

REVISED AGENDA

**CRAVEN COMMUNITY COLLEGE
BOARD OF TRUSTEES
FEBRUARY 18, 2020**

5:30 pm – Meeting in the STEM Center Conference Room, Havelock Campus

- | | | |
|-------|--|------------------------------|
| I. | Call to Order | <i>Allison Morris, Chair</i> |
| II. | Administrative Items | |
| | (1) Roll Call | <i>Ray Staats, Secretary</i> |
| | (2) Agenda Review and Adoption (<i>motion</i>) | <i>Allison Morris</i> |
| | (3) Conflict of Interest Declaration | <i>Allison Morris</i> |
| | (4) Public Comment | <i>Allison Morris</i> |
| | (5) Statements of Economic Interest | <i>Cindy Ensley</i> |
| | a. Deadline for 2020 Annual Filing | |
| | b. Jennifer Dacey 2019 Evaluation Letter | |
| | c. Robin Schaefer 2019 Evaluation Letter (amended) | |
| III. | Consent Agenda (<i>motion</i>) | <i>Allison Morris</i> |
| | (1) Approve Board of Trustees Meeting Minutes (December 10, 2019) | |
| IV. | Financial Reports | <i>Jim Millard, VP</i> |
| | (1) Financial Report FY 2019-20 2 nd Quarter (Oct-Dec)(<i>motion</i>) | |
| | (2) Write-Offs and Uncollectable Accounts (<i>motion</i>) | |
| | (3) Cash Balances (<i>info</i>) | |
| V. | Personnel Report FY 2019-20 2 nd Quarter (Oct-Dec)(<i>info</i>) | <i>Jim Millard</i> |
| VI. | Facilities Reports FY 2019-20 2 nd Quarter (Oct-Dec)(<i>info</i>) | <i>Jim Millard</i> |
| | (1) Facilities Usage | |
| | (2) Facilities Update | |
| VII. | Curriculum (<i>info</i>) | <i>Kathleen Gallman, VP</i> |
| | (1) Fall Curriculum Program Reviews | |
| | (2) Curriculum Update | |
| VIII. | Approve Fiscal Year 2019-20 Budget (DCC 2-1)(<i>motion</i>) | <i>Jim Millard</i> |

IX. Old Business

X. New Business

- | | |
|--|-----------------------|
| (1) Approve Lease for Small Business Center/Makers Space <i>(motion)</i> | <i>Ray Staats</i> |
| (2) Appoint Ad Hoc Committee for President's Annual Evaluation <i>(info)</i> | <i>Allison Morris</i> |
| (3) President's Annual Evaluation and Timeline <i>(info)</i> | <i>Cindy Ensley</i> |
| (4) Craven CC Foundation Board Member Reappointments <i>(motion)</i> | <i>Ray Staats</i> |
| (5) Public Radio East Foundation Board Member Appointment <i>(motion)</i> | <i>Ray Staats</i> |
| (6) Receive Craven CC Foundation 2019 Financial Audit <i>(info)</i> | <i>Jim Millard</i> |
| (7) Receive Public Radio East Foundation 2019 Financial Audit <i>(info)</i> | <i>Jim Millard</i> |
| (8) Receive Public Radio East 2018 and 2019 Financial Audit <i>(info)</i> | <i>Jim Millard</i> |
| (9) Approve Amended NCCCS 3-1 for ASC Project #2326 <i>(motion)</i> | <i>Jim Millard</i> |
| (10) Approve General Contractor for Academic Support Center <i>(motion)</i> | <i>Jim Millard</i> |

XI. Reports

- | | |
|--------------------------|------------------------|
| (1) President | <i>Ray Staats</i> |
| (2) Attorney | <i>Jamie Norment</i> |
| (3) Chair | <i>Allison Morris</i> |
| (4) Student Trustee | <i>Grace Beauchamp</i> |
| (5) Foundation President | <i>Jeff Williams</i> |

XII. Adjournment

Allison Morris

AGENDA

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BOARD OF TRUSTEES
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- IX. Old Business
- X. New Business
- (1) Approve Lease for Small Business Center/Makers Space (*motion*) Ray Staats
 - (2) Appoint Ad Hoc Committee for President's Annual Evaluation (*info*) Allison Morris
 - (3) President's Annual Evaluation and Timeline (*info*) Cindy Ensley
 - (4) Craven CC Foundation Board Member Reappointments (*motion*) Ray Staats
 - (5) Public Radio East Foundation Board Member Appointment (*motion*) Ray Staats
 - (6) Receive Craven CC Foundation 2019 Financial Audit (*info*) Jim Millard
 - (7) Receive Public Radio East Foundation 2019 Financial Audit (*info*) Jim Millard
 - (8) Receive Public Radio East 2018 and 2019 Financial Audit (*info*) Jim Millard
 - (9) Academic Support Center Construction Bid (*motion*) Jim Millard
- XI. Reports
- (1) President Ray Staats
 - (2) Attorney Jamie Norment
 - (3) Chair Allison Morris
 - (4) Student Trustee Grace Beauchamp
 - (5) Foundation President Jeff Williams
- XII. Adjournment Allison Morris

REVISED NOTICE OF MEETINGS

NOTICE OF THE 2019-2020 MEETINGS OF THE BOARD OF TRUSTEES OF CRAVEN COMMUNITY COLLEGE

Pursuant to North Carolina General Statutes Section 143-318.12 and Craven Community College Board of Trustees Bylaws and Policies, NOTICE is hereby given for the following:

Board of Trustees Meeting

The Board of Trustees of Craven Community College will meet eight times during fiscal year 2019-2020 at 5:30 pm in the Ward Boardroom of the Brock Administration Building on the New Bern Campus, unless otherwise noted.

August 20, 2019

September 17, 2019

*October 15, 2019

December 10, 2019

February 18, 2020 – Meeting on Havelock Campus at 5:30 pm following ribbon cutting ceremony for the grand opening of the STEM Center

*March 17, 2020

April 21, 2020

**June 10, 2020 Annual Board Retreat & Meeting

*** (5:00 pm dinner-Naumann Community Room; 6:00pm meeting in Ward Boardroom)**

**** (9:00 am-1:00 pm Retreat; 1:00 pm – 3:00 pm Meeting; location to be determined)**

Changes, if any, will be posted to the College website www.cravencc.edu

This Notice is published on July 1, 2019 pursuant to directions by the Chair of the Board of Trustees.

Date reposted: February 7, 2020

Date posted: July 1, 2019

Place posted: Ward Boardroom exterior exit door, Brock Administration Building

**CRAVEN COMMUNITY COLLEGE
BOARD OF TRUSTEES
ROLL CALL**

February 18, 2020

Mr. Steve Cella

Ms. Jennifer Dacey

Mr. Ronald Knight

Ms. Carol Mattocks

Ms. Allison Morris

Dr. Ervin Patrick

Mr. Kevin Roberts

Dr. Robin Schaefer

Mr. Bill Taylor

Mr. Tabari Wallace

Mr. Whit Whitley

Ms. Brenda Wilson

Ms. Grace Beauchamp, Student Trustee (ex officio)

Mr. Jeff Williams, CCC Foundation President (ex officio)

Agenda Review/Conflict of Interest Declarations

Each member of this board of trustees is reminded of their obligations and duties under the State Government Ethics Act. Trustees must continually monitor, evaluate, and manage their personal, financial, and professional affairs to ensure the absence of conflicts of interest or even appearance of conflicts of interest. Does any member of this board know of an actual conflict of interest which exists with regard to any matter coming before this board?



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

December 18, 2019

The Honorable Thomas F. Mark, Chairman
Craven County Board of Commissioners
406 Craven Street
New Bern, NC 28560-4971

Via Email

**Re: Evaluation of Statement of Economic Interest – Jennifer Joyner Dacey
Member – Craven Community College Board of Trustees**

Dear Mr. Chairman:

Our office has received a 2019 Statement of Economic Interest from **Ms. Jennifer Dacey** as a member of **Craven Community College Board of Trustees** ("the Board"). We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act ("the Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

Chapter 115D provides for the establishment, organization, and administration of a system of community colleges throughout the State. N.C.G.S. §115D-14 grants the board of trustees of each institution the authority to acquire, hold, and transfer real and personal property, enter into contracts, institute and defend legal actions and suits, and exercise such other rights and privileges as may be necessary for the management and administration of the institution in accordance with the provisions and purposes of Chapter 115D. In addition, under N.C.G.S. §115D-58.7, trustees can designate banks, savings and loan associations, or trust companies as official depositories of the institution's funds.

We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. §

138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Ms. Dacey is an At Large member of the Board of Trustees. She and her spouse own stock in multiple publicly traded companies, including Franklin Resources and Microsoft. Her spouse has ownership interest in a real estate development company, Lake New Bern Development Co. LLC. Because a company in which she has a financial interest may seek to do business with Craven Community College, Ms. Dacey has a potential for a conflict of interest. Accordingly, she should exercise appropriate caution in the performance of her public duties should one of these companies come before the Board for official action.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Susanne L. Sing, Compliance Analyst
State Ethics Commission

cc: Ms. Jennifer Dacey
Ms. Cindy Ensley, Ethics Liaison

Attachment: Ethics Education Guide



STATE ETHICS COMMISSION

POST OFFICE BOX 27685

RALEIGH, NC 27611

PHONE: 919-814-3600

Amended

February 10, 2020

The Honorable Thomas F. Mark, Chairman
Craven County Board of Commissioners
406 Craven Street
New Bern, NC 28560-4971

Via Email

**Re: Evaluation of Statement of Economic Interest – Robin Lynn Schaefer
Member – Craven Community College Board of Trustees**

Dear Mr. Chairman:

Our office has received a 2019 Statement of Economic Interest from **Dr. Robin Schaefer** as a member of **Craven Community College Board of Trustees** ("the Board"). We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 138A of the North Carolina General Statutes ("N.C.G.S."), also known as the State Government Ethics Act ("the Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 138A-28(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 138A-13.

Chapter 115D provides for the establishment, organization, and administration of a system of community colleges throughout the State. N.C.G.S. §115D-14 grants the board of trustees of each institution the authority to acquire, hold, and transfer real and personal property, enter into contracts, institute and defend legal actions and suits, and exercise such other rights and privileges as may be necessary for the management and administration of the institution in accordance with the provisions and purposes of Chapter 115D. In addition, under N.C.G.S. §115D-58.7, trustees can designate banks, savings and loan associations, or trust companies as official depositories of the institution's funds.

We did not find an actual conflict of interest or the likelihood of a conflict of interest.

The Act establishes ethical standards for certain public servants, and prohibits public servants from: (1) using their positions for their financial benefit or for the benefit of their extended family or business, N.C.G.S. § 138A-31; and (2) participating in official actions from which they or certain associated persons might receive a reasonably foreseeable financial benefit, N.C.G.S. § 138A-36(a). The Act also requires public servants to take appropriate steps to remove themselves from proceedings in which their impartiality might reasonably be questioned due to

Mr. Mark, Chairman
February 10, 2020
p.2

a familial, personal, or financial relationship with a participant in those proceedings. N.C.G.S. § 138A-36(c).

Dr. Schaefer is an At Large member of the Board of Trustees.

In addition to the conflicts standards noted above, the Act prohibits public servants from accepting gifts from (1) a lobbyist or lobbyist principal, (2) a person or entity that is seeking to do business with the public servant's agency, is regulated or controlled by that agency, or has financial interests that might be affected by their official actions, or (3) anyone in return for being influenced in the discharge of their official responsibilities. N.C.G.S. § 138A-32. Exceptions to the gifts restrictions are set out in N.C.G.S. § 138A-32(e).

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 138A-14. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,



Susanne L. Sing, Compliance Analyst
State Ethics Commission

cc: Dr. Robin Schaefer
Ms. Cindy Ensley, Ethics Liaison

Attachment: Ethics Education Guide

CRAVEN COMMUNITY COLLEGE
BOARD OF TRUSTEES
MEETING MINUTES
DECEMBER 10, 2019

The Craven Community College Board of Trustees met on Tuesday, December 10, 2019, in the Ward Boardroom of the Brock Administration Building on the New Bern campus, with Board Chair Allison Morris presiding. The meeting was called to order at 5:30 pm.

Roll Call

President Raymond Staats called the roll.

Voting members present were: Mr. Steve Cella, Ms. Jennifer Dacey, Ms. Carol Mattocks, Ms. Allison Morris, Dr. Ervin Patrick, Mr. Tabari Wallace, Mr. Whit Whitley, and Ms. Brenda Wilson

Voting members absent were: Mr. Ron Knight, Mr. Kevin Roberts, Dr. Robin Schaefer, and Mr. Bill Taylor

Ex Officio members absent were: Ms. Grace Beauchamp, SGA President, Mr. Jeff Williams, CCC Foundation Board President

Others present were: Dr. Raymond Staats, College President and Board Secretary; Mr. Jamie Norment, Attorney, Ward and Smith; Dr. Kathleen Gallman, Vice President for Instruction; Mr. Jim Millard, Vice President for Administration; Mr. Gery Boucher, Vice President for Students; and Ms. Cindy Ensley, Executive Assistant to the President and Board of Trustees.

Chair Morris declared a quorum present for the meeting.

Agenda Review and Adoption

Chair Morris reviewed the agenda (attached). Trustee Patrick motioned to accept the agenda as presented; Trustee Mattocks seconded the motion and the motion was unanimously approved.

Conflict of Interest Declaration

Chair Morris read the conflict of interest statement. Members noted no conflicts.

Public Comment

Chair Morris called for public comment and none was expressed.

Consent Agenda

Trustee Whitley motioned to accept the minutes (attached) of the October 15, 2019 meeting as presented; Trustee Patrick seconded the motion and the motion passed unanimously.

Financial Reports

Fiscal Year 2019-2020 1st Quarter Financial Report: VP Millard presented reports for the period June – September 2019 (attached) noting the budgetary figures are based on last year's budget while awaiting an approved budget for 2019-2020. Trustee Wilson motioned to accept the reports as presented; Trustee Patrick seconded the motion and the motion passed unanimously.

Write-Offs and Uncollectable Accounts: VP Millard highlighted the report (attached). Trustee Mattocks motioned to accept the report as presented; Trustee Cella seconded the motion and the motion passed unanimously.

Cash Balances: VP Millard reported on the cash balance report (attached) for informational purposes.

Personnel Report

For informational purposes, VP Millard reviewed the Personnel Report for June – September 2019 (attached).

Facilities Report

Quarterly Usage Report 2019-2020 1st Quarter: VP Millard reviewed the Facilities Usage Report for June – September 2019 (attached) for informational purposes.

Strategic Plan: Goal #4 Progress Report

President Staats provided an update on the Community Service & Engagement goal for the 4th quarter 2019 (attached) for informational purposes.

Old Business

Barker Hall/First Stop (Project 2184) NCCCS 3-1 Close-Out Report: VP Millard presented the final required paperwork to close out the project for Board approval (attached). Trustee Wallace motioned to approve the completion of the project and associated paperwork. Trustee Patrick seconded the motion and the motion passed unanimously.

National League for Nursing Pre-Accreditation Status: The National League for Nursing Commission for Nursing Education Accreditation (NLN CNEA) Board of Commissioners approved pre-accreditation status for the Associate Degree in Nursing and Practical Nursing programs for a three-year period, as reported by VP Gallman. The program allows a maximum of 3 years to complete the accreditation process.

New Business

Proposed Leases for Expansion of the Volt Complex: For informational purposes, President Staats shared potential programs that could be housed on the Volt complex by occupying several other buildings, such as auto body, restaurant operations, and law enforcement simulation. The College and the City of New Bern are working on a lease for the Small Business Center. After renovation, the old City garage can accommodate the diesel mechanic and heavy equipment operator programs.

National Council for Marketing & Public Relations (NCMPR) Awards: The College received a silver award in the Excellence in Writing category (story by Craig Ramey) and a bronze award in the Brochure category (design by Meredith Laskovics).

Reports

President: President Staats shared the passing of former trustee, Sidney French, and former facilities employee, Edward Davis, for whom the maintenance building is named. He also briefed the Board on the next step in the renovation of the Academic Support Center, an upcoming tour of the VOLT Center to the County Commissioners, and the donation of a 1978 Cessna multi-engine aircraft for training in the Aviation program.

Craven Community College
Board of Trustees Meeting Minutes
December 10, 2019
Page Four

Attorney: No report.

Chair: No report.

Adjournment

With no further business to be presented, Chair Morris adjourned the meeting at 6:37 pm.

Respectfully submitted:

A handwritten signature in cursive script, reading "Allison R. Morris", written over a horizontal line.

Allison R. Morris, Chair
February 18, 2020

A handwritten signature in cursive script, reading "Raymond W. Staats", written over a horizontal line.

Raymond W. Staats, Secretary
February 18, 2020

ce 1/13/20

FY 2019-2020 Budget Comparison as of December 31, 2019	President's Office & Institutional Advancement				Administration				Instruction				Students & WFD			
50% of year	Budget	Expenses	Remaining		Budget	Expenses	Remaining		Budget	Expenses	Remaining		Budget	Expenses	Remaining	
		YTD	Balance	% Spent		YTD	Balance	% Spent		YTD	Balance	% Spent		YTD	Balance	% Spent
Administrative																
Salaries & Benefits	603,581	305,445	298,136	51%	2,378,321	1,157,568	1,220,753	49%	3,003,817	1,441,068	1,562,749	48%	2,813,708	1,364,291	1,449,417	48%
519 Contracted Services					95,801	25,580	70,221	27%	99,649	14,339	85,310	14%	45,608	3,783	41,825	8%
523 Instructional Supplies																
525 Motor Vehicle Supplies					169	169	0	100%								
526 Office Supplies	1,052	416	636	40%	29,367	10,364	19,003	35%	15,537	7,549	7,988	49%	16,836	2,052	14,784	12%
527 Other Supplies	2,499	144	2,355	6%	212,213	32,582	179,631	15%	26,242	21,790	4,452	83%	11,728	1,962	9,766	17%
528 Audio-Visual Supplies					200	0	200	0%								
531 Staff Development	20,473	7,496	12,977	37%	92,933	25,039	67,894	27%	48,171	8,400	39,771	17%	43,439	13,444	29,995	31%
532 Comm/Postage/Software					144,743	62,703	82,040	43%	19,602	343	19,259	2%	18,405	7,349	11,056	40%
534 Printing & Binding	773	101	672	13%									59,727	13,232	46,495	22%
535 Repairs & Maintenance	3,678	1,839	1,839	50%	215,092	129,076	86,016	60%	10,150	1,458	8,692	14%	2,058	1,284	774	62%
536 Freight					263	0	263	0%								
537 Advertising					18,841	775	18,066	4%					145,541	49,275	96,266	34%
538 Data Processing																
539 Other Current Services	3,024	2,031	993	67%	64,157	22,609	41,548	35%	5,425	221	5,204	4%	66,695	24,646	42,049	37%
541 Rental of Property	4,000	0	4,000	0%									2,000	0	2,000	0%
543 Lease/Rental Other Equipme					31,985	18,054	13,931	56%	15,600	4,147	11,453	27%				
544 Data Processing Software					51,260	9,380	41,880	18%	5,681	0	5,681	0%	1,878	0	1,878	0%
546 Memberships & Dues	19,727	15,561	4,167	79%	7,897	1,751	6,146	22%	9,150	9,080	70	99%	3,100	1,418	1,682	46%
548 NEIT Admin																
55x Equipment					592,814	354,605	238,209	60%	5,943	5,943	0	100%	1,177	0	1,177	0%
558 Building																
Total Administrative:	658,807	333,032	325,775	51%	3,936,056	1,850,255	2,085,801	47%	3,264,967	1,514,339	1,750,628	46%	3,231,900	1,482,735	1,749,165	46%
Instructional																
Salaries & Benefits									7,524,723	3,525,366	3,999,357	47%	1,397,987	509,332	888,655	36%
519 Contracted Services									12,810	1,010	11,800	8%	155,624	71,738	83,886	46%
523 Instructional Supplies					102,976	0	102,976	0%	134,809	46,978	87,831	35%	45,522	23,708	21,814	52%
524 Repair Supplies																

Craven Community College
County Funds
As of December 31, 2019 - 50% of the Year

[illegible]

Craven Community College
Institutional Funds Budget
As of December 31, 2019 - 50% of the Year

FUND	PURPOSE	BUDGET	EXPENDITURES YEAR TO DATE	REMAINING BALANCE	% SPENT	REVENUES YEAR TO DATE	FUND BALANCE
01	121 Flex Spending					-	7,861.62
00	130 Title IX/Cleary	28,581.00	6,994.97	21,586.03	24%	-	66,918.01
01	133 Discretionary	78,576.00	17,616.07	60,959.93	22%	1,639.95	107,796.37
01	134 Unrestricted Overhead Receipts	12,286.00	-	12,286.00	0%	3,547.05	49,323.69
01	136 Foundation	350,123.00	118,419.36	231,703.64	34%	147,961.31	381,371.59
01	137 Financial Aid Matching	12,298.00	387.56	11,910.44	3%	-	(387.56)
01	221 Applied Music	2,571.00	(75.00)	2,646.00	-3%	2,128.35	20,497.81
01	227 Extra Curricular Activities	38,544.00	20,494.91	18,049.09	53%	7,815.75	29,936.05
01	250 Curriculum-Self Supporting	23,970.00	-	23,970.00	0%	2,542.74	108,241.62
01	312 Fire College	-	-	-	0%	125.08	11,937.65
01	340 WFD-Self Supporting	443,452.00	160,475.79	282,976.21	36%	114,394.81	923,607.84
01	411 Learning Resource Center	1,190.00	-	1,190.00	0%	814.49	25,079.77
01	460 Customized Ind Train Support	10,676.00	9,505.13	1,170.87	89%	1,005.51	39,000.79
01	461 Small Business Support Fund	-	-	-	0%	1.30	124.19
01	610 VOLT Center	48,894.00	-	48,894.00	0%	20,940.95	117,821.18
02	131 College Work Study	90,217.00	45,042.58	45,174.42	50%	45,042.58	-
02	134 Restricted Overhead Receipts	78,727.00	10,918.73	67,808.27	14%	10,694.77	150,440.10
02	138 Returned Check Fee Fund	935.00	4.00	931.00	0%	337.64	20,001.54
02	220 NCSU Engineering	205,184.00	30,617.00	174,567.00	15%	46,883.75	198,904.97
02	227 ENCORE	17,069.00	8,458.36	8,610.64	50%	14.81	(5,501.62)
02	228 Grants -NSF SEAS/Bosch/NCCF	410,736.00	87,122.28	323,613.72	21%	65,522.31	263,280.87
02	291 Specific Fees - Lab/DE/ASC	546,739.00	320,605.64	226,133.36	59%	270,567.77	2,042,430.62
02	292 System-Wide Fees-Comp Tech	284,834.00	248,236.25	36,597.75	87%	132,247.88	1,768,509.09
02	293 Patron Fees	34,634.00	20,163.19	14,470.81	58%	18,528.58	292,547.61
02	314 Grants - Workforce Development/BS	440,638.00	69,248.23	371,389.77	16%	130,012.11	64,881.66
02	392 System-Wide Fees - WFD Comp	170.00	-	170.00	0%	95.47	9,133.99
02	521 C-Step Grant	12,500.00	4,296.22	8,203.78	34%	11,533.50	8,203.78
02	531 Professional Liability Ins	10,358.00	6,760.00	3,598.00	65%	3,899.71	26,614.63
02	532 Student Insurance	7,419.00	3,236.50	4,182.50	44%	3,304.35	(732.29)
02	533 Transcript Fees	49,339.00	3,538.66	45,800.34	7%	20,995.18	259,455.96

FUND	PURPOSE	BUDGET	EXPENDITURES YEAR TO DATE	REMAINING BALANCE	% SPENT	REVENUES YEAR TO DATE	FUND BALANCE
02	534 TRIO/Title III Grants	483,184.00	280,353.20	202,830.80	58%	241,089.06	(67,113.42)
02	790 Orringer Hall Fund	10,672.00	-	10,672.00	0%	4,128.53	43,628.39
02	791 Public Radio East	917,770.00	496,989.44	420,780.56	54%	377,214.08	(137,036.59)
02	795 Career Fair	-	-	-	0%	6.04	574.70
02	796 Testing Centers	13,177.00	10,866.51	2,310.49	82%	5,354.49	48,433.05
02	797 Public Radio East Foundation	675,083.00	218,524.89	456,558.11	32%	326,046.16	262,455.03
02	823 SEOG	99,294.00	37,408.42	61,885.58	38%	37,408.42	-
02	824 Pell	5,000,000.00	2,163,301.40	2,836,698.60	43%	2,144,023.49	(19,353.91)
02	830 NCCC Target Asst/LTHT	8,340.00	7,109.40	1,230.60	85%	8,340.00	1,230.60
02	831 Golden Leaf Scholars	14,682.00	-	14,682.00	0%	-	-
02	833 NCCG	191,431.00	118,470.00	72,961.00	62%	118,764.00	294.00
02	834 Teacher Assistant Sch Fund	21,862.00	3,500.00	18,362.00	16%	3,500.00	-
02	835 State Aid Scholarships	109,507.00	65,445.00	44,062.00	60%	81,733.00	16,288.00
02	840 General Scholarships	213,117.00	110,595.73	102,521.27	52%	156,319.40	357,681.80
02	841 Endowment/Other Scholarships	108,481.00	41,646.49	66,834.51	38%	83,412.49	41,500.00
05	710 Clearwire Distribution	3,438.00	-	3,438.00	0%	2,095.47	22,794.54
05	720 Bookstore	261,791.00	152,649.78	109,141.22	58%	132,913.67	868,484.32
05	730 Food Service	33,571.00	-	33,571.00	0%	13,455.42	36,510.08
05	740 Campus Access	82,171.00	42,792.36	39,378.64	52%	34,748.80	25,168.47
05	770 Student Activity Funds	181,688.00	80,880.27	100,807.73	45%	78,830.96	205,850.25
06	810 J. Wrenn Emergency Loan Fu	738.00	(696.00)	1,434.00	-94%	419.33	41,625.13
07	910 Buildings & Grounds	5,491,119.00	3,673,560.77	1,817,558.23	67%	3,719,365.27	2,756,476.58
08	792 Public Radio East Endowment	-	-	-	0%	751.40	71,707.83
08	850 Endowments	66,981.00	32,476.49	34,504.51	48%	197,427.73	2,725,467.90
Total		17,228,757.00	8,727,940.58	8,500,816.42	51%	8,829,944.91	14,289,968.28

**REQUEST FOR APPROVAL
WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS**

In accordance with Section 4, page 4.37-4.38 of the North Carolina Community College System Accounting Procedures Manual, a request is hereby made to write-off the following accounts as uncollectible:

Student ID #	Term	INTUI Tuition/Registration	CEDOE Contin Ed Occup	ACTFE Activity Fee	CTFCU Computer Fee	CACCF Campus Access	BKST Books	DEFEE Distance Fee	CTFCE Computer Fee-Con Ed	LABFB Lab Fee	LABFA Lab Fee	ELOAN Emergency Loan	RETCK Return Check	EBK3 Ebook Fee	STINS Student Ins	STSUP Student Support	FA Overage	Total
XXX8019	2018FA																361.00	361.00
XXX8570	2018SP	370.25		35.00	48.00	15.00	441.68	100.00			15.00				1.40	75.00	521.64	1,622.97
XXX0568	2018FA	156.79																156.79
XXX2349	2018FA						289.14											289.14
XXX9862	2018FA	836.00		27.24	36.00	11.28	469.53	25.00										1,405.05
XXX5266	2018FA	576.00																576.00
XXX7270	2018SP	114.00		-				12.50										126.50
XXX4976	2018FA	115.76																115.76
XXX9891	2018SP											1,043.71						1,043.71
XXX2460	2018FA	152.00		35.00	14.00	-	449.41								1.40		451.64	1,103.45
XXX5559	2018SP																760.91	760.91
XXX6061	2018FA	702.97		23.12	31.71	9.91		66.07						44.09				877.87
XXX7310	2018SP																872.21	872.21
XXX0164	2018FA																468.02	468.02
XXX1039	2018FA	114.00				12.00		12.50										138.50
XXX8584	2018SP																363.86	363.86
XXX8672	2018FA	75.24		11.55	15.84	4.95		8.25							0.46			116.29
XXX8463	2018SP																1,122.54	1,122.54
XXX3590	2018SP																713.76	713.76
XXX7376	2018SP																64.02	64.02
XXX2977	2018FA	340.00		35.00	48.00	15.00	120.47	25.00							1.40			584.87
XXX0238	2018SP																540.25	540.25
XXX4326	2018FA	253.19																253.19
XXX3518	2018FA						146.50											146.50
XXX4230	2018SP																126.41	126.41
XXX3072	2018FA	167.24																167.24
XXX7387	2018SP					37.05	278.94								1.40	75.00	808.66	1,201.05
XXX0396	2018SP																451.19	451.19
XXX0162	2018SP																315.20	315.20
XXX1844	2018FA	149.00																149.00
XXX3038	2018SP																467.19	467.19
XXX0170	2019CE1		75.00															75.00
XXX9957	2018SP																867.83	867.83
XXX9626	2018FA	335.00																335.00
XXX9626	2018SP	76.00																76.00
XXX2727	2018SP																625.55	625.55
XXX1942	2018SP	80.06																80.06
XXX7412	2018SP																238.05	238.05
XXX1045	2018FA																839.65	839.65
XXX2008	2018SP	57.00		8.75	12.00	3.75				8.75					0.35	3.75		94.35
XXX4705	2018FA	190.00		8.74	12.00	3.74				7.50				18.35	0.34			240.67
XXX2237	2018SP																504.55	504.55
XXX1950	2018FA																942.06	942.06
XXX3409	2018FA																415.44	415.44
XXX2068	2018FA											960.85						960.85
XXX2885	2018SP																412.16	412.16
XXX8184	2018SP																237.44	237.44
XXX6925	2018FA	190.00		5.25	7.20	2.25		12.50							0.21			217.41
XXX3623	2018FA	380.00		35.00	48.00	15.00		25.00						66.72	1.40			571.12
XXX7972	2018SP																1,044.70	1,044.70
XXX7693	2018SP																344.99	344.99
XXX8833	2018SP																534.87	534.87
XXX9454	2018SP																357.92	357.92
XXX8040	2018SP	152.00				15.00		25.00										192.00
XXX2648	2018SP																786.28	786.28
XXX1446	2018FA	456.00		35.00	48.00	15.00		50.00							1.40			605.40
XXX8250	2018FA	228.00		35.00	48.00	15.00		25.00							1.40			352.40
XXX38433	2018SP																1,266.15	1,266.15
XXX9169	2018SP																713.40	713.40
XXX9337	2018FA	124.40																124.40
XXX8673	2018SP						150.72										701.28	852.00
XXX2930	2018SP																502.85	502.85
XXX9701	2018SP			35.00	48.00	15.00				65.00		808.36			1.40	45.00		1,017.76
XXX8023	2018SP	378.20																378.20
XXX1501	2018SP																1,122.74	1,122.74
XXX2942	2018SP																452.41	452.41
XXX2822	2018FA	333.30																333.30
XXX7245	2018FA	481.40																481.40
XXX4409	2018SP																259.99	259.99
		7,583.80	75.00	329.65	465.80	140.88	2,346.39	386.82	-	65.00	31.25	2,812.92	-	129.16	12.56	198.75	21,578.81	36,156.79

Kisha B. Simpson
(Requested by)

Vice President for Administration

\$ 22,931.52
200.40
6,378.60
2,939.38
3,631.89
75.00
<u>\$ 36,156.79</u>

Total Collected this period
Debt Setoff
Total Fees Paid to collection agency

Net proceeds

\$ 3,992.67
544.84
798.52

3,738.99

YTD Write Offs July 2019-Dec 2019 \$ 50,611.84
Prior Year Write Offs July 2018 - Dec 2018 \$ 57,086.36

120 Days past due \$ 82,976.86
Percentage of Total Accounts Receivable 2.0268%

**CRAVEN COMMUNITY COLLEGE
REPORT OF CASH BALANCES**

STIF Account:	31-Dec	30-Sep	Variance
Local Funds	\$1,683,404.27	\$2,108,879.07	-\$425,474.80
Special Funds	<u>\$10,664,959.55</u>	<u>\$9,834,453.97</u>	<u>\$830,505.58</u>
Total	\$12,348,363.82	\$11,943,333.04	\$405,030.78

NOTE: A balance of \$100,000 is maintained in an interest bearing account with First Citizens Bank.
All funds over the \$100,000 are on deposit with the North Carolina State Treasurer.

	31-Dec	30-Sep	Variance
STIF Interest Rate:	1.979600%	2.043450%	-0.063850%

Craven Community College Personnel Report
October 1, 2019 – December 31, 2019

New Hires	Position Title		Effective	Monthly/Annually
Marcy Latteman	Administrative Assistant- Academic Skills Center (Part-time Regular)		10/1/19	\$1,634/\$19,608
Ben Roesser	Student Helpdesk Technician (Part-time Regular)		10/1/19	\$1,634/\$19,608
Kristin White	Accounting Assistant- Collections		10/15/19	\$2,917/\$35,004
Emily Paley	Administrative Assistant (Part-time Regular)		10/22/19	\$1,634/\$19,608
Frank Gibbs	Custodian		11/1/19	\$2,125/\$25,500
Timothy Hall	Director of Security and Emergency Management		11/1/19	\$5,334/\$64,008
Monica Bloomberg	Administrative Assistant- Student Records (Part-time Regular)		11/15/19	\$1,634/\$19,608
Christopher Horne	IT Technician (Part-time Regular)		11/15/19	\$1,508/\$18,096
Chelsea Payne	Student Recruitment Coordinator		11/15/19	\$3,334/\$40,008
Reassignments/ Promotions	From	To	Effective	Monthly/Annually
Ben Hogwood	Faculty, English	Chair, Havelock Campus	10/1/19	\$5,167/\$62,004
Joseph Lee	IT Technician (Part-time Regular)	Student Helpdesk Technician (Full-time Regular)	10/1/19	\$2,209/\$26,508
Melinda Becton	HRD Coordinator (Part-time Temporary)	HRD/STEP Program Assistant (Part-time Regular)	11/1/19	\$2,514/\$30,168
Paul Branaman	Campus Security Officer (Part-time Temporary)	Campus Security Officer- Havelock (Full-time Regular)	11/1/19	\$2,834/\$34,008
Keith Williams	Director of Customized Training & Service Programs	Director of Environmental Health & Safety	11/1/19	\$4,446/\$53,352
Brandi Wilson	Administrative Assistant- TRiO (Part-time Regular)	Admissions Specialist (Full-time Regular)	11/1/19	\$2,917/\$35,004
Karen Games	Financial Aid Advisor III	Executive Director, Financial Aid	12/15/19	\$5,167/\$62,004

Resignations/ Terminations/Retirements	Position	Effective	Reason
Curnisha Jones	Admissions Specialist	10/24/19	Resignation
Jessica Davis	Nursing Faculty	10/31/19	Resignation
Leslie Lloyd	Executive Director of Financial Aid	11/1/19	Resignation
Heather Strelczyk	Assistant Veterans Affairs Certifying Official (Part-time Regular)	12/5/19	Resignation
Suzanne Turcotte	Instructional Designer (Part-time Regular)	12/19/19	Resignation
Joyce Belfance	Nursing Faculty	12/31/19	Retirement
Craven Community College Job Searches October 1, 2019 – December 31, 2019			
Position	Opening Date	Closing Date	
Admissions Specialist	9/25/19	10/11/19	
Librarian	10/2/19	10/31/19	
Math Faculty- Havelock	10/8/19	10/31/19	
IT Technician (PT Regular)	10/10/19	10/18/19	
Administrative Assistant- Student Records (PT Regular)	10/14/19	10/25/19	
Director of Service Programs	10/23/19	11/8/19	
Executive Director of Financial Aid (Repost)	10/23/19	11/8/19	
Nursing Faculty (2 positions)	10/28/19	11/26/19	
Administrative Assistant- TRiO (PT Regular)	11/6/19	12/1/19	
Librarian (Repost)	12/13/19	1/10/20	

Craven CC Facilities Usage Report
October - December 2019

EXTERNAL USERS OF FACILITIES

Name of Organization	Date(s) of Use	Type of Organization	Facility	Fees	Date Fees Received	Estimated Number of Attendees
East Carolina University	10/5, 10/12, 10/19, 10/26, 11/2, 11/9, 11/16, 11/23, 11/30, 12/7/2019	Gov	Perdue 123			25
Advance Auto Parts	10/28, 12/2, 12/3/2019	Profit	Naumann Rm			30
NC Department of Health & Human Services	11/6/2019	Gov	AMC 102			35
Craven Concerts	10/21, 11/6/2019	Non-Profit	Orringer			150
NC Division of Coastal Management	10/15, 12/4/2019	Gov	AMC 104			4
Full Circle	11/5, 12/5/2019	Profit	Naumann Rm	\$130	11/25/2019	32
Food Bank of Central and Eastern NC	11/8/2019	Gov	BIT 106, 107, 108			50
Yarbrough Financial	10/15, 10/16, 10/22, 10/23, 10/29, 10/30, 12/12/2019	Profit	Brock 214	\$500/\$65	10/11, 12/9/2019	20
NC Division of Water Resources	10/30/2019	Gov	AMC 102			50
New Bern Historical Society	10/3, 10/5, 10/10, 10/12, 10/17, 10/19, 10/24, 10/26, 11/2, 11/2, 11/7, 11/9, 11/14, 11/16, 11/21, 11/23, 11/30, 12/5, 12/7, 12/12, 12/14, 12/19/2019	Non-Profit	Orringer/Naumann Rm			60
St. Paul Catholic School	12/19/2019	Non-Profit	Orringer	\$80	12/4/2019	200
NC Symphony Society	10/2/2019	Gov	Naumann Rm			25
Kiddie Kollege	12/17/2019	Profit	Orringer	\$195	12/9/2019	175
Greenbrier Property Association	11/17/2019	Non-Profit	Orringer	\$120	11/5/2019	225
NC Wildlife Resources Commission	12/11/2019	Gov	AMC 102			50
The Blood Connection	11/19/2019	Non-Profit	Parking Lot #2			65
Craven County Health Department	12/11/2019	Gov	AMC 102			50
American Red Cross	11/14/2019	Non-Profit	Naumann Rm			75
LCA Advertising & Products	12/6/2019	Profit	Orringer	\$325	12/2/2019	250

Fees are not charged to the following organizations:
(BLC) Craven Business Leadership Circle
(Gov) Government - federal, state, county, municipal
(Edu) Education

Facilities Update

2.18.20



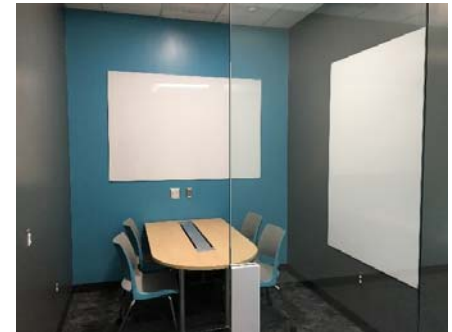
Capital Construction Priorities

- **STEM Center**
 - Occupancy January 2020
- **Academic Support Center**
 - Bid/Contract Process February/March 2020

Completed Construction Project

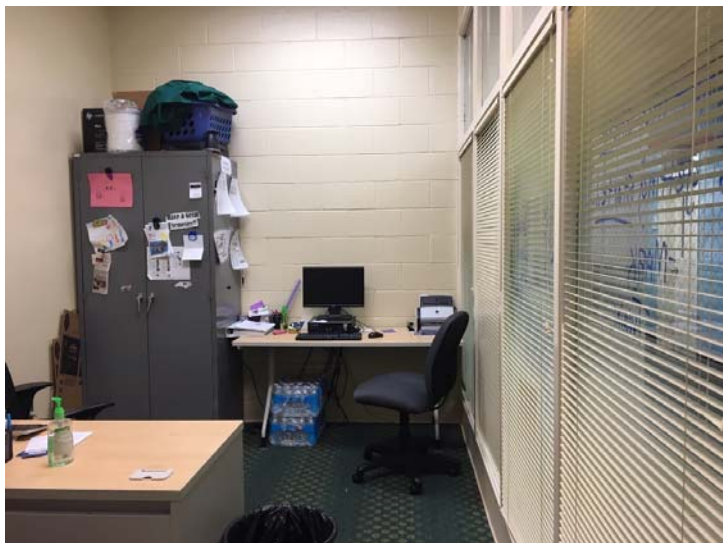
- **STEM Center - Ribbon Cutting February 18, 2020**

*Liberal Arts & University Transfer courses
Workforce Development courses
Early College EAST
NC State Mechanical Engineering*



Completed Facility Improvements – 2019–2020

Campus Life



BEFORE ...

... AFTER

*Campus Life Coordinator
Student Government Association
Student Leadership Academy
Clubs & Organizations*



Completed Facility Improvements – 2019–2020

Security



BEFORE ...

... AFTER

*Director of Security
Resource Officer
Control Room
Director of Environmental Health & Safety*



Pending Construction Projects

- **Academic Support Center**

- Estimated Bid Date: February 2020
- Anticipated Notice to Proceed: March 2020
- Anticipated Completion: Fall 2020





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2019-20 CURRICULUM PROGRAM REVIEW SNAPSHOT

Program	Strengths	Committee Recommendations
Associate in General Education	<ol style="list-style-type: none"> 1. Program flexibility 2. Program serves various students with different needs 3. Holding area for competitive admissions programs 	<ul style="list-style-type: none"> ➤ Identify AGE students and if program is appropriate for students' goals. ➤ Examine amount of time spent in program of study. ➤ Individuals are split concerning the value of the AGE. Some are advocates of the program; others question its value.
Automotive Systems Technology	<ol style="list-style-type: none"> 1. Recommended program by industry and stakeholders 2. Lab/Facilities Improvements 3. New Diploma Program Offering (forthcoming) 4. Expansion of the program in Havelock; Partnership with ECU (BSIT program) 	<ul style="list-style-type: none"> ➤ Work to increase graduation rates ➤ Stabilize enrollment ➤ Take gateway courses earlier (to increase retention) ➤ Increase marketing for the program ➤ Vehicle Storage
Basic Law Enforcement Training	<ol style="list-style-type: none"> 1. Reaccredited program through the State (2024) 2. Experienced program faculty 3. Physical assessments done prior to enrollment 4. Use of Program Resources/Timely Replacement of Equipment & Materials 	<ul style="list-style-type: none"> ➤ Consideration of a Public Safety Training Complex that could house the College's BLET, EMS, and Fire training programs ➤ Examine space/insulation in Bender to mitigate noise concerns ➤ Publish student pass rates on the BLET State Exam as recruitment tool ➤ Outreach/Utilize Academic Support Services
Criminal Justice Technology	<ol style="list-style-type: none"> 1. CORD-certified faculty lead evaluating CJT online courses for consistent quality 2. Use of state-of-the-art/relevant lab equipment 3. Expansion of CJT offerings through CCP 4. Accelerated cohort of law enforcement professionals 	<ul style="list-style-type: none"> ➤ Correct marketing of CJT—mostly online program option ➤ Clarify/codify transfer arrangements ➤ Work to increase retention, persistence, and graduation rates ➤ Ensure online/HS students have same experiences as seated students
Electronics Engineering Technology	<ol style="list-style-type: none"> 1. Committed faculty; offer real-world experiences 2. Advisory Board/Community Partnerships 3. Good Use of Program Resources 4. Stackable Program Credentials 	<ul style="list-style-type: none"> ➤ Track student progress throughout the program. ➤ Examine/monitor enrollment with comparable programs. Work with WFD and comparable programs; market transitions between WFD and CU programs ➤ Enroll students in gateway courses and ACA in a timely manner (to increase retention) ➤ Increase awareness/visibility of the program.
Entrepreneurship	<ol style="list-style-type: none"> 1. Program accreditation through the ACBSP 2. Recent ranking on BestColleges.com list of the top ten online Entrepreneurship programs 3. Faculty working with students through Independent Study course options 	<ul style="list-style-type: none"> ➤ Very low enrollment in ETR courses, thus requiring faculty to offer independent studies ➤ Limited number of program completions ➤ Lack of program advocacy ➤ Recommended to discontinue as an Associate/Diploma level option; offer perhaps as a Certificate under Business Administration

Curriculum Report

February 2020



Curriculum Program Review Highlights

Associate in General Education

- Strengths = program flexibility; “holding” program
- Recommendations = identify students; program’s value in ?

Automotive Systems Technology

- Strengths = great reputation; facility improvements; program expansion
- Recommendations = increase completion; take gateway courses sooner; vehicle storage

Curriculum Program Review Highlights cont.

Basic Law Enforcement Training

- Strengths = reaccreditation; experienced faculty
- Recommendations = consider public safety complex; publish pass rates; outreach/utilize support

Criminal Justice Technology

- Strengths = CORD-certified faculty lead online portion; lab; CCP offerings
- Recommendations = clarify transfer options; increase retention and graduation rates

Curriculum Program Review Highlights cont.

Electronics Engineering Technology

- Strengths = real-world experiences; community partnerships; stackable credentials
- Recommendations = market program and CE to CU; track students

Entrepreneurship

- Strengths = ACBSP accredited; independent study option
- Recommendations = low enrollment; limited completions; lack of advocacy; continue only as certificate

Instructional Updates

HONOUR, THE MUSICAL: The musical was a big success!

- Collaboration with New Bern Historical Society, CarolinaEast Health System, The New Bern Sun Journal, and The Bate Foundation

Career and College Promise Growth

- Both University Transfer and Career
- Presence at all public high schools, Epiphany, and NBCA

Instructional Updates cont.

Increasing focus on Professional Development

- Hiring Assistant Director for DL/CTL
- Focus will be faculty/staff development
 - Faculty Council request
 - Support for faculty teaching adolescents as CCP grows
 - Support for CORD and HOTT

Instructional Updates cont.

Pilot BioNetwork (Fall 2019)

- Topic: water quality
- West Craven Middle School
- Film crew on site
- Havelock event in Spring

PTK gains 5-STAR status for the 10th year in a row!



QUESTIONS?



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Teaching and Learning*

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**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
COLLEGE BUDGET: FY 2019-20**

REQUIRED BUDGET REQUEST SIGN-OFF

The attached College Budget has been reviewed and approved on

February 18, 2020 by the Board of Trustees of Craven Community College.

 Chair.

The attached College Budget has been reviewed and approved in

the amount of \$4,261,115.00 on February ____, 2020

by the County Commissioners of Craven County.

 County Manager

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
COLLEGE FY 2019-20 BUDGET

	CURRENT OPERATING										PLANT FUND			CURRENT & CAPITAL TOTAL
	1XX	2XX	3XX	4XX	5XX	6XX	7XX	8XX		9XX				
College	Institutional Support	Curriculum Instruction	Continuing Education	Academic Support	Student Support	Plant Op & Maint.	Proprietary/Other	Student Aid	Subtotal	Capital (CI)	(ex. CI Projects)			
Craven CC														
State	\$ 4,960,747	\$ 7,644,108	\$ 2,469,888	\$ 2,600,401	\$ 2,152,709	\$ -	\$ -	\$ -	\$ 19,827,853	\$ 767,262	\$ 2,940,365	\$ 23,535,480		
County	\$ 663,249	\$ -	\$ -	\$ -	\$ -	\$ 3,131,296	\$ -	\$ -	\$ 3,794,545	\$ -	\$ 500,000	\$ 4,294,545		
Institutional	\$ 460,278	\$ 1,515,164	\$ 612,641	\$ 11,866	\$ 560,800	\$ 48,894	\$ 1,362,378	\$ 5,757,901	\$ 10,329,922	\$ -	\$ 1,483,952	\$ 11,813,874		
Total	\$ 6,084,274	\$ 9,159,272	\$ 3,082,529	\$ 2,612,267	\$ 2,713,509	\$ 3,180,190	\$ 1,362,378	\$ 5,757,901	\$ 33,952,320	\$ 767,262	\$ 4,924,317	\$ 39,643,899		

Board of Commissioners
George S. Liner, Chairman
Thomas F. Mark, Vice-Chairman
Denny Bucher
Jason R. Jones
Theron L. McCabe
Etteinne "E.T." Mitchell
Johnnie Sampson, Jr.

Administrative Staff
Jack B. Veit, III, County Manager
Gene Hodges, Assistant County Manager
Nan E. Holton, Clerk to the Board
Amber M. Parker, Human Resources Director
Craig Warren, Finance Director



RECEIVED

JUL 11 2019

President's Office

Administration Building
406 Craven Street
New Bern, NC 28560
Fax 252-637-0526
manager@cravencountync.gov

Commissioners 252-636-6601
Manager 252-636-6600
Finance 252-636-6603
Human Resources 252-636-6602

July 9, 2019

Dr. Raymond Staats, President
Craven Community College
800 College Ct.
New Bern, North Carolina 28562

Dear Dr. Staats:

On June 17, 2019, the Craven County Board of Commissioners adopted the budget for Fiscal Year 2019-2020. The following amounts were appropriated for **Craven Community College**:

Current Expense	\$3,761,115.00
Capital Outlay	<u>\$ 500,000.00</u>
Total	\$4,261,115.00

The Current Expense and Capital Outlay funds will be distributed to you in twelve (12) equal monthly installments.

We look forward to working with you in this next fiscal year. If you have any questions, please call Craig Warren or me.

Sincerely,

A handwritten signature in dark ink that reads "Jack B. Veit III".

Jack B. Veit III.
Craven County Manager

JBV:ajm

xc: Craig A. Warren

NORTH CAROLINA

CRAVEN COUNTY

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease"), dated March 1, 2020, for convenience of reference, is made by and between the CITY OF NEW BERN, ("Lessor"), a North Carolina municipal corporation, and THE TRUSTEES OF CRAVEN COMMUNITY COLLEGE ("Lessee"), collectively referred to as the "Parties."

WITNESSETH:

THAT WHEREAS, the Lessor owns the real property located at 209 First Street in the City of New Bern, said parcel being identified by Craven County Tax Parcel Number 8-011-153-C ("Subject Property"); and

WHEREAS, by Amended and Restated Lease Agreement dated September 12, 2017, Lessor leased to Lessee a portion of the Subject Property to be used as a workforce development center and other activities; and

WHEREAS, the Lessor has agreed that the Lessee may lease an additional portion of the Subject Property more specifically described herein as the "Premises" for use as a small business center, workforce training and makerspace for entrepreneurs, subject to the terms and conditions established herein; and

WHEREAS, the Lessor has determined that the Premises will not be needed by the Lessor for the term of the Lease; and

WHEREAS, the Parties have agreed upon the terms of a Lease and wish to reduce their agreement to writing.

NOW, THEREFORE, the Lessor does hereby let and lease unto said Lessee, and said Lessee does hereby accept as tenant of said Lessor, the Premises, for the term and upon the conditions hereinafter set forth:

1. **INCORPORATION OF RECITALS.** The foregoing WHEREAS paragraphs are incorporated herein as part of the terms and conditions of this Lease.

2. **THE PREMISES.** In consideration of the obligation of Lessee to pay rent as herein provided and in consideration of the other terms, covenants, and conditions hereof, Lessor hereby demises and leases to Lessee, and Lessee hereby leases from Lessor, those certain premises containing a commercial structure of approximately 2,474 square feet and identified as "209 First St Makers Lab Premises" on Exhibit A attached hereto and incorporated herein by

reference, located at 209 First Street in the City of New Bern (the "Premises"). Lessor further grants to Lessee non-exclusive access for ingress and egress within the area identified as "Access Easement Area," as well as exclusive parking rights within the area identified as "Parking Area #2" which shall contain fifteen (15) parking spaces identified for Lessee's exclusive use, all as identified and illustrated on Exhibit A.

3. **CONDITION OF PREMISES AND TENANT UPFIT.** Lessor shall deliver the Premises to Lessee "as-is." Tenant shall provide all upfitting at its sole cost and expense, which shall be performed in a workman-like manner with such work to be done in accordance with the requirements of local ordinances and public authorities having jurisdiction thereof, specifically including the North Carolina Building Code.

4. **TERM.** The term of this Lease shall commence on March 1, 2020, and shall continue through midnight on May 14, 2029, unless sooner terminated or extended in accordance with the terms hereof. The Parties, by written instrument, may agree to an extension of the lease term prior to the termination of this Lease.

Notwithstanding the foregoing, Lessee may terminate this Lease at any time after March 1, 2022, upon ninety (90) days' advance written notice to Lessor.

5. **RENT.** As rent for the said Premises, the Lessee agrees to maintain the Premises, as set forth herein, and to pay the sum of ONE DOLLAR (\$1.00) per annum during the term of this Lease, the first such payment to be made contemporaneously with the execution of this Lease, each subsequent annual payment to be made on or before the anniversary date of this Lease; provided that Lessee shall have the option of paying rent for the entire Term at any time in lieu of paying rent annually.

6. **PERMITTED USES.** Lessee agrees to utilize the Premises as a small business center and makerspace for entrepreneurs, as well as for the conduct of college educational programs, consistent with North Carolina Community College System Policies, Craven Community College Board of Trustees Policies, and College Procedures, and for no other purposes without Lessor's prior written consent.

7. **PROHIBITED USES.** Lessee shall not cause or permit any waste to occur in the Premises and shall not overload the floor, or any mechanical, electrical, plumbing or utility systems serving the Premises. Lessee shall keep the Premises, and every part thereof, in a clean and wholesome condition, free from any objectionable activities or nuisances. Lessee agrees not

to permit any Hazardous Material (as defined hereinafter) to be installed, brought, kept, used, stored or discharged upon the Premises in violation of any State, Federal or local environmental laws regulating Lessee's use and occupancy of the Premises. Lessee shall indemnify Lessor for any losses, damages, liability, claim, or expenses (including reasonable attorneys' fees) resulting from a breach of the aforesaid agreement or resulting from the exercise of Lessee's rights to store or use any Hazardous Material in accordance with the provisions of this paragraph. For purposes hereof, the term "Hazardous Material" shall include, without limitation, any substances defined as "hazardous wastes," "hazardous substances," "hazardous materials," or "toxic substances" by the Resource Conservation and Recovery Act of 1976, as amended from time to time, or the regulations promulgated thereunder, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, or the regulations promulgated thereunder, the Toxic Substances Control Act, as amended from time to time, or the regulations promulgated thereunder, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order, decree or other requirement or any governmental authority having jurisdiction over the Premises which regulates or imposes liability or standards of conduct concerning any hazardous, toxic, or dangerous waste, substance or material, as now or at any time hereafter in effect. Without limiting the generality of the foregoing, the term "Hazardous Material" shall include dry cleaning solvents and petroleum products outside sealed containers. Notwithstanding the above, Lessee shall not be responsible for any claim, demand, cost, damage, injury, loss, liability or change based on or arising out of the presence of any Hazardous Materials or conditions on or about the Premises which existed prior to Lessee's occupancy or which was not expressly caused by Lessee, its agents, employees or representatives.

8. **UTILITIES.** All applications and connections for utility services required by Lessee in conjunction with Lessee's use and occupancy of the Premises shall be made in the name of Lessee only, and Lessee shall be solely responsible for obtaining such services and for the payment of all charges for such services as they become due. Such utility services include, but are not limited to, sewer, water, gas, electricity, and telephone services.

9. **REPAIR AND MAINTENANCE.** Lessor shall keep the foundation, exterior walls (except plate glass and exterior doors), HVAC systems, roof, gutters, downspouts, and foundation walls of the Premises, and all interior and exterior water, sewer, electrical and gas systems serving the Premises in good repair, except that Lessor shall not be required to make any

repairs occasioned by the act or neglect of Lessee or its employees or agents. For purposes of this Section 9, Lessor's obligation to maintain all interior water, sewer, electrical and gas systems serving the Premises in good repair shall be limited to such portions of the water, sewer, electrical and gas systems located within the walls, floors and ceilings of the commercial structure located on the Premises. In the event that the Premises become in need of repairs required to be made by Lessor hereunder, Lessee shall give prompt written notice to Lessor; and Lessor shall not in any way be responsible for failure to make any such repairs until thirty (30) days shall have passed after its receipt of such written notice (provided, however, that in the event the repair cannot, with reasonable diligence, be completed within such thirty (30) day period, Lessor shall have a reasonable time thereafter to complete such repair so long as Lessor promptly commences and diligently pursues such repair to completion). Should the Premises require an emergency repair, Lessor shall contact the City Manager or Public Works Director by telephone, and Lessor shall take immediate action to address such emergency repair unless Lessee is advised by the City Manager or Public Works Director that Lessor is unable to take immediate action in which case Lessee may take all reasonable steps to resolve such emergency repair at Lessor's expense. Lessor shall maintain the grounds, driveways, and parking areas on the Subject Property and any other property over which Lessee has access rights in good condition and repair, and maintain adequate lighting in such areas, all consistent with Lessor's maintenance standards for its public facilities. Lessor's obligations include the removal of snow and ice from walkways, driveways, and parking lots in the area surrounding the Premises consistent with Lessor's practices for its public parking areas.

Except for the foregoing Lessor responsibilities, Lessee shall perform all other repairs and maintenance necessary to maintain the Premises, including, but not limited to, needed repairs and replacements to all exterior and interior items unless such items are the responsibility of Lessor as set forth above. Lessee shall perform all preventative maintenance and repairs to the Premises, including without limitation all repairs and replacements to all interior items, to the ceiling, to the lighting system, to all doors and door opening mechanisms, and to all water, sewer, and electrical facilities located within the Premises, unless such items are the responsibility of Lessor as set forth above. Lessee shall promptly replace any cracked or broken plate glass or window glass used in any interior and exterior windows and doors in the Premises.

10. CARE OF PREMISES BY LESSEE. Lessee shall keep the inside and outside

of all glass in the doors and windows of the Premises clean; shall keep clean all exterior surfaces of the Premises which are not Lessor's responsibility; shall not place or maintain any structures or other articles on the sidewalk or street adjacent to the Premises or elsewhere on the exterior thereof without Lessor's written consent; shall maintain the Premises at its own expense in a clean, orderly and sanitary condition and free of insects, rodents, vermin and other pests; shall not permit undue accumulations of garbage, trash, rubbish and other refuse, and shall keep such refuse in proper containers on the exterior of the Premises in the areas designated therefor by Lessor; and shall maintain temperatures within the Premises sufficient (and open taps to reduce pressure as needed) to prevent the freezing and bursting of water and sewer pipes serving the Premises. All repairs and replacements shall be of quality and class at least equal to the quality and class of the Premises at the time of entry by Lessee.

11. ALTERATIONS AND IMPROVEMENTS. Lessee may only make changes, alterations or improvements to the Premises with the prior written consent of Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. If approved by Lessor, such work shall be done in accordance with the requirements of local ordinances and public authorities having jurisdiction thereof. Lessee shall make no such change, alteration or improvement which substantially affects the structural integrity of the Premises or substantially decreases the value of the Premises. All changes, alterations or improvements to the Premises shall remain for the benefit of Lessor unless otherwise provided in a writing signed by Lessor.

12. CASUALTY AND LIABILITY INSURANCE. Lessee, at its sole cost and expense, shall maintain for the benefit of Lessor and Lessee, general liability insurance protecting Lessor and Lessee against any claim or claims for damage arising by reason of injury, death or damage occasioned in, upon or adjacent to the Premises, and products liability, such insurance to protect Lessor and Lessee jointly and severally to the combined limit of One Million and No/100 Dollars (\$1,000,000.00) for injury to or death of any one (1) or more persons by the same accident or for damage to property of other persons. Each policy effecting such coverage shall designate Lessor, Lessor's mortgagee, if any, as additional insureds as their respective interests may appear, and shall contain a clause that the insurer will not cancel or materially modify the insurance coverage without first giving Lessor a minimum of thirty (30) days' advance written notice. Further, each such policy shall be carried with a reputable insurance company authorized to do business in North Carolina and reasonably approved by Lessor, and a

certificate of insurance shall be provided to Lessor. In the event Lessee at any time shall fail to maintain such insurance or shall fail to pay any and all premiums therefor, Lessor shall have the right and option to effect such insurance and pay any and all premiums therefor; and, in the event of any such payment, Lessee, on the rental date next succeeding the date on which Lessee receives notice of such payment having been made, shall pay to Lessor a sum equal to the amount which was so paid for such insurance premiums, it being expressly understood that Lessor shall have no obligation whatsoever hereunder to effect such insurance or to make such premium payments to cure the default of Lessee.

Lessor shall keep all improvements upon the property of which the Premises are a part insured to the extent of not less than One Hundred percent (100%) of the replacement cost thereof in such amount as may be agreed upon by Lessor and Lessee prior to the commencement of each lease year against loss or damage by fire, with extended coverage. Each such policy shall be carried with a reputable insurance company authorized to do business in North Carolina. Lessee shall reimburse Lessor for the reasonable cost of such insurance within thirty (30) days after receipt of notice from Lessor with supporting information as to the amount due.

13. DAMAGE OR DESTRUCTION. In the event the Premises shall be totally or partially damaged or destroyed by fire, flood, act of God or other casualty, the duties, rights and obligations of Lessor and Lessee shall be as follows:

(a) If the Premises shall be damaged or destroyed so as to render the Premises untenable, Lessor or Lessee may, at either party's election, terminate this Lease by written notice to the other party not more than thirty (30) days after the occurrence of such damage or destruction. Untenable shall mean that the improvements upon property of which the Premises are a part shall be damaged or destroyed by fire, the elements, or other casualty to the extent of one-half (1/2) of the replacement cost thereof as determined by the final adjustment of the insurance claim related thereto.

(b) If the Premises are not rendered untenable by such damage or destruction, this Lease shall remain in full force and effect and Lessor shall promptly commence the required repair or restoration using such insurance proceeds as are available and prosecute the work of repair to completion with reasonable speed and diligence. Lessee shall during any period of repair and restoration continue to operate on the Premises to the extent reasonably practical.

14. DEFAULT. If Lessor or Lessee shall fail to perform or comply with any of the agreements or covenants of this Lease and if such nonperformance shall continue for a period of ten (10) days after receipt of notice thereof, or, if such performance cannot be reasonably had

within the ten (10) day period, such party shall not in good faith have commenced performance within the ten (10) day period and shall not diligently proceed to the completion of such performance, such event shall constitute a default under this Lease.

15. **REMEDIES.** Upon the occurrence of any default, each party shall have all of the rights and remedies that are available under the laws of the State of North Carolina, including, but not limited to the termination of this Lease.

16. **SIGNAGE.** Lessor shall implement a program for common signage for the Subject Property, which shall include reasonable space on the sign face(s) to identify Lessee's operations, the design of which shall be similar to Lessee's other signage at its existing facilities. Lessee may not install any additional signage without Lessor's consent. Lessor shall be responsible for the cost of the common signage program. Once the common signage is installed on the Premises, Lessee shall be responsible for the cost of any replacement signage necessitated by Lessee.

17. **ASSIGNMENT OR SUBLETTING.** Lessee shall not assign this Lease nor sublet any part of the Premises without written consent of the Lessor.

18. **QUIET POSSESSION.** Lessor agrees that Lessee shall, upon paying the rent and performing the covenants of this Lease, quietly have, hold and enjoy the Premises during the term of this Lease. Lessor acknowledges that Lessee's operations on the Premises may extend beyond customary "business hours" and that Lessee and its invitees will need access to the Premises "around the clock"; therefore, Lessee's access to and use of the Premises shall not be limited by Lessor. Further, Lessor acknowledges that Lessee's use of the Premises as a workforce development center by its nature may involve noises and odors emanating from the Premises from equipment and machinery, and that such use shall not constitute a nuisance to Lessor or other tenants of the Subject Property. Lessor will disclose in leases with other tenants of the Subject Property the nature of Lessee's use of the Premises and include a provision in the leases that such tenants waive any right to object to Lessee's operations on the Premises.

19. **SURRENDER OF POSSESSION.** Upon expiration of the term of this Lease, Lessee shall surrender the Premises to Lessor in as good condition as the same are at the beginning of the lease term, reasonable wear and tear and casualty excepted.

20. **FIXTURES.** Lessee shall have the right to install in the Premises such fixtures or equipment deemed necessary by Lessee for the conduct of Lessee's operations. So long as

Lessee is not in default of the terms of this Lease, all fixtures and equipment installed by Lessee shall remain the property of Lessee and Lessee shall have the right to remove such equipment at any time up to and including the expiration date of this Lease or sooner termination of this Lease for any reason; provided, however, Lessee shall give Lessor ten (10) days' written notice prior to removal of a fixture that has been affixed to the foundation or structural systems of the Premises if the removal would damage in any way the Premises. Lessee shall be responsible for the cost of repairing any damage to the Premises which is caused by such removal. Any fixtures installed by Lessee shall automatically become the property of the Lessor, with Lessee remaining liable for any indebtedness thereon, if such fixtures are not removed by Lessee within a reasonable time after the expiration date of this Lease or sooner termination of this Lease for any reason.

21. NOTICES. All notices required to be given with respect to any matter pertaining to this Lease shall be sent by certified mail, return receipt requested, or other nationally recognized overnight courier and shall be deemed delivered upon receipt or refusal if addressed to Lessee or to Lessor at the following addresses:

Lessor

City of New Bern
Attn: Director of Public Works
P.O. Box 1129
New Bern, N.C. 28560

Lessee

Craven Community College
Attn: President
800 College Court
New Bern, N.C. 28562

Either Lessor or Lessee may change the address to which notices are to be sent to them by giving written notice of such change of address to the other party as herein provided.

22. INDEMNIFICATION/LIMITATION OF LIABILITY. To the extent allowed by law, and as limited by the laws of North Carolina, including the North Carolina Tort Claims Act, the Defense of State Employees Act, and the Excess Liability Policy administered through the North Carolina Department of Insurance, subject to the availability of appropriations and in proportion to and to the extent that such liability for injury or damages is caused by or results from the negligent acts or omissions of Lessee, its officers, agents, contractors, or employees,

Lessee shall indemnify Lessor and save it harmless from and against any and all liability for injury or damage to person or property arising from or out of any occurrence in, upon, or at the Premises, or the occupancy or use by Lessee of the Premises, unless the same is caused by the negligence or willful misconduct of Lessor. To the extent allowed by law, and as limited by all state and federal laws, subject to the availability of appropriations and in proportion to and to the extent that such liability for injury or damages is caused by or results from the negligent acts or omissions of Lessor, its agents, contractors, or employees, Lessor shall indemnify Lessee and save it harmless from and against any and all liability for injury or damage to person or property arising from or out of any occurrence in, upon, or at the Subject Property, unless the same is caused by the negligence or willful misconduct of Lessee.

23. MEMORANDUM OF LEASE. This Lease shall not be recorded, but Lessor and Lessee, at either's request, shall execute a memorandum of lease for recording purposes which shall contain only the information required by Section 47-118 of the North Carolina General Statutes.

24. ENTIRE AGREEMENT. This Lease contains the entire agreement between the Parties with respect to the Premises, and cannot be changed or terminated except by written instrument subsequently executed by the parties hereto.

25. BINDING EFFECT. All the terms and conditions of this Lease shall be binding upon and shall apply and inure to the benefit of the parties hereto.

26. CONSTRUCTION OF LEASE. In construing and interpreting this lease, the following rules shall apply:

(a) This lease shall be construed with equal weight for the rights of both parties, the terms hereof having been determined by fair negotiations with due consideration for the rights and requirements of both parties.

(b) Pronouns used in this lease importing any specific gender shall be interpreted to refer to corporations, partnerships, men and women, as the identity of the parties hereto, or the parties herein referred to, may require.

(c) Pronouns, verbs and/or other words used in this lease importing the singular number shall be interpreted as plural, and plural words as singular, as the identity of the parties hereto, or the parties or objects herein referred to, may require.

(d) Paragraph headings appearing in this lease are for purposes of easy reference and shall be considered a part of this lease and shall in no way modify, amend, or affect the provisions thereof.

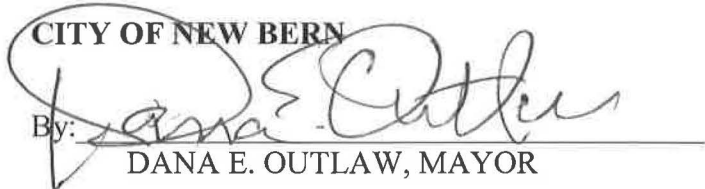
27. **GOVERNING LAW.** This Lease shall be construed and interpreted in accordance with the laws of the State of North Carolina.

28. **COMPLIANCE WITH NONDISCRIMINATION LAWS.** Lessee agrees to comply with all applicable federal, state, and local laws prohibiting discrimination.

29. **COVENANT OF USE.** Lessor has acquired a grant from the U.S. Department of Commerce Economic Development Administration ("EDA") to assist in the completion of Lessor's Work ("EDA Grant"). Pursuant to the terms of the EDA Grant, Lessor is required to execute and record a Covenant of Use, Purpose and Ownership in favor of the EDA (the "Covenant") prior to the Commencement Date. The Covenant will, among other things, restrict the use of the Premises to the purposes specified in the EDA Grant. Lessee agrees to comply with the terms of the Covenant.

IN TESTIMONY WHEREOF, the City has caused this instrument to be executed as its act and deed by the Mayor, and its corporate seal to be hereunto affixed, and attested by its City Clerk, all by the authority of its Board of Aldermen; and the Chair of the Board of Trustees of Craven Community College has executed or caused this document to be duly executed, all as of the day and year first above written.

LESSOR:

CITY OF NEW BERN
By: 
DANA E. OUTLAW, MAYOR

ATTEST:


BRENDA E. BLANCO, CITY CLERK

(CORPORATE SEAL)

LESSEE:

**THE TRUSTEES OF CRAVEN COMMUNITY
COLLEGE**

By: 
ALLISON R. MORRIS, CHAIR

[SEAL]

NORTH CAROLINA
CRAVEN COUNTY

I, Chastity B. Thompson, a notary public in and for said county and state, do hereby certify that on the 28th day of January, 2020, before me personally appeared DANA E. OUTLAW with whom I am personally acquainted, who, being by me duly sworn, says that he is the Mayor and that BRENDA E. BLANCO is the City Clerk of the City of New Bern, the municipal corporation described in and which executed the foregoing instrument; that he knows the common seal of said municipal corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the municipal corporation was subscribed thereto by the said Mayor; that the said common seal was affixed, all by order of the Board of Aldermen of said municipal corporation; and that the said instrument is the act and deed of said municipal corporation.

WITNESS my hand and notarial seal, this the 28th day of January, 2020.

Chastity B. Thompson
NOTARY PUBLIC

My Commission Expires:

12/15/2024



NORTH CAROLINA
CRAVEN COUNTY

I certify that the following person personally appeared before me this day, acknowledging to me that ~~he~~ signed the foregoing document for the purpose(s) stated therein, in the capacity indicated therein: Allison R. Morris.

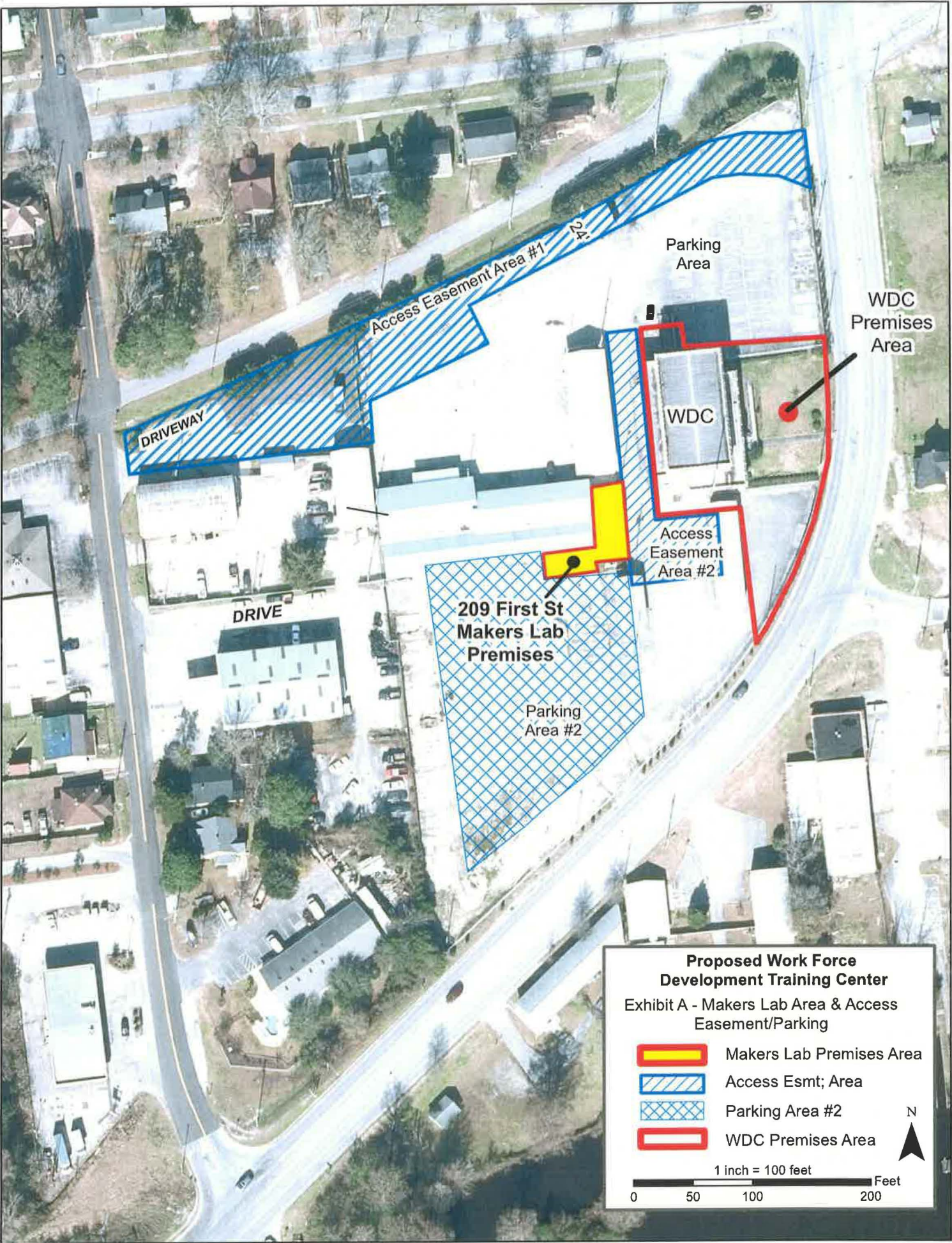
Date: 2/18/2020



Cynthia G Ensley
Signature of Notary Public

Cynthia G Ensley
Notary's printed or typed name

My commission expires: 9/15/23



PRESIDENT'S PERFORMANCE EVALUATION 2020

AD HOC COMMITTEE

Allison Morris, Board Chair

Whit Whitley, Board Vice Chair

Steve Cella

Bill Taylor

Ervin Patrick

Timeline for President's Annual Evaluation 2019-2020

February 18, 2020	Board Receives Evaluation Tool and Timeline Chair Appoints President's Evaluation Committee
March 17, 2020	Return President's Evaluation Form to Cindy Ensley (in the envelope provided by this date)
April 1-9, 2020	President's Evaluation Committee Reviews the Results of President's Evaluation (exact date to be determined)
April 21, 2020	Results of President's Evaluation Reviewed by the Full Board at the April Board Meeting
April 22-29, 2020	Feedback to the President by the Chair and Vice- Chair (exact date to be determined)
April 30, 2020	Chair Submits Letter to the NCCCS Office Indicating the Evaluation was completed

Directions:

1. Complete the President's Annual Evaluation (3 pages) by writing in the appropriate score clearly and adding any additional comments on the last page
2. Sign and date the document, if you desire; it is **NOT** required
3. Return in the self-addressed, stamped envelope by March 17, 2020 or bring to the March Board meeting
4. Call Cindy Ensley with questions, 252-638-7201

**Craven Community College Foundation Board Re-Appointments
Presented to the Trustees February 2020**

2018 - 2020 Class

Title	Name	Affiliation	Term began	Term expires	Current Term
Director	Mrs. Janet Lamb	Real Estate Broker	2012	2020	4
Director	Mr. Jonathan Segal	Retired	2012	2020	4
Director	Mrs. Nancy Stallings	Real Estate Broker	2012	2020	4
Director	Mr. J. Brent Davis	Market Executive	2014	2020	3
Director	Mr. W. David McFadyen, Jr.	Attorney/Partner	2014	2020	3
Director	Mrs. Tammy Sherron	CPA, MBA, CFO/VP of Finance	2014	2020	3
Director	Mr. John O. Haroldson	Owner	2016	2020	3
Director	Pastor Linster Strayhorn, III	District Overseer/Pastor	2016	2020	3
Director	Mr. Craig Warren	Finance Director	2016	2020	3
Director	Mrs. Brenda George	Retired	2016	2020	2
Director	Mr. Tyler B. Harris	Retired	2016	2020	2
Director	Ms. Marjorie Russell	Community Member	2016	2020	2
Director	Mrs. Jacqueline B. Atkinson	Partner	2018	2020*	1
Director	Mrs. Carole Kemp	Commissioner	2018	2020*	1
Director	Mrs. Susan Moffat-Thomas	Retired	2018	2020*	1
Director	Mr. Lee E. Knott	CPA, Tax Preparer	2018	2020*	1
Director	Mrs. Carol Becton	Retired	2018	2020*	1
* Previously approved by the Board of Trustees in December 2017 & February 2018					

2019 - 2021 Class

Title	Name	Affiliation	Term began	Term expires	Current Term
Director	Mr. Lloyd Griffith	Parish Associate	2013	2021	4
Director	Mr. Jeffrey G. Williams	Tax Partner	2013	2021	4
Director	Mr. David W. Dysinger	Director of Operations	2013	2021	4
Director	Ms. Yvonne Wold	Retired	2013	2021	4
Director	Ms. Ashley R. Martin-Irizarry	Financial Advisor/Co-Owner	2015	2021	3
Director	Mrs. Anne C. Schout	Community Member	2015	2021	3
Director	Mrs. Amy P. Wang	Attorney	2015	2021	3

Public Radio East

THE NEWS AND IDEAS NETWORK 89.3 HD1 New Bern & 88.1 Greenville
THE CLASSICAL NETWORK 88.5 WZNB / 89.3 HD2 / 90.3 WKNS / 91.5 WBJD

MEMORANDUM

To: Dr. Raymond Staats
From: Ben Donnelly
Date: February 4, 2020
Subject: Public Radio East Foundation Board Member Nomination

In accordance with the By-laws of the Public Radio East Foundation, I am submitting to you, for approval by the Craven Community College Board of Trustees, the nomination of Dr. John F. McQuade for membership on the Public Radio Foundation Board of Directors.

Dr. McQuade was recommended at the Public Radio East Foundation Board meeting on February 4. His appointment will serve as a replacement for a recent resignation.

Thank you.

A handwritten signature in black ink, appearing to read "Ben Donnelly", with a stylized, flowing script.

2020

Proposed Public Radio East Foundation Board Member

Dr. John F. McQuade

Dr. John F. McQuade has been a physician in New Bern since 1978. He graduated from Yale University in 1969 and from Yale School of Medicine in 1973. Thereafter, John moved to Chapel Hill, NC, where he completed his internship and residency in internal medicine in 1976 and cardiology fellowship in 1978 at North Carolina Memorial Hospital.

In 1990, he, along with Dr. Ronald Preston and Dr. Michael Davis, founded Coastal Internal Medicine and Cardiology (now Coastal Primary Care) and participated in the formation of Coastal Carolina Health Care in 1998.

John and his wife, Diane, have been strong supporters of our public radio station since its creation in 1984. He is also an avid fine art photographer and handmade book artist, as well as a member of St Paul Catholic Church and a board member of Old St Paul Preservation Guild.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
New Bern, North Carolina

Financial Statements and
Independent Auditor's Report

Year Ended June 30, 2019

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Table of Contents
June 30, 2019

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Foundation Exhibits	
A-1 Statement of Net Position	7
A-2 Statement of Revenues, Expenses, and Changes in Net Position	8
A-3 Statement of Cash Flows	9
Notes to the Financial Statements	11
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17



S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

American Institute of CPAs

N. C. Association of CPAs

Independent Auditor's Report

To the Board of Directors
Craven Community College Foundation, Inc.
New Bern, North Carolina

We have audited the accompanying financial statements of Craven Community College Foundation, Inc. (Foundation) a component unit of Craven Community College, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

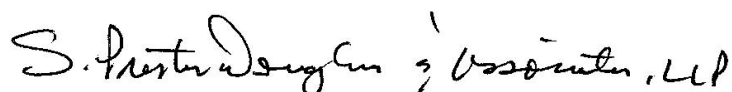
In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Craven Community College Foundation, Inc. as of June 30, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020 on our consideration of the Foundation'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 of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "S. Preston Douglas, CPA". The signature is written in a cursive, flowing style.

Lumberton, North Carolina
January 31, 2020

Management's Discussion and Analysis

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Management's Discussion and Analysis
June 30, 2019

The information in this section is intended to provide a general overview of Craven Community College Foundation, Inc.'s (Foundation) financial statements and is based upon the information contained in the financial statements accompanying this discussion and analysis. The user is encouraged to reference the appropriate section of the financial statements for the supporting detailed information.

Overview of the Financial Statements

The Foundation's discussion and analysis provides a summary of its basic financial statements which include the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The Craven Community College Foundation, Inc. had a total net position of \$3,216,616 at June 30, 2019.

Basic Financial Statements

The basic financial statements present information for Foundation as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position presents information on all of the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position shows how the Foundation's net position changed during the most recent fiscal year. Revenues and expenses are presented in a format that distinguishes between operating and nonoperating revenues and expenses.

The Statement of Cash Flows provides information regarding the Foundation's cash receipts and cash payments during the reported period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. The statement reconciles the beginning cash as of July 1, 2018, to the ending cash as of June 30, 2019.

The financial statements provide both long-term and short-term information about the Foundation's overall financial status.

The Notes to Financial Statements provide additional information that is essential to a complete understanding of the data provided in the basic financial statements.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019

Condensed Statement of Net Position

The Statement of Net Position presents the assets (current and noncurrent), liabilities (current and noncurrent), and net position (total assets minus total liabilities) of the Foundation. This statement provides a fiscal snapshot of the Foundation's financial position as of June 30, 2019.

Condensed Statement of Net Position

	2019	2018	Increase (Decrease)
ASSETS			
Current assets	\$ 657,158	\$ 581,634	\$ 75,524
Noncurrent assets	2,560,516	2,383,908	176,608
Total assets	<u>3,217,674</u>	<u>2,965,542</u>	<u>252,132</u>
LIABILITIES			
Current liabilities	1,059	1,634	(575)
Total liabilities	<u>1,059</u>	<u>1,634</u>	<u>(575)</u>
NET POSITION			
Restricted:			
Nonexpendable	2,564,733	2,400,851	163,882
Expendable	300,053	288,079	11,974
Unrestricted	351,830	274,978	76,852
Total net position	<u>\$ 3,216,616</u>	<u>\$ 2,963,908</u>	<u>\$ 252,708</u>

Notable changes in the Condensed Statement of Net Position include:

- During 2019, the Foundation's current assets increased by \$75,524 largely due to the increase in cash and cash equivalents of \$74,863.
- Noncurrent assets increased by \$176,608. This is primarily due to the increase in restricted investments of \$180,537 and a slight decrease in restricted cash and cash equivalents of \$3,929.
- Current liabilities decreased by \$575 due to the decrease in accounts payable of \$512 and a decrease of \$63 in due to the State of North Carolina component units.
- Total net position at June 30, 2019 increased by \$252,708 due to an increase in restricted expendable of \$11,974, an increase in restricted nonexpendable of \$163,882 which was primarily a result increased appropriation of endowment assets for scholarships, and an increase in unrestricted net assets of \$76,852 due primarily to a decrease in unrestricted expenditures.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019

Condensed Statement of Revenues, Expenses and Changes in Net Position

The purpose of this statement is to present the revenues received and expenses paid by the Foundation, both operating and nonoperating. The Foundation receives the majority of its funding from nonoperating revenues.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	2019	2018	Increase (Decrease)
Operating revenues:			
Lifetime Learning Center -			
Travel & ticket sales	\$ 105,413	\$ 106,795	\$ (1,382)
Other operating revenues	81,658	84,466	(2,808)
Total operating revenues	<u>187,071</u>	<u>191,261</u>	<u>(4,190)</u>
Operating expenses:			
Supplies and materials	6,003	7,092	(1,089)
Services	158,155	184,448	(26,293)
Scholarships	291,378	266,163	25,215
Total operating expenses	<u>455,536</u>	<u>457,703</u>	<u>(2,167)</u>
Nonoperating revenues:			
Noncapital grants	138,450	100,000	38,450
Noncapital gifts, net	136,051	180,546	(44,495)
Investment gain, net	165,868	157,626	8,242
Other nonoperating revenues (expenses)	(29,750)	(42,220)	12,470
Total nonoperating revenues	<u>410,619</u>	<u>395,952</u>	<u>14,667</u>
Additions to endowments	110,554	165,836	(55,282)
Increase (decrease) in net position	<u>252,708</u>	<u>295,346</u>	<u>(42,638)</u>
Net position at beginning of year	<u>2,963,908</u>	<u>2,668,562</u>	<u>295,346</u>
Net position at end of year	<u><u>\$ 3,216,616</u></u>	<u><u>\$ 2,963,908</u></u>	<u><u>\$ 252,708</u></u>

The Statement of Revenues, Expenses, and Changes in Net Position reflects an increase in the net assets at year end. Some of the highlights are as follows:

Operating revenues decreased by \$4,190. Revenue generated by the Lifetime Learning Center's travel and ticket sales decreased by \$1,382. Community Fabric Awards fundraising revenues decreased by \$6,920, while other operating revenues increased by \$4,112.

Operating expenditures decreased by \$2,167. Supplies and materials decreased by \$1,089, services decreased by \$26,293, scholarships increased by \$25,215.

Nonoperating revenues (expenses) increased by \$14,667. Noncapital gifts decreased by \$44,495. A new interest bearing account was opened producing \$2,589 in interest income. Gains on investments in the current year of \$163,279 helped account for the increase in overall investment gains. Additionally, there was a decrease of \$12,470 in transfer expenses to the College in the 2019 fiscal year.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019

Economic Forecast

Craven Community College Foundation, Inc. provides financial support to Craven Community College. This support comes in the form of student scholarships, funding for programs and new initiatives, equipment and facilities. The Harold H. Bate Foundation continues its substantial support of scholarships through the Foundation with a 10% increase in the current fiscal year. The weak fourth (4th) quarter performance of the stock market in general resulted in a decreased amount of endowment scholarship funds available. The Foundation was well positioned to cover the market instability and allocated \$40,000 from reserve funds to cover much of the shortfall.

A continuing effort is focused on endowments to create a sustainable source of income for scholarships. Despite the 4th quarter losses in calendar year 2018, the combined value of the Foundation's assets have rebounded and are currently at a historical high. As of August 31, 2019, the endowment portfolio, \$2,558,581 and other cash deposits \$740,493 have a combined value of \$3,299,074. The funds on hand will ensure that the Foundation is well positioned to assist the financial needs of students attending Craven Community College.

The Foundation continues to receive support from its fundraising campaigns. The Campus Campaign (in-house campaign) and Community Campaign (external campaign) raised a total of \$92,494 net for fiscal year 2019. This was an increase of \$6,330 over the previous fiscal year, despite the devastation caused by Hurricane Florence. This shows the support of the community for the Foundation as many donors had catastrophic damages from the storm. The Foundation consistently solicits new donations from prospective donors and participants cultivated through the Lifetime Learning Center (LLC) program. In addition to providing a cultivation opportunity for donors, the LLC program continues to produce revenue for the Foundation through travel and stage performance event proceeds.

The 9th annual Community Fabric Awards, the Foundation's premier fundraising event, was held on April 18, 2019. The gross revenue from this event was \$70,985 which represented a decrease from the previous year and can be attributed to the move to the Havelock Tourist and Event Center (a smaller venue) because of hurricane damage to the New Bern Convention Center. Despite the location change and decrease in gross revenue, cost savings and strong sponsor support led to a net income of \$51,409 which was in line with the previous year. This is remarkable based on the number of sponsors and donors that were adversely affected by Hurricane Florence. The success of the Community Fabric Awards is impacted by the nominees selected for these awards among other factors.

The Budget and Audit Committee continually review the performance of its current endowment management services provider and the Investment Policy Statement (IPS). Meetings are scheduled with the endowment management services provider as needed (at least annually) to discuss the portfolio. With review by an external audit and the robust internal financial oversight from Craven Community College, the Foundation is solidly positioned and secure with these management controls.

Contacting the Foundation's Financial Management

Our financial statements are designed to provide the citizens of North Carolina with a general overview of the Foundation's finances and show accountability of all funds received. Questions concerning any of the information found in this report or requests for additional information should be directed to Cindy A. Patterson, Executive Director of Financial Services and Purchasing, Craven Community College, 800 College Court, New Bern, NC 28562.

Financial Statements

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Statement of Net Position
June 30, 2019

Exhibit A-1

ASSETS

Current assets:

Cash and cash equivalents	\$ 344,814
Restricted cash and cash equivalents	304,631
Receivables, net (Note 5)	6,974
Prepaid items	739

Total current assets	657,158
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Noncurrent assets:

Restricted cash and cash equivalents - checking	738
Restricted cash and cash equivalents - investments	162,439
Restricted investments	2,397,339

Total noncurrent assets	2,560,516
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Total assets	\$ 3,217,674
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LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	\$ 1,059
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Total current liabilities	1,059
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Total liabilities	1,059
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NET POSITION

Restricted for:

Nonexpendable:	
Scholarships	2,564,733

Expendable:	
Scholarships	300,053

Unrestricted	351,830
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Total net position	\$ 3,216,616
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The notes to the financial statements are an integral part of this statement.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2019

Exhibit A-2

REVENUES

Operating revenues:	
Lifetime Learning Center - travel & ticket sales	105,413
Community Fabric Awards	70,735
LLC film & lecture series	4,765
Other	6,158
	<hr/>
Total operating revenues	187,071
	<hr/>

EXPENSES

Operating expenses:	
Supplies and materials	6,003
Services	158,155
Scholarships	291,378
	<hr/>
Total operating expenses	455,536
	<hr/>
Operating loss	(268,465)
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NONOPERATING REVENUES (EXPENSES)

Noncapital grant	138,450
Noncapital gifts, net	136,051
Investment gain (net of fees)	165,868
Miscellaneous nonoperating revenues (expenses)	(29,750)
	<hr/>
Total nonoperating revenues (expenses)	410,619
	<hr/>
Income before other revenues	142,154
	<hr/>
Additions to endowments	110,554
	<hr/>
Increase in net position	252,708
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NET POSITION:

Net Position, July 1, 2018	2,963,908
	<hr/>
Net Position, June 30, 2019	\$ 3,216,616
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The notes to the financial statements are an integral part of this statement.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Statement of Cash Flows
Year Ended June 30, 2019

Exhibit A-3
Page 1 of 2

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 187,071
Payments to vendors and suppliers	(165,472)
Payments for scholarships	(291,378)
Other receipts (payments)	(29,750)
Net cash provided in operating activities	<u><u>(299,529)</u></u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Gifts and endowments	221,798
Noncapital grant	138,450
Net cash provided by noncapital financing activities	<u><u>360,248</u></u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	123,750
Investment income	89,212
Purchase of investments and related fees	(203,138)
Net cash provided (used) by investing activities	<u><u>9,824</u></u>

Net increase (decrease) in cash and cash equivalents	70,543
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Cash and cash equivalents, July 1, 2018	<u>742,079</u>
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Cash and cash equivalents, June 30, 2019	<u><u>\$ 812,622</u></u>
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The notes to the financial statements are an integral part of this statement.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Statement of Cash Flows
Year Ended June 30, 2019

Exhibit A-3
Page 2 of 2

**RECONCILIATION OF OPERATING LOSS
TO NET CASH USED BY OPERATING ACTIVITIES**

Operating loss	\$ (268,465)
Adjustments to reconcile operating loss to net cash used by operating activities	
Miscellaneous nonoperating income (expense)	(29,750)
Change in assets and liabilities:	
Receivables	-
Prepaid expenses	(739)
Accounts payable	(575)
Net cash provided (used) by operating activities	<u><u>\$ (299,529)</u></u>

Reconciliation of cash and cash equivalents

Current assets:	
Cash and cash equivalents	344,814
Restricted cash and cash equivalents	304,631
Noncurrent assets:	
Restricted cash and cash equivalents - checking	738
Restricted cash and cash equivalents - investments	162,439
Total cash and cash equivalents - June 30, 2019	<u><u>\$ 812,622</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Assets acquired through a gift	\$ 24,494
Change in fair value of investments	71,371
Increase in receivables related to nonoperating income	312

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

Notes to the Financial Statements

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Notes to the Financial Statements
June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Craven Community College Foundation, Inc. (Foundation), a component unit of Craven Community College (College) is a North Carolina nonprofit corporation organized to benefit the College through administration of contributions. The Foundation is governed by a 32 member board consisting of 3 ex facto directors and 29 elected directors. The Foundation's purpose is to aid, support, and promote teaching, research, and service in the various educational, scientific, scholarly, professional, artistic, and creative endeavors of the College. Because the directors of the Foundation are appointed by the members of the Craven Community College Board of Trustees, and the Foundation's sole purpose is to benefit the College, its basic financial statements are blended with those of the College in the College's financial report.

B. Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended by GASB Statement No. 35, Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, the full scope of the Foundation's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

C. Basis of Accounting

The financial statements of the Foundation have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Nonexchange transactions, in which the Foundation receives (or gives) value without directly giving (or receiving) equal value in exchange, include both monetary and in-kind donor contributions. Revenue is recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

D. Cash and Cash Equivalents

This classification includes cash on deposit with private bank accounts and money market accounts.

E. Investments

To the extent available, investments are recorded at fair value based on quoted market prices in active markets on a trade-date basis. Additional information regarding the fair value measurement of investments is disclosed in Note 3. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the investments. The net increase (decrease) in the fair value of investments is recognized as a component of investment income.

F. Receivables

Receivables consist of amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Restricted Assets

Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted or designated for the acquisition or construction of capital assets and resources whose use is limited by external parties or statute.

H. Net Position

The Foundation's net position is classified as follows:

Restricted Net Position - Nonexpendable: Nonexpendable restricted net position includes endowments and similar type assets whose use is limited by donors or other outside sources, and, as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted Net Position - Expendable: Expendable restricted net position includes resources for which the Foundation is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted Net Position: Unrestricted net position include resources derived from student tuition and fees, sales and services, unrestricted gifts and interest income.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the Foundation.

I. Revenue and Expense Recognition

The Foundation classifies its revenues and expenses as operating or nonoperating in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Foundation's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student tuition and fees, (2) sales and services of auxiliary enterprises, and (3) certain federal, State, and local grants and contracts. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by *GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenues from nonexchange transactions that represent subsidies or gifts to the Foundation, as well as investment income, are considered nonoperating since these are investing, capital, or noncapital financing activities. Capital contributions are presented separately after nonoperating revenues and expenses.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2019, the Foundation's deposits in its checking account had a carrying amount of \$397,594 and a bank balance of \$390,296.

Custodial credit risk is the risk that, in the event of a bank failure, the Foundation's deposits may not be returned. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2019, the Foundation's bank balance in excess of the Federal Depository Insurance Corporation (FDIC) coverage for this account is \$140,296 and is uninsured and uncollateralized.

In December 2018, the Foundation opened an interest bearing account and moved a portion of Unrestricted and Restricted Cash and Cash Equivalents into it. At June 30, 2019, the Foundation's deposits in this interest bearing account had a carrying amount of \$252,589 and a bank balance of \$252,125. As of June 30, 2019, the Foundation's bank balance in excess of the Federal Depository Insurance Corporation (FDIC) coverage for this account is \$2,125 and is uninsured and uncollateralized.

B. Investments

Investments of the Foundation are subject to and restricted by G.S. 36E "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) and any requirements placed on them by contract or donor agreements.

The following table presents the fair value of investments by type and investments subject to interest rate risk at June 30, 2019, for the Foundation's investments. Interest rate risk is defined by GASB Statement No. 40 as the risk a government may face should interest rate variances affect the fair value of investments. The Foundation does not have a formal investment policy that addresses interest rate risk.

<i>Investments</i>	
Investment Type	
Other Securities:	
Cash & Cash equivalents	\$ 162,439
Mutual funds	2,397,339
	<hr/>
Total investments	\$ 2,559,778
	<hr/>

Credit Risk: The Foundation's investment policy is monitored and reviewed by BB&T Retirement & Institutional Services (BB&T). The investment policy states that the Foundation's committee will meet with BB&T at least on an annual basis to review the investment policy, market overview, portfolio review, including asset allocation and list of assets, and investment performance. Further, the policy states that the committee will receive an update from BB&T at one of the quarterly meetings at least on a semi-annual basis, if not quarterly. The investment policy is subject to change during the year as the portfolio is reviewed at quarterly meetings.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Foundation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Foundation does not have a formal policy for custodial credit risk.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

C. Reconciliation of Deposits and Investments

A reconciliation of deposits and investments for the Foundation to the basic financial statements at June 30, 2019, is as follows:

Deposits on account	\$ 650,183
Other investments	2,559,778
Total deposits and investments	\$ 3,209,961
Current:	
Cash and cash equivalents	344,814
Restricted cash and cash equivalents	304,631
Noncurrent:	
Restricted cash and cash equivalents - checking	738
Restricted cash and cash equivalents - investments	162,439
Endowment investments	2,397,339
Total deposits and investments	\$ 3,209,961

NOTE 3 – FAIR VALUE MEASUREMENTS

To the extent available, the Foundation's investments are recorded at fair value as of June 30, 2019. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as 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 establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1	Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.
Level 2	Investments with inputs – other than quoted prices included within Level 1 – that are observable for an asset, either directly or indirectly.
Level 3	Investments classified as Level 3 have unobservable inputs and may require a degree of professional judgment.

Mutual Funds – At year-end, all of the Foundation's investments valued at \$2,397,339 were held in mutual funds which are Level 1 investments. Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 4 – ENDOWMENT INVESTMENTS

Investments of the Foundation's endowment funds are separately invested with Branch Banking & Trust Company. If a donor has not provided specific instructions, State law permits the Board to authorize for expenditure the net appreciation, realized and unrealized, of the investments of the endowment funds. Under the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA), authorized by the North Carolina General Assembly on March 19, 2009, the Board may also appropriate expenditures from eligible nonexpendable balances if deemed prudent and necessary to meet program outcomes and for which such spending is not specifically prohibited by the donor agreements. The Foundation's endowment donor agreements prohibit spending of nonexpendable balances that are not eligible for expenditure.

Investment return of the Foundation's endowment funds is predicated under classical trust doctrines. Unless the donor has stipulated otherwise, capital gains and losses are accounted for as part of the endowment principal and are not available for expenditure. Annual payouts from the Foundation's endowment funds are based on an adopted spending policy which limits spending up to 6 percent of the endowment principal's market value. Under this policy, the prior year spending percentage is increased by the inflation rate to determine the current year spending percentage. To the extent that the income for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the Foundation uses accumulated income from restricted, expendable net asset endowment balances to make up the difference.

Changes in endowment net assets for the year ended June 30, 2019 are as follows:

Endowment net assets, July 1, 2018	\$	2,216,802
Investment income		86,623
Gifts and contributions		105,021
Stock contributions at fair value		24,494
Change in investment cash & cash equiv.		3,929
Scholarships		(116,186)
Investment expenses		(9,695)
Realized gains/losses		14,980
Unrealized gains/losses		<u>71,371</u>
Endowment net assets, June 30, 2019	\$	<u>2,397,339</u>

Craven Community College Foundation, Inc.
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 5 – RECEIVABLES

Receivables at June 30, 2019, were as follows:

	Gross Receivables	Less Allowance For Doubtful Accounts	Net Receivables
Current receivables:			
Pledges	\$ 6,974	\$ -	\$ 6,974
Total current receivables	\$ 6,974	\$ -	\$ 6,974

NOTE 6 – CONTRIBUTED FACILITIES AND SERVICES

The Foundation, without cost, occupies and uses certain premises, furnishings, and equipment owned by the College. The estimated fair values of these premises, furnishings, and equipment have not been included in the financial statements. In addition, the Foundation also receives, without cost, management and accounting services provided by the College. The value of these contributed services has not been included in the accompanying financial statements.

NOTE 7 – RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and natural disasters. These exposures to loss are handled through Craven Community College via a combination of methods, including participation in various risk pools administered by the State of North Carolina, purchase of commercial insurance and self-retention of certain risks.

NOTE 8 – RELATED PARTY TRANSACTIONS

During the year ended June 30, 2019, members of Craven Community College Board of Trustees made contributions to the Foundation totaling \$6,800.

NOTE 9 – INCOME TAXES

The Foundation is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after the filing date.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2020, the date on which the financial statements were available to be issued.

Independent Auditor's Report



S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

American Institute of CPAs

N. C. Association of CPAs

**Independent Auditor's Report
on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

Board of Directors
Craven Community College Foundation, Inc.
New Bern, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Craven Community College Foundation, Inc. (Foundation), a component unit of Craven Community College, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements, and have issued our report thereon dated January 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

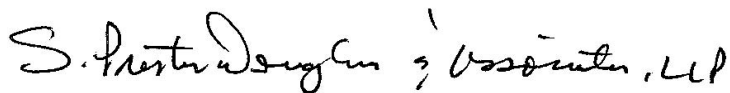
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "S. Preston Doughton, Jr., CPA". The signature is written in a cursive, flowing style.

Lumberton, North Carolina
January 31, 2020

Public Radio East Foundation
(A Component Unit of Craven Community College)
New Bern, North Carolina

Financial Statements and
Independent Auditor's Report

Year Ended June 30, 2019

Public Radio East Foundation
(A Component Unit of Craven Community College)
Table of Contents
June 30, 2019

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
A-1 Statement of Net Position	7
A-2 Statement of Revenues, Expenses, and Changes in Net Position	8
A-3 Statement of Cash Flows	9
Notes to the Financial Statements.....	11
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15



S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

American Institute of CPAs
N. C. Association of CPAs

Independent Auditor's Report

To the Board of Directors
Public Radio East Foundation
New Bern, North Carolina

We have audited the accompanying financial statements of Public Radio East Foundation (a nonprofit corporation), which comprise the statement of net position as of June 30, 2019 and the related statement of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion


In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Public Radio East Foundation as of June 30, 2019, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2020 on our consideration of Public Radio East Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of 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 Public Radio East Foundation's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "S. Preston Douglas, III, CPA". The signature is written in a cursive, flowing style.

Lumberton, North Carolina
January 31, 2020

Management's Discussion and Analysis

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis
June 30, 2019

The information in this section is intended to provide a general overview of Public Radio East Foundation (the "Foundation") a component unit of Craven Community College's financial statements and is based upon the information contained in the financial statements accompanying this discussion and analysis. The user is encouraged to reference the appropriate section of the financial statements for the supporting detailed information.

Overview of the Financial Statements

The Foundation's discussion and analysis (MD&A) provides an overview of the Foundation's financial performance during the fiscal years ended June 30, 2019, based on currently known facts and conditions; and is designed to assist readers in understanding the accompanying financial statements. The MD&A, financial statements and notes are the responsibility of the Foundation's management. Since the MD&A is designed to focus on current activities, resulting change, and currently known facts, it should be read in conjunction with the Foundation's financial statements and the related footnote disclosures.

Basic Financial Statements

The basic financial statements present information for the Foundation as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position presents information on all of the Foundation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position report the Foundation's results of operation for the fiscal year. It presents the revenues earned by the Foundation's and the expenses incurred by the Foundation, both operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the Foundation. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Foundation is improving or deteriorating.

The Statement of Cash Flows provides information regarding the Foundation's cash receipts and cash payments during the reported period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. The statement reconciles the beginning cash as of July 1, 2018, to the ending cash as of June 30, 2019. The statement also includes comparative information.

The Notes to Financial Statements provide additional information that is essential to a complete understanding of the data provided in the basic financial statements.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019

Condensed Statement of Net Position

The Statement of Net Position presents the assets (current and noncurrent), liabilities (current and noncurrent), and net position (total assets minus total liabilities) of the Foundation. This statement provides a fiscal snapshot of the Foundation's financial position as of June 30, 2019 and 2018.

	2019	2018	Increase (Decrease)
ASSETS			
Current assets	\$ 226,650	\$ 247,810	\$ (21,160)
Total assets	<u>226,650</u>	<u>247,810</u>	<u>(21,160)</u>
LIABILITIES			
Current liabilities	760	1,102	(342)
Total liabilities	<u>760</u>	<u>1,102</u>	<u>(342)</u>
NET POSITION			
Unrestricted	134,652	123,521	11,131
Assigned - Board designated endowment	70,956	79,490	(8,534)
Restricted	<u>20,282</u>	<u>43,697</u>	<u>(23,415)</u>
Total net position	<u><u>\$ 225,890</u></u>	<u><u>\$ 246,708</u></u>	<u><u>\$ (20,818)</u></u>

Notable changes in the Condensed Statement of Net Position include:

- Total assets decreased by \$21,160, primarily due to the decrease in cash and cash equivalents as well as the increase in pledges receivable.
- Total liabilities decreased by \$342, due mainly to a decrease in accounts payable in the Foundation at the end of the fiscal year.
- Restricted net position for specific programs decreased by \$23,415 resulting primarily from an decrease in capital campaign funds as a result of repair expenses.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position reports the activity of the Foundation during the year and is subdivided into two major components: operating revenues and operating expenses. Revenues are reported by major source.

Statement of Revenues, Expenses, and changes in Net Position

	2019	2018	Increase (Decrease)
REVENUES			
Operating revenues:			
Contributions and grants	\$ 611,791	\$ 726,894	\$ (115,103)
Interest income	2,119	1,532	587
Other income	19,265	78,338	(59,073)
Total operating revenues	633,175	806,764	(173,589)
EXPENSES			
Operating expenses:			
Payments and direct support to PRE	605,922	621,810	(15,888)
Advertising, marketing, promotion, postage, and contract services	7,119	61,070	(53,951)
Legal and accounting	4,800	8,350	(3,550)
Computer software & maintenance	27,468	53,981	(26,513)
Electric processing fees	7,799	9,623	(1,824)
Offices expenses and travel	885	5,298	(4,413)
Non-capitalized equipment	-	6,517	(6,517)
Total operating expenses	653,993	766,649	(112,656)
Change in net position	(20,818)	40,115	(60,933)
NET POSITION			
Net position at beginning of year	246,708	206,593	40,115
Net position at end of year	<u>\$ 225,890</u>	<u>\$ 246,708</u>	<u>\$ (20,818)</u>

Public Radio East Foundation
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019

Statement of Revenues, Expenses, and Changes in Net Position (continued)

Notable changes in the Statement of Revenues, Expenses, and Changes in Net Position include:

- Total operating revenues decreased by \$173,589. This was largely the result of a decrease in contributions and grants.
- Total operating expenses decreased by \$112,656, driven largely by decreases in expenditures across the board.
- The net position decreased by \$20,818 largely due to decreased revenues in the year.

Economic Forecast

Public Radio East Foundation is a 501(c)(3) and was formed to support the operations of Public Radio East (PRE).

After a decrease of just over \$70,000 in overall membership revenue for FY19 (\$594,291), individual pledges and contributions are once again trending upward. Even though the most visible scars from Hurricane Florence have faded, our listeners are still contending with the impact of the flooding. We anticipate a full recovery may take several years and thus have tempered our expectations for FY20. Forecasted revenue for membership in the current fiscal year is \$590,950, lower than what was realized in FY18 (\$664,394) pre-Florence and in FY19 as the area contended with the aftermath. To better monitor our progress throughout FY20, monthly revenue goals have been established (as a percentage of the overall budget) using a five-year weighted average. Using such a method will allow us to gauge how successful our current fundraising methods are as well as where changes might or should be made.

In keeping with efforts to better manage data tracking PRE has continued to upgrade our membership software, leading to a more efficient process for soliciting and receiving funds. These improvements in data management have also allowed cost savings to be realized through reduction in labor costs. The system is being continuously refined and we will continue to assess whether additional software modules promise to further increase consistency and stability.

Refinements made to programming due to listener feedback – in particular the switching of WBJD back to a mostly-classical format – hold the promise of increased membership thanks to returning donors who had lapsed due to changes made during the spring of 2018. Furthermore, the “checkerboarding” of WBJD and WKNS (mostly classical with a small amount of weekday drive time news programming) also has the potential to increase membership revenue by holding onto Crystal Coast news listeners and by adding back Kinston/Goldsboro listeners who lost access to PRE News with the format flip across the various frequencies.

Public Radio East experienced some financial difficulties over the last several years and needed corrective measures put in place. With the current administrative teams in place – both at PRE and at Craven Community College – we feel that the necessary corrective measures have been enacted and that Public Radio East is now on the right track.

Contacting the College's Financial Management

Our financial statements are designed to provide the citizens of North Carolina with a general overview of the PRE's finances and show accountability of all funds received. Questions concerning any of the information found in this report or requests for additional information should be directed to Cindy A. Patterson, Executive Director of Financial Services and Purchasing, Craven Community College, 800 College Court, New Bern, NC 28562.

Financial Statements

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statement of Net Position
June 30, 2019

Exhibit A-1

ASSETS

Current assets:

Beneficial interests in assets held by Craven Community College	\$ 91,238
Pledges receivable (net)	<u>135,412</u>
Total current assets	<u><u>226,650</u></u>

Total assets	<u><u>\$ 226,650</u></u>
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LIABILITIES

Current liabilities:

Accounts payable	<u>\$ 760</u>
Total current liabilities	<u>760</u>

Total liabilities	<u>760</u>
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NET POSITION

Unrestricted	134,652
Assigned - Board designated endowment	70,956
Restricted	<u>20,282</u>
Total net position	<u><u>\$ 225,890</u></u>

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

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2019

Exhibit A-2

REVENUES

Operating revenues:

Contributions and grants	\$ 611,791
Interest income	2,119
Other income	19,265
Total operating revenues	<u>633,175</u>

EXPENSES

Operating expenses:

Payments and direct support to PRE	605,922
postage, and contract services	7,119
Legal and accounting	4,800
Computer software & maintenance	27,468
Electric processing fees	7,799
Offices expenses and travel	885
Total operating expenses	<u>653,993</u>

Change in net position	(20,818)
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NET POSITION

Net position, beginning	<u>246,708</u>
Net position, ending	<u><u>\$ 225,890</u></u>

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

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statement of Cash Flows
Year Ended June 30, 2019

Exhibit A-3
Page 1 of 2

CASH FLOWS FROM OPERATING ACTIVITIES

Received from other fundraising and contributions	\$ 19,265
Cash paid to vendors and suppliers	(48,413)
Payments and direct support to PRE	<u>(605,922)</u>

Net cash used by operating activities	<u>(635,070)</u>
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**CASH FLOWS FROM NONCAPITAL
FINANCING ACTIVITIES**

Noncapital grants received	35,708
Noncapital gifts and endowments received	<u>565,294</u>

Net cash provided by financing activities	<u>601,002</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings	<u>2,119</u>
-------------------	--------------

Net cash provided by investing activities	<u>2,119</u>
--	--------------

Net increase (decrease) in cash and cash equivalents	(31,949)
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Cash and cash equivalents, beginning of year	<u>123,187</u>
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Cash and cash equivalents, end of year	<u><u>\$ 91,238</u></u>
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The notes to the financial statements are an integral part of this statement.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Statement of Cash Flows (continued)
Year Ended June 30, 2019

Exhibit A-3
Page 2 of 2

**RECONCILIATION OF OPERATING LOSS
TO NET CASH USED BY OPERATING ACTIVITIES**

Operating income (loss)	<u>\$ (20,818)</u>
Adjustments to reconcile operating loss to net cash used by operating activities -	
Changes in assets and liabilities:	
Increase in pledges receivable	(10,789)
Decrease in Accounts payable	<u>(342)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (31,949)</u></u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current assets:	
Cash and cash equivalents	\$ -
Restricted cash and cash equivalents	<u>91,238</u>
Total cash and cash equivalents	<u><u>\$ 91,238</u></u>

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

Notes to the Financial Statements

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Foundation was formed to receive charitable contributions and grants which are to be used exclusively for support of Public Radio East (“PRE”). PRE is owned and operated by Craven Community College (the “College”), which is part of the North Carolina Community College System.

In support of PRE, the Foundation engages in the following activities:

1. Participates in membership drives for dues and contributions to support efforts to benefit PRE.
2. Organizes major giving campaigns that encourage individual contributions to the Foundation.
3. Promotes PRE throughout Eastern North Carolina and makes financial distributions to the College for the benefit of PRE.
4. Pays funds directly to third parties for authorized expenditures for the benefit of PRE.

The Board of Directors of the Foundation is determined by the Board of Trustees of the College. The Foundation’s assets and operations are included in the financial statements of the College as a controlled entity. The College provides administrative, accounting, and payroll services for the Foundation.

B. Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments, as amended by GASB Statement No. 35, Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities*, the full scope of the Foundation’s activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

C. Basis of Accounting

The financial statements of the Foundation have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Nonexchange transactions, in which the Foundation receives (or gives) value without directly giving (or receiving) equal value in exchange, include both monetary and in-kind donor contributions. Revenue is recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

The Foundation uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

D. Cash and Cash Equivalents

The Foundation considers all highly liquid assets with a maturity of three months or less to be cash equivalents. For financial statement purposes, “cash equivalents” are carried as “Beneficial interest in assets held by Craven Community College”. The Foundation does not have separate bank account. PRE Foundation’s cash is “pooled” with College’s cash and assigned a percentage of participation based on amounts held.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables

Receivables consist of pledges that are verifiable, measurable, and expected to be collected and available for expenditures. Reported receivables are expected to be collected.

F. Restricted Assets

Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted or designated for the acquisition or construction of capital assets and resources whose use is limited by external parties or statutes.

G. Net Position

The Foundation's net positions are classified as follows:

Restricted Net Position - The component of net position that reports the constraints placed on the use of net position by either external parties and/or enabling legislation.

Unrestricted Net Position - Unrestricted net position includes resources derived from contributions, grants, interest income, and underwriting fees.

Assigned Net Position – Assigned net position consists of the board designated endowment.

Restricted, unrestricted, and assigned resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the Foundation.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Donated Materials and Services

The Foundation operates within facilities of the College and receives substantial administrative support from the College and its employees. The College does not charge the Foundation for such services. The value of donated services and facilities is not included in the accompanying financial statements since there is no objective basis available by which to measure the value of such services.

J. Advertising Costs

Advertising costs are expensed in the period in which they are incurred.

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 2 – DEPOSITS

All funds of the Foundation are deposited in College board designated official depositories and are required to be collateralized in accordance with North Carolina General Statute 115D 58.7. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina. The amount shown on the Statement of Net Position as cash and cash equivalents includes deposits in private financial institutions with a carrying amount of \$91,238 and bank balance of \$93,326 at June 30, 2019. The North Carolina Administrative Code (20 NCAC 7) requires all depositories to collateralize public deposits in excess of federal depository insurance coverage by using one of two methods, dedicated or pooled. Under the dedicated method, a separate escrow account is established by each depository in the name of each local governmental unit and the responsibility of monitoring collateralization rests with the local unit. Under the pooling method, each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This method shifts the monitoring responsibility from the local unit to the State Treasurer. Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2019, the College's bank balance in excess of federal depository insurance coverage was covered under the pooling method. Details of "pooled" cash held by Craven Community College at June 30, 2019 were as follows:

	2019
Public Radio East Foundation accounts	\$ 91,238
Total cash and cash equivalents	\$ 91,238

NOTE 3 – DISTRIBUTIONS TO PUBLIC RADIO EAST

The Foundation distributes funds to PRE on a monthly basis. The PRE General Manager and Treasurer of the Foundation are responsible for determining that PRE's requests are appropriate and that they are recorded to the proper fund accounts of the College.

NOTE 4 – ENDOWMENT

The Foundation's endowment consists of funds designated by the Board of Directors to function as an endowment. There are no donor restrictions imposed on the endowment.

Endowment net assets at July 1, 2018	\$ 79,490
Investment income	1,466
Transfer to operating for equipment replacement	(10,000)
Endowment net assets at June 30, 2019	\$ 70,956

Public Radio East Foundation
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 5 – RECEIVABLES

Receivables at June 30, 2019, were as follows:

	Gross	Less Allowance For Doubtful	Net
	<u>Receivables</u>	<u>Accounts</u>	<u>Receivables</u>
Current receivables:			
Pledges from media fund drives	\$ 164,375	\$ (28,963)	\$ 135,412
Total current receivables	<u><u>\$ 164,375</u></u>	<u><u>\$ (28,963)</u></u>	<u><u>\$ 135,412</u></u>

NOTE 6 – RISK MANAGEMENT

The Foundation is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and natural disasters. These exposures to loss are handled through Craven Community College via a combination of methods, including participation in various risk pools administered by the State of North Carolina, purchase of commercial insurance and self-retention of certain risks.

NOTE 7 – RELATED PARTY TRANSACTIONS

The Foundation, PRE, and the College have common facilities and employees.

During the year ended June 30, 2019, members of the Craven Community College Board of Trustees made contributions to the Foundation totaling \$10,000.

NOTE 8 – INCOME TAXES

The Foundation is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 31, 2020, the date on which the financials were available to be issued.

Compliance Section



S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

American Institute of CPAs

N. C. Association of CPAs

Independent Auditor's 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*

To the Board of Directors
Public Radio East Foundation
New Bern, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying basic financial statements of Public Radio East Foundation, as of and for the fiscal year then ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Public Radio East Foundation's basic financial statements, and have issued our report thereon dated January 31, 2020. The financial statements of Public Radio East Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Public Radio East Foundation's Internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Public Radio East Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Public Radio East Foundation's internal control.

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

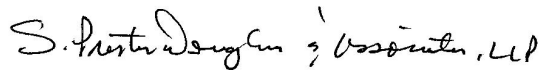
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations,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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Public Radio East Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of 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.

A handwritten signature in black ink, appearing to read "S. Peter Dwyer, Esq.", followed by a stylized flourish or mark.

Lumberton, North Carolina
January 31, 2020

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
New Bern, North Carolina**

**Financial Statements and
Independent Auditor's Report**

Years Ended June 30, 2019 and 2018

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Table of Contents
June 30, 2019 and 2018**

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
A-1 Statements of Net Position	8
A-2 Statements of Revenues, Expenses, and Changes in Net Position	9
A-3 Statements of Cash Flows	10
Notes to the Financial Statements	12
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20



S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Management of Public Radio East (WTEB-FM) and Affiliate
Board of Trustees of Craven Community College
New Bern, North Carolina

We have audited the accompanying combined financial statements of Public Radio East (WTEB-FM) and its affiliate, Public Radio East Foundation (Public Radio East), a component unit of Craven Community College, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Public Radio East's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion


In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of Public Radio East, as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 on our consideration of Public Radio East'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 of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Public Radio East's internal control over financial reporting and compliance.



Lumberton, North Carolina
November 18, 2019

Management's Discussion and Analysis

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Management's Discussion and Analysis
June 30, 2019**

The information in this section is intended to provide a general overview of Public Radio East (WTEB-FM) and its affiliate, Public Radio East Foundation (Public Radio East), a component unit of Craven Community College's financial statements, and is based upon the information contained in the financial statements accompanying this discussion and analysis. The user is encouraged to reference the appropriate section of the financial statements for the supporting detailed information.

Overview of the Financial Statements

Public Radio East's discussion and analysis (MD&A) provides an overview of Public Radio East's financial performance during the fiscal years ended June 30, 2019 and 2018 based on currently known facts and conditions and is designed to assist readers in understanding the accompanying financial statements. The MD&A, financial statements and notes are the responsibility of Public Radio East's management. Since the MD&A is designed to focus on current activities, resulting change, and currently known facts, it should be read in conjunction with Public Radio East's financial statements and the related footnote disclosures.

Basic Financial Statements

The basic financial statements present information for Public Radio East as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position presents information on all of Public Radio East's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Public Radio East is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position report Public Radio East's results of operations for the fiscal year. It presents the revenues earned and the expenses incurred by Public Radio East, both operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by Public Radio East. It is intended to summarize and simplify the user's analysis of the cost of various Public Radio East services to students and the public.

The Statement of Cash Flows provides information regarding the Public Radio East's cash receipts and cash payments during the reported period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. The statement reconciles the beginning cash as of July 1, 2018, to the ending cash as of June 30, 2019. The statement also includes comparative information.

The Notes to the Financial Statements provide additional information that is essential to a complete understanding of the data provided in the basic financial statements.

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019**

Condensed Statement of Net Position

The Statement of Net Position presents the assets (current and noncurrent), liabilities (current and noncurrent), and net position (total assets minus total liabilities) of Public Radio East. This statement provides a fiscal snapshot of Public Radio East's financial position as of June 30, 2019 and 2018.

Condensed Statement of Net Position

	2019	2018	Increase (Decrease)
ASSETS			
Current assets	\$ 261,030	\$ 368,571	\$ (107,541)
Property and equipment, net	309,847	335,796	(25,949)
Total assets	<u>570,877</u>	<u>704,367</u>	<u>(133,490)</u>
LIABILITIES			
Current liabilities	15,335	15,460	(125)
Noncurrent liabilities	37,066	43,780	(6,714)
Total liabilities	<u>52,401</u>	<u>59,240</u>	<u>(6,839)</u>
NET POSITION			
Net investment in capital assets	309,847	335,796	(25,949)
Restricted:			
Board designated endowment	70,956	79,490	(8,534)
Specific programs	137,673	229,841	(92,168)
Total net position	<u>\$ 518,476</u>	<u>\$ 645,127</u>	<u>\$ (126,651)</u>

Notable changes in the Condensed Statement of Net Position include:

- Total assets decreased by \$133,490 primarily due to the decrease in cash and cash equivalents as well as the decrease in property and equipment, net of depreciation.
- Total liabilities decreased by \$6,839, due mainly to a decrease in accrued vacation payable in Public Radio East at the end of the fiscal year.
- Restricted net position for specific programs decreased by \$92,168, resulting primarily from an increase in expenditures related to programming and production. Restricted net position for board designated endowments decreased due to an approved transfer from the endowment to fund necessary equipment replacement at the transmitter site in Newport, North Carolina.

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019

Condensed Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position reports the activity of Public Radio East during the year and is subdivided into three major components: operating revenues, operating expenses, and non-operating revenues. Revenues are reported by major source. Depreciation is recognized and presented as an operating expense. Intradepartmental transfers are eliminated.

Condensed Statement of Revenues, Expenses, and Changes in Net Position			
	2019	2018	Increase (Decrease)
Operating revenues:			
In-kind contributions	\$ 476,694	\$ 564,921	\$ (88,227)
Other operating revenues	44,984	78,348	(33,364)
Total operating revenues	<u>521,678</u>	<u>643,269</u>	<u>(121,591)</u>
Operating expenses:			
Programming and production	575,136	598,740	(23,604)
Broadcasting and engineering	69,710	91,511	(21,801)
Program information and promotion	38,325	85,968	(47,643)
Management and general	670,759	762,329	(91,570)
Fundraising and membership development	110,816	183,262	(72,446)
Underwriting	62,805	90,234	(27,429)
Total operating expenses	<u>1,527,551</u>	<u>1,812,044</u>	<u>(284,493)</u>
Operating income (loss)	(1,005,873)	(1,168,775)	162,902
Nonoperating revenues:			
Interest	2,603	3,457	(854)
Pledges and contributions	576,083	664,394	(88,311)
Grants	295,018	385,624	(90,606)
Other nonoperating revenues	5,518	3,600	1,918
Net nonoperating revenues	<u>879,222</u>	<u>1,057,075</u>	<u>(177,853)</u>
Decrease in net position	(126,651)	(111,700)	(14,951)
Net position, July 1	<u>645,127</u>	<u>756,827</u>	<u>(111,700)</u>
Net position, June 30	<u>\$ 518,476</u>	<u>\$ 645,127</u>	<u>\$ (126,651)</u>

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019**

Condensed Statement of Revenues, Expenses, and Changes in Net Position (continued)

Notable changes in the Condensed Statement of Revenues, Expenses, and Changes in Net Position include:

- Total operating revenues decreased by \$121,591. This was largely the result of a decrease in indirect admin support.
- Total operating expenses decreased by \$284,493, driven largely by decreases in expenditures in the management and general and fundraising and membership development areas.
- The net position decreased by \$126,651 largely due to a decrease in operating and nonoperating revenues during the year.

Economic Forecast

Public Radio East is comprised of two separate networks broadcast over five transmitting stations. It is licensed by the Federal Communications Commission to the Board of Trustees of Craven Community College, (Craven) and does not receive any direct financial support from Craven. The funding needed to operate the stations is the responsibility of Public Radio East. Public Radio East Foundation is a separate 501(c)(3) and was formed to support the operations of Public Radio East. Public Radio East Foundation's funds are blended with the operation funds of Public Radio East for the purpose of this financial statement.

After a decrease of just over \$70,000 in overall membership revenue for FY19 (\$594,291), individual pledges and contributions are once again trending upward. Even though the most visible scars from Hurricane Florence have faded, our listeners are still contending with the impact of the flooding. We anticipate a full recovery may take several years and thus have tempered our expectations for FY20. Forecasted revenue for membership in FY20 is \$590,950 lower than what was realized in FY18 (\$664,394) pre-Florence and in FY19 as the area contended with the aftermath. To better monitor our progress throughout FY20, monthly revenue goals have been established (as a percentage of the overall budget) using a five-year weighted average. Using such a method will allow us to gauge how successful our current fundraising methods are as well as where changes might or should be made.

In keeping with efforts to better manage data tracking Public Radio East has continued to upgrade our membership software, leading to a more efficient process for soliciting and receiving funds. These improvements in data management have also allowed cost savings to be realized through reduction in labor costs. The system is being continuously refined and we will continue to assess whether additional software modules promise to further increase consistency and stability.

Refinements made to programming due to listener feedback – in particular the switching of WBJD back to a mostly-classical format – hold the promise of increased membership thanks to returning donors who had lapsed due to changes made during the spring of 2018. Furthermore, the “checkerboarding” of WBJD and WKNS (mostly classical with a small amount of weekday drive time news programming) also has the potential to increase membership revenue by holding onto Crystal Coast news listeners and by adding back Kinston/Goldsboro listeners who lost access to Public Radio East News with the format flip across the various frequencies.

Underwriting revenue is expected to increase due to the sales position being filled as of the start of FY20. With the sudden departure in March 2019 of the only underwriting staff member and the four-month long vacancy in the position, underwriting finished up FY19 almost \$90,000 below what had been forecast for the fiscal year. Although we're only three months into the current fiscal year, underwriting revenues to date are showing a promising improvement. If sales continue to grow at the current level, we anticipate finishing FY20 on track and expect to realize the forecasted \$168,000.

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Management's Discussion and Analysis (continued)
June 30, 2019**

Public Radio East experienced some financial difficulties over the last several years and needed corrective measures put in place. With the current administrative teams in place – both at Public Radio East and at Craven Community College – we feel that the necessary corrective measures have been enacted and that Public Radio East is now on the right track.

Contacting the College's Financial Management

Our financial statements are designed to provide the citizens of North Carolina with a general overview of the Public Radio East 's finances and show accountability of all funds received. Questions concerning any of the information found in this report or requests for additional information should be directed to Cindy A. Patterson, Executive Director of Financial Services and Purchasing, Craven Community College, 800 College Court, New Bern, NC 28562.

Financial Statements

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Statements of Net Position
June 30, 2019 and 2018

Exhibit A-1

ASSETS	2019	2018
Current assets:		
Restricted cash and cash equivalents (Notes 1 and 2)	\$ 125,618	\$ 243,948
Pledges receivable, net (Note 7)	135,412	124,623
Total current assets	261,030	368,571
Noncurrent assets:		
Property and equipment, net of depreciation (Note 3)	309,847	335,796
Total noncurrent assets	309,847	335,796
 Total assets	 \$ 570,877	 \$ 704,367
 LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,869	\$ 6,565
Current vacation payable	7,466	8,895
Total current liabilities	15,335	15,460
Noncurrent liabilities:		
Accrued vacation payable	37,066	43,780
Total noncurrent liabilities	37,066	43,780
 Total liabilities	 52,401	 59,240
 NET POSITION		
Net investment in capital assets	309,847	335,796
Restricted for:		
Board designated endowment	70,956	79,490
Specific programs	137,673	229,841
Total net position	\$ 518,476	\$ 645,127

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

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2019 and 2018**

Exhibit A-2

REVENUES	2019	2018
Operating revenues:		
Pledges and contributions:		
In-kind contributions (Note 6)	\$ 476,694	\$ 564,921
Other income	44,984	78,348
Total operating revenues	521,678	643,269
EXPENSES		
Operating expenses:		
Programming and production	575,136	598,740
Broadcasting and engineering	69,710	91,511
Program information and promotion	38,325	85,968
Management and general	670,759	762,329
Fundraising and membership development	110,816	183,262
Underwriting	62,805	90,234
Total operating expenses	1,527,551	1,812,044
Operating loss	(1,005,873)	(1,168,775)
NONOPERATING REVENUES		
Interest	2,603	3,457
Pledges and contributions	576,083	664,394
Underwriting contributions	133,336	192,088
Grants received and expended currently:		
Affiliate grant	35,708	62,500
Community service grants from CPB	125,974	120,211
Challenge grants from individuals and businesses	-	10,825
Other nonoperating revenues	5,518	3,600
Total nonoperating revenues	879,222	1,057,075
Decrease in net position	(126,651)	(111,700)
NET POSITION		
Net position, beginning	645,127	756,827
Net position, ending	\$ 518,476	\$ 645,127

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

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

Exhibit A-3
Page 1 of 2

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from other fundraising and contributions	\$ 44,862	\$ 78,348
Cash paid to employees and fringe benefits	(562,829)	(633,689)
Cash paid to vendors and suppliers	(469,158)	(603,138)
Other operating revenues	5,758	3,600
	<u>(981,367)</u>	<u>(1,154,879)</u>
Net cash used in operating activities		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Noncapital grants received	295,018	385,624
Noncapital gifts and endowments received	565,416	641,632
	<u>860,434</u>	<u>1,027,256</u>
Net cash provided by financing activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	2,603	3,457
	<u>2,603</u>	<u>3,457</u>
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	(118,330)	(124,166)
Cash and cash equivalents, beginning of year	<u>243,948</u>	<u>368,114</u>
Cash and cash equivalents, end of year	<u><u>\$ 125,618</u></u>	<u><u>\$ 243,948</u></u>

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

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Statements of Cash Flows (continued)
Years Ended June 30, 2019 and 2018

Exhibit A-3
Page 2 of 2

	<u>2019</u>	<u>2018</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating income (loss)	<u>\$ (1,005,873)</u>	<u>\$ (1,168,775)</u>
Adjustments to reconcile operating loss to net cash used by operating activities -		
Miscellaneous nonoperating income (expense)	5,758	3,600
Depreciation	25,709	25,768
Changes in assets and liabilities:		
Receivables, net	(122)	-
Accounts payable and accrued liabilities	1,304	(9,127)
Accrued vacation payable	<u>(8,143)</u>	<u>(6,345)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (981,367)</u></u>	<u><u>\$ (1,154,879)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Current assets:		
Restricted cash and cash equivalents	<u>125,618</u>	<u>243,948</u>
Total cash and cash equivalents	<u><u>\$ 125,618</u></u>	<u><u>\$ 243,948</u></u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Increase in receivables related to nonoperating income	\$ 10,667	\$ 22,763
Loss on disposal of capital assets	<u>(240)</u>	<u>-</u>
Net cash used by financing activities	<u><u>\$ 10,427</u></u>	<u><u>\$ 22,763</u></u>

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

Notes to the Financial Statements

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements
June 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Public Radio East is a public service radio station whose purpose is to serve the education and cultural needs of Eastern North Carolina. Public Radio East is an entity owned and governed by the Board of Trustees of Craven Community College (College). The College is a component unit of the North Carolina Community College System. Public Radio East Foundation (Foundation) has been established as the gift receiving organization which solicits funds to be used to support Public Radio East. The Foundation is owned and operated by the College. As such, the accompanying statements of financial position and related statements of activities, cash include the assets owned by the College and the Foundation designated for use by Public Radio East. Public Radio East is funded mainly by federal grants, indirect support from the College, community fundraising and underwriting contributions.

B. Basis of Presentation

The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, the full scope of Public Radio East's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

C. Basis of Accounting

The financial statements of the Foundation have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Nonexchange transactions, in which Public Radio East receives (or gives) value without directly giving (or receiving) equal value in exchange, include both monetary and in-kind donor contributions. Revenue is recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

D. Cash and Cash Equivalents

All deposits and expenditures of Public Radio East are maintained by the College's accounting office. Public Radio East's cash accounts are combined with the College's central depository account. Public Radio East cash accounts are "pooled" with College cash receipts and assigned a percentage of participation based on amounts held. The College maintains its deposits in designated official depositories which are secured as required by State Law.

Public Radio East considers all highly liquid assets with a maturity of three months or less to be cash equivalents.

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Investments

Generally, investments are reported at fair value, as determined by quoted market prices or estimated amounts determined by management if quoted market prices are not available. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the investments. The net increase (decrease) in the fair value of investments is recognized as a component of investment income.

F. Receivables

Receivables consist of pledges that are verifiable, measurable, and expected to be collected and available for expenditures. Reported receivables are expected to be collected.

G. Restricted Assets

Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted or designated for the acquisition or construction of capital assets and resources whose use is limited by external parties or statute.

H. Net Position

Public Radio East's net positions are classified as follows:

Net Investment in Capital Assets - This represents Public Radio East's total investment in capital assets.

Restricted Net Position - The component of net position that reports the constraints placed on the use of net position by either external parties and/or enabling legislation.

Unrestricted Net Position - Unrestricted net position includes resources derived from contributions, grants, interest income, and underwriting fees.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at Public Radio East.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Revenue and Expense Recognition

Public Radio East classifies its revenues and expenses as operating or nonoperating in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with Public Radio East's principal ongoing operations. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with Public Radio East's principal ongoing operations. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by *GASB Statement No. 9, Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenues from nonexchange transactions that represent subsidies or gifts to the Foundation, as well as investment income, are considered nonoperating since these are investing, capital, or noncapital financing activities. Capital contributions are presented separately after nonoperating revenues and expenses.

K. Income Taxes

Public Radio East and its affiliate are exempt from federal and state income taxes under Internal Revenue Service Code 501(c)(3).

L. Property and Equipment

Public Radio East follows the College policy to expense property additions less than \$5,000 in the year purchased. Fixed assets are reported at cost or, in the case of donated property, at estimated fair value determined as of the date of receipt. Depreciation is computed on a straight-line basis over the estimated used lives of the asset as follows:

Asset Category	Estimated Useful Lives (in years)
Transmitters and towers	10-50
Studio and technical equipment	10-40
Furniture, fixtures, and equipment	10-50

M. Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair values at the date of donation. Contributions of services are recognized in the financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended June 30, 2019 and 2018, there were no donations of equipment.

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Corporation for Public Broadcasting Community Service Grants

The Corporation for Public Broadcasting ("CPB") is a private, nonprofit grant-making organization responsible for funding numerous television and radio stations. CPB distributes annual Community Service Grants ("CSG's") to qualifying public broadcasting entities. CSG's are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services.

The CSG's are reported on the accompanying financial statements as unrestricted revenues since time and purpose restrictions were all met in the current period.

O. Indirect Administrative Support

Public Radio East receives administrative support from the College. Indirect administrative support consists of allocated institutional support and physical plant costs incurred by the College for which Public Radio East receives benefits. The fair value of this support is recognized in the Statement of Activities as indirect administrative support and also as expense in the management and general functional expense category. The College also provides office, studio and tower facilities, the benefit for which is included as a building use allowance at the approved rate.

P. Program Underwriting

Revenues for program underwriting is recorded on a pro-rata basis for the period covered.

Q. Advertising Costs

Advertising costs are expensed in the period in which they are incurred.

R. Basis of Consolidation

The consolidated financial statements comprise the financial statements of Public Radio East and its subsidiary, Public Radio East Foundation, as of the balance sheet date. The financial statements of the subsidiary are prepared for the same reporting date as Public Radio East.

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 2 – DEPOSITS

All funds of Public Radio East are deposited in College board designated official depositories and are required to be collateralized in accordance with North Carolina General Statute 115D 58.7. Official depositories may be established with any bank or savings and loan association whose principal office is located in North Carolina. The amount shown on the Statement of Net Position as cash and cash equivalents includes deposits in private financial institutions with a carrying amount of \$125,618 and bank balance of \$127,707 at June 30, 2019. At June 30, 2018, cash and cash equivalents included deposits in private financial institutions with a carrying amount of \$243,948 and bank balance of \$273,805.

The North Carolina Administrative Code (20 NCAC 7) requires all depositories to collateralize public deposits in excess of federal depository insurance coverage by using one of two methods, dedicated or pooled. Under the dedicated method, a separate escrow account is established by each depository in the name of each local governmental unit and the responsibility of monitoring collateralization rests with the local unit. Under the pooling method, each depository establishes an escrow account in the name of the State Treasurer to secure all of its public deposits. This method shifts the monitoring responsibility from the local unit to the State Treasurer.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. As of June 30, 2019 and 2018, the College's bank balance in excess of federal depository insurance coverage was covered under the pooling method.

Details of "pooled" cash held by Craven Community College at June 30, 2019 and 2018 were as follows:

	2019	2018
Public Radio East accounts	\$ 34,380	\$ 120,761
Public Radio East Foundation accounts	91,238	123,187
Total cash and cash equivalents	\$ 125,618	\$ 243,948

NOTE 3 – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2019 and 2018 is presented as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets being depreciated:				
Transmitters and towers	\$ 713,929	\$ -	\$ -	\$ 713,929
Studio and technical equipment	204,524	-	6,307	198,217
Furniture, fixtures, and equipment	25,669	-	-	25,669
Total capital assets being depreciated	944,122	-	6,307	937,815
Less accumulated depreciation for:				
Transmitters and towers	439,405	21,831	-	461,236
Studio and technical equipment	154,342	3,550	6,067	151,825
Furniture, fixtures, and equipment	14,579	328	-	14,907
Total accumulated depreciation	608,326	25,709	6,067	627,968
Capital assets, net	\$ 335,796			\$ 309,847

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 3 – CAPITAL ASSETS (continued)

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets being depreciated:				
Transmitters and towers	\$ 713,929	\$ -	\$ -	\$ 713,929
Studio and technical equipment	204,524	-	-	204,524
Furniture, fixtures, and equipment	25,669	-	-	25,669
Total capital assets being depreciated	<u>944,122</u>	<u>-</u>	<u>-</u>	<u>944,122</u>
Less accumulated depreciation for:				
Transmitters and towers	417,575	21,830	-	439,405
Studio and technical equipment	150,732	3,610	-	154,342
Furniture, fixtures, and equipment	14,251	328	-	14,579
Total accumulated depreciation	<u>582,558</u>	<u>25,768</u>	<u>-</u>	<u>608,326</u>
Capital assets, net	<u><u>\$ 361,564</u></u>			<u><u>\$ 335,796</u></u>

NOTE 4 – CORPORATION FOR PUBLIC BROADCASTING COMMUNITY SERVICE GRANTS

The Community Service Grants received and expended during the year ended June 30, 2019 and 2018 were as follows:

Date Approved	2019	2018
February 12, 2018	\$ -	\$ 84,147
April 11, 2018	-	36,064
January 18, 2019	88,182	-
April 9, 2019	37,792	-
Total	<u><u>\$ 125,974</u></u>	<u><u>\$ 120,211</u></u>

NOTE 5 – ENDOWMENT

Public Radio East's endowment consists of funds designated by the Board of Directors of the Foundation to function as an endowment. There are no donor restrictions imposed on the endowment. Changes in endowment net position for the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Endowment net position at beginning of year	\$ 79,490	\$ 78,440
Investment income	1,466	1,050
Transfer to operating for equipment replacement	(10,000)	-
Total	<u><u>\$ 70,956</u></u>	<u><u>\$ 79,490</u></u>

Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019

NOTE 6 – INDIRECT ADMINISTRATIVE SUPPORT

Public Radio East receives administrative support from the College. Indirect administrative support consists of allocated institutional support and physical plant costs incurred by the College for which Public Radio East receives benefits. The fair value of this support is recognized in the statement of activities as in-kind contributions and also as expenses in the management and general functional expense category. Details of such support are as follows:

	2019	2018
Institutional support	\$ 395,029	\$ 522,169
Occupancy	3,841	3,314
Physical plant maintenance	77,824	39,438
Total indirect support	\$ 476,694	\$ 564,921

NOTE 7 – RECEIVABLES

Receivables at June 30, 2019 and 2018, were as follows:

	2019	2018
Current receivables:		
Unrestricted pledges from media fund drives	\$ 164,375	\$ 146,548
Allowances for uncollectible pledges		
and present value discounts	(28,963)	(21,925)
Total current receivables	\$ 135,412	\$ 124,623

NOTE 8 – BENEFIT PLANS

Substantially all of the permanent employees of Public Radio East are included in the College Retirement Plan ("Plan"). The Plan is a cost sharing multiple employer defined benefit pension plan administered by the North Carolina State Treasurer. Benefit and contribution provisions for the Plan are established by North Carolina general statutes. For the years ended June 30, 2019 and 2018, Public Radio East contributed \$68,483 and \$69,812 to the Plan.

NOTE 9 – RELATED PARTY TRANSACTIONS

Public Radio East receives administrative support from the Foundation and the College. The combined statement of activities includes the following related party amounts for the year ended June 30, 2019:

Related Party Transaction	Statement Line Item	June 30, 2019	June 30, 2018
In-kind contributions	In-kind contributions of indirect administrative support	\$ 476,694	\$ 564,921

**Public Radio East (WTEB-FM) and Affiliate
(A Component Unit of Craven Community College)
Notes to the Financial Statements (continued)
June 30, 2019**

NOTE 10 – RISK MANAGEMENT

Public Radio East is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; and natural disasters. These exposures to loss are handled through Craven Community College via a combination of methods, including participation in various risk pools administered by the State of North Carolina, purchase of commercial insurance and self-retention of certain risks.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 18, 2019, the date on which the financial statements were available to be issued.

Compliance Section



S. Preston Douglas & Associates, LLP

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS

American Institute of CPAs

N. C. Association of CPAs

Independent Auditor's 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*

To the Management of Public Radio East (WTEB-FM) and Affiliate
Board of Trustees of Craven Community College
New Bern, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Public Radio East (WTEB-FM) and its affiliate, Public Radio East Foundation (Public Radio East), a component unit of Craven Community College, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Public Radio East's basic financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Public Radio East's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Public Radio East's internal control. Accordingly, we do not express an opinion on the effectiveness of Public Radio East'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 Public Radio East's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

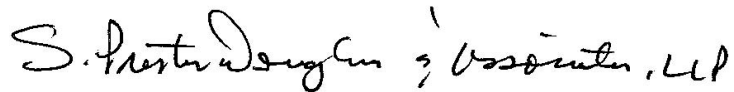
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Public Radio East'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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "S. Preston Douglas, Jr." followed by a stylized flourish.

Lumberton, North Carolina
November 18, 2019

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

CAPITAL IMPROVEMENT PROJECT APPROVAL

☐ New Project ☒ Amended Project ☐ Final – Project Close Out

Select appropriate submission

College Craven Community College
Project Name Student Center Building - Academic Support Center Renovation (Note name change) NCCCS Project No. 2326
Campus New Bern County Craven

I. TYPE OF PROJECT:

- ☐ New Facility ☐ Roof Replacement ☐ Infrastructure Repairs
☒ Renovation of Existing Facility ☐ HVAC ☐ Addition to Existing Facility
☐ Life Safety ☐ ADA Compliance

II. DESCRIPTION OF PROJECT: Description must include all pertinent information regarding the project as addressed in the instructions on Page 1, **if you checked "Amended Project" please clearly state in description below reason for project amendment.**

This project will involve the renovation of approximately 2,725 sq ft of space currently occupied by our First Stop (Student Services) and Student Account offices to house the Academic Support Center. The renovation will allow for the construction of support services and tutoring functions across campus, provide collaborative learning spaces, house the employability lab, and to deliver services in a lab setting which will require transforming current office space into a computer lab setting.

In the above description, provide specific details and describe all aspects to be included in the project.

Project to be constructed/renovated on college owned property ☒

Project to be constructed/renovated on leased property ☐

Provide the System Office a copy of lease that meets criteria as addressed in CI Guide.

CONNECT NC BOND FUNDED PROJECTS ONLY:

If equipment is included as part of the project, please certify that the equipment has a useful life of 10+ years ☐

Please acknowledge that furniture is not allowed as part of a Connect NC Bond (Bond Funds) projects and the college will not be reimbursed from Bond Funds. ☐

III. ESTIMATED COST OF PROJECT:

A. PRE-CONSTRUCTION COSTS

1. Site Grading and Improvements (not in III B) _____

Subtotal "A"..... _____

B. CONSTRUCTION

1. General Contract \$728,600

2. Other Contracts _____

Subtotal Contracts..... \$728,600

3. Designer's Fees..... \$65,000

4. Contingency..... \$72,860

5. Other Fees _____

Subtotal Fees \$137,860

Subtotal "B" \$866,460

C. OTHER COST

1. Initial Equipment (not in III B)

2. Miscellaneous(specify) _____

- Worked Performed by Owner
3. (material only, not staff salary) _____

Subtotal "C"..... _____

TOTAL ESTIMATED COST OF PROJECT (Sum of III A, B, C) \$866,460

IV. SOURCES OF FUNDS IDENTIFIED FOR THIS PROJECT:

A. NON-STATE FUNDS

1. County Appropriation..... _____

2. Duly Authorized Bonds - County... _____

3. Donations..... _____

4. Federal Funds (USDA, EDA, ETC.) _____

5. Other (parking fees, vending, rental,
bookstore,) Self-supporting
excess fees
\$166,460

Subtotal "A"..... \$166,460

- B. UNDETERMINED (DO NOT INCLUDE UNDETERMINED FUNDS ON THE 2-16 FORM)** _____

- C. STATE EQUIPMENT FUNDS (112 Report -Memo)** _____

- D. STATE FUNDS (i.e. DOT, Golden Leaf; Not Allocated through the System Office).** _____

E. STATE FUND ALLOCATION

1. Budget Code 41620 \$700,000

2. Budget Code _____

3. Budget Code _____

Subtotal "E" \$700,000

TOTAL SOURCES OF FUNDS (Sum of Section IV A, B, C, D, E) \$866,460

PLEASE NOTE: Total SOURCES OF FUNDS in Section IV must equal TOTAL ESTIMATED COST OF PROJECT in Section III.

V. CERTIFICATION BY THE COLLEGE BOARD OF TRUSTEES

To the State Board of Community Colleges:

We, the Board of Trustees of Craven Community College
(College), do hereby certify:

1. That the information contained in this application is true and correct to the best of our knowledge and belief, and do hereby request approval from the State Board of Community Colleges for this application and for the utilization of \$866,460 **State funds** reflected on Page 3, which are appropriated and have been allocated for the use of our college. These funds, along with the non-state funds shown, will be used exclusively for facilities, equipment for those facilities, land, or other permanent improvements described herein and in accordance with the minutes and resolution of the Board of Trustees **dated** February 18, 2020

- As part of this certification, the Board of Trustees certify that any **equipment** purchased with the **Connect NC Bond Funds** must have a useful life of 10+ years.
- As part of this certification, the Board of Trustees acknowledge that furniture is not an allowable expense as part of a capital project funded by Connect NC Bond Funds, therefore will not be reimbursed.

2. That the described permanent improvements are necessary for meeting the educational needs of the area served and that this proposed project is in accordance with the rules and regulations adopted by the State Board of Community Colleges.

3. That a fee simple title is held by the Board of Trustees to the property upon which the said facilities or improvements are to be made, or that a long-term lease, as described in the North Carolina Community College System Capital Improvement Guide, is held by the Board of Trustees.

4. That in formal session with a quorum present, the Board of Trustees authorized this application and further authorized the Chairman and the Chief Administrative Officer of this Board to execute all papers required by the rules and regulations of the State Board of Community Colleges.



Chairman - Board of Trustees



Chief Administrative Officer/President

VI. CERTIFICATION AS TO AVAILABILITY OF LOCAL SUPPORT AND FUNDS

County Manager/Financial Officer:

Certification 1.

I certify that I have examined this application (Project No. _____)
from _____ (college) and
if shown, county funds in the amount of _____ are available for
the planning and construction of this project.

Signature _____

Title _____

(The following certification must be completed for New Facility Projects Only)

Certification 2.

Based on an analysis of the colleges annual operating and utility costs, (as per the
NCCCS 3-1 Attachment, Page 6) it is estimated that the college will expend an additional
_____ per year in support of this new construction. I certify that this document has
been reviewed, and that the information stated herein will be shared with the proper
county officials to seek an appropriate adjustment to the college's budget as the new
facility is brought online.

Signature _____

Title _____

=====

VII. CERTIFICATION OF ATTORNEY AS TO FEE SIMPLE TITLE TO THE PROPERTY

(Note: Required only for construction on a new site or where **federal funds** are involved.
Not required for long term lease.)

I, _____ duly licensed attorney of the State of
North Carolina, do hereby certify that I have examined the public records of _____

_____ County, North Carolina, from January 1, 1925, to this date
concerning title to the property upon which the improvements set out in the foregoing
application are proposed to be made, and I find from said examination that a fee simple title
free from all claims or encumbrances, is vested in _____

by deed recorded in (specify book and page) _____

_____, in the Office of the Register of Deeds except
as noted below: (Attach copy of deed)

This, the _____ day of _____ 20____

Signature _____

**CERTIFICATION OF LOCAL BUDGET SUPPORT
ESTIMATED OPERATING/UTILITY ANNUAL COST
FOR CAPITAL IMPROVEMENT PROJECTS**

Date:

College:

Contact Name:

Project Name:

Project Completion Date:

State Funds Authorized:

Local Funds Authorized:

Additional Cost Identification	1st Year of Operation	2nd Year of Operation	3rd Year of Operation	4th Year of Operation	5th Year of Operation	Average Additional Annual Cost
	FY	FY	FY	FY	FY	
Staffing (Housekeeping & Facility Operator)						
additional annual cost	\$0	\$0	\$0	\$0	\$0	\$0
Plant Maintenance						
additional annual cost	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Cost						
additional annual cost						
Electric	\$0	\$0	\$0	\$0	\$0	\$0
Fuel (Gas, Oil)	\$0	\$0	\$0	\$0	\$0	\$0
Water	\$0	\$0	\$0	\$0	\$0	\$0
Telecommunications	\$0	\$0	\$0	\$0	\$0	\$0
	Total Average Annual Cost (used in Section IX of the 3-1)					\$0
I certify that the county has reviewed this information as a part of the approval process.						

County Manager/Finance Officer

3-1 Attachment



February 12, 2020

Ms. Cindy Patterson, Executive Director, Financial Services & Purchasing
Craven Community College
800 College Court
New Bern, NC 28562

RE: Craven Community College Academic Success Center Renovation
SCO ID #17-17617-01A; DCC #2326
JKF Project No. 2019-07

Dear Ms. Patterson:

Bids were received for the above project on Tuesday, February 11, 2020. Bidding was promptly closed at 2:00 p.m. All in attendance indicated they received all the addenda, that no one was denied the right to bid, and that no one objected to opening the bids.

After the bid opening, Waters Contracting Company was the initial apparent low-bidder based on the attached Bid Tabulations, Base Bid plus Alternates #1, #2, and #3, and notified as such. They are the apparent low-bidder and we recommend acceptance of their Bid as follows:

Base Bid	\$	681,000
Alternate Bid No. 1– Office 102 Renovations	\$	19,500
Alternate Bid No. 2 –Office 108 & 108B Renovations	\$	16,600
Alternate Bid No. 3 – Corridor Improvements	\$	11,500
TOTAL RECOMMENDED AWARD	\$	728,600

Unit Prices are as indicated on the Form of Proposal and the Bid Tabulation and will remain in effect for the life of the project.

I am enclosing the following with this letter:

1. Certified Bid Tabulation Form;
2. Waters Contracting Company, Original Bid Documents including:
 - a. Original Form of Proposal.
 - b. Bid Bond;
 - c. Identification of Minority Participation; 0% indicated
 - d. Affidavit A;
3. Water Contracting Company, Post Bid Documents including:
 - a. Affidavit C indicating x% MBE participation.

Based on the above recommended Bids, we recommend budget be summarized as follows:

Construction Cost	\$	728,600
Contingency	5% \$	36,430
A/E Fees	\$	65,000
TOTAL PROJECT BUDGET	\$	830,030

Please forward to State Construction upon approval of your Trustees with the required cover letter for Contract award. If you require any further information, please contact me at your convenience.

ARCHITECTURE
PLANNING
DESIGN

625 Lynndale Court, Suite F
Greenville, NC 27858
Phone: 252-355-1068
Fax: 252-355-0216
jkf@jkf-arch.com (e-mail)
www.jkf-arch.com (Web-site)

February 12, 2020
Craven Community College Academic Success Center
Page 2 of 2

Sincerely,



John K. Farkas, AIA LEED-AP
President

XC:

- None.

Attachments:

- As noted

File: a:\projects-2019\2019-07\012-003.docx

BID TABULATION FORM

BID DATE: 2-11-2020, 2:00 PM

	Yes	No
Bidding closed at appointed time?	X	
Contractor's Received All Addendum?	X	
Anyone denied the right to Bid?		X
Any objections to opening Bids?		X

Contractor	Lic. No.	Addenda	Bid Bond	Sign & Seal	Iden. MBE A & B or D	Base Bid	Alternate #1	Alternate #2	Alternate #3
CONTRACT FOR: GENERAL CONSTRUCTION SINGLE- PRIME									
AMERICAN BUILDERS, INC.	44325	Y	Y	Y	Y	\$780,000	\$27,400	\$19,500	\$13,700
BLIZZARD CONSTRUCTION COMPANY, INC.	7819	Y	Y	Y	Y	\$693,220	\$20,326	\$20,711	\$15,865
BURNEY & BURNEY CONSTRUCTION, INC.	30238	Y	Y	Y	Y	\$675,000	\$22,275	\$33,000	\$16,000
IMEC GROUP, LLC						NO BID			
L.A. DOWNEY & SON, INC.	1774	Y	Y	Y	Y	\$751,838	\$36,257	\$19,213	\$20,715
PRIMUS STRUCTURES, INC.	80425	Y	Y	Y	Y	\$670,000	\$22,000	\$29,000	\$13,000
RILEY CONTRACTING GROUP, INC.						NO BID			
TEAM CONSTRUCTION, LLC	75093	Y	Y	Y	Y	\$722,096	\$24,363	\$18,136	\$14,180
WATERS CONTRACTING COMPANY	81408	Y	Y	Y	Y	\$681,000	\$19,500	\$16,600	\$11,500
YES REAL ESTATE CONSTRUCTION GROUP, INC.						NO BID			
Prepared by: JKF ARCHITECTURE P.C.									
Project Architect: JOHN K. FARKAS, AIA 2/11/2020									



FORM OF PROPOSAL

Craven Community College
Academic Success Center Renovation
SCO # 17-17617-01A; NCCCS # 2326

Contract: CCC ACADEMIC SUCCESS CENTER
Bidder: WATERS CONTRACTING COMPANY
Date: 2/11/20

The undersigned, as bidder, hereby declares that the only person or persons interested in this proposal as principal or principals is or are named herein and that no other person than herein mentioned has any interest in this proposal or in the contract to be entered into; that this proposal is made without connection with any other person, company or parties making a bid or proposal; and that it is in all respects fair and in good faith without collusion or fraud. The bidder further declares that he has examined the site of the work and the contract documents relative thereto, and has read all special provisions furnished prior to the opening of bids; that he has satisfied himself relative to the work to be performed. The bidder further declares that he and his subcontractors have fully complied with NCGS 64, Article 2 in regards to E-Verification as required by Section 2.(c) of Session Law 2013-418, codified as N.C. Gen. Stat. § 143-129(j).

The Bidder proposes and agrees if this proposal is accepted to contract with The Trustees of *Craven Community College* in the form of contract specified, to furnish all necessary materials, equipment, machinery, tools, apparatus, means of transportation and labor necessary to complete the construction of *The Academic Success Center Renovation* in full in complete accordance with the plans, specifications and contract documents, to the full and entire satisfaction of The Trustees of *Craven Community College and JKF ARCHITECTURE PC* with a definite understanding that no money will be allowed for extra, work except as set forth in the General Conditions and the contract documents, for the sum of:

GENERAL CONSTRUCTION CONTRACT(Single-Prime):

Base Bid: Six Hundred Eighty One Thousand
681 Dollars (\$681,000)

List Subcontractors:

Plumbing Subcontractor:	<u>James L. Carter</u>	License No.	<u>1697</u>
Mechanical Subcontractor:	<u>Jacksonville Heating</u>	License No.	<u>20107</u>
Electrical Subcontractor:	<u>Pro 356</u>	License No.	<u>10650-4</u>

General Contractor shall complete all sections for Alternates and Unit Prices for Single-Prime Proposal.

The *General* contractor shall act as project expeditor for all prime contracts. See Supplementary General Conditions.

GS143-128(d) requires all single prime bidders to identify their subcontractors for the above subdivisions of work. A contractor whose bid is accepted shall not substitute any person as subcontractor in the place of the subcontractor listed in the original bid, except (i) if the listed subcontractor's bid is later determined by the contractor to be non-responsible or non-responsive or the listed subcontractor refuses to enter into a contract for the complete performance of the bid work, or (ii) with the approval of the awarding authority for good cause shown by the contractor.

ALTERNATE BIDS (See Specification Section 012300 for complete description and time requirements)

Should any of the alternates as described in the contract documents be accepted, the amount written below shall be the amount to be "added to" or "deducted from" the base bid. (Strike out "Add" or "Deduct" as appropriate).

Alternate Bid No. 1 – Remove and Replace all existing APC with New APC, New Light Fixtures and New HVAC Grilles in Office 102.

Total Add/Deduct: _____ Dollars (\$ 19,500)

Alternate Bid No. 2 – Remove and Replace all existing APC with New APC, New Light Fixtures and New HVAC Grilles in Office 108 and Office 108B.

Total Add/Deduct: _____ Dollars (\$ 16,600)

Alternate Bid No. 3 – Remove and Replace all existing APC with New APC. Existing Light fixtures and Ceiling Fixtures to be relocated in New APC in Corridor A and Corridor B.

Total Add/Deduct: _____ Dollars (\$ 14,500)

The bidder further proposes and agrees hereby to commence work under this contract on a date to be specified in a written order of the designer and shall fully complete all work thereunder within the time specified in the Supplementary General Conditions. Applicable liquidated damages shall be stated in the Supplementary General Conditions Article 23.

MINORITY BUSINESS PARTICIPATION REQUIREMENTS:

Provide with the bid - Under GS 143-128.2(c) the undersigned bidder shall identify on its bid (Identification of Minority Business Participation Form) the minority businesses that it will use on the project with the total dollar value of the bids that will be performed by the minority businesses. Also list the good faith efforts (Affidavit A) made to solicit minority participation in the bid effort.

NOTE: A contractor that performs all of the work with its own workforce may submit an Affidavit (B) to that effect in lieu of Affidavit (A) required above. The MB Participation Form must still be submitted even if there is zero participation.

After the bid opening - The Owner will consider all bids and alternates and determine the lowest responsible, responsive bidder. Upon notification of being the apparent low bidder, the bidder shall then file within 72 hours of the notification of being the apparent lowest bidder, the following:

An Affidavit (C) that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the 10% goal established. This affidavit shall give rise to the presumption that the bidder has made the required good faith effort and Affidavit D is not necessary;

*** OR ***

If less than the 10% goal, Affidavit (D) of its good faith effort to meet the goal shall be provided. The document must include evidence of all good faith efforts that were implemented, including any advertisements, solicitations and other specific actions demonstrating recruitment and selection of minority businesses for participation in the contract.

Note: Bidders must always submit with their bid the Identification of Minority Business Participation Form listing all MB contractors, vendors and suppliers that will be used. If there is no MB participation, then enter none or zero on the form. Affidavit A or Affidavit B, as applicable, also must be submitted with the bid. Failure to file a required affidavit or documentation with the bid or after being notified apparent low bidder is grounds for rejection of the bid.

PROPOSAL SIGNATURE PAGE

The undersigned further agrees that in the case of failure on his part to execute the said contract and the bonds within ten (10) consecutive calendar days after written notice being given of the award of contract, the certified check, cash or bid bond accompanying this bid shall be paid into the funds of the owner's account set aside for the project, as liquidated damages for such failure; otherwise the certified check, cash or bid bond accompanying this proposal shall be returned to the undersigned.

Respectfully submitted this day of WATERS CONTRACTING COMPANY

(Name of firm or corporation making bid)

WITNESS:

(Proprietorship or Partnership)

By: Malcolm Waters
Signature

Name: Malcolm Waters
Print or type

Title: PRESIDENT
(Owner/Partner/Pres./V.Pres)

Address: 3931 HWY 24

NEWPORT, NC 28570

License No. 31408

Federal I.D. No. 83-3067246

E-mail Address: bishopw@waterscontracting.net

ATTEST:

By: [Signature]

Title: Secretary
(Corp. Sec. or Asst. Sec. only)

(CORPORATE SEAL)

Addendum received and used in computing bid:

Addendum No. 1 0
Addendum No. 2 0
Addendum No. 3 0
Addendum No. 4 _____
Addendum No. 5 _____
Addendum No. 6 _____
Addendum No. 7 _____
Addendum No. 8 _____

State of North Carolina AFFIDAVIT A – Listing of Good Faith Efforts

County of CLAYTON

(Name of Bidder)

Affidavit of WATERS CONTRACTING COMPANY

I have made a good faith effort to comply under the following areas checked:

Bidders must earn at least 50 points from the good faith efforts listed for their bid to be considered responsive. (1 NC Administrative Code 30 I.0101)

- ☐ 1 – (10 pts) Contacted minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor, or available on State or local government maintained lists, at least 10 days before the bid date and notified them of the nature and scope of the work to be performed.
- ☒ 2 – (10 pts) Made the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bids are due.
- ☐ 3 – (15 pts) Broken down or combined elements of work into economically feasible units to facilitate minority participation.
- ☐ 4 – (15 pts) Worked with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.
- ☒ 5 – (10 pts) Attended prebid meetings scheduled by the public owner.
- ☒ 6 – (20 pts) Provided assistance in getting required bonding or insurance or provided alternatives to bonding or insurance for subcontractors.
- ☐ 7 – (15 pts) Negotiated in good faith with interested minority businesses and did not reject them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.
- ☐ 8 – (25 pts) Provided assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted minority businesses in obtaining the same unit pricing with the bidder's suppliers in order to help minority businesses in establishing credit.
- ☐ 9 – (20 pts) Negotiated joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.
- ☒ 10 – (20 pts) Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

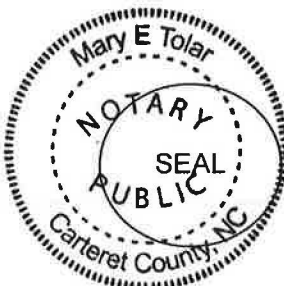
The undersigned, if apparent low bidder, will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon scope of contract to be executed with the Owner. Substitution of contractors must be in accordance with GS143-128.2(d) Failure to abide by this statutory provision will constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of the minority business commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: 2/10/20 Name of Authorized Officer: BISHOP WILLIAMS

Signature: [Signature]

Title: VP OF OPERATIONS



State of North Carolina County of Carteret
 Subscribed and sworn to before me this 10th day of February 2020
 Notary Public [Signature]
 My commission expires March 4, 2024

**State of North Carolina --AFFIDAVIT B-- Intent to Perform Contract
with Own Workforce.**

County of _____

Affidavit of _____
(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the _____
_____ contract.
(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all elements of the work on this project with his/her own current work forces; and

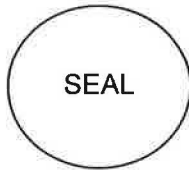
The Bidder agrees to provide any additional information or documentation requested by the owner in support of the above statement. The Bidder agrees to make a Good Faith Effort to utilize minority suppliers where possible.

The undersigned hereby certifies that he or she has read this certification and is authorized to bind the Bidder to the commitments herein contained.

Date: _____ Name of Authorized Officer: _____

Signature: _____

Title: _____



State of _____, County of _____

Subscribed and sworn to before me this _____ day of _____, 20__

Notary Public _____

My commission expires _____

FORM OF BID BOND

KNOW ALL MEN BY THESE PRESENTS THAT _____
Waters Contracting Company _____ as principal, and
Selective Insurance Company of America _____, as surety, who is duly licensed to act as
surety in North Carolina, are held and firmly bound unto The Trustees of Craven Community
College as obligee, in the penal sum of Five Percent of Amount Bid (5%) DOLLARS,
lawful money of the United States of America, for the payment of which, well and truly to be made,
we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally,
firmly by these presents.

Signed, sealed and dated this 6th day of February 2020


WHEREAS, the said principal is herewith submitting proposal for Academic Success Center
Renovation - Renovation of
and the principal desires to file this bid bond in lieu of making classroom areas at Craven
Community College
the cash deposit as required by G.S. 143-129.

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION is such, that if
the principal shall be awarded the contract for which the bid is submitted and shall execute the
contract and give bond for the faithful performance thereof within ten days after the award of same
to the principal, then this obligation shall be null and void; but if the principal fails to so execute
such contract and give performance bond as required by G.S. 143-129, the surety shall, upon
demand, forthwith pay to the obligee the amount set forth in the first paragraph hereof. Provided
further, that the bid may be withdrawn as provided by G.S. 143-129.1

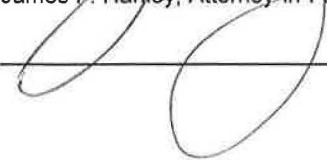
Waters Contracting Company _____ (SEAL)

 (SEAL)

Selective Insurance Company
of America _____ (SEAL)

 (SEAL)

James F. Hanley, Attorney-in-Fact

 (SEAL)

SELECTIVE

BE UNIQUELY INSUREDSM

Selective Insurance Company of America

40 Wantage Avenue

Branchville, New Jersey 07890

973-948-3000

BondNo.B 1226187

POWER OF ATTORNEY

SELECTIVE INSURANCE COMPANY OF AMERICA, a New Jersey corporation having its principal office at 40 Wantage Avenue, in Branchville, State of New Jersey ("SICA"), pursuant to Article VII, Section 1 of its By-Laws, which state in pertinent part:

The Chairman of the Board, President, Chief Executive Officer, any Executive Vice President, any Senior Vice President or any Corporate Secretary may, from time to time, appoint attorneys in fact, and agents to act for and on behalf of the Corporation and they may give such appointee such authority, as his/her certificate of authority may prescribe, to sign with the Corporation's name and seal with the Corporation's seal, bonds, recognizances, contracts of indemnity and other writings obligatory in the nature of a bond, recognizance or conditional undertaking, and any of said Officers may, at any time, remove any such appointee and revoke the power and authority given him/her.

does hereby appoint **James Fallon Hanley**

, its true and lawful attorney(s)-in-fact, full authority to execute on SICA's behalf fidelity and surety bonds or undertakings and other documents of a similar character issued by SICA in the course of its business, and to bind SICA thereby as fully as if such instruments had been duly executed by SICA's regularly elected officers at its principal office, in amounts or penalties not exceeding the sum of: **Six Hundred Thousand Dollars (\$600,000.00)**

Signed this 6th day of February, 2020

SELECTIVE INSURANCE COMPANY OF AMERICA

By: _____

Brian C. Sarisky

Its SVP, Strategic Business Units, Commercial Lines



STATE OF NEW JERSEY :

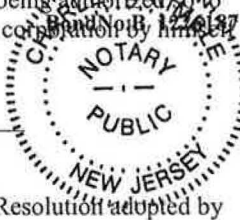
:ss. Branchville

COUNTY OF SUSSEX :

On this 6th day of February, 2020 before me, the undersigned officer, personally appeared Brian C. Sarisky, who acknowledged himself to be the Sr. Vice President of SICA, and that he, as such Sr. Vice President, being authorized to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Sr. Vice President and that the same was his free act and deed and the free act and deed of SICA.

Charlene Kimble
Notary Public of New Jersey
My Commission Expires 6/2/2021

Charlene Kimble
Notary Public



The power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of SICA at a meeting duly called and held on the 6th of February 1987, to wit:

"RESOLVED, the Board of Directors of Selective Insurance Company of America authorizes and approves the use of a facsimile corporate seal, facsimile signatures of corporate officers and notarial acknowledgements thereof on powers of attorney for the execution of bonds, recognizances, contracts of indemnity and other writing obligatory in the nature of a bond, recognizance or conditional undertaking."

CERTIFICATION

I do hereby certify as SICA's Corporate Secretary that the foregoing extract of SICA's By-Laws and Resolution is in full force and effect and this Power of Attorney issued pursuant to and in accordance with the By-Laws is valid.

Signed this 6th day of February, 2020

Michael H. Lanza
Michael H. Lanza, SICA Corporate Secretary



Important Notice: If the bond number embedded within the Notary Seal does not match the number in the upper right-hand corner of this Power of Attorney, contact us at 973-948-3000.

B91 (4-14)

CERTIFIED COPY

Student Government Association
Spring Semester Board of Trustees Report

SGA Roster

Executive Board

President: Grace Beauchamp
Vice President: Vacant
Secretary: Nicholas Conner
Treasurer: Rachel Conner
Parliamentarian: Matthew Chrusciel
Public Information Officer: Mirachelle Fletcher

Senators

Nicholas Montero
Azeem Brown
Greg Hill
Victoria Hill
Michael Keesecker
Matthew Bircher

Campus Life Activities and Events

- The Hurst Ambassadors held a Thanksgiving Food Drive that helped feed 152 people for Thanksgiving in 2019. The Drive was extremely successful because it invoked friendly competition between the clubs/organizations on campus. The club/organization that donated the most food was rewarded with a pizza party funded by SGA. Phi Theta Kappa blew out the competition with donations.

Regardless of the winner, Campus Life was able to reduce a stressor within our community.

- The Giving Tree was an event sponsored by the Health Information and Technology Club. SGA put up the Christmas tree that was decorated with different wish lists of children in need. Every wish list was granted.
- Annual Day of Service was a huge success on January 20th, 2020. SGA, Hurst Ambassadors, and Junior Civitan from the Early College program were all able to volunteer at the Coastal Women's Shelter. In four hours, with our combined efforts, we were able to complete yard work; paint a hallway, two bedrooms, and the playroom as well as move various supplies to their storage facility. Many of us interacted with other organizations while accomplishing a common goal.
- Campus Life's new office space/home has been a game changer in the volume and scale of projects Campus Life can execute. We have happily moved all of our supplies into our new location and have immediately made it our own. It allows SGA to become closer to other clubs/organizations that can use the space for printing flyers, holding meetings, and other resources.
- The Panther Pantry has been an ongoing project since Campus Life was moved into our new space. We used the grant for the Panther Pantry to invest in new shelving and storage containers for the food that is donated. In conjunction with the Hurst Student Ambassadors, we are developing a new online ordering system to encourage those who need to use it.

SGA Events

- Craven the Holidays were a cozy way to finish final exams and enter winter break. SGA provided holiday sugar cookies and hot chocolate for students in the Student Center. SGA also decorated the Student Center with festive decor.

CRAVEN **COMMUNITY COLLEGE**

Foundation

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Executive Director
Jennifer Baer, *Director,*
Lifetime Learning Center
Christa Baker
Foundation Operations Coordinator
Jeanette Lee,
Institutional Advancement Specialist

www.CravenCC.edu

800 College Court
New Bern, NC 28562
Telephone: (252) 638-7351
Fax: (252) 638-4232

a non-profit organization
Federal Tax ID # 59-1718436

February 2020

The Craven CC Foundation is preparing for the 10th Annual Community Fabric Awards (CFA) scheduled for Tuesday April 28th from noon to 1:30 PM at the New Bern Riverfront Convention Center. At the CFA Kick-Off event recently held at the New Bern Golf & Country Club, it was announced that Ward & Smith, P.A. will continue as the Presenting Sponsor for this year's event. Nominations for this year's recipients are open until Thursday, February 20, 2020 at 5 PM. We encourage you to consider nominating an individual, business or educator for excellence in leadership.

Our annual campaigns continue to do well. To date, the Campus Campaign has raised \$38,147 compared to \$35,638 at the end of FY19. The Community Campaign has raised \$52,745 compared to \$56,855 at the end of FY19. The combined total raised to date is \$90,892 compared to \$92,493 at the end of FY19. With five (5) months remaining in this fiscal year, we have already surpassed the amount raised in the previous year's Campus Campaign and are on track to surpass last year's Community Campaign amount. The Profit and Loss Statement for the Foundation shows through the end of the second quarter, operating revenues of \$389,154 and non-operating revenues of \$188,899 (largely driven by the endowment gain on investments of \$164,732). Considering the expenses that have been incurred through that date, this leads to a net income through the end of the second quarter of \$288,998.

The Foundation is on track to award \$300,000 in scholarship assistance to students as well as additional funds for non-scholarship needs (emergency funding). This includes \$40,000 that was allocated from the Foundation's reserve capital to fund endowment scholarships adversely affected by the market's poor performance in the 4th quarter of 2018.

Finally, the Lifetime Learning Center (LLC) has seen a tremendous interest in planned travel events, both domestic and international, for the second half of the year. Twenty participants are planning to spend 5 days in Washington, D.C., in late March. In May, thirty-two participants are scheduled to visit New York City and the Hudson River Valley on a 7-day tour. This year's International Trip to Ireland is scheduled to depart in June.

With 37 people committed to the trip, this will be the largest group of international travelers ever registered in the program. In addition, three International films and 2 concerts are scheduled through April, 2020.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Williams', is written over the printed name.

Jeff Williams, President
Craven CC Foundation Board of Directors