craven County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

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

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 30, 2022



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

**Independent Auditors' Report**

To the Board of County Commissioners  
Craven County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Craven County, North Carolina, 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 Craven County's major State programs for the year ended June 30, 2022. Craven County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Craven County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Craven County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Craven County's compliance with the compliance requirements referred to above.

Members

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

### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Craven County State programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Craven County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Craven County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Craven County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Craven County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Craven County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-001, 2022-002, 2022-003, 2022-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Craven County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Craven County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

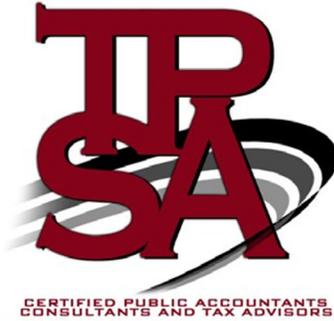
Craven County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Craven County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 30, 2022



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

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Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report on Compliance for the Passenger Facility Charge Program and on Internal Control Over Compliance and the Schedule of Passenger Facility Charge Revenue and Expenditures  
In Accordance With the Passenger Facility Charge Audit Guide for Public Agencies**

**Independent Auditors' Report**

To the Board of County Commissioners  
Craven County, North Carolina

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited Craven County Regional Airport Authority's ("the Authority", a component unit of Craven County) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (the Guide), issued by the Federal Aviation Administration that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2022.

In our opinion, the Craven County Regional Airport Authority's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its passenger facility charge program for the year ended June 30, 2022.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the passenger facility charge program.

## Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on 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 the passenger facility charge 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 the passenger facility charge 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guide. Accordingly, this report is not suitable for any other purpose.

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

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

Whiteville, NC

November 30, 2022

Craven County, North Carolina  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2022

**Section I - Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses \_\_\_ yes   X   none reported
- Noncompliance material to financial statements noted \_\_\_ yes   X   no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses   X   yes \_\_\_ none reported

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

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

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.558	Temporary Assistance for Needy Families Cluster
93.658	Foster Care and Adoption Cluster
93.568	Low-Income Home Energy Assistance:
93.778	Medical Assistance Program

Dollar threshold used to distinguish between

Type A and Type B Programs \$ 924,078

Auditee qualified as low-risk auditee?   X   yes \_\_\_ no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? \_\_\_ yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses   X   yes \_\_\_ none reported

Type of auditor's report issued on compliance for major State programs: Unmodified

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

Identification of major State programs:

<u>Program Name</u>
Medical Assistance Program
Hurricane Florence Watershed Restoration Grant
State Aid to Airports
State Capital Infrastructure Funds
Public School Bulding Capital Fund - Lottery Proceeds



Craven County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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

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Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding.

**US Department of Health and Human Services**

Passed through the NC Department of Health and Human Services  
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)  
CFDA# 93.778

**Finding: 2022-002 Inaccurate Resource Calculation**

**SIGNIFICANT DEFICENCY**

**Eligibility**

Criteria: In accordance with Medicaid Manual MA-2230, Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were 3 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

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

Context: We examined 60 cases from of a total of 968,188 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2020-002.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Craven County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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

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Views of responsible officials The County agrees with the finding.  
and planned corrective  
actions:

**US Department of Health and Human Services**

Passed through the NC Department of Health and Human Services  
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)  
CFDA# 93.778

**Finding: 2022-003                      Untimely Review of SSI Termination**

**SIGNIFICANT DEFICENCY**

**Eligibility**

Criteria: In accordance with the Medicaid Manual MA-3120, the State sends notification to the County when a participant is no longer eligible under Supplemental Security Income (SSI) determination, the County is required to initiate the ex parte review within 5 workdays of the date the termination appears on the SSI Termination Report, and complete the redetermination within 4 months of the month the case appears on the SSI Termination Report and notify the recipient about applicant's ongoing eligibility for Medicaid.

Condition: There was 1 applicant/beneficiary not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.

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

Context: We examined 60 cases from of a total of 968,188 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Cause: Error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials The County agrees with the finding.  
and planned corrective  
actions:

**US Department of Health and Human Services**

Passed through the NC Department of Health and Human Services  
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)  
CFDA# 93.778

**Finding: 2022-004                      Inadequate Request for Information**

**SIGNIFICANT DEFICENCY**

**Eligibility**

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Craven County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022

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

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Condition:	There were 4 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Cost:	There were no known affects to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 968,188 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-004.
Cause:	Error in reading the ACTS report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

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**Section IV - State Award Findings and Questioned Costs**

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Program Name: Medical Assistance Program (Medicaid; Title XIX)  
CFDA # 93.778

SIGNIFICANT DEFICENCY: Finding 2022-001, 2022-002, 2022-003 and 2022-004 also apply to State requirements and State Awards.

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**Section V - Passenger Facility Charge Program Findings and Questioned Costs**

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None reported.

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

# Craven County



**Administration Building**  
 406 Craven Street  
 New Bern, NC 28560

Fax 252-637-0526  
 jveit@cravencountync.gov

**Administrative Staff**  
 Jack B. Veit III, County Manager  
 Gene Hodges, Assistant County Manager  
 Nan Holton, Clerk to the Board  
 Amber M. Parker, Human Resources Director  
 Craig Warren, Finance Director

Commissioners 252-636-6601  
 Manager 252-636-6600  
 Finance 252-636-6603  
 Human Resources 252-636-6602

Corrective Action Plan  
 For the Year Ended June 30, 2022

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**Section II - Financial Statement Findings**

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None Reported.

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**Section III - Federal Award Findings and Questioned Costs**

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**Finding 2022-001**

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

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

Proposed completion date: 11/30/2022

**Finding 2022-002**

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

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

Proposed completion date: 11/30/2022

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

# Craven County



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Craig Warren, Finance Director

Commissioners 252-636-6601  
Manager 252-636-6600  
Finance 252-636-6603  
Human Resources 252-636-6602

## Corrective Action Plan For the Year Ended June 30, 2022

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

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#### Finding 2022-003

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

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

Proposed completion date: 11/30/2022

#### Finding 2021-004

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

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

Proposed completion date: 11/30/2022

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### Section IV - State Award Findings and Questioned Costs

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Corrective Action for Finding 2022-001, 2022-002, 2022-003 and 2022-004 also apply to the State award findings.

Craven County, North Carolina  
Summary Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2022

Finding: 2021-001  
Status: Repeated as 2022-001

Finding: 2021-002  
Status: Repeated as 2022-002

Finding: 2021-003  
Status: Corrected

Finding: 2021-004  
Status: Repeated as 2022-004

**CRAVEN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2022**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal AL# CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Provided to <u>Subrecipients</u>	Local <u>Expenditures</u>
<b>Federal Awards:</b>						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 1,097,308	\$ -	\$ -	\$ 1,097,308
FNS ARPA	10.561		77,536	-	-	-
FNS CAA	10.561		28,477	-	-	-
Total Supplemental Nutrition Assistance Program			1,203,321	-	-	1,097,308
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		507,427	-	-	-
Emergency Watershed Protection Program	10.923		1,437,601	-	-	-
Total U.S. Department of Agriculture			3,148,349	-	-	1,097,308
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce						
CDBG - Neighborhood Revitalization Program	14.228		106,085	-	-	-
Total U.S. Department of Housing and Urban Development			106,085	-	-	-
<u>U.S. Dept. of Justice</u>						
Passed-through N.C. Department of Public Safety						
Byrne Justice Assistance Grants	16.738		13,309	-	-	-
Total U.S. Dept. of Justice			13,309	-	-	-
<u>U.S. Dept. of Transportation</u>						
Direct Programs:						
Administered by Craven County Regional Airport Authority						
Airport Improvement Program						
Airport Improvement Program - CARES Act Fund	20.106		3,258,082	-	-	-
Airport Improvement Program - Airport Security	20.106		99,280	-	-	-
Airport Project NO. 40	20.106		-	-	-	-
Airport Project NO. 42	20.106		3,348	-	-	372
Airport Project NO. 43	20.106		342,281	-	-	38,031
Airport Improvement Project	20.106		2,884,654	-	-	-
Total Airport Improvement Program			6,587,645	-	-	38,403
Administered by Craven Area Rural Transportation System						
Federal Transit Formula Grants	20.507		542,841	-	-	-
Formula Grants for Rural Areas and Tribal Transit Program						
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	DOT-11 36233.31.23.1	92,311	5,769	-	-
Formula Grants for Rural Areas and Tribal Transit Program - Operating	20.509	DOT-11 36233.31.23.2	4,906	-	-	-
COVID 19 Formula Grants for Rural Areas and Tribal Transit Program - Operating	20.509	49233.69.1.2	430,869	-	-	-
Total Formula Grants for Rural Areas and Tribal Transit Program			528,086	5,769	-	-
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	DOT-14 44637.5.4.3	672	84	-	-
Total U.S. Dept. of Transportation			7,658,572	5,769	-	38,403
<u>U.S. Dept. of Treasury</u>						
Direct Grant						
Coronavirus State and Local Fiscal Recovery Funds	21.027		646,406	-	-	-
Total U.S. Dept. of Treasury			646,406	-	-	-
<u>U.S. Dept. of Health &amp; Human Services</u>						
Direct Program						
Health Center Program	93.527		1,410,111	-	-	-
Health Center Program - ARPA	93.224		420,738	-	-	-

**CRAVEN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2022**

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Passed-through Eastern Carolina Council of Governments:						
Division of Aging and Adult Services:						
Title III Preventative Health	93.043		1,026	-	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		287,491	16,911	-	33,823
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		191,475	9,238	-	18,475
COVID-19 Home Delivered Meals	93.045		53,601	-	-	-
Nutrition Services Incentive Program	93.053		32,950	-	-	-
Total Aging Cluster			565,517	26,149	-	52,298
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		1,649,784	-	-	833,393
Division of Public Health						
TANF - Work First	93.558		16,489	-	-	-
Total TANF Cluster			1,666,273	-	-	833,393
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Foster Care - Title IV-E	93.658		1,070,857	209,114	-	669,301
Foster Care	N/A		42,808	-	-	118,958
Adoption Assistance	93.659		25,540	-	-	25,540
Total Foster Care and Adoption Cluster (Note 4)			1,139,205	209,114	-	813,799
AFDC Payments & Penalties	93.560		(109)	(30)	-	(30)
Child Support Enforcement	93.563		543,483	-	-	279,976
Refugee Assistance Admin	93.566		1,264	-	-	-
Family Preservation	93.556		41,519	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		67,400	-	-	-
Energy Assistance Payments	93.568		363,867	-	-	-
Crisis Intervention Program	93.568		160,532	-	-	-
COVID-19 LIEAP Admin	93.568		41,190	-	-	-
LIEAP ARPA	93.568		540,734	-	-	-
LIEAP ARPA ADMIN	93.568		4,024	-	-	-
LIHWAP ADMIN	93.568		14,319	-	-	-
LIHWAP CAA	93.568		69,126	-	-	-
Total Low-Income Home Energy Assistance			1,261,192	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		24,731	-	-	8,244
Chafee Foster Care Independence Program	93.674		21,322	3,979	-	-
SSBG - Other Service and Training	93.667		409,366	-	-	136,455
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - Adult Protective Service	93.667		28,763	-	-	15,157
SSBG - State In Home Service Fund	93.667		52,640	-	-	7,520
SSBG - CPS TANF TO SSBG	93.667		13,854	-	-	-
Total Social Service Block Grant			504,623	-	-	159,132
Division of Child Development and Early Education:						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		137,363	-	-	-
Total Subsidized Child Care			137,363	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		3,725,078	6,680	-	1,373,488
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		80,051	1,322	-	16,647

**CRAVEN COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 For the Year Ended June 30, 2022**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal AL# CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Provided to <u>Subrecipients</u>	Local <u>Expenditures</u>
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health:						
Public Health Emergency Preparedness	93.069		39,524	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		50	-	-	-
Family Planning Services	93.217		76,833	-	-	-
Immunization Cooperation Agreements	93.268		37,858	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		31,832	-	-	-
Total Immunization Cooperation Agreements			69,690	-	-	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		382,796	-	-	-
Refugee and Entrant Assistance State / Replacement Designee Administers Programs	93.566		7,974	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		13,025	-	-	-
HIV Prevention Activities_ Health Department Based	93.940		101,398	-	-	-
Preventive Health Services_ Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		74,659	27,007	-	-
Total U.S. Dept. of Health and Human Services			12,340,043	274,221	-	3,536,947
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety: Division of Emergency Management:						
Emergency Management Performance	97.042	EMPG-2016- 37049	69,373	-	-	-
Total U. S. Department of Homeland Security			69,373	-	-	-
Total Federal Awards			\$ 23,982,809	\$ 280,074	-	\$ 4,672,658
<b>State Awards:</b>						
<u>N.C. Dept. of Administration</u>						
Veterans Service			-	\$ 2,109	-	-
Total N.C. Dept. of Administration			-	2,109	-	-
<u>Golden LEAF Foundation</u>						
Golden LEAF Grant			-	45,353	-	-
Total Golden LEAF Foundation			-	45,353	-	-
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil Conservation State Match			-	3,600	-	-
Total N.C. Dept. Environmental Quality			-	3,600	-	-
<u>N.C. Department of Agriculture and Consumer Services</u>						
Division of Soil and Water Conservation						
Stream Debris Removal Project			-	124,421	-	-
Hurricane Florence Watershed Restoration Grant			-	616,646	-	-
Total N.C. Department of Agriculture and Consumer Services			-	741,067	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Passed-through Eastern Carolina Council of Governments:						
Division of Aging and Adult Services						
State Appropriation - Fan Relief				514	-	-
Total Division of Aging and Adult Services			-	514	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	78,061	-	-
County Funded Programs			-	-	-	2,872,847
DCD Smart Start			-	40,744	-	-
Energy Assistance			-	15,595	-	-
AFDC Incent/Prog Integrit			-	15	-	-
Non-Allocating Reimbursable			-	-	-	95,170
Work First Non Reimbursable			-	-	-	269,544
Extended FC/MAX Non IV-E			-	18,075	-	-
SFHF Maximization			-	75,167	-	75,166

**Craven County, North Carolina**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2022**

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
State Foster Home			-	108,136	-	100,414
F/C at Rist Maximization			-	10,119	-	3,590
IV-B EFT CHAF INDEP LIV			-	80,000	-	-
LINKS/CHAFEE/NR-LINKS			-	-	-	23,398
Total Division of Social Service			-	425,912	-	3,440,129
<b>Division of Public Health</b>						
Food and Lodging Fees			-	17,506	-	-
Public Health Pest Management			-	1,627	-	-
PH Capacity Building			-	131,720	-	-
General Communicable Disease Control			-	6,343	-	-
Healthy Community Activities			-	3,747	-	-
Child Health			-	1,102	-	-
HIV/STD STATE			-	12,938	-	-
Breast and Cervical Cancer Control			-	18,525	-	-
Family Planning - State			-	63,385	-	-
Maternal Health			-	60,951	-	-
High Risk Maternity Clinics			-	71,428	-	-
Women's Health Service Fund			-	14,102	-	-
TB Control			-	33,610	-	-
Total Division of Public Health			-	436,984	-	-
Total N. C. Department of Health and Human Services			-	863,410	-	3,440,129
<b>N.C. Dept. of Public Safety</b>						
State Emergency and Disaster Response Reserve Fund				250,000		
Sheriff Assistance Fund				84,290		
Tier II Grant				1,994		
<b>Juvenile Crime Prevention Programs</b>						
Community for Children			-	2,835	-	-
Structured Day Reporting			-	85,500	-	-
Teen Court			-	160,000	-	-
Raise the Age			-	42,000	-	-
Total Juvenile Crime Prevention Programs			-	290,335	-	-
Total N. C. Department of Public Safety			-	626,619	-	-
<b>N.C. Dept. of Transportation</b>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP RGP		36228.22.10.1	-	90,274	-	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.10.1	-	95,722	-	-
ROAP Work First Transitional - Employment		36236.11.9.1	-	25,549	-	-
Total ROAP Cluster			-	211,545	-	-
State Maintenance Assistance for Urban and Small Urban Program		DOT-9 36234.76.2.1	-	130,920	-	-
State Aid to Airports		DOT-8 36244.26.14.1		1,432,773		
Total N.C. Dept. of Transportation			-	1,775,238	-	-
<b>N.C. Office of State Budget and Management</b>						
State Capital Infrastructure Funds - County Court House Project			-	675,576	-	-
State Capital Infrastructure Funds - Fuel Center Project			-	275,579	-	-
Total N.C. Office of State Budget and Management			-	951,155	-	-
<b>N.C. Department of Public Instruction</b>						
Public School Building Capital Fund - Lottery Proceeds			-	880,500	-	-
Total N.C. Department of Public Instruction			-	880,500	-	-
Total State Awards			\$ -	\$ 5,889,051	\$ -	\$ 3,440,129
Total Federal and State Awards			\$ 23,982,809	\$ 6,169,125	\$ -	\$ 8,112,787

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

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Craven County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Craven County, it is not intended to and does not present the financial position, changes in net position or cash flows of Craven County.

**CRAVEN COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2022**

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>AL#</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>(Direct &amp;</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
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**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Indirect Cost Rate**

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

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

**Note 5: Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 1,931,141	\$ -
Supplemental Nutrition Assistance Program	10.551	42,398,498	-
Medical Assistance Program	93.778	129,056,560	48,427,652
Children's Health Insurance Program	93.767	1,416,382	316,881
IV-E Adopt & Vendor	93.659	497,636	94,694
TANF PEAFF	93.558	73,000	-
TANF Special Children	93.558	85,594	-
TANF Payments & Penalties	93.558	221,719	-
Refugee Assistance Payment	93.566	5,785	-
CWS Adopt, Vendor, Guard	N/A	-	212,582
SC/SA Domiciliary Care	N/A	-	296,789

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

SCHEDULE OF PASSENGER FACILITY CHARGE REVENUE AND EXPENDITURES  
For the Year Ended June 30, 2022

Unexpended passenger facility charges as of July 1, 2021	\$245,385
<b>Revenues</b>	
Passenger facility charges collected	302,340
Interest Income	513
Total revenue	<u>302,853</u>
Unexpended passenger facility charges as of June 30, 2022	<u><u>\$548,238</u></u>

**Note 1: Summary of Significant Accounting Policies**

This schedule presents the activity of the passenger facility charge program of Craven County Regional Airport Authority. The schedule is presented using the accrual basis of accounting.

**Note 2: Passenger Facility Charges**

Beginning February 1, 1997, and including subsequent revisions, Craven County Regional Airport Authority was authorized to impose a passenger facility charges to a maximum of \$11,200,275. There was no expenditures incurred in the current fiscal year. Passenger facility charges are administered by the Federal Aviation Administration but are not considered to be Federal financial assistance as defined by OMB Circular A-133.

# Craven County

