

CRAVEN COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
June 30, 2023**



**PREPARED BY THE FINANCE DEPARTMENT
CRAIG A. WARREN, FINANCE OFFICER**

Craven County



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Craven County



INTRODUCTORY SECTION

Letter of Transmittal

GFOA Certificate of Achievement

List of Principal Officials

Organizational Chart

Map of Craven County, North Carolina

Craven County





December 27, 2023

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

It is our pleasure to submit the Comprehensive Annual Financial Report of Craven County for the fiscal year ended June 30, 2023. North Carolina State law requires all general-purpose local governments to publish within four months of the close of each fiscal year a complete set of financial statements. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited following generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with the requirements of GASB Statement No. 34.

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

The County's financial statements have been audited by Thompson, Price, Scott, Adams, and Company, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component in the financial section of this report.

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

involving the administration of federal and state awards. The auditor reports are available in the Compliance Section of this report.

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

Profile of the County

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

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



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

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

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

Local Economy

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

Craven County continues to experience a steady level of growth. The County's average unemployment rate for calendar year 2022 improved to 3.7 percent from the previous 4.7 percent reported for calendar year 2021. The County's rate remained steady for most of the year reaching its lowest point at 3.2 percent in April 2022. Comparatively, the statewide average unemployment rate for calendar 2022

mirrored the County's at 3.7 percent. The County ended the fiscal year 2023 with an unemployment rate of 3.6 percent for June. Overall, the total number of people employed in Craven County increased by 1.5 percent during the calendar year 2022 (using annual average figures) compared to last year. Government employment in the County remained flat from the prior year while private sector employment grew by 2.2 percent. While the private sector makes up 68.5 percent of all total jobs in Craven County, the single largest sector of employment in the County remains the Government at 31.4 percent of all total jobs. The County continues to encourage diversification by recruiting a wide variety of industries to relocate to the community.

The County's top employers represent industries in Government, Health Care, Education, and Manufacturing. The following table lists the 10 largest employers in Craven County for the calendar year 2022 according to the North Carolina Department of Commerce.

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

Source: NC Commerce LEAD Division

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

In calendar 2022 per capita personal income in Craven County increased slightly by 0.6 percent (the latest information available), to \$54,327. Comparably, the change for the state of North Carolina in 2022 was a 2.5 percent increase, and nationally a 1.6 percent increase. Per capita income levels for the County are 93.5 percent of the state's average of \$58,109 and 83 percent of the national average of \$65,470. The County ranked 26th out of 100 counties in the state in per capita income, down from 22nd reported for the previous year. The 2012-2022 average annual growth rate of per capita personal income for Craven County was 3.5 percent, while the average annual growth rate for the state was 4.1 percent and 4.0 percent for the nation.

Both the residential development and local housing market in Craven County remain positive, reporting balanced growth over the last year. In 2023 new home construction increased by 8.2 percent from the previous year with 211 new home starts compared to 195 reported in 2022. Although recent sales data shows the number of homes sold in 2023 decreased from the previous year, the average home sales price in Craven County increased by 15.7 percent to \$295,000. Historically high inflation and the response by the Federal Reserve to increase interest rates is expected to have some negative impact on this sector of the economy heading into 2024.

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

Tourism in Craven County has rebounded to pre-pandemic levels generating an economic impact of \$170.7 million in 2022, which was an increase of 6.4 percent from the previous year. Across the state visitor spending was up 15.2 percent reaching \$33.3 billion, well above the record \$29.22 spent in 2019. State and local tax revenues generated from travel to Craven County amounted to \$11.7 million which represents a \$114.87 tax savings to each county resident. According to the North Carolina Division of Tourism, Film, and Sports Development, in 2022 there were 1,246 jobs in Craven County related to tourism with an annual payroll of \$43.2 million.

The Riverfront Convention Center of Craven County located in historic downtown New Bern was constructed by the County for \$12 million and opened in August 2000. The facility is approximately 50,000 square feet and houses a 12,000-square-foot ballroom designed to seat and serve groups of up to 1,000 people. The site is adjacent to one of the major hotel facilities in the downtown area and within walking distance of two other hotels and several bed and breakfast facilities. Operating revenues for fiscal 2023 were \$974,030 compared to \$609,000 in fiscal 2022. The Center incurred an operating deficit of \$376,000 in fiscal 2023 compared to a budgeted deficit of \$724,000. The Center was not built with the expectation that it would generate a direct profit but was intended to provide an economic stimulus for the County creating a multiplier effect of additional visitor spending throughout the community. The Center hosted a total of 165 events and generated approximately \$3.1 million of economic impact on the community during the fiscal year ending June 30, 2023. Debt incurred for the Center is serviced through the occupancy tax and will retire in 2034.

Long-term Financial Planning

Providing services desired by its citizens and those required by statute is a recurring challenge faced by all local governments. Craven County continues to remain committed to only expanding services when corresponding resources are available to support them. For the fiscal year 2024, the County's total operating budget is \$142.6 million with a General Fund tax rate of .4448 cents per \$100 of assessed valuation. The estimate of property values used for fiscal 2024 is \$13.7 billion and is based on the 2023 Countywide Revaluation. The revaluation increased by \$3.2 billion or 31 percent over the 10.5 billion used for the fiscal 2023 budget. North Carolina General Statute 105-206 requires every county in the state to complete a revaluation at least once every eight years. Craven County's last countywide revaluation was done in 2016 and is currently scheduled to be on a four-year cycle with the next revaluation occurring in 2027. Higher property values combined with both residential and commercial growth are primarily responsible for the increase in valuation that the County has experienced.

Efforts to keep fiscal year expenditures within available resources without providing too much reliance on the fund balance continue with the fiscal year 2024 budget. Fund balance is monitored very closely to ensure adequate reserves are maintained to fund projects and to keep the tax rate at a necessary funding level. For the fiscal year 2024, approximately \$249,493 of the fund balance was appropriated in the General Fund. Although the North Carolina State Treasurer's Office recommends no less than an available fund balance of 8 percent, the County has a stated goal of maintaining an available fund

balance between 18 – 25 percent. On June 30, 2023, the County ended the year with an available General Fund balance of 36.23 percent of total expenditures and transfers out.

Major Initiatives

The County is involved in several initiatives heading into fiscal 2024. Some of these initiatives are discussed in the following section.

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Craven County for its comprehensive annual financial report for the fiscal year ended June 30, 2022. This was the 32nd consecutive year that the County has received this award. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

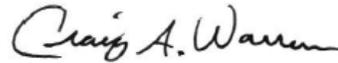
The preparation of this report would not have been possible without the assistance and dedication of the entire staff of the Craven County Finance Department. Much appreciation is expressed to the members of the department who assisted and contributed to the preparation of this report and the County's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

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

Respectively submitted,



Jack B. Veit, III, County Manager



Craig A. Warren, CPA, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Craven County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CRAVEN COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2023

**BOARD OF
COMMISSIONERS**

JASON R. JONES

Chairman

DENNY BUCHER

Vice-Chairman

CHADWICK HOWARD

SHERRY HUNT

THOMAS MARK

E. T. MITCHELL

BEATRICE SMITH

COUNTY OFFICIALS

JACK B. VEIT III

County Manager

CRAIG A. WARREN

Finance Officer

GENE HODGES

Assistant County Manager

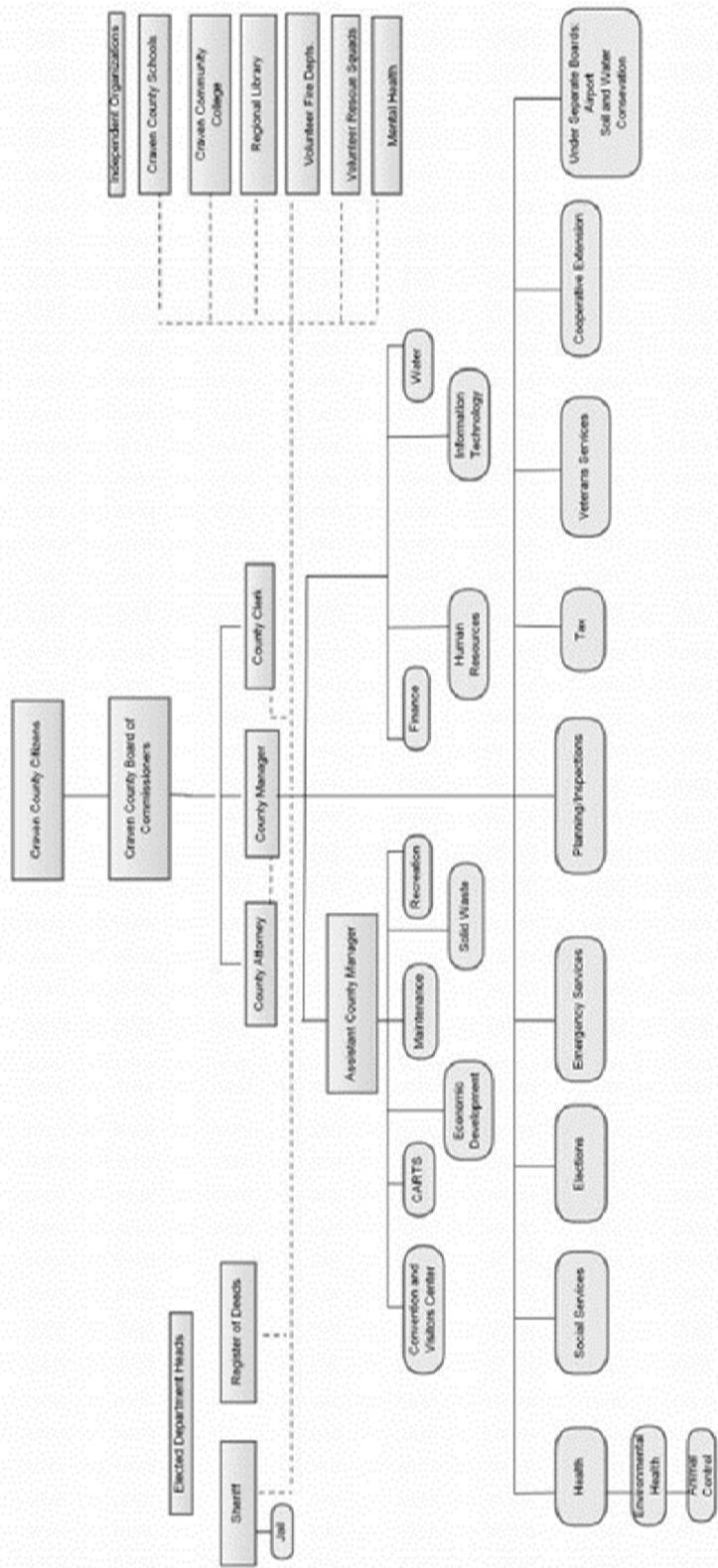
MICHELLE L. TOTH

Register of Deeds

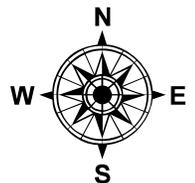
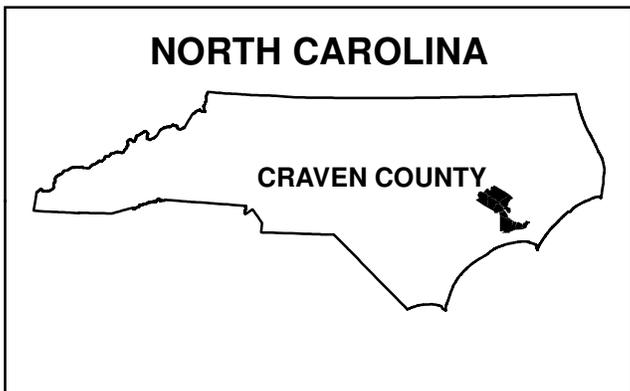
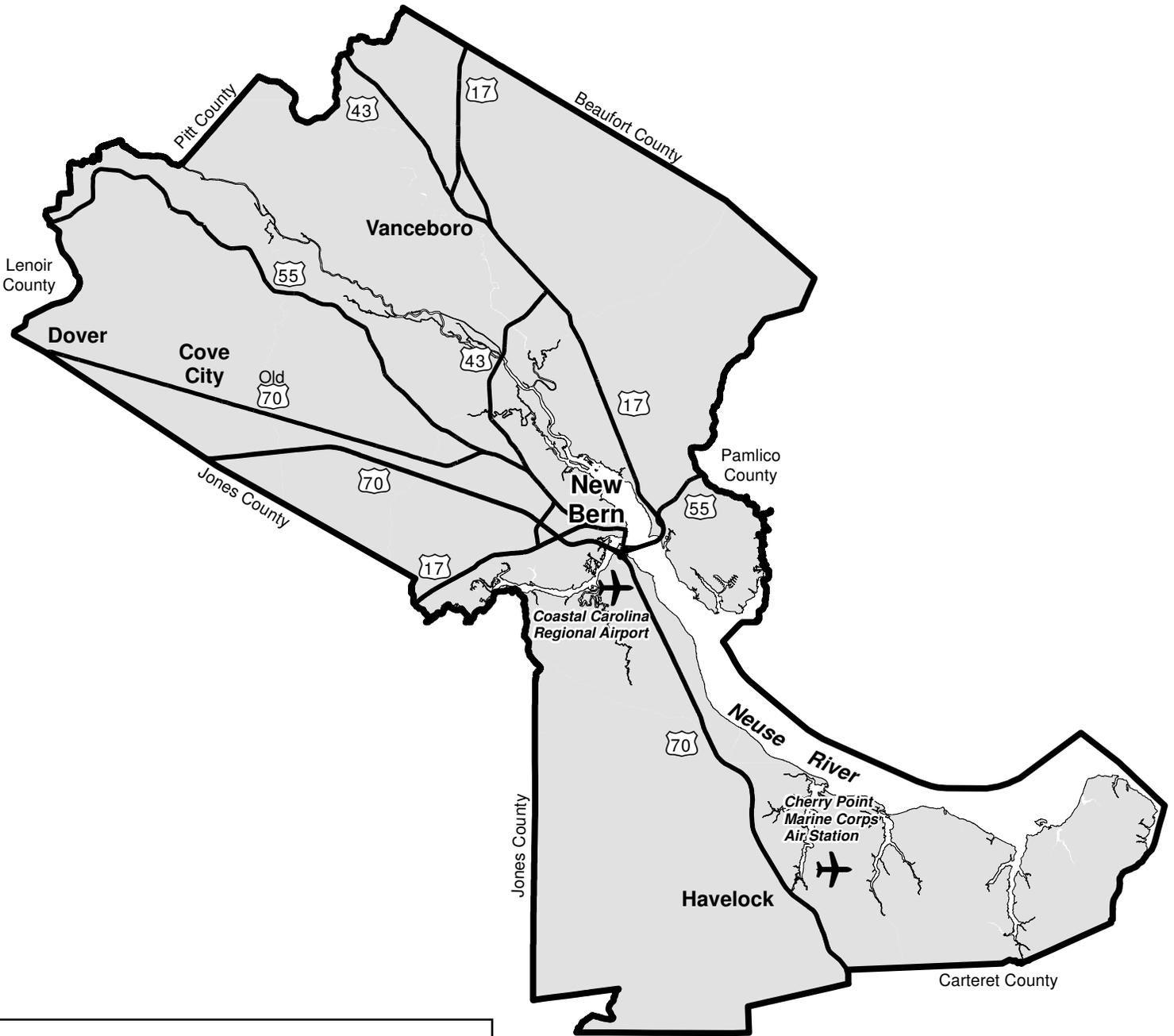
CHIP HUGHES

Sheriff

CRAVEN COUNTY ORGANIZATIONAL CHART



Craven County North Carolina



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FINANCIAL SECTION

Report of Independent Certified Public Accountants

Management's Discussion & Analysis

Basic Financial Statements

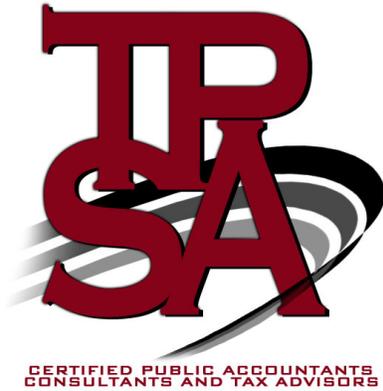
Notes to the Financial Statements

Required Supplementary Information

Other Supplementary Information

Craven County





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

P.O Box 398

1626 S. Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business--type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise Craven County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Craven County Tourism Development Authority, and the Craven County Regional Airport Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Craven County Alcoholic Beverage Control Board (ABC Board) or CarolinaEast Health System (the Health System), which represents 90.1 percent, 89.7 percent, and 96.9 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board and Health System, is based solely on the reports of the other auditors.

Basis for Opinions

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

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Craven County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023 on our consideration of Craven County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Craven County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 27, 2023

Craven County
Management's Discussion and Analysis
June 30, 2023

As management of Craven County, we offer readers of Craven County's financial statements this narrative overview and analysis of the financial activities of Craven County for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

The assets and deferred outflows of resources of Craven County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$179,586,479 (net position).

The government's total net position increased by \$26,492,592 in fiscal year 2023. Of this amount, \$3,990,983 was an increase in net position resulting from the operations of the Water enterprise fund. The remaining \$22,501,609 increase in net position was in governmental activities and was primarily due to revenues exceeding projections and under spending appropriations by \$11,391,572 in the general fund.

As of the close of the current fiscal year, Craven County's governmental funds reported combined ending fund balances of \$102,195,517, reflecting a net increase of \$14,274,536 for the year. Approximately 48.3 percent of the total amount or \$49,365,821, is restricted, committed, or assigned.

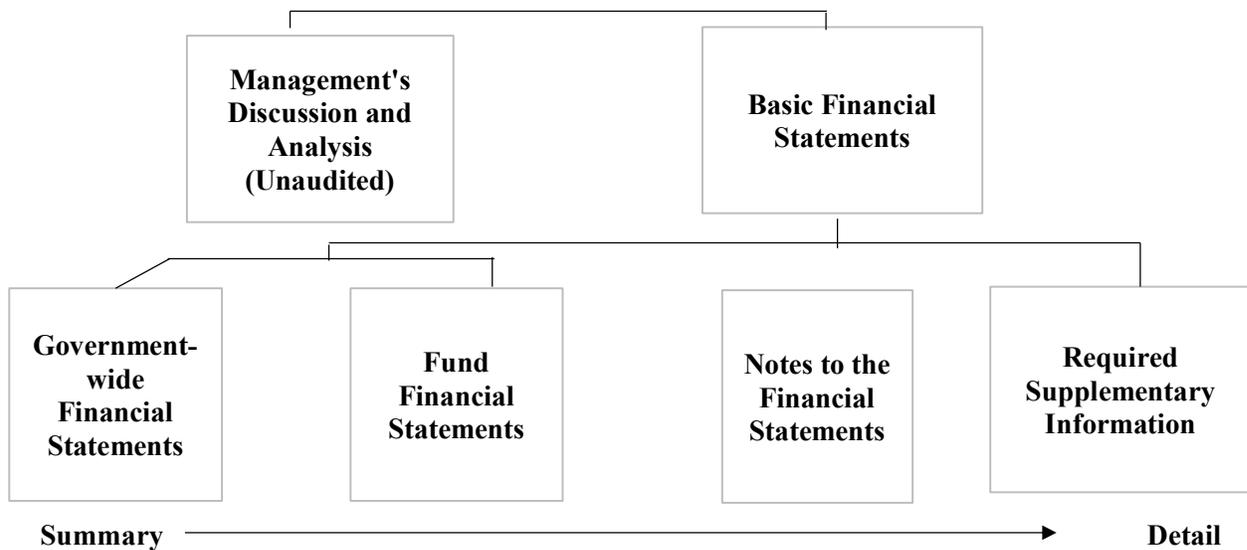
At the end of the current fiscal year, unassigned fund balance for the General Fund was \$52,870,852 or 36.23 percent of total General Fund expenditures including transfers out and excluding capital outlay financed by leases.

The County's total long-term debt decreased by \$5,951,918 as a result of debt service payments made during the fiscal year.

Overview of Financial Statements

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

Required Components of Annual Financial Report



Basic Financial Statements

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

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

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

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

Government-wide Financial Statements

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

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

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

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

The government-wide financial statements follow this analysis.

Fund Financial Statements

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$179,586,479 as of June 30, 2023. The County's net position increased by \$26,492,592 for the fiscal year ended June 30, 2023. By far, the largest category of net position, totaling \$97,777,844 or 54.47 percent of the total net position, is the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. Craven County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Craven County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of Craven County's net position \$34,553,842 or 19.24 percent, represents resources that are subject to external restrictions on how they may be used. Most of this amount is a result of North Carolina statutes requiring restriction of assets not readily converted into cash. The remaining balance of \$47,254,793 is unrestricted at June 30, 2023 and would be significantly larger were it not for the method used to finance public school and community college debt in North Carolina. Under North Carolina law, the County is responsible for providing capital funding for the school system and the community college. The County has chosen to meet its legal obligation to provide the schools capital funding by using a mixture of County funds and debt. The assets funded by the County, however, are owned and utilized by the school systems. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$5,190,750 of outstanding debt on the County's financial statements was related to assets included in the school system's and community college's financial statements.

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

School/College System Debt	\$	(5,190,750)
All Other		52,445,543
Total unrestricted net position	\$	<u>47,254,793</u>

Craven County's Net Position

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other Assets	\$ 123,090,773	\$ 124,787,962	\$ 14,071,463	\$ 14,657,212	\$ 137,162,236	\$ 139,445,174
Capital Assets, net	78,513,193	69,763,102	42,629,769	38,632,324	121,142,962	108,395,426
Total assets	<u>201,603,966</u>	<u>194,551,064</u>	<u>56,701,232</u>	<u>53,289,536</u>	<u>258,305,198</u>	<u>247,840,600</u>
Total deferred outflows of resources	<u>22,088,734</u>	<u>17,820,972</u>	<u>384,980</u>	<u>274,843</u>	<u>22,473,714</u>	<u>18,095,815</u>
Long-term liabilities	61,138,649	52,057,477	11,265,962	11,801,267	72,404,611	63,858,744
Other Liabilities	8,610,301	6,556,061	829,179	583,739	9,439,480	7,139,800
Total liabilities	<u>69,748,950</u>	<u>58,613,538</u>	<u>12,095,141</u>	<u>12,385,006</u>	<u>81,844,091</u>	<u>70,998,544</u>
Total deferred inflows of resources	<u>3,990,523</u>	<u>9,281,786</u>	<u>23,868</u>	<u>211,281</u>	<u>4,014,391</u>	<u>9,493,067</u>
Net position:						
Net investment in capital assets	66,633,600	53,172,950	31,144,244	26,257,735	97,777,844	79,430,685
Restricted	34,553,842	31,832,175	-	-	34,553,842	31,832,175
Unrestricted	34,366,940	28,047,649	12,887,853	13,783,379	47,254,793	41,831,028
Total net position	<u>\$ 135,554,382</u>	<u>\$ 113,052,774</u>	<u>\$ 44,032,097</u>	<u>\$ 40,041,114</u>	<u>\$ 179,586,479</u>	<u>\$ 153,093,888</u>

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

- Continued diligence in the collection of property taxes. The collection percentage was 99.14, which was slightly up from the previous year's collection percentage of 98.97.
- Conservative approach to projecting revenue and expenditure based upon the economy and local trends. Total General Fund revenues were more than projected by \$734 thousand while total General Fund expenditures were less than projected by \$11.39 million.
- Managements proactive stance on monitoring spending across County departments to ensure compliance with the budget.

Craven County's Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues						
Charges for services	\$ 16,739,259	\$ 15,752,578	\$ 4,363,172	\$ 4,464,707	\$ 21,102,431	\$ 20,217,285
Operating grants and contributions	44,254,417	33,087,082	-	-	44,254,417	33,087,082
Capital grants and contributions	6,941,866	2,203,238	-	-	6,941,866	2,203,238
General revenues:						
Property taxes	61,606,085	59,946,931	-	-	61,606,085	59,946,931
Sales and use taxes	27,170,396	25,160,570	-	-	27,170,396	25,160,570
Other	7,305,369	8,613,795	125,413	17,111	7,430,782	8,630,906
Total revenues	<u>164,017,392</u>	<u>144,764,195</u>	<u>4,488,585</u>	<u>4,481,818</u>	<u>168,505,977</u>	<u>149,246,013</u>
Expenses:						
General government	18,237,517	15,288,066	-	-	18,237,517	15,288,066
Public Safety	31,157,647	29,899,762	-	-	31,157,647	29,899,762
Environmental Protection	8,138,308	7,389,226	-	-	8,138,308	7,389,226
Economic and physical development	4,954,213	4,596,491	-	-	4,954,213	4,596,491
Human Services	37,966,261	32,869,512	-	-	37,966,261	32,869,512
Culture and recreation	3,813,906	3,242,162	-	-	3,813,906	3,242,162
Education	31,821,071	29,422,557	-	-	31,821,071	29,422,557
Interest on long term debt	902,565	1,119,654	-	-	902,565	1,119,654
Water and sewer districts	-	-	5,021,897	4,313,497	5,021,897	4,313,497
Total expenses	<u>136,991,488</u>	<u>123,827,430</u>	<u>5,021,897</u>	<u>4,313,497</u>	<u>142,013,385</u>	<u>128,140,927</u>
Increase in net position before transfers	27,025,904	20,936,765	(533,312)	168,321	26,492,592	21,105,086
Transfers	(4,524,295)	(495,406)	4,524,295	495,406	-	-
Increase in net position after transfers	22,501,609	20,441,359	3,990,983	663,727	26,492,592	21,105,086
Net position beginning of year	113,052,773	92,611,415	40,041,114	39,377,387	153,093,887	131,988,802
Net Position ending	<u>\$ 135,554,382</u>	<u>\$ 113,052,774</u>	<u>\$ 44,032,097</u>	<u>\$ 40,041,114</u>	<u>\$ 179,586,479</u>	<u>\$ 153,093,888</u>

Governmental Activities - Governmental activities increased the County's net position by \$22,501,609 from the prior fiscal year. Key elements of this increase are as follows:

- Property tax revenues increased by \$1.6 million in 2023 due to continued diligence in collection efforts along with modest growth in the tax base.
- Sales tax revenues increased approximately \$2.0 million from the prior year due to increased consumer spending in the County and around the State.
- Overall expenses increased \$13 million from the previous year with Public Safety, General Government, Human Services, and Education making up the largest portions of the increase at \$1.2 million, \$2.9 million, \$5 million, and \$2.4 million, respectively.
- Many expense categories such as Human Services, General Government, and Public Safety all came in under budget which contributed to the increase in net position.

Business-type activities - Business-type activities for the County's water utility increased the County's total net position by \$3,990,983.

- Total revenues remained flat compared to the last fiscal year. Service charges were down due to lower tap fees collected but were offset by higher investment earnings. Expenses were up compared to last year due mostly to infrastructure upgrades to the water system.
- The last rate increase was implemented in October 2011 in order to finance the construction of the new water treatment plant along with the additional operating expenses.

Financial Analysis of the County's Funds

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

Governmental Funds - The focus of Craven County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Craven County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2023, the governmental funds of Craven County reported a combined fund balance of \$102,195,517, which represents a 16.24 percent increase from last year.

The General Fund is the chief operating fund of Craven County. At the end of fiscal 2023, the County's unassigned fund balance in the General Fund was \$52,870,852 while total fund balance reached \$65,129,097. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance of the County's General Fund represents 36.23 percent of total General Fund expenditures including transfers out, while total fund balance represents 44.64 percent of the total General Fund expenditures. The County has not adopted a formal fund balance policy but has identified a goal of maintaining an available fund balance in the range of 18 to 25 percent of expenditures to meet any unforeseen needs or opportunities that may arise.

The American Rescue Plan Fund (major governmental fund) had a increase in fund balance of approximately \$68,022 due to earnings on investments. The County reported \$2,339,299 as unearned grant revenues in this fund.

The Capital Reserve Fund (major governmental fund) had an increase in fund balance of approximately \$3,788,503 due to the transfer of funds for future capital projects.

The Courthouse/EOC Recovery Project Fund (major governmental fund) had a increase in fund balance of approximately \$2,730,595 due to the receipt of State Appropriations for the project. The County reported \$3,733,998 as unearned grant revenues in this fund.

Fund balances of the non-major governmental funds increased by \$2,162,354. The primary reason for this increase is the was related to transfers for projects for which the expenditures had not been incurred by year end.

General Fund Budgetary Highlights - The County approaches the budget using conservative, fact-based estimates for revenues and expenditures. As a result, actual revenues during 2023 exceeded budget estimates by \$734 thousand, less than one percent. Higher than projected property taxes and sales taxes and investment earnings accounted for most of the positive variances on the revenue side.

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased budgeted revenues by \$11 million and expenditure appropriations by \$105 thousand.

Total expenditures during 2023 came in under budget by \$11.4 million or 7.94 percent. Savings from underspending appropriations occurred in all programs with general government, public safety, health, and social services accounting for most of the variance. Appropriations in these four categories were underspent by \$3.9 million, \$1.6 million, \$1.4, and \$1.9 million, respectively.

Net transfers out were increased in the budget by approximately \$21 million and consisted of additional sales tax revenue designated for school capital expenditures transferred to the Debt Service Fund, \$4.4 million transferred to the Capital Reserve Fund, and \$3 million transferred to capital projects.

Proprietary Funds – Craven County’s proprietary funds statements provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position in the Water Fund at decreased during the fiscal year by \$895 thousand to \$12.89 million while net investment in capital assets increased \$4.89 million. As a result of this activity, the total net position in the Water Fund increased by \$3.99 million. The transfer of ARPA funds to fund the Telemetry water project was the main reason for this increase.

Capital Asset and Debt Administration

Capital assets - Craven County's capital assets for its governmental and business-type activities as of June 30, 2023 totaled approximately \$121,142,962 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and water production and distribution infrastructure.

Major capital asset transactions during the year included:

- HVAC upgrades at Court Facilities
- Constructed new Transportation Department (CARTS) building
- Improvements to recreation assets at West Craven and Creekside Park
- Purchase of 33 vehicles including 17 for the Sheriff's Department
- Camera system and access upgrades at Judicial Center
- Built 24,000-gallon fueling station
- Renovated Health Department for location of new Pharmacy
- Purchase land for potential new County building sites

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 16,908,495	\$ 10,645,739	\$ 947,354	\$ 947,354	\$ 17,855,849	\$ 11,593,093
Buildings	68,644,041	67,567,371	30,809,947	30,742,432	99,453,988	98,309,803
Improvements	38,406,078	36,235,862	30,153,432	30,153,432	68,559,510	66,389,294
Machinery and Equipment	10,344,872	9,332,611	272,318	272,318	10,617,190	9,604,929
Vehicles	9,676,808	9,011,739	452,854	418,592	10,129,662	9,430,331
Construction in progress	6,480,623	3,992,616	6,959,358	1,344,156	13,439,981	5,336,772
Right to use assets	504,118	385,949	-	-	504,118	385,949
Total	150,965,035	137,171,887	69,595,263	63,878,284	220,560,298	201,050,171
Less accumulated depreciation &	72,451,842	67,127,683	26,965,494	25,245,910	99,417,336	92,373,593
Total, net of depreciation	\$ 78,513,193	\$ 70,044,204	\$ 42,629,769	\$ 38,632,374	\$ 121,142,962	\$ 108,676,578

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

Long-term Debt - As of June 30, 2023, Craven County had total bonded general obligation debt outstanding of \$0 all of which is backed by the full faith and credit of the County. All other debt is covered by pledged collateral and is subject to appropriation.

Craven County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
G.O. bonds	\$ -	\$ 1,326,000	\$ -	\$ -	\$ -	\$ 1,326,000
Installment debt	19,390,000	23,185,000	11,485,525	12,374,589	30,875,525	35,559,589
Lease liability	321,150	263,004	-	-	321,150	263,004
Total	\$ 19,711,150	\$ 24,774,004	\$ 11,485,525	\$ 12,374,589	\$ 31,196,675	\$ 37,148,593

Craven County's total debt decreased \$5.9 million during the fiscal year, primarily due to the retirement of existing debt principal. The County did not issue any new debt during the year, but recorded lease liabilities as a result of the implementation of GASB 87.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The balance remaining of the legal debt margin for Craven County is \$821,084,431.

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

Economic Factors and Next Year's Budget and Rates

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

- The County's average unemployment rate for 2022 improved to 3.7 percent from the 4.7 percent reported for 2021. The rate remained steady for most of the year reaching its lowest point at 3.2 percent in April 2022. Comparatively, the statewide average unemployment rate for 2022 was the same at 3.7 percent, a decrease from the 4.8 percent reported for the previous calendar year 2021. The County ended fiscal year 2023 with an unemployment rate of 3.6 percent for June.
- Per capita personal income in Craven County increased by 0.6 percent (the latest information available), to \$54,327. The change for the state of North Carolina in 2022 was a 2.5 percent increase and nationally the change was a 1.6 percent increase. The County's per capita income level is 93.5 percent of the state's average of \$58,109 and 83 percent of the national average of \$65,470. The County ranked 26th out of 100 counties in the state in per capita income, down four positions reported for the previous year. The 2012-2022 average annual growth rate of per capita personal income for Craven County was 3.5 percent, while the average annual growth rate for the state was 4.1 percent and 4.0 percent for the nation.
- Residential development and the local housing market in Craven County remain positive reporting modest growth over last year. In 2023 new home construction increased by 8.2 percent from the previous year with 211 new home starts compared to 195 reported in 2022. Although recent sales data shows the number of homes sold in calendar year 2023 decreased from the previous year, the average home sales price in Craven County increased by 15.7 percent to \$295,000.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities - The County approved a \$142.6 million General Fund budget for fiscal year 2024, which is an increase of \$10.3 million or 7.8 percent from the previous year. Estimated assessed property values for fiscal 2024 were \$13.7 billion and were based on the County's 2023 property revaluation as of January 1, 2023. The countywide property revaluation resulted in an increase in assessed property values by \$3.2 billion or 31 percent from the estimated \$10.5 billion used for the fiscal 2023 budget. As a result of this increase, the County adopted the revenue-neutral ad valorem tax rate of 44.48 cents per \$100 of assessed valuation. All revenues were budgeted conservatively with projected increases of 3.8 percent in property tax revenues and 4.0 percent in sales tax receipts.

The County appropriated \$249,493 of fund balance in order to balance the 2024 budget. Management does not anticipate that any of the fund balance appropriated will be expended as revenues and expenditures were budgeted conservatively.

Capital expenditures in the amount of \$5.5 million are included in the 2024 budget. Major capital acquisitions include:

- Recreational Improvements at County parks \$510,000
- Animal Shelter improvements and repairs \$482,500
- Transportation (CARTS) vehicles \$524,000
- Senior Center maintenance and upgrades \$191,500
- Technology upgrades and improvements \$303,000
- Solid Waste equipment replacements \$85,000
- Maintenance projects and improvements \$683,000
- Sheriff Department vehicles including upfitting \$1,165,000
- Convention Center ADA enhancements and furniture replacement \$145,000

Education is the single largest category in terms of its portion of total expenditures and includes both the public school system and community college. Appropriated operating and capital expenditures were increased by 1.5 percent from the previous year totaling \$30.2 million or 21.2 percent of the fiscal year 2024 budget. As always, additional funding may be provided to the public schools from the County's fund balance after potential impacts of the State's budget are finalized. The second largest category includes both Health and Social Services expenditures totaling approximately \$36.5 million or 25.6 percent of budgeted appropriations. Public Safety, the third largest category, totals approximately \$28.1 million and makes up 19.7 percent of the total general fund budget. Overall fiscal year 2024 budget increases were mostly attributed to higher operating costs associated with inflation.

Business-type Activities: The County approved a \$4.5 million budget for the operations of the County's water system with no change to water rates for fiscal 2024. In fiscal 2018 the County completed construction on its new \$30.9 million Water Treatment Plant. This facility can process approximately 3 million gallons per day and is readily expandable to 5 million should future demands require it. The annual debt service payments for this new facility are budgeted at \$808,950. The last rate increase for the water system was implemented in October 2011 and was designed to provide the funds needed to cover the debt service and increased operating costs of the new water treatment plant. Management reviews these rates annually to ensure they remain sufficient to cover all operating and capital costs. Several maintenance and efficiency projects under development could require rate adjustments in future years should the County decide to move forward with them.

Request for Information

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

BASIC FINANCIAL STATEMENTS

Craven County



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Craven County, North Carolina
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		Component Units				
	Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Coastal Carolina Regional Airport Authority	CarolinaEast Health System	Craven County ABC Board
ASSETS							
Cash and cash equivalents	\$ 44,331,888	\$ 12,896,847	\$ 57,228,735	\$ 564,331	\$ 9,197,329	\$ 15,799,857	\$ 2,165,672
Short-term investments	55,320,323	-	55,320,323	-	6,927,041	70,122,437	-
Restricted cash	7,552,101	323,560	7,875,661	-	2,137,737	322,105,658	-
Accounts Receivable (net)	4,592,140	734,170	5,326,310	74,951	2,910,617	89,217,994	-
Lease Receivable - current	50,895	-	50,895	-	-	-	-
Taxes Receivable (net)	10,617,149	-	10,617,149	-	-	-	-
Accrued Interest Receivable	73,490	-	73,490	-	-	194,000	-
Inventories	-	-	-	-	-	12,562,078	1,108,318
Prepays	40,093	116,886	156,979	-	-	10,361,590	47,333
Lease Receivable - noncurrent	42,777	-	42,777	-	-	125,798	-
Other assets	-	-	-	-	-	6,496,677	-
Net pension asset	142,004	-	142,004	-	-	-	-
Capital asset:							
Land and construction in progress	23,389,118	7,906,727	31,295,845	-	35,377,011	17,636,564	4,392,644
Other capital assets, net of depreciation	54,796,162	34,723,042	89,519,204	-	28,100,901	195,120,277	955,099
Right to use assets, net of amortization	327,913	-	327,913	-	-	25,238,831	300,698
Total capital assets	78,513,193	42,629,769	121,142,962	-	63,477,912	237,995,672	5,648,441
Total assets	201,276,053	56,701,232	257,977,285	639,282	84,650,636	764,981,761	8,969,764
DEFERRED OUTFLOWS OF RESOURCES	22,088,734	384,980	22,473,714	-	386,335	1,940,363	417,019
LIABILITIES							
Accounts payable	6,941,325	453,188	7,394,513	9,635	2,363,311	39,778,568	1,974,934
Accrued salaries and benefits	1,605,876	51,721	1,657,597	-	96,999	14,585,812	-
Accrued interest payable	63,100	710	63,810	-	-	-	-
Customer Deposits	-	323,560	323,560	-	-	-	-
Unearned grant revenues	7,324,667	-	7,324,667	1,265	9,064,778	-	-
Current maturities of long term obligations	6,746,265	935,106	7,681,371	-	-	9,519,450	31,645
Long-term liabilities:							
Due in more than one year	16,342,583	10,617,894	26,960,477	-	-	67,212,924	3,677,740
Net pension liability	24,165,035	504,853	24,669,888	-	355,410	-	530,294
Total OPEB liability	20,631,031	143,215	20,774,246	-	376,819	-	-
Total Liabilities	83,819,882	13,030,247	96,850,129	10,900	12,257,317	131,096,754	6,214,613
DEFERRED INFLOWS OF RESOURCES	3,990,523	23,868	4,014,391	-	56,287	914,413	2,240
NET POSITION							
Net Investments in capital assets	66,633,600	31,144,244	97,777,844	-	63,477,912	161,263,298	1,954,279
Restricted for:							
Stabilization by State Statute	11,947,661	-	11,947,661	74,951	-	-	-
ROD Pension Plan	213,562	-	213,562	-	-	-	-
General government	4,113,310	-	4,113,310	-	-	-	-
Education	12,286,464	-	12,286,464	-	-	-	-
Human services	205,243	-	205,243	-	-	-	-
Public Safety	2,431,921	-	2,431,921	-	-	-	-
Economic and physical development	3,355,681	-	3,355,681	553,431	-	-	-
Other purposes	-	-	-	-	-	2,023,622	493,820
Unrestricted	34,366,940	12,887,853	47,254,793	-	9,245,455	471,624,037	721,831
Total net position	\$ 135,554,382	\$ 44,032,097	\$ 179,586,479	\$ 628,382	\$ 72,723,367	\$ 634,910,957	\$ 3,169,930

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

Activities	Program Revenues				Net (Expense) Revenue and Changes in Net Position									
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units						
					Governmental Activities	Business-type Activities	Total	Tourism Development Authority	Craven County Regional Authority	CarolinaEast Health System	Craven County ABC Board			
Primary Government:														
General government	\$ 18,237,517	\$ 2,272,274	\$ 19,907,811	\$ 590,426	\$ 4,532,994	\$ -	\$ 4,532,994	-	-	-	-	-	-	-
Public Safety	31,157,647	3,690,874	2,005,871	-	(25,460,902)	-	(25,460,902)	-	-	-	-	-	-	-
Social Services	25,188,055	643,149	15,430,915	27,985	(9,086,006)	-	(9,086,006)	-	-	-	-	-	-	-
Economic and physical development	4,954,213	61,765	44,718	4,675,295	(172,435)	-	(172,435)	-	-	-	-	-	-	-
Environmental protection	8,138,308	3,962,168	138,542	-	(4,037,598)	-	(4,037,598)	-	-	-	-	-	-	-
Health	12,778,206	5,104,214	6,640,060	-	(1,033,932)	-	(1,033,932)	-	-	-	-	-	-	-
Cultural and recreation	3,813,906	1,004,815	86,500	-	(2,722,591)	-	(2,722,591)	-	-	-	-	-	-	-
Education	31,821,071	-	-	1,648,160	(30,172,911)	-	(30,172,911)	-	-	-	-	-	-	-
Interest on long-term debt	902,565	-	-	-	(902,565)	-	(902,565)	-	-	-	-	-	-	-
Total governmental activities	136,991,488	16,739,259	44,254,417	6,941,866	(69,055,946)	-	(69,055,946)	-	-	-	-	-	-	-
Business-type:														
Water	5,021,897	4,363,172	-	-	-	(658,725)	(658,725)	-	-	-	-	-	-	-
Total business-type activities	5,021,897	4,363,172	-	-	-	(658,725)	(658,725)	-	-	-	-	-	-	-
Total primary government	\$ 142,013,385	\$ 21,102,431	\$ 44,254,417	\$ 6,941,866	\$ (69,055,946)	\$ -	\$ (69,055,946)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Component units:														
Tourism Development Authority	\$ 764,210	\$ 820,072	\$ -	\$ -	-	-	-	55,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coastal Carolina Regional Airport Authority	5,387,539	2,178,436	4,759,131	10,308,494	-	-	-	-	11,858,522	-	-	-	-	-
CarolinaEast Health System	547,462,746	518,269,916	-	-	-	-	-	-	-	-	(29,192,830)	-	-	-
Craven County ABC Board	12,846,881	12,839,328	-	-	-	-	-	-	-	-	-	-	-	-
Total component units	\$ 566,461,376	\$ 534,107,752	\$ 4,759,131	\$ 10,308,494	-	-	-	\$ 55,862	\$ 11,858,522	\$ (29,192,830)	\$ -	\$ -	\$ (7,553)	\$ (7,553)
General Revenues:														
Taxes:														
Property taxes, levied for general purposes					61,606,085	-	61,606,085	-	-	-	-	-	-	-
Local option sales tax					27,170,396	-	27,170,396	-	-	-	-	-	-	-
Other taxes					4,286,567	-	4,286,567	-	-	-	-	-	-	-
Investment earnings, unrestricted					2,357,868	125,413	2,483,281	-	133,125	38,418,449	-	7,174	-	-
Miscellaneous, unrestricted					660,934	-	660,934	11,076	66	663,685	-	379	-	-
Transfers					(4,524,295)	4,524,295	-	-	-	-	-	-	-	-
Total general revenues and transfers					91,557,555	4,649,708	96,207,263	11,076	133,191	39,082,134	-	7,553	-	-
Change in net position					22,501,609	3,990,983	26,492,592	66,938	11,991,713	9,889,304	-	-	-	-
Net position, beginning					113,052,773	40,041,114	153,093,887	561,444	60,731,654	625,021,653	-	3,169,930	-	-
Net position, ending					\$ 135,554,382	\$ 44,032,097	\$ 179,586,479	\$ 628,382	\$ 72,723,367	\$ 634,910,957	\$ -	\$ 3,169,930	\$ -	\$ -

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

Craven County



CRAVEN COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	Major Funds					Total Governmental Funds
	General	American Rescue Plan Fund	Capital Reserve Fund	Courthouse/ EOC Recovery Project	Nonmajor Governmental Funds	
ASSETS						
Cash and cash equivalents	\$ 3,586,824	\$ -	\$ 14,116,395	\$ 3,658,780	\$ 17,767,050	\$ 39,129,049
Short-term investments	55,320,323	-	-	-	-	55,320,323
Restricted cash	135,183	2,409,176	-	3,733,998	1,273,744	7,552,101
Taxes receivable	8,551,542	-	-	-	2,065,607	10,617,149
Accounts receivable	4,377,318	-	-	-	71,791	4,449,109
Lease receivable	93,672	-	-	-	-	93,672
Due from other funds	64,734	-	-	-	-	64,734
Prepays	28,093	-	-	-	-	28,093
Total Assets	<u>\$ 72,157,689</u>	<u>\$ 2,409,176</u>	<u>\$ 14,116,395</u>	<u>\$ 7,392,778</u>	<u>\$ 21,178,192</u>	<u>\$ 117,254,230</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,869,977	\$ -	\$ -	\$ -	\$ 725,092	\$ 4,595,069
Accrued salaries and benefits	1,605,876	-	-	-	-	1,605,876
Due to other funds	-	-	-	-	64,734	64,734
Unearned Revenues	135,183	2,339,299	-	3,733,998	1,116,187	7,324,667
Total liabilities	<u>5,611,036</u>	<u>2,339,299</u>	<u>-</u>	<u>3,733,998</u>	<u>1,906,013</u>	<u>13,590,346</u>
Deferred inflows of resources	1,417,556	-	-	-	50,811	1,468,367
Fund Balances:						
Non spendable						
Prepays	28,093	-	-	-	-	28,093
Leases	2,481	-	-	-	-	2,481
Restricted:						
Stabilization by State Statute	11,913,799	-	-	-	33,862	11,947,661
General Government	-	-	-	3,658,780	454,530	4,113,310
Human Services	-	-	-	-	205,243	205,243
Public Safety	64,379	-	-	-	2,367,542	2,431,921
Economic and physical development	-	69,877	-	-	3,285,804	3,355,681
Education, schools	-	-	-	-	12,286,464	12,286,464
Committed:						
Capital Projects	-	-	14,116,395	-	631,560	14,747,955
Assigned:						
For subsequent year's expenditures	249,493	-	-	-	-	249,493
Unassigned	52,870,852	-	-	-	(43,637)	52,827,215
Total fund balances	<u>65,129,097</u>	<u>69,877</u>	<u>14,116,395</u>	<u>3,658,780</u>	<u>19,221,368</u>	<u>102,195,517</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 72,157,689</u>	<u>\$ 2,409,176</u>	<u>\$ 14,116,395</u>	<u>\$ 7,392,778</u>	<u>\$ 21,178,192</u>	<u>\$ 117,254,230</u>

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

CRAVEN COUNTY, NORTH CAROLINA
 Reconciliation of the Balance Sheet of Governmental Fund to the Statement of Net Position
 June 30, 2023

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

Total fund balance Governmental Funds	\$ 102,195,517
Charges relating to advance refunding debt issue	1,156,447
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	78,513,193
Register of Deeds Net Pension Asset	142,004
Contributions to pension plans in the current fiscal year are deferred outflows or resources in the Statement of Net Position	4,416,343
Benefit payments and pension administration costs for LEOSSA paid in the current year are deferred outflows of resources in the Statement of Net Position	58,753
Contributions and pension administration costs for OPEB are deferred outflows of resources in the Statement of Net Position	362,313
Other Long term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds	73,490
Net pension liability (LGRS)	(22,049,576)
Total pension liability (LEOSSA)	(2,115,459)
Total OPEB liability	(20,631,031)
Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities in the Statement of Net Position.	3,011,614
Amounts reported in the fund statements as deferred inflows of resources for tax and fee receivables.	1,130,607
Pension related deferrals	10,728,458
OPEB related deferrals	1,713,657
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(23,151,948)
Net position of governmental activities	<u><u>\$ 135,554,382</u></u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	American Rescue Plan Fund	Capital Reserve Fund	Courthouse/ EOC Recovery Project		
REVENUES						
Taxes:						
Property	\$ 59,101,199	\$ -	\$ -	\$ -	\$ 2,421,819	\$ 61,523,018
Sales	25,926,013	-	-	-	1,244,383	27,170,396
Tourism Room	-	-	-	-	2,415,605	2,415,605
Intergovernmental	32,307,134	16,853,598	-	590,426	1,976,981	51,728,139
Charges for services	17,949,560	-	-	-	-	17,949,560
Interest	2,173,374	68,022	44,504	20,350	51,618	2,357,868
Miscellaneous	690,300	-	-	-	76,429	766,729
Total revenues	<u>138,147,580</u>	<u>16,921,620</u>	<u>44,504</u>	<u>610,776</u>	<u>8,186,835</u>	<u>163,911,315</u>
EXPENDITURES						
Current:						
General government	23,838,295	-	-	487,967	45,025	24,371,287
Public Safety	25,415,368	-	-	-	4,043,930	29,459,298
Environmental protection	8,094,358	-	-	-	-	8,094,358
Economic and physical development	3,285,278	-	-	-	991,876	4,277,154
Health	12,381,451	-	-	-	-	12,381,451
Social services	22,757,869	-	-	-	2,902,692	25,660,561
Culture and recreation	3,432,789	-	-	-	-	3,432,789
Education	29,951,912	-	-	-	1,869,159	31,821,071
Debt service:						
Principal	2,506,100	-	-	-	2,712,000	5,218,100
Interest	345,257	-	-	-	156,404	501,661
Total expenditures	<u>132,008,677</u>	<u>-</u>	<u>-</u>	<u>487,967</u>	<u>12,721,086</u>	<u>145,217,730</u>
Excess of revenues over (under) expenditures	<u>6,138,903</u>	<u>16,921,620</u>	<u>44,504</u>	<u>122,809</u>	<u>(4,534,251)</u>	<u>18,693,585</u>
OTHER FINANCING SOURCES						
Lease Proceeds	155,246	-	-	-	-	155,246
Transfers in	13,290,843	-	4,350,999	2,607,786	7,640,145	27,889,773
Transfers out	<u>(14,059,930)</u>	<u>(16,853,598)</u>	<u>(607,000)</u>	<u>-</u>	<u>(943,540)</u>	<u>(32,464,068)</u>
Total other financing sources (uses)	<u>(613,841)</u>	<u>(16,853,598)</u>	<u>3,743,999</u>	<u>2,607,786</u>	<u>6,696,605</u>	<u>(4,419,049)</u>
Net change in fund balances	5,525,062	68,022	3,788,503	2,730,595	2,162,354	14,274,536
FUND BALANCES						
Fund balance, beginning	<u>59,604,035</u>	<u>1,855</u>	<u>10,327,892</u>	<u>928,185</u>	<u>17,059,014</u>	<u>87,920,981</u>
Fund balance, ending	<u>\$ 65,129,097</u>	<u>\$ 69,877</u>	<u>\$ 14,116,395</u>	<u>\$ 3,658,780</u>	<u>\$ 19,221,368</u>	<u>\$ 102,195,517</u>

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

CRAVEN COUNTY, NORTH CAROLINA
 Reconciliation of the Statement of Revenues, Expenditures, and changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2023

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

Net Change in fund balances - total government funds	\$ 14,274,536
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	8,727,537
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(305,359)
Capital outlay expenditures associated with leases are recorded in the fund statements but capitalized as right to use assets in the statement of activities.	155,247
Amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(108,436)
The contributions to the pension plans in the current fiscal year are not included in the Statement of Activities	4,416,343
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	58,753
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	362,313
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	106,077
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,062,854
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(9,127,830)
Internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.	<u>(1,120,426)</u>
Change in net position of governmental activities	<u>\$ 22,501,609</u>

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

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

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

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 58,878,294	\$58,878,294	\$ 59,101,199	\$ 222,905
Sales	23,083,150	23,583,150	25,926,013	2,342,863
Intergovernmental	27,017,745	33,134,353	32,307,134	(827,219)
Charges for services	19,278,008	19,477,839	17,949,560	(1,528,279)
Interest	101,500	1,701,500	2,173,374	471,874
Miscellaneous	541,285	638,325	690,300	51,975
Total revenues	128,899,982	137,413,461	138,147,580	734,119
EXPENDITURES				
General government	17,696,510	27,811,077	23,838,295	3,972,782
Public Safety	25,090,459	27,014,223	25,415,368	1,598,855
Environmental protection	8,121,787	8,670,566	8,094,358	576,208
Economic and physical development	3,495,689	4,290,774	3,285,278	1,005,496
Health	11,736,362	13,798,285	12,381,451	1,416,834
Social services	23,336,678	24,750,803	22,757,869	1,992,934
Culture and recreation	3,477,868	3,676,166	3,432,789	243,377
Education - schools	29,736,569	30,536,982	29,951,912	585,070
Debt Service:				
Principal	2,409,000	2,506,100	2,506,100	-
Interest	337,400	345,273	345,257	16
Total debt service	2,746,400	2,851,373	2,851,357	16
Total expenditures	125,438,322	143,400,249	132,008,677	11,391,572
Excess of revenues over expenditures	3,461,660	(5,986,788)	6,138,903	12,125,691
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	155,246	155,246
Transfer in	3,528,470	6,095,794	13,290,843	7,195,049
Transfer out	(6,993,861)	(14,062,435)	(14,059,930)	2,505
Total other financing sources (uses)	(3,465,391)	(7,966,641)	(613,841)	7,352,800
Excess of revenues over (under) expenditures and other financing sources (uses)	(3,731)	(13,953,429)	5,525,062	19,478,491
Appropriated fund balance	3,731	13,953,429	-	(13,953,429)
Net change in fund balance	\$ -	\$ -	5,525,062	\$ 5,525,062
Fund balance, beginning			59,604,035	
Fund balance, ending			\$ 65,129,097	

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	Water Fund	Non-major Northwest Craven Water and Sewer District	Eliminations		Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 12,896,847	\$ -	\$ -	\$ 12,896,847	\$ 5,202,839
Accounts receivable, net of allowance for doubtful accounts	734,170	-	-	734,170	143,031
Prepays	116,886	-	-	116,886	12,000
Lease receivable-current	-	80,115	(80,115)	-	-
Total current assets	13,747,903	80,115	(80,115)	13,747,903	5,357,870
Noncurrent Assets:					
Restricted cash and cash equivalents	323,560	-	-	323,560	-
Lease receivable-noncurrent	-	80,113	(80,113)	-	-
Capital assets:					
Land	947,369	-	-	947,369	-
Construction in process	6,959,358	-	-	6,959,358	-
Improvements other than buildings	30,267,730	-	-	30,267,730	-
Buildings	30,695,648	-	-	30,695,648	-
Machinery and equipment	725,008	-	-	725,008	-
Less accumulated depreciation	(26,965,344)	-	-	(26,965,344)	-
Total capital assets (net of accumulated depreciation)	42,629,769	-	-	42,629,769	-
Total noncurrent assets	42,953,329	80,113	(80,113)	42,953,329	-
Total assets	56,701,232	160,228	(160,228)	56,701,232	5,357,870
DEFERRED OUTFLOWS OF RESOURCES	384,980	-	-	384,980	-
LIABILITIES					
Current Liabilities					
Accounts payable	453,188	-	-	453,188	2,346,256
Accrued salaries and benefits	51,721	-	-	51,721	-
Accrued interest payable	710	-	-	710	-
Customer deposit payable	323,560	-	-	323,560	-
Compensated absences liability - current	46,042	-	-	46,042	-
Installment notes payable - current	808,949	80,115	-	889,064	-
Obligations under lease - current	80,115	-	(80,115)	-	-
Total current liabilities	1,764,285	80,115	(80,115)	1,764,285	2,346,256
Noncurrent liabilities					
Compensated absences liability	21,433	-	-	21,433	-
Net pension liability	504,853	-	-	504,853	-
Total OPEB Liability	143,215	-	-	143,215	-
Installment notes payable	10,516,348	80,113	-	10,596,461	-
Obligations under lease	80,113	-	(80,113)	-	-
Total noncurrent liabilities	11,265,962	80,113	(80,113)	11,265,962	-
Total Liabilities	13,030,247	160,228	(160,228)	13,030,247	2,346,256
DEFERRED INFLOWS OF RESOURCES	23,868	-	-	23,868	-
NET POSITION					
Net Investment in capital assets	31,144,244	-	-	31,144,244	-
Unrestricted	12,887,853	-	-	12,887,853	3,011,614
Total net position	\$ 44,032,097	\$ -	\$ -	\$ 44,032,097	\$ 3,011,614

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water Fund	Non-major Northwest Craven Water and Sewer District	Total	
OPERATING REVENUES				
Charges for services	\$ 4,163,133	\$ -	\$ 4,163,133	\$ 7,912,509
Miscellaneous	200,039	-	200,039	519,579
Total operating revenues	<u>4,363,172</u>	<u>-</u>	<u>4,363,172</u>	<u>8,432,088</u>
OPERATING EXPENSES				
Cost of services	3,296,276	-	3,296,276	9,665,933
Depreciation and amortization	1,719,584	-	1,719,584	-
Total operating expenses	<u>5,015,860</u>	<u>-</u>	<u>5,015,860</u>	<u>9,665,933</u>
Operating income/(loss)	<u>(652,688)</u>	<u>-</u>	<u>(652,688)</u>	<u>(1,233,845)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	125,413	-	125,413	63,419
Interest expense	-	(6,037)	(6,037)	-
Total net nonoperating revenues (expenses)	<u>125,413</u>	<u>(6,037)</u>	<u>119,376</u>	<u>63,419</u>
Income (loss) before transfers	<u>(527,275)</u>	<u>(6,037)</u>	<u>(533,312)</u>	<u>(1,170,426)</u>
Transfers in	4,693,295	6,037	4,699,332	50,000
Transfers out	(175,037)	-	(175,037)	-
Total transfers in (out)	<u>4,518,258</u>	<u>6,037</u>	<u>4,524,295</u>	<u>50,000</u>
Change in net position	<u>3,990,983</u>	<u>-</u>	<u>3,990,983</u>	<u>(1,120,426)</u>
Net position, beginning	<u>40,041,114</u>	<u>-</u>	<u>40,041,114</u>	<u>4,132,040</u>
Net position, ending	<u>\$ 44,032,097</u>	<u>\$ -</u>	<u>\$ 44,032,097</u>	<u>\$ 3,011,614</u>

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

Craven County



CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Business-type Activities -			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Water Fund	Non-major Northwest Craven Water and Sewer District	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,387,855	\$ -	\$ 4,387,855	\$ 8,491,028
Payments to customers and suppliers	(1,946,762)	-	(1,946,762)	(8,632,261)
Payments to employees	(1,315,083)	-	(1,315,083)	-
Net cash provided by (used in) operating activities	<u>1,126,010</u>	<u>-</u>	<u>1,126,010</u>	<u>(141,233)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisitions & construction of capital assets	(5,450,156)	-	(5,450,156)	-
Repayment of installment notes and bonds	(808,950)	-	(808,950)	-
Payments on obligations under capital lease payable	-	(80,114)	(80,114)	-
Interest paid	-	(6,393)	(6,393)	-
Net cash used in capital and related financing activities	<u>(6,259,106)</u>	<u>(86,507)</u>	<u>(6,345,613)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	4,693,295	86,507	4,779,802	50,000
Transfer out	(255,507)	-	(255,507)	-
Net cash provided by (used in) noncapital financing activities	<u>4,437,788</u>	<u>86,507</u>	<u>4,524,295</u>	<u>50,000</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest on cash and investments	125,359	-	125,359	63,419
Net cash provided by investing activities	<u>125,359</u>	<u>-</u>	<u>125,359</u>	<u>63,419</u>
Net increase (decrease) in cash and cash equivalents	(569,949)	-	(569,949)	(27,814)
CASH AND CASH EQUIVALENTS*				
Beginning*	13,790,356	-	13,790,356	5,230,653
Ending*	<u>\$ 13,220,407</u>	<u>\$ -</u>	<u>\$ 13,220,407</u>	<u>\$ 5,202,839</u>

* Includes short-term investments

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Business-type Activities -			Governmental Activities - Internal Service Fund
	Enterprise Funds			
	Water Fund	Non-major Northwest Craven Water and Sewer District	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (652,688)	\$ -	\$ (652,688)	\$ (1,233,845)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,719,584	-	1,719,584	-
Change in assets, liabilities, and deferred inflows and outflows:				
(Increase) decrease in accounts receivable	26,883	-	26,883	58,940
(Increase) decrease in prepaids	(11,080)	-	(11,080)	-
(Increase) decrease in deferred outflows of resources - pension	(130,711)	-	(130,711)	-
(Increase) decrease in deferred outflows of resources - OPEB	20,574	-	20,574	-
Increase (decrease) in accounts payable	(39,434)	-	(39,434)	1,033,672
Increase (decrease) in accrued payroll	20,608	-	20,608	-
Increase (decrease) in customer deposits	(2,200)	-	(2,200)	-
Increase (decrease) in compensated absences	4,515	-	4,515	-
Increase (decrease) in net pension liability	371,732	-	371,732	-
Increase (decrease) in total OPEB liability	(14,360)	-	(14,360)	-
Increase (decrease) in deferred inflows of resources - pension	(192,238)	-	(192,238)	-
Increase (decrease) in deferred inflows of resources - OPEB	4,825	-	4,825	-
Net cash provided by (used in) operating activities	<u>\$ 1,126,010</u>	<u>\$ -</u>	<u>\$ 1,126,010</u>	<u>\$ (141,233)</u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF FIDICIARY NET POSITION
FIDICIARY FUND
JUNE 30, 2023

	<u>Custodial Fund</u>
ASSETS	
Cash and investments	\$ 52,487
Taxes receivable for other governments, net	<u>250,918</u>
Total Assets	<u>303,405</u>
 LIABILITIES	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
 NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>303,405</u>
Total fiduciary net position	<u><u>\$ 303,405</u></u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Ad valorem taxes for other governments	\$ 22,791,202
Collections on behalf of inmates	<u>844,592</u>
Total additions	<u>23,635,794</u>
 DEDUCTIONS	
Tax distributions to other governments	22,811,720
Payments on behalf of inmates	<u>871,090</u>
Total deductions	<u>23,682,810</u>
Net increase (decrease) in fiduciary net position	(47,016)
Net position, beginning	<u>350,421</u>
Net position, ending	<u><u>\$ 303,405</u></u>

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

Craven County, North Carolina

Notes to Financial Statements

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

Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

CarolinaEast Health System. The Craven County Commissioners established the CarolinaEast Health System ("Health System") to provide medical services to County residents. The Commissioners select the Health System's governing board. In addition, Craven County leases land and improvements to The Health System for \$1 per year "in perpetuity", and therefore does not record these assets in the County's financial statements. The Health System's financial statements are presented as of and for the year ended September 30, 2022 as if it were a proprietary fund. Complete financial statements for the Health System may be obtained at 2000 Neuse Boulevard, New Bern, NC 28561.

Craven County Alcoholic Beverage Control Board. The Craven County Alcoholic Beverage Control Board ("ABC Board") is governed by a board appointed by the County Commissioners. The ABC Board is required by State statute to distribute surpluses to the General Fund of the County. The ABC Board's financial statements are presented as of and for the year ended June 30, 2023 as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained at 3493 Martin Drive, New Bern, NC 28561.

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

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

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

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

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

Craven County Finance Corporation. Craven County Finance Corporation (CCFC) is a nonprofit public benefit corporation. The Corporation was organized and shall be operated exclusively for the purpose of providing debt financing for the County, to fulfill various statutory obligations involving, but not limited to, purchase and sale, construction and/or lease of real estate and improvements, facilities, and equipment. County debt and debt payments are made by the County's governmental funds. CCFC is a blended component unit and does not issue separate financial statements. During the June 30, 2023 year, the CCFC had no activity.

Basis of Presentation

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

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

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

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

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

The County reports the following major governmental funds:

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

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

Capital Reserve Fund. This fund accounts for revenues set aside for future capital projects.

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

The County reports the following major enterprise fund:

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

The County reports the following other fund types:

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

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

Measurement Focus, Basis of Accounting

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

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

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

Measurement Focus, Basis of Accounting (continued)

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financing sources.

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

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

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

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

Budgetary Data

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

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

The Board of Commissioners may amend the budget ordinance at any time after its adoption as long as the amended ordinance continues to meet the requirements of North Carolina's "Local Government Budget and Fiscal Control Act". No amendment may change the property tax levy unless the Board of Commissioners is so ordered by competent authority. During the year, several supplementary appropriations to the original budget were necessary. Individual amendments to the ordinance were not material in relation to the original appropriations, and all amendments were legally made. The budget amounts shown in the basic financial statements include the original budget as adopted prior to July 1, 2022 and the budget as amended at June 30, 2023.

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

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

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

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

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

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

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

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

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

The System has investments in debt and marketable equity securities which are carried at fair value. Fair value of investments other than those of the North Carolina Capital Management Trust ("NCCMT") and the First American Prime Obligation Fund are determined by quoted market prices. Amounts in the NCCMT (an SEC registered 2a-7 money market fund) and the First American Prime Obligation Fund are valued at the fair values as determined by the share prices. Debt securities consist primarily of obligations of the U.S. government, commercial paper and corporate bonds. Marketable equity securities consist primarily of common stocks and mutual funds that are traded or listed on national exchanges. Gains and losses on debt and marketable equity securities, both realized and unrealized, are included in non-operating revenues (expenses). Interest and dividends on investments in debt and equity securities are also included in non-operating revenues (expenses) when earned.

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

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

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

Craven County Restricted Cash

Governmental Activities

School Capital Projects Fund	Unexpended Public School Building funds	\$ 157,557
General Fund	Unspent grant proceeds	135,183
Opioid Settlement Fund	Unexpended settlement funds	1,116,187
American Rescue Plan Fund	Unspent grant proceeds	2,409,176
Courthouse / EOC Recovery Project Fund	Unspent grant proceeds	3,733,998
Total Governmental Activities		<u>\$ 7,552,101</u>

Business-Type Activities

Water Fund	Customer Deposits	\$ 323,560
Total Business-Type Activities		<u>\$ 323,560</u>

Total Restricted Cash		<u>\$ 7,875,661</u>
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Component Units

Coastal Carolina Regional Airport	State Aid to Airport Funds Appropriated	\$ 2,137,737
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Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Ad Valorem Taxes Receivable. In accordance with North Carolina General Statutes [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles at July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2022.

Lease Receivable

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

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

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

Exclusive of ad valorem taxes, the following summarizes other allowances for doubtful accounts by fund and receivable type at June 30, 2023:

Water Fund receivables allowance	\$	30,066
<u>Component Unit - CarolinaEast Health System</u>		
Patient receivables allowance (at June 30, 2023)	\$	21,311,041

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

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

Prepaid Items. Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items. Prepaid items for the County's governmental funds are treated using the consumption method.

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

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

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

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

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

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

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

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

CarolinaEast Health System policy is to generally capitalize assets with a cost of \$2,500 or greater. The Health System provides for depreciation using the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the depreciable properties. The range of estimated useful lives of major categories of property and equipment are as follows:

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

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

2024	\$ 155,055
	<u>\$ 155,055</u>

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

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

Long-Term Obligations. In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

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

Opioid Settlement Funds

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

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

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

As of June 30, 2023, Craven County has received \$1,116,187 in settlement proceeds. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. No funds have been expended as of June 30th, 2023. The County is planning to create a new Opioid Epidemic Response department in Fiscal Year 2024.

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

Reimbursements for Pandemic-related Expenditures

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

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

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

Restricted fund balance (continued):

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

Restricted for ROD Pension Plan - Portion of fund balance that is restricted for the Register of Deeds Pension plan.

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

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

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

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

Restricted fund balance differs between the governmental fund statements and the governmental activities net position on the government-wide statements by the amount restricted for the ROD pension plan which is not reported on the fund statements.

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

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

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

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

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

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

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

Total Fund Balance - General Fund	\$ 65,129,097
Less:	
Nonspendable - Prepays	28,093
Nonspendable - Leases	2,481
Stabilization by State Statute	11,913,799
Public Safety	64,379
Appropriated Fund Balance in 2024 Budget	249,493
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	52,870,852

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

Defined Benefit Pension Plans

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

Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment of \$33,288,754 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 150,460,917
Less accumulated depreciation	(72,275,637)
Right to Use assets used in governmental activities are not financial resources and are therefore not reported in the funds (net of accumulated amortization)	504,118
Less accumulated amortization	(176,205)
.Net capital assets	<u>78,513,193</u>
Net pension asset	142,004
Contributions to the pension plan in the current fiscal year	4,416,343
Benefit payments and pension administration costs for LEOSSA	58,753
Contributions to OPEB plan in the current fiscal year	362,313
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	73,490
Deferred outflows of resources related to refunding-included on government-wide Statement of Net Position but are not current financial resources	1,156,447
Deferred inflows of resources reported in the fund financial statements but not the government-wide statements	1,130,607

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

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

Internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the Statement of Net Position for the governmental activities	3,011,614
Pension related deferrals	10,728,458
OPEB related deferrals	1,713,657
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and therefore not reported in the fund statements:	
Installment notes financing	(19,390,000)
Lease and Subscription Liabilities	(321,150)
Accrued interest payable	(63,100)
Total OPEB Liability	(20,631,031)
Compensated absences	(3,377,698)
Net pension obligation (LEOSSA)	(2,115,459)
Net pension obligation (LGERS)	(22,049,576)
Total Adjustment	<u>\$ 33,358,865</u>

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$8,156,722 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 14,638,900
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the Statement of Activities but not in the fund statements	(5,911,363)
Cost of disposed capital asset not recorded in fund statements.	(305,359)
Capital outlay expenditures associated with leases or subscription are recorded in the fund statements but capitalized as right to use assets in the statement of activities.	155,247
Amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(108,436)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position.	(155,246)
Principal payments on debt owed are recorded as a use of funds on the fund statements but	5,218,100

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

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

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	4,416,343
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	58,753
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	362,313
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in fund statements:	
Compensated absences	82,870
OPEB expense	(2,054,694)
Pension expense	(6,755,102)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	12,075
Bond refunding costs, premiums and other similar items, are amortized in the government-wide statements but not in the fund statements because they do not use current resources	(412,979)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements.	106,077
Internal service fund is used by management to charge the costs of risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities	(1,120,426)
Total adjustment	<u>\$ 8,227,073</u>

Note 2. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

None to Report.

Note 3. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2023, the County's (primary government) deposits had a carrying amount of \$65,156,885, and a bank balance of \$47,014,041. Of the bank balance, \$250,000 was covered by federal depository insurance and \$46,764,041 was covered by collateral held under the pooling method. The County is required to maintain a certificate of deposit totaling \$60,000 at a bank.

At June 30, 2023, Craven County had \$15,544 cash on hand.

Component Unit Information

At June 30, 2023, the Tourism Development Authority had a carrying amount of \$564,331 and a bank balance of deposits of \$574,777. Of the bank balance, \$250,000 was covered by federal depository insurance and \$324,777 was covered by collateral held under the pooling method.

At June 30, 2023, the Airport Authority had a carrying amount of \$11,335,066 and a bank balance of deposits of \$11,398,111. The Airport Authority and the County share a common operating bank account, therefore, the bank balance was covered one-hundred percent by collateral held under the pooling method. Of the carrying amount, \$2,550 was cash on hand.

At June 30, 2023, the ABC Board had \$11,400 in cash on hand, and deposits in financial institutions with a carrying amount of \$630,151 and a bank balance of \$965,938. Of the bank balance, \$314,626 was covered by federal depository insurance and \$651,312 was covered by collateral held under the pooling method.

At June 30, 2023, the carrying amount of deposits for the Health System was \$15,561,557 and the bank balance was \$20,349,121. Of the bank balance, \$500,000 was covered by federal depository insurance and \$20,349,121 was covered by collateral held under the pooling method. Cash and cash equivalents consist of the following as of June 30, 2023:

Cash on hand	\$	11,697
Deposits		15,561,557
Money markets		226,603
	\$	<u>15,799,857</u>

Note 3. Detail Notes on All Funds (Continued)

2. Investments

As of June 30, 2023 the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Reported Value	Less Than Six Months	6-12 Months	1-3 Years
NC Capital Management Trust, Government Portfolio	Fair Value- Level 1	\$ 50,556,651	\$ 50,556,651	\$ -	\$ -
Wells Fargo Securities Federal Home Loan Bank	Fair Value- Level 2	4,763,672	4,763,672	-	-
		<u>\$ 55,320,323</u>	<u>\$ 55,320,323</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit - Coastal Carolina Regional Airport Authority

Wells Fargo Securities Commercial paper	Fair Value- Level 2	6,923,747	6,923,747	-	-
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Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Services.

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

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

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

Credit Risk: State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County has no formal policy on managing credit risk. Instead, the County informally utilizes the State Law to minimize credit risks. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2023.

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

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

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

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

By policy, the Health System's investment portfolio should be comprised of approximately 70% equity, 20% fixed income and 10% real estate with each classification having a tolerable variability of +/- 5%.

CarolinaEast Health System Investment Type	Fair Value	Maturity
US Government Agency Mutual Funds	\$ 45,355	N/A
Vanguard Bond Mutual Funds-Corp	61,381	N/A
Oaktree Real Estate Income Fund, L.P.	16,358	N/A
Equity Securities and Mutual Funds	244,544	N/A
Short Term Cash Equivalents	240	N/A
NC Capital Management Trust	24,544	N/A
	<u>\$ 392,422</u>	

The above table does not include \$226,603 which is included in unrestricted cash and cash equivalents.

	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Fair Value at 9/30/22
Assets:				
Mutual funds:				
Money market	\$ 238,598	\$ -	\$ -	\$ 238,598
Fixed income	106,508,090	-	-	106,508,090
Equity	244,544,307	-	-	244,544,307
Interest rate swap	-	4,073,053	-	4,073,053
Total assets at fair value	<u>\$ 351,290,995</u>	<u>\$ 4,073,053</u>	<u>\$ -</u>	
Investments at net asset value				<u>\$ 16,358,209</u>
Total investments				<u>\$ 371,722,257</u>
Cash and cash equivalents as of 6/30/23 not included above				\$ 15,573,354
North Carolina Management Capital Trust - cash portfolio as of 6/30/23 carried at amortized cost.				\$ 24,770,527
Interest receivable as of 6/30/23 not included above				\$ 228,867

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

The System does not have any financial assets or liabilities measured at fair value on a recurring basis categorized as Level 2 or 3, and there were no transfers in or out of Level 3 during 2023. There were no changes during 2023 to the System's valuation technique used to measure asset and liability fair values on a recurring basis.

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

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

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

As of June 30, 2023, the total quality ratings for the above holdings were as follows:

	Holdings			
	US Government Agencies	Corporate/Other Bond Funds	Short term Cash Equivalents	NC Capital Management
AAA	100.00%	5.83%	100.00%	100.00%
AA		4.73%		
A		39.75%		
BBB		49.03%		
BB		0.00%		
B		0.65%		
Not Rated		0.00%		
Total	100.00%	100.00%	100.00%	100.00%

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

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

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

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

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

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

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

As of June 30, 2023 the ABC Board had the following investments and maturities:

Investment Type	Valuation Measurement Method	Book Value at 6/30/23	Maturity	Rating
US Government Treasuries	Fair Value-Level 1	\$ 1,445,990	Up to 3 years	AAA
US Government Agencies	Fair Value-Level 1	-	Up to 3 years	AAA
NC Capital Management Trust Government FD #47	Fair Value-Level 1	78,131	Up to 3 years	AAA
		\$ 1,524,121		

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

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

Year Levied	Tax	Interest	Total
2020	\$ 1,337,283	\$ 437,967	\$ 1,775,250
2021	1,329,571	315,778	1,645,349
2022	1,366,197	201,515	1,567,712
2023	1,377,661	79,216	1,456,877
Total	\$ 5,410,712	\$ 1,034,476	\$ 6,445,188

Note 4. Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

	Accounts Receivable	Taxes Receivable	Interest Receivable	Total
Governmental Activities				
General	\$ 4,379,607	\$ 9,251,542	\$ 73,490	\$ 13,704,639
Other Governmental	177,451	2,100,688	-	2,278,139
Total Receivables	4,557,058	11,352,230	73,490	15,982,778
Allowance for Doubtful Accounts	-	(700,000)	-	(700,000)
Total - governmental activities	<u>\$ 4,557,058</u>	<u>\$ 10,652,230</u>	<u>\$ 73,490</u>	<u>\$ 15,282,778</u>
Business-type activities				
Water	\$ 565,174	\$ 199,062	\$ -	\$ 764,236
Allowance for doubtful accounts	(30,066)	-	-	(30,066)
Total - business-type activities	<u>\$ 535,108</u>	<u>\$ 199,062</u>	<u>\$ -</u>	<u>\$ 734,170</u>

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

Leases Receivable

General Fund

On 7/1/21, the County entered into a 115 month lease as Lessor for the use of network fiber. An initial lease receivable was recorded in the amount of \$25,139. As of 06/30/2023, the value of the lease receivable is \$20,249. The lessee is required to make monthly fixed payments of \$240 for July 2021 thru January 2031. The lease has an interest rate of 2%. The value of the deferred inflow of resources as of 06/30/2023 was \$19,893, and the County recognized lease revenue of \$2,623 during the fiscal year.

On 7/1/22, the County entered into a 30 month lease as Lessor for the use of a building. An initial lease receivable was recorded in the amount of \$123,457. As of 06/30/2023, the value of the lease receivable is \$73,423. The lessee is required to make monthly fixed payments of \$4,212 for July 2022 thru December 2024. The lease has an interest rate of 4.5%. The value of the deferred inflow of resources as of 06/30/2023 was \$71,298, and the County recognized lease revenue of \$47,532 during the fiscal year.

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 50,895	\$ 2,696
2025	27,574	661
2026	2,600	280
2027	2,652	228
2028	2,706	174
2029-2033	7,245	195
Total	<u>\$ 93,672</u>	<u>\$ 4,234</u>

Component Unit

Coastal Carolina Regional Airport Authority

On 7/1/21, the Coastal Carolina Regional Airport Authority entered into a 23 month lease as Lessor for the use of restaurant space. An initial lease receivable was recorded in the amount of \$13,054. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$550 for July 2021 thru May 2023. The lease has an interest rate of 2%. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and the County recognized lease revenue of \$6,243 during the fiscal year.

Note 5. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2023 was as follows:

	Capital Assets			Capital Assets
	June 30, 2022	Additions	Retirements	June 30, 2023
Governmental Activities				
Capital assets, not being depreciated				
Land, other	\$ 10,645,739	\$ 6,371,186	\$ 108,430	\$ 16,908,495
Construction in progress	3,992,616	2,870,935	382,928	6,480,623
Total capital assets not being depreciated	<u>14,638,355</u>	<u>9,242,121</u>	<u>491,358</u>	<u>23,389,118</u>
Capital assets, being depreciated				
Buildings	67,567,371	1,076,670	-	68,644,041
Vehicles	9,011,739	1,141,968	476,899	9,676,808
Equipment	9,332,611	1,272,962	260,701	10,344,872
Other improvements	36,235,862	2,288,107	117,891	38,406,078
Total capital assets being depreciated	<u>122,147,583</u>	<u>5,779,707</u>	<u>855,491</u>	<u>127,071,799</u>
Less accumulated depreciation for:				
Buildings	41,504,380	2,087,780	-	43,592,160
Vehicles	6,386,353	1,315,727	401,386	7,300,694
Equipment	6,855,818	722,696	242,749	7,335,765
Other Improvements	12,276,285	1,785,160	14,427	14,047,018
Total accumulated depreciation	<u>67,022,836</u>	<u>5,911,363</u>	<u>658,562</u>	<u>72,275,637</u>
Total capital assets, being depreciated, net	<u>55,124,747</u>	<u>(131,656)</u>	<u>196,929</u>	<u>54,796,162</u>
Capital assets, being amortized				
Right to use assets				
Leased equipment	71,023	14,353	5,942	79,434
Leased land	41,966	-	-	41,966
Leased buildings	272,960	140,894	31,136	382,718
Total right to use assets	<u>385,949</u>	<u>155,247</u>	<u>37,078</u>	<u>504,118</u>
Less accumulated amortization for:				
Leased equipment	16,596	16,967	5,942	27,621
Leased land	13,989	13,989	-	27,978
Leased buildings	74,262	77,480	31,136	120,606
Total accumulated amortization	<u>104,847</u>	<u>108,436</u>	<u>37,078</u>	<u>176,205</u>
Total capital assets, being amortized, net	<u>281,102</u>	<u>\$ 46,811</u>	<u>\$ -</u>	<u>327,913</u>
Governmental activity capital assets, net	<u><u>\$ 70,044,204</u></u>			<u><u>\$ 78,513,193</u></u>
Business-type Activities				
Capital assets, not being depreciated				
Land, other	\$ 947,354	\$ -	\$ -	\$ 947,354
Construction in process	1,344,156	5,615,202	-	6,959,358
Total capital assets not being depreciated	<u>2,291,510</u>	<u>5,615,202</u>	<u>-</u>	<u>7,906,712</u>
Capital assets, being depreciated				
Buildings & other improvements	60,895,864	67,515	-	60,963,379
Vehicles	418,592	34,262	-	452,854
Equipment	272,318	-	-	272,318
Total capital assets being depreciated	<u>61,586,774</u>	<u>101,777</u>	<u>-</u>	<u>61,688,551</u>
Less accumulated depreciation for:				
Buildings & other improvements	24,751,057	1,639,689	-	26,390,746
Vehicles	296,895	52,987	-	349,882
Equipment	197,958	26,908	-	224,866
Total accumulated depreciation	<u>25,245,910</u>	<u>\$ 1,719,584</u>	<u>\$ -</u>	<u>26,965,494</u>
Total capital assets, being depreciated, net	<u>36,340,864</u>			<u>34,723,057</u>
Business activity capital assets, net	<u><u>\$ 38,632,374</u></u>			<u><u>\$ 42,629,769</u></u>

Note 5. Capital Assets (continued)

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

Governmental activities:

General government	\$ 1,150,118
Public Safety	2,285,805
Social services	578,396
Economic and physical development	564,925
Health	462,243
Environmental protection	162,478
Culture and recreation	815,834
Total depreciation expense, governmental activities	<u>\$ 6,019,799</u>

Business-type activities:

Water Fund	\$ 1,719,584
Total depreciation expense-business-type activities	<u>\$ 1,719,584</u>

The government has an active construction project as of June 30, 2023. At June 30, 2023, the government's commitment with a contractor is as follows:

Project	Spent-to-date	Remaining Commitment
CARTS Building Project	\$ 1,413,728	\$ 9,589
Courthouse/EOC Restoration Project	2,467,565	6,923,123
Human Services Complex Project	-	195,006
SCADA/Telemetry Project	3,779,193	2,332,363
Lawson Creek Pump Station Project	417,035	775,421
Total	<u>\$ 8,077,521</u>	<u>\$ 10,235,502</u>

Discretely presented component units

The following is a summary of the capital assets of the Airport Authority at June 30, 2023.

	Year Ended June 30, 2023			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 10,317,670	\$ -	\$ -	\$ 10,317,670
Construction in progress	13,984,963	11,074,374	-	25,059,337
Total capital assets, not being depreciated	<u>24,302,633</u>	<u>11,074,374</u>	<u>-</u>	<u>35,377,007</u>
Capital assets, being depreciated				
Buildings	16,295,279	27,704	-	16,322,983
Improvements other than buildings	33,560,130	975,024	-	34,535,154
Machinery, equipment, and vehicles	3,157,173	430,649	(112,542)	3,475,280
Total capital assets being depreciated	<u>53,012,582</u>	<u>1,433,377</u>	<u>(112,542)</u>	<u>54,333,417</u>
Less accumulated depreciation	24,708,579	1,636,479	(112,542)	26,232,516
Total capital assets being depreciated, net	<u>28,304,003</u>	<u>\$ (203,102)</u>	<u>\$ -</u>	<u>28,100,901</u>
Capital assets, net	<u>\$ 52,606,636</u>			<u>\$ 63,477,908</u>

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

Note 5. Capital Assets (continued)

The following is a summary of the Health System capital asset activity for the year ended June 30, 2023:

	Year Ended September 30, 2022			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets, not being depreciated				
Land	\$ 15,056,213	\$ 123,295	\$ -	\$ 15,179,508
Construction in progress	4,623,671	9,306,875	(11,473,490)	2,457,056
Total capital assets, not being depreciated	19,679,884	9,430,170	(11,473,490)	17,636,564
Capital assets, being depreciated/amortized				
Land improvements	7,097,327	6,918	-	7,104,245
Building and fixtures	284,833,970	8,260,213	(536,003)	292,558,180
Equipment	250,523,727	15,877,990	(845,678)	265,556,039
Total capital assets being depreciated	542,455,024	24,145,121	(1,381,681)	565,218,464
Less accumulated depreciation/amortization for:				
Land Improvements, buildings and fixtures and equipment	(346,072,494)	(25,025,163)	999,470	(370,098,187)
	(346,072,494)	\$ (25,025,163)	\$ 999,470	(370,098,187)
Total capital assets being depreciated/amortized,	196,382,530			195,120,277
Health System capital assets, net	\$ 216,062,414			\$ 212,756,841

All depreciation is directly or indirectly in relation to the provision of healthcare services. Depreciation expense was approximately \$26,908,000 for the year ended June 30, 2023. The Health System has various renovation projects in progress at June 30, 2023. The estimated cost to complete the projects is approximately \$16,481,000.

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

The following is a summary of the capital assets of the ABC Board at June 30, 2023:

Capital assets, not being depreciated	
Land	\$ 473,830
Construction in progress	3,918,812
Total capital assets not being depreciated	4,392,642
Capital assets, being depreciated:	
Buildings	1,736,103
Furniture & Equipment	735,003
Automobile	189,184
Total capital assets being depreciated	2,660,290
Less accumulated depreciation	1,705,191
Total capital assets being depreciated, net	955,099
Right to use asset, being amortized:	
Buildings	376,663
Total right to use assets being amortized	376,663
Less accumulated amortization	75,965
Total right to use assets being amortized, net	300,698
Capital assets, net	\$ 5,648,439

Note 6. Pension Plan and Other Postemployment Benefits

Local Governmental Employees' Retirement System

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

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

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

Local Governmental Employees' Retirement System (Continued)

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their compensation. The County, Airport Authority and ABC Board's contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County, Airport Authority and ABC Board's contractually required contribution rate for the year ended June 30, 2023, are as follows:

	Employees Not Engaged In Law Enforcement	Employees Engaged In Law Enforcement
Craven County	12.15%	13.04%
Airport Authority	12.33%	
ABC Board	12.17%	

The rates shown above were actuarially determined as amounts that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County, Airport Authority and ABC Board were \$4,507,959, \$98,655, and \$127,330, respectively, for the year ended June 30, 2023.

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

At June 30, 2023, the County, Airport Authority and ABC Board reported liabilities of \$22,554,429, \$355,410, and \$530,294, respectively, for their proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2022. The total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County, Airport Authority and ABC Board's proportion of the net pension liabilities were based on a projection of the County, Airport Authority and ABC Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the County, Airport Authority and ABC Board's proportions were .3998%, .0063% and .00914% (measured as of June 30, 2022), respectively, which were increases/(decreases) of .0064%, (0.0002%), and .0094%, respectively (measured as of June 30, 2021).

For the year ended June 30, 2023, the County, Airport Authority and ABC Board's recognized pension expense of \$6,664,631, \$118,944, and \$174,585, respectively.

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

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

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 971,850	\$ 95,284
Changes in assumption	2,250,426	-
Net difference between projected and actual earnings on pension plan investments	7,454,475	-
Changes in proportion and differences between County contributions and proportionate share of contributions	386,666	39,698
County contributions subsequent to the measurement date	4,507,959	-
Total	\$ 15,571,376	\$ 134,982

At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual experience	\$ 15,314	\$ 1,501
Changes in assumptions	35,462	-
Net difference between projected and actual earnings on pension plan investments	117,467	-
Changes in proportion and differences between Airport Authority's contributions and proportionate share of contributions	27,479	334
Airport Authority's contributions subsequent to the measurement date	98,655	-
Total	\$ 294,377	\$ 1,835

At June 30, 2023, the ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,850	\$ 2,240
Changes in assumptions	52,911	-
Net difference between projected and actual earnings on pension plan investments	175,268	-
Changes in proportion and differences between ABC Board's contributions and proportionate share of contributions	38,660	-
ABC Board's contributions subsequent to the measurement date	127,330	-
Total	\$ 417,019	\$ 2,240

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

Local Governmental Employees' Retirement System (Continued)

\$4,507,959, \$98,655, and \$127,330 reported as deferred outflows of resources related to pensions resulting from the County, Airport Authority and ABC Board contributions, respectively, subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Airport		
	County	Authority	ABC Board
2024	\$ 3,580,523	\$ 66,941	\$ 100,030
2025	2,896,354	54,190	77,310
2026	900,107	16,792	26,607
2027	3,551,451	55,964	83,501
2028	-	-	-
Thereafter	-	-	-
Total	<u>\$ 10,928,435</u>	<u>\$ 193,887</u>	<u>\$ 287,448</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2021 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

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

Local Governmental Employees' Retirement System (Continued)

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.500%)
County's proportionate share of the net pension liability (asset)	\$ 40,707,840	\$ 22,554,429	\$ 7,594,965
Airport Authority's proportionate share of the net pension liability (asset)	\$ 641,469	\$ 355,410	\$ 119,681
ABC Board's proportionate share of the net pension liability (asset)	\$ 957,113	\$ 530,294	\$ 178,571

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

Law Enforcement Officers Special Separation Allowance

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

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

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

Law Enforcement Officers Special Separation Allowance (Continued)

At December 31, 2021 the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Active plan members	100
Total	<u>109</u>

Summary of Significant Accounting Policies:

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

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

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2021 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the

Inflation	2.50 percent
Salary Increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount Rate	4.31 percent

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Rate

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

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

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

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

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$120,456 as benefits came due for the reporting period.

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

Law Enforcement Officers Special Separation Allowance (Continued)

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

At June 30, 2023, the County reported a total pension liability of \$2,115,459. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023 the County recognized pension expense of \$226,302.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 195,884	\$ 104,237
Changes of assumptions and other inputs	317,208	426,241
County benefit payments and plan administrative expenses subsequent to the measurement date	58,753	-
Total	\$ 571,845	\$ 530,478

The County paid \$58,753 subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 64,994
2025	36,534
2026	4,109
2027	(62,580)
2028	(46,230)
Thereafter	(14,213)
Total	\$ (17,386)

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.31 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total Pension Liability	\$ 2,320,529	\$ 2,115,459	\$ 1,931,263

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

Law Enforcement Officers Special Separation Allowance (Continued)

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

	<u>2023</u>
Beginning balance	\$ 2,282,144
Service Cost	177,309
Interest on the total pension liability	50,151
Changes of benefit terms	-
Difference between expected and actual experience in the measurement of the total pension liability	166,374
Changes of assumptions or other inputs	(440,063)
Benefit payments	(120,456)
Other changes	-
Ending balance of the total pension liability	<u>\$ 2,115,459</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at June 30, 2022 to 4.31 percent at June 30, 2023.

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2020.

Supplemental Retirement Income Plan for Law Enforcement Officers:

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

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

The County contributed \$289,930 for the reporting year. No amounts were forfeited.

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

Register of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$9,813 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$142,004 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2023, the County's proportion was 0.3998%, which was a decrease of 0.0064% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$14,123. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,094	\$ 2,574
Changes of assumptions	7,519	-
Net difference between projected and actual earnings on pension plan investments	59,022	-
Changes in proportion and differences between County contributions and proportionate share of contributions	450	3,766
County contributions subsequent to the measurement date	9,813	-
Total	<u>\$ 77,898</u>	<u>\$ 6,340</u>

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

Register of Deeds' Supplemental Pension Fund (Continued)

\$9,813 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 16,060
2025	11,191
2026	19,649
2027	14,845
2028	-
Thereafter	-
Total	<u>\$ 61,745</u>

Actuarial Assumptions : The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2021 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODS PF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 0.78%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

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

Register of Deeds' Supplemental Pension Fund (Continued)

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (100,315)	\$ (142,004)	\$ (177,109)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as December 31, 2021. The total pension liability for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021.

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

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability	\$ 22,554,429	\$ (142,004)	\$ -	\$ 22,412,425
Proportion of the Net Pension Liability (Asset)	0.39980%	1.07254%	n/a	
Total Pension Liability	-	-	2,115,459	2,115,459
Pension Expense	\$ 6,664,631	\$ 14,123	\$ 226,302	\$ 6,905,056

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual	\$ 971,850	\$ 1,094	\$ 195,884	\$ 1,168,828
Changes of assumptions	2,250,426	7,519	317,208	2,575,153
Net difference between projected and actual earnings on pension plan investments	7,454,475	59,022	-	7,513,497
Changes in proportion and differences between County contributions and proportionate share of contributions	386,666	450	-	387,116
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	4,507,959	9,813	58,753	4,576,525

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

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

Deferred Inflows of Resources

Differences between expected and actual	\$	95,284	\$	2,574	\$	104,237	\$	202,095
Changes of assumptions		-		-		426,241		426,241
Changes in proportion and differences between County contributions and proportionate share of contributions		39,698		3,766		-		43,464

Health System Plans

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

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

Funding Policy: The Health System's contributions to the primary retirement plan were calculated using a covered payroll amount of \$86,112,508 for the year ended June 30, 2023. Total contributions were \$5,166,750 for the year ended June 30, 2023, which represents 6 percent of the covered payroll for the year. Effective January 1, 2014, the effective contribution percentage reduced from ten percent to six percent.

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

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

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

Health System Plans (continued)

The Health System's 403(b) contributions were calculated using a covered payroll amount of \$97,671,567 for the year ended June 30, 2023. The Health System's contributions were \$1,953,431, or 2 percent of covered payroll for the year ended June 30, 2023. Employee contributions to the plan totaled \$9,171,021 or 9.39% of covered payroll for the year ended June 30, 2023. Employee contributions to the 457(b) plan totaled \$2,089,497 for the year ended June 30, 2023. These plans are not included in the Health System's reporting entity and do not issue separate, stand-alone financial reports.

Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers:
Retirees and dependents receiving benefits	43	9
Active plan members	506	100
Total	549	109

Total OPEB Liability

The County's total OPEB liability of \$21,151,065 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

Actuarial Assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage Inflation	3.25%
Salary increases, including wage inflation:	
General employees	3.25% - 8.41%
Law Enforcement Officers	3.25% - 8.15%
Municipal Bond Index Rate:	
Prior Measurement Date	2.16%
Measurement Date	3.54%
Health Care Cost Trends:	
Pre-Medicare	7.00 for 2021 decreasing to an ultimate rate of 4.50% by 2031

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

Changes in the Total OPEB Liability

	General Fund	Water Fund	Airport	Total
Balance at July 1, 2022	\$ 22,573,773	\$ 157,575	\$ 411,918	\$ 23,143,266
Changes for the year:				
Service cost at the end of the year	1,203,810	8,357	21,987	1,234,154
Interest on TOL and cash flows	508,363	3,529	9,285	521,177
Difference between expected and actual experience	(330,333)	(2,294)	(6,033)	(338,660)
Changes of assumptions or other inputs	(2,836,486)	(20,564)	(51,423)	(2,908,473)
Benefit payments and implicit subsidy credit	(488,096)	(3,388)	(8,915)	(500,399)
Net Changes	<u>(1,942,742)</u>	<u>(14,360)</u>	<u>(35,099)</u>	<u>(1,992,201)</u>
Balance at June 30, 2023	<u>\$ 20,631,031</u>	<u>\$ 143,215</u>	<u>\$ 376,819</u>	<u>\$ 21,151,065</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

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

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

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

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

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 23,216,289	\$ 21,151,065	\$ 19,295,762

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

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 18,716,370	\$ 21,151,065	\$ 24,031,157

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$2,108,861. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,579,869	\$ 293,018
Changes of assumptions another inputs	3,236,712	2,766,266
Benefit payments and administrative costs made subsequent to the measurement date	<u>371,537</u>	<u>-</u>
Total	<u>\$ 5,188,118</u>	<u>\$ 3,059,284</u>

\$371,537 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Measurement Period Ended June</u>	
2024	\$ 479,333
2025	553,348
2026	580,648
2027	430,196
2028	145,926
Thereafter	(432,154)

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

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

As of the actuarial valuation report date January 1, 2023, the Health System's membership consisted:

Retirees receiving benefits	44
Active Plan members	57
Total	<u>101</u>

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

Total OPEB Asset (Liability). The total OPEB asset (liability) was therefore determined based on the January 1, 2023 actuarial valuations, using membership data as of January 1, 2022 and generally accepted actuarial procedures, and update procedures were utilized to roll forward the total OPEB asset (liability) to the measurement date of January 1, 2023. Information included in the following schedules is based on the certification provided by the System's consulting actuary.

For the year ended June 30, 2023, the System recognized an OPEB gain of approximately \$655,000.

The following represents the changes in the net OPEB liability as of June 30, 2023:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Liability) asset (a)+(b)
Balances at June 30, 2022	\$ (5,115,348)	\$ 9,028,629	\$ 3,913,281
Changes for the Year:			
Services cost	(51,167)	-	(51,167)
Interest cost	(321,291)	-	(321,291)
Change in actuarial assumptions	(395,454)	-	(395,454)
Contributions from employer	-	32,955	32,955
Net investment earnings	-	(1,513,840)	(1,513,840)
Actual Benefits paid	732,955	(732,955)	-
Additional expected benefit payments	336,075	-	336,075
Other	23,063		23,063
Net Changes	<u>324,181</u>	<u>(2,213,840)</u>	<u>(1,889,659)</u>
Balances at June 30, 2023	<u>\$ (4,791,167)</u>	<u>\$ 6,814,789</u>	<u>\$ 2,023,622</u>

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

Sensitivity analysis

The following represents the sensitivity of the total OPEB liability to changes in the discount rate based on values as of June 30, 2023:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 4,920,821	\$ 4,791,167	\$ 4,658,036

The following represents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates based on values as of June 30, 2023:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 4,632,601	\$ 4,791,167	\$ 4,958,174

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

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

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

Methods and assumptions as of the latest actuarial valuations for June 30, 2023 are as follows:

Valuation date	January 1, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Remaining amortization period	Immediately
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.00%
Health care cost trend rates	5.0% per year increase in all future years
Includes inflation at	3.00%
Cost-of-living adjustments	None

Mortality rates were based on the PUB-2010 Mortality Table with generational projection of mortality improvements using the MP-2021 Projection Scale.

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

Deferred items related to OPEB. At June 30, 2023, the Hospital reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,716,675	\$ 1,010,651
Changes of assumptions and other inputs	68,633	68,633
Differences between expected and actual return on plan assets	-	(278,580)
Total	\$ 1,785,308	\$ 800,704

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

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

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

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

The following tables set forth by level within the fair value hierarchy the Plan's assets accounted for at fair value on a recurring basis as of June 30, 2023:

	June 30, 2023			
	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ 19,744	\$ -	\$ -	\$ 19,744
Mutual Funds	6,795,045	-	-	6,795,045
Total	\$ 6,814,789	\$ -	\$ -	\$ 6,814,789

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

Other Employment Benefits

Death Benefits

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

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

Note 7. Commitments and Contingencies

Contingent Liabilities

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

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

Note 8. Long-Term Obligations

Lease Liabilities

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

On 08/24/2021, the County entered into a 20 month lease as Lessee for the use of postage machine in Finance. An initial lease liability was recorded in the amount of \$16,033. As of 06/30/2023, the value of the lease liability is \$9,762. The County is required to make quarterly fixed payments of \$840 for August 2021 thru July 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$16,033 with accumulated amortization of \$6,108 is included in the Capital Asset note as leased equipment. The County has 1 extension option(s), each for 12 months.

On 08/24/2021, the County entered into a 20 month lease as Lessee for the use of postage machine in Child Support. An initial lease liability was recorded in the amount of \$6,734. As of 06/30/2023, the value of the lease liability is \$3,554. The County is required to make quarterly fixed payments of \$420 for August 2021 thru July 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$6,734 with accumulated amortization of \$3,169 is included in the Capital Asset note as leased equipment. The County has 1 extension option(s), each for 12 months.

Note 8. Long-Term Obligations (continued)

Lease Liabilities (continued)

On 7/1/21, the County entered into a 5 month lease as Lessee for the use of postage machine in Convention Center. An initial lease liability was recorded in the amount of \$629. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make quarterly fixed payments of \$127 for July 2021 thru July 2022. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$629 with accumulated amortization of \$629 is included in the Capital Asset note as leased equipment. Both the cost and accumulated amortization are shown as a disposal since the term has expired. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 17 month lease as Lessee for the use of postage machine in Social Services. An initial lease liability was recorded in the amount of \$13,467. As of 06/30/2023, the value of the lease liability is \$7,107. The County is required to make quarterly fixed payments of \$840 for July 2021 thru July 2025. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$13,467 with accumulated amortization of \$6,337 is included in the Capital Asset note as leased equipment. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 17 month lease as Lessee for the use of postage machine in Health. An initial lease liability was recorded in the amount of \$18,284. As of 06/30/2023, the value of the lease liability is \$9,824. The County is required to make quarterly fixed payments of \$1,119 for July 2021 thru July 2025. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$18,284 with accumulated amortization of \$8,604 is included in the Capital Asset note as leased equipment. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 36 month lease as Lessee for the use of land for convenience site. An initial lease liability was recorded in the amount of \$41,966. As of 06/30/2023, the value of the lease liability is \$14,246. The County is required to make monthly fixed payments of \$1,200 for July 2021 thru June 2024. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$41,966 with accumulated amortization of \$27,977 is included in the Capital Asset note as leased land. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 57 month lease as Lessee for the use of building space for a FQHC clinic in Havelock. An initial lease liability was recorded in the amount of \$241,824. As of 06/30/2023, the value of the lease liability is \$130,816. The County is required to make monthly fixed payments of \$6,667 for July 2021 thru March 2022 and then \$3,833 for April 2022 through March 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$241,824 with accumulated amortization of \$101,821 is included in the Capital Asset note as leased building. The County has 1 extension option(s), each for 12 months.

On 7/1/21, the County entered into a 15 month lease as Lessee for the use of building space for Veteran Services. An initial lease liability was recorded in the amount of \$31,136. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$2,100 for July 2021 thru September 2022. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$31,136 with accumulated amortization of \$31,136 is included in the Capital Asset note as leased building. Both the cost and accumulated amortization are shown as a disposal since the term has expired. The County has 1 extension option(s), which was exercised in the current year.

On 12/21/21, the County entered into a 61 month lease as Lessee for the use of wide format printer in GIS. An initial lease liability was recorded in the amount of \$10,564. As of 06/30/2023, the value of the lease liability is \$7,375. The County is required to make monthly fixed payments of \$182 for December 2021 thru December 2026. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$10,564 with accumulated amortization of \$3,290 is included in the Capital Asset note as leased equipment. The County has 1 extension option(s), each for 12 months.

Note 8. Long-Term Obligations (continued)

Lease Liabilities (continued)

On 7/1/21, the County entered into a 23 month lease as Lessee for the use of wide format printer in Planning. An initial lease liability was recorded in the amount of \$5,313. As of 06/30/2023, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$235 for July 2021 thru May 2023. The lease has an interest rate of 2%. The value of the right to use asset as of 06/30/2023 of \$5,313 with accumulated amortization of \$5,313 is included in the Capital Asset note as leased equipment. Both the cost and accumulated amortization are shown as a disposal since the term has expired. The County has 1 extension option(s), which it exercised in the current year.

On 11/1/22, the County entered into a 60 month lease as Lessee for the use of building space for Veterans Services in New Bern. An initial lease liability was recorded in the amount of \$140,894. As of 06/30/2023, the value of the lease liability is \$124,370. The County is required to make monthly fixed payments of \$2,500 for November 2022 thru October 2025, and then \$2,800 for November 2025 thru October 2027. The lease has an interest rate of 4.5%. The value of the right to use asset as of 06/30/2023 of \$140,894 with accumulated amortization of \$18,785 is included in the Capital Asset note as leased building.

On 6/30/23, the County entered into a 64 month lease as Lessee for the use of wide format printer in Planning. An initial lease liability was recorded in the amount of \$14,353. As of 06/30/2023, the value of the lease liability is \$14,101. The County is required to make monthly fixed payments of \$252 for July 2023 thru September 2028. The lease has an interest rate of 4.5%. The value of the right to use asset as of 06/30/2023 of \$14,353 with accumulated amortization of \$239 is included in the Capital Asset note as leased equipment.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 101,545	\$ 8,671
2025	91,211	6,037
2026	77,454	3,469
2027	36,181	1,532
2028	14,011	210
2029-2033	748	6
Total	<u>\$ 321,150</u>	<u>\$ 19,925</u>

General Obligation Bonds

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

The County's general obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

Serviced by the County's General Fund:

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

Note 8. Long-Term Obligations (continued)

Advance Refunding

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

Loans and Installment notes payable:

Purpose	Interest Rates	Amount
Governmental Activities:		
2013 LOB Refunded School Projects/Fiber Optic	2.07%	\$ 5,190,750
2013 LOB Refunded LEC/Park/Tyron Palace	2.07%	6,344,250
2019 Convention Center	2.20%	<u>7,855,000</u>
Total Governmental Activities		<u>19,390,000</u>
Business-type Activities:		
Water Line expansion project - Northwest Craven Water	2.66%	160,229
Castle Hayne Aquifer Water Treatment Project - Water	0%	<u>11,325,299</u>
Total Business-Type Activities		<u>11,485,528</u>
Total loans and installment notes payable		<u>\$ 30,875,528</u>

On April 10, 2013, the County issued \$33,950,000 of limited obligation refunding bonds, Series 2013, for the purpose of advance refunding a portion of the County's outstanding Certificates of Participation, Series 2007. The Series 2013 Limited Obligation Refunding Bond was issued for the purpose of locking in a lower interest rate thus reducing overall bond debt service costs. The bonds issued are to provide resources to purchase US Government Securities that were placed in an irrevocable trust to be used for all future debt service payments of \$28,225,000 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The outstanding value remaining on this obligation at June 30, 2023 is \$11,535,000.

Note 8. Long-Term Obligations (Continued)

Loans and Installment notes payable (continued)

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

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

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

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

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 3,720,000	\$ 380,483	\$ 889,064	\$ 4,262
2025	3,639,000	303,377	889,064	2,131
2026	3,559,000	227,950	808,950	-
2027	3,474,000	154,230	808,950	-
2028	714,000	109,956	808,950	-
2029-2033	3,570,000	314,160	4,044,750	-
2034-2038	714,000	15,708	3,235,800	-
Total	<u>\$ 19,390,000</u>	<u>\$ 1,505,864</u>	<u>\$ 11,485,528</u>	<u>\$ 6,393</u>

Changes in the County's long-term obligations for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
General Obligation bonds	\$ 1,326,000	\$ -	\$ 1,326,000	\$ -	\$ -
Loans and installment notes	23,185,000	-	3,795,000	19,390,000	3,720,000
Lease liability	263,004	155,246	97,100	321,150	101,545
Total pension liability	2,282,144	-	166,685	2,115,459	-
Total OPEB liability	22,573,773	-	1,942,742	20,631,031	-
Net Pension liability (LGERS)	5,899,892	16,149,684	-	22,049,576	-
Compensated absences	3,460,568	2,841,850	2,924,720	3,377,698	2,924,720
Governmental Activities Long-term Liabilities	<u>\$ 58,990,381</u>	<u>\$ 19,146,780</u>	<u>\$ 10,252,247</u>	<u>\$ 67,884,914</u>	<u>\$ 6,746,265</u>
Due within one year					\$ 6,746,265
Due in more than one year					61,138,649
Total Governmental Activities					<u>\$ 67,884,914</u>

Note 8. Long-Term Obligations (Continued)

Loans and Installment notes payable (continued)

Business-type Activities

Loans and installment notes	\$ 12,374,589	\$ -	\$ 889,064	\$ 11,485,525	\$ 889,064
Total OPEB liability	157,575	-	14,360	143,215	-
Net pension liability (LGERS)	133,121	371,732	-	504,853	-
Compensated absences	62,960	50,557	46,042	67,475	46,042
Business-type Activities Long-term Liabilities	<u>\$ 12,728,245</u>	<u>\$ 422,289</u>	<u>\$ 949,466</u>	<u>\$ 12,201,068</u>	<u>\$ 935,106</u>
				\$ 935,106	
				11,265,962	
				<u>\$ 12,201,068</u>	

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

State statutes provide for a legal debt limit of 8 percent of the County's assessed value of taxable property. The County has utilized \$19,389,999 of its legal debt limitation of \$840,474,430, leaving a legal debt margin of \$821,084,431 at June 30, 2022.

Component Unit Long-Term Obligations

The Airport Authority does not have any general obligation bonds outstanding at June 30, 2023.

In October 2016, the System issued \$60,000,000 of tax-exempt bank direct purchase bonds named Series 2016 Health Care System Revenue Bonds purchased by Branch Banking and Trust Company (BB&T). The System entered into an interest rate swap agreement effective January 3, 2017. Under the swap agreement the System pays interest at 2.6172% and received interest at 68% of the one-month LIBOR plus 0.468%. The notional amount under the swap at June 30, 2022 was \$52,395,000. During the nine-month period ended June 30, 2022, management has assessed the swap as an ineffective interest rate hedge. The fair value of the swap at June 30, 2022 was an asset of approximately \$2,329,000 with the change in fair value reported in non-operating revenues (expenses) on the statements of revenues, expenses, and changes in net position. In August 2022, the System refinanced the Series 2016 Bonds and issued \$52,395,000 of tax-exempt bank direct purchase bonds named Series 2022 Health Care System Revenue Refunding Bonds which were purchased by Truist Bank. All of the System's accounts receivable was named as collateral. The System entered into an interest rate swap agreement effective August 1, 2022. Under the swap agreement the System pays interest at 2.79% and received interest at 79% of the one-month SOFR plus 0.6478%. The notional amount under the swap at June 30, 2023 was \$50,775,000. During the year ended June 30, 2023, management has assessed the swap as an ineffective interest rate hedge. The fair value of the swap at June 30, 2023 was an asset of approximately \$4,073,000 with the change in fair value reported in non-operating revenues (expenses) on the statements of revenues, expenses, and changes in net position. The System was in compliance with all other covenants at June 30, 2023.

At June 30, 2022, the ABC Board leased one retail location that qualified as other than short-term leases under GASB 87. The lease agreement was executed on June 1, 2021 and requires 120 monthly payments of \$3,700 to \$4,070. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.20%, which is the Board's incremental borrowing rate. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$300,698 at June 30, 2023.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2023 were as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 31,645	\$ 12,755	\$ 44,400
2025	33,010	11,390	44,400
2026	34,804	9,966	44,770
2027	40,462	8,378	48,840
2028	42,207	6,633	48,840
2029-2033	133,793	8,657	142,450
Total	<u>\$ 315,921</u>	<u>\$ 57,779</u>	<u>\$ 373,700</u>

Note 9. Interfund Assets/Liabilities and Transfers

Transfers to/from other funds at June 30, 2023, consist of the following:

From General Fund to the Self Insurance Fund to supplement resources.	\$ 50,000
From General Fund to the Courthouse EOC Recovery Project to provide resources for project expenses.	2,000,786
From Capital Reserve Fund to the Courthouse EOC Recovery Project to provide resources for project expenses.	607,000
From General Fund to the Capital Reserve Fund to provide resources for future capital expenses.	4,350,999
From ARPA Fund to SCADA / Telemetry Project Fund to fund project expenses.	4,675,295
From ARPA Fund to General Fund to transfer revenue replacement funds and premium pay funds	12,178,303
From General Fund to the School Debt Service Fund to transfer local option sales tax restricted for School Debt Service.	6,411,739
From General Fund to the Human Services Expansion project fund to provide resources for capital	1,068,139
From General Fund to Township 1 for approved reimbursable expenses along with County Grant Match.	14,743
From General Fund to Township 3 for approved reimbursable expenses along with County Grant Match.	87,362
From General Fund to Little Swift Creek VFD for approved reimbursable expenses along with County Grant Match.	29,882
From General Fund to Township 9 for approved reimbursable expenses along with County Grant Match.	28,280
From the Occupancy Tax Fund to the General Fund to service convention center debt payment.	943,540
From the General Fund to the Water Fund to transfer monthly allocation of Howell Rd Building rent.	18,000
From the Water Fund to Northwest Craven Debt Service Fund to cover debt service payment.	86,507
From the Water Fund to the General Fund for IT, Admin, Finance, Maintenance, and Rent allocations.	<u>169,000</u>
Total	<u><u>\$ 32,719,575</u></u>

Balances due to / from other funds at June 30, 2023, consist of the following:

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

CDBG-DR Active Disaster Grants Fund	\$ 1,152
CDBG-NR NC Dept of Commerce Grants Fund	<u>63,582</u>
Total Due to the General Fund	<u><u>\$ 64,734</u></u>

Note 10: Net Investment in Capital Assets

Debt Related to Capital Activities - Of the Governmental Activities debt listed, only \$14,520,400 relates to assets the County holds title.

The total net investment in capital assets at June 30, 2023 is composed of the following elements:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets (net of depreciation)	\$ 78,841,106	\$ 42,629,769
Add:		
Deferred charges (capital related)	1,156,447	-
Total capital assets and related deferred charges	<u>79,997,553</u>	<u>42,629,769</u>
Total debt, gross	19,711,150	11,485,525
Less:		
Other non-capital related debt	5,190,750	-
Deferred charges (non-capital related)	1,156,447	-
Total capital debt	<u>13,363,953</u>	<u>11,485,525</u>
Net investment in capital assets	<u>\$ 66,633,600</u>	<u>\$ 31,144,244</u>

Note 11: Deferred Compensation Plan

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

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

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

Note 12. Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources at June 30, 2023 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>\$</u>	<u>\$</u>
Charges of refunding of debt	1,156,447	-
Pensions - difference between expected and actual experience		
Pensions	1,168,828	202,095
OPEB	1,552,055	287,803
Pension - Changes of assumptions		
Pensions	2,575,153	426,241
OPEB	3,179,102	2,717,029
Pensions - difference between projected and actual investment earnings (Pensions)	7,513,497	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	387,116	43,464
Contributions to plans in current fiscal year		
Pensions	4,576,525	-
OPEB	364,991	-
Prepaid taxes not yet earned (General Fund)	-	147,874
Prepaid fees (General)	-	98,695
Leases	-	91,191
Total reported in the government wide statements	<u>22,473,714</u>	<u>4,014,392</u>
Property taxes receivable, net (General Fund)	-	840,826
Property taxes receivable, net (Special Revenue Fund)	-	50,811
Recycling fees receivable (General Fund)	-	238,970
Prepaid taxes not yet earned (General Fund)	-	147,874
Prepaid fees (General)	-	98,695
Leases	-	91,191
Total reported in the fund statements	<u>\$ -</u>	<u>\$ 1,468,367</u>

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

Note 13. Risk Management

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

The County's Internal Service Fund was established to account for a limited risk, self-insurance program to provide health and dental benefits to County employees. Premiums are paid into the Internal Service Fund by all other funds (including amounts withheld from employees) and are available to pay claims and administrative costs of the program. The interfund premiums are based upon actuarial estimates of the amounts needed to pay prior and current year claims. An excess coverage insurance policy provides for individual claims in excess of \$155,000. A total of \$7,605,732 in claims was incurred for benefits during fiscal year 2023. Payments received from the insurer for claims over the limit of \$519,579 and \$328,606 during fiscal 2023 and fiscal 2022, have been netted against the claims shown below. Changes in the fund's claims liability amounts (net refunds due) for the past two fiscal years were as follows:

Note 13. Risk Management (continued)

	Net Liability at Fiscal Year Beginning	Current Claims and Changes in Estimates	Claim Payments	Net Liability at Fiscal Year End
2022-2023	\$ 826,122	\$ 7,605,732	\$ 6,919,731	\$ 1,512,123
2021-2022	\$ 734,122	\$ 5,746,711	\$ 5,654,711	\$ 826,122

During 2003, the County entered into a limited risk, self-funded workers' compensation claim program with administrative services provided by a third-party administrator. Premiums are paid into the Internal Service Fund by all other funds and are available to pay claims and administrative costs of the program. The interfund premiums are based upon estimates of amounts needed to pay prior and current year claims. An excess coverage insurance policy provides for individual claims in excess of \$500,000. A total of \$1,367,612 in claims or changes in estimates were incurred for benefits during fiscal year 2023. Changes in the fund's claims liability amounts for the past two fiscal years were as follows:

	Net Liability at Fiscal Year Beginning	Current Claims and Changes in Estimates	Claim Payments	Net Liability at Fiscal Year End
2022-2023	\$ 429,439	\$ 1,367,612	\$ 967,187	\$ 829,864
2021-2022	\$ 116,158	\$ 952,408	\$ 639,127	\$ 429,439

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

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

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

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

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

Note 13. Risk Management (continued)

Effective January 1, 2001, the CarolinaEast Health System established a limited risk, self-insurance program to provide health benefits to the Health System's employees. The Health System changed plan administrator's on January 1, 2016. The System is billed on a weekly basis for claims by MedCost, the plan administrator. The Health System carries stoploss insurance through MedCost, which has stop loss for individual claims in excess of \$265,000. The claims liability reported at year-end is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the statement of net position date and the amount can be reasonably estimated.

Changes in the Health System's claims liability amount for retained risk for the fiscal years ending June 30, 2023 and 2022 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2022-2023	\$ 3,283,632	\$ 23,541,007	\$ 23,341,007	\$ 3,483,632
2021-2022	\$ 4,160,000	\$ 17,423,695	\$ 18,300,063	\$ 3,283,632

Total claims expense is partially offset by employee contributions.

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

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

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

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

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

Note 13. Risk Management (continued)

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

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

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

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

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

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

Note 14. Joint Ventures

The County participates in a joint venture with the City of New Bern to operate the New Bern/Craven County Library. The County appoints five board members of the ten-member board. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2023. During the year ended June 30, 2023, the County appropriated \$1,687,896 to the library. In addition to the New Bern/Craven County Library, the County appoints board members to the three other Craven County municipal library boards. Total funding for these libraries was \$498,205. Complete financial statements for the New Bern/Craven County Library can be obtained from the Library's administrative offices at 400 Johnson Street, New Bern, NC 28560.

Note 14. Joint Ventures (Continued)

The County, in conjunction with Carteret County and Pamlico County, participates in the Coastal Regional Solid Waste Management Authority. Craven County appoints three members of the seven-member board. The Waste Management Authority is a joint venture established to provide solid waste management within these counties. The County has an ongoing financial responsibility for the Waste Management Authority because it and the other counties are legally obligated under the intergovernmental agreement that created the Waste Management Authority to honor any deficiencies in the event that proceeds from other sources are insufficient. The County did not contribute any funds to the Waste Management Authority during the fiscal year ended June 30, 2023. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2023. Complete financial statements for the Waste Management Authority can be obtained from the Waste Management Authority's administrative offices at 7400 Old Highway 70 West, Cove City, NC.

The County, in conjunction with Jones, Pamlico, Bertie, Gates, Hertford, Northampton, Pitt, Beaufort, Camden, Chowan, Currituck, Dare, Hyde, Martin, Pasquotank, Perquimans, Tyrell and Washington Counties, participates in a joint venture to operate East Carolina Behavioral Health ("ECBH") which, effective July 1, 2015, consolidated with a similar entity to become Trillium Health Resources ("THR"). Each of the nineteen counties appoints one commissioner as a member of the Board of Directors which consists of 24 members. The County Commissioner members jointly appoint five non-Commissioner Board members. The County has an ongoing financial responsibility for the joint venture because THR's continued existence depends on the participating governments' funding in conjunction with funding from the State of North Carolina. None of the participating governments have any equity interest in THR, so no equity interest has been reflected in the financial statements at June 30, 2023. The County appropriated \$394,827 to the THR during the fiscal year ended June 30, 2023, which included money received from the ABC Board designated for alcohol education. Complete financial statements for THR can be obtained from THR's administrative offices at 1708 East Arlington Boulevard, Greenville, NC 27858-5782.

The County, in conjunction with the State of North Carolina, participates in a joint venture to operate Craven Community College. The County appoints five members of the eleven-member board of trustees of the Community College. The college is included as a component unit of the State of North Carolina. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the last general obligation bond issue for this purpose, \$-0- is outstanding. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$4,304,125 and \$500,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2023. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2023.

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

Note 15. Jointly Governed Organizations

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

Effective June 30, 2022, the County, in conjunction with one other county, governs the operations of the Craven-Pamlico Regional Library. Each participating government appoints three board members to the nine member board. The County has no ongoing financial responsibility for the joint venture because the library's continued existence depends on the State of North Carolina's continued funding. None of the participating governments have any equity interest in the library, so no equity interest has been reflected in the financial statements at June 30, 2023.

Note 16. Related Organization

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

Note 17. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

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

Note 18. Subsequent Events

The County has evaluated its subsequent events (events occurring after June 30, 2023) through December 27, 2023 which represents the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

Craven County



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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension liability (asset) %	0.400%	0.393%	0.402%	0.371%	0.378%
County's proportionate share of the net pension liability (asset) \$	\$ 22,554,429	\$ 6,033,013	\$ 14,350,879	\$ 10,119,705	\$ 8,972,909
County's covered payroll	\$ 31,514,640	\$ 29,665,567	\$ 29,913,077	\$ 25,617,364	\$ 26,440,751
County's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	71.57%	20.34%	47.98%	39.50%	33.94%
Plan fidiciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	92.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.383%	0.381%	0.390%	0.406%	0.408%
County's proportionate share of the net pension liability (asset) \$	\$ 5,843,846	\$ 8,094,798	\$ 1,748,322	\$ (2,397,200)	\$ 4,922,788
County's covered payroll	\$ 25,550,943	\$ 24,774,857	\$ 24,162,555	\$ 24,220,773	\$ 24,447,979
County's proportionate share of the net pension liability (asset) as a percentage of	22.87%	32.67%	7.24%	-9.90%	20.14%
Plan fidiciary net position as a percentage of the total pension liability	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Schedule of County Contributions
Local Government Employees' Retirement System
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 4,507,959	\$ 3,611,047	\$ 3,038,004	\$ 2,700,885	\$ 2,151,022
Contributions in relation to the contractually required contribution	<u>4,507,959</u>	<u>3,611,047</u>	<u>3,038,004</u>	<u>2,700,885</u>	<u>2,151,022</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	36,678,651	31,514,640	29,665,567	29,913,077	25,617,364
Contributions as a percentage of covered payroll	12.29%	11.46%	10.24%	9.03%	8.40%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,005,720	\$ 1,873,840	\$ 1,667,585	\$ 1,718,722	\$ 1,718,740
Contributions in relation to the contractually required contribution	<u>2,005,720</u>	<u>1,873,840</u>	<u>1,667,585</u>	<u>1,718,722</u>	<u>1,718,740</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	26,440,751	25,550,943	24,774,857	24,162,555	24,220,773
Contributions as a percentage of covered payroll	7.59%	7.33%	6.73%	7.11%	7.10%

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

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

Schedule of County's Proportionate Share of Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension liability (asset)%	1.073%	1.045%	1.052%	0.977%	0.872%
County's proportionate share of the net pension liability (asset) \$	\$ (142,004)	\$ (200,780)	\$ (241,008)	\$ (192,901)	\$ (144,347)
Plan fiduciary net position as a percentage of the total pension liability (asset)	139.04%	156.53%	173.62%	164.11%	153.31%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)%	1.178%	1.217%	1.111%	1.108%	1.123%
County's proportionate share of the net pension liability (asset) \$	\$ (201,138)	\$ (227,499)	\$ (257,688)	\$ (251,203)	\$ (239,811)
Plan fiduciary net position as a percentage of the total pension liability (asset)	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 9,813	\$ 12,295	\$ 12,542	\$ 10,069	\$ 9,287
Contributions in relation to the contractually required contribution	<u>9,813</u>	<u>12,295</u>	<u>12,542</u>	<u>10,069</u>	<u>9,287</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 10,238	\$ 10,238	\$ 9,941	\$ 8,897	\$ 9,049
Contributions in relation to the contractually required contribution	<u>10,238</u>	<u>10,238</u>	<u>9,941</u>	<u>8,897</u>	<u>9,049</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Schedule of Coastal Carolina Regional Airport Authority's Proportionate Share of Net Pension
Liability (Asset)**
Local Governmental Employees' Retirement System
Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Authority's proportion of the net pension liability (asset) %	0.006%	0.007%	0.006%	0.005%	0.001%
Authority's proportionate share of the net pension liability (asset) \$	\$ 355,410	\$ 99,684	\$ 216,550	\$ 146,924	\$ 143,527
Authority's covered payroll	\$ 652,598	\$ 595,446	\$ 538,641	\$ 437,773	\$ 462,079
Authority's proportionate share of the net of its covered payroll	54.46%	16.74%	40.20%	33.56%	31.06%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.61%	90.86%	92.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Authority's proportion of the net pension liability (asset) %	0.005%	0.004%	0.003%	0.003%	0.004%
Authority's proportionate share of the net pension liability (asset) \$	\$ 72,567	\$ 92,746	\$ 17,502	\$ (19,462)	\$ 43,394
Authority's covered payroll	\$ 366,986	\$ 354,738	\$ 345,577	\$ 314,856	\$ 277,758
Authority's proportionate share of the net of its covered payroll	19.77%	26.14%	5.06%	-6.18%	15.62%
Plan fiduciary net position as a percentage of the total pension liability	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 98,655	\$ 76,028	\$ 60,438	\$ 49,111	\$ 33,767
Contributions in relation to the contractually required contribution	<u>98,655</u>	<u>76,028</u>	<u>60,438</u>	<u>49,111</u>	<u>33,767</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	\$ 800,117	\$ 652,598	\$ 595,446	\$ 538,641	\$ 437,773
Contributions as a percentage of covered payroll	12.33%	11.65%	10.15%	9.12%	7.71%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 34,656	\$ 26,606	\$ 23,663	\$ 25,400	\$ 23,551
Contributions in relation to the contractually required contribution	<u>34,656</u>	<u>26,606</u>	<u>23,663</u>	<u>25,400</u>	<u>23,551</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	\$ 462,079	\$ 366,986	\$ 354,738	\$ 345,577	\$ 314,856
Contributions as a percentage of covered payroll	7.50%	7.25%	6.67%	7.35%	7.48%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
ABC Board's proportion of the net pension liability (asset) %	0.00940%	0.00911%	0.00908%	0.00763%	0.00786%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 530,294	\$ 139,711	\$ 324,467	\$ 208,369	\$ 186,466
ABC Board's covered payroll	\$ 910,537	\$ 789,629	\$ 751,821	\$ 714,459	\$ 676,367
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	58.24%	17.69%	43.16%	29.16%	27.57%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	92.00%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
ABC Board's proportion of the net pension liability (asset) %	0.00843%	0.00728%	0.00735%	0.00621%	0.00700%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 128,787	\$ 154,506	\$ 32,986	\$ (36,623)	\$ 84,377
ABC Board's covered payroll	\$ 685,968	\$ 580,917	\$ 570,899	\$ 474,494	\$ 470,002
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	18.77%	26.60%	5.78%	-7.72%	17.95%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 127,330	\$ 104,439	\$ 81,332	\$ 68,341	\$ 56,300
Contributions in relation to the contractually required contribution	<u>127,330</u>	<u>104,439</u>	<u>81,332</u>	<u>68,341</u>	<u>56,300</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,046,260	\$ 910,537	\$ 789,629	\$ 751,821	\$ 714,459
Contributions as a percentage of covered payroll	12.17%	11.47%	10.30%	9.09%	7.88%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 51,877	\$ 51,104	\$ 39,851	\$ 40,320	\$ 33,900
Contributions in relation to the contractually required contribution	<u>51,877</u>	<u>51,104</u>	<u>39,851</u>	<u>40,320</u>	<u>33,900</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 676,367	\$ 685,968	\$ 580,917	\$ 570,899	\$ 479,494
Contributions as a percentage of covered payroll	7.67%	7.45%	6.86%	7.06%	7.07%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning Balance	\$2,282,144	\$2,311,100	\$ 1,800,412	\$1,531,403	\$ 1,699,481	\$1,585,538
Service Cost	177,309	167,905	96,688	80,218	78,775	69,732
Interest on the total pension liability	50,151	43,355	56,377	53,039	52,055	58,828
Difference between expected and actual experience in the measurement of the total pension liability	166,374	(42,045)	(138,029)	237,415	(140,990)	(1,068)
Changes of assumptions or other inputs	(440,063)	(68,757)	637,773	46,918	(53,553)	109,457
Benefit payments	<u>(120,456)</u>	<u>(129,414)</u>	<u>(142,121)</u>	<u>(148,581)</u>	<u>(104,365)</u>	<u>(123,006)</u>
Ending Balance of the total pension liability	<u>\$2,115,459</u>	<u>\$2,282,144</u>	<u>\$ 2,311,100</u>	<u>\$1,800,412</u>	<u>\$ 1,531,403</u>	<u>\$1,699,481</u>

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	\$2,115,459	\$2,282,144	\$ 2,311,100	\$1,800,412	\$ 1,531,403	\$1,699,481
Covered payroll	4,746,709	4,520,298	4,158,309	3,798,109	3,344,394	3,206,963
Total pension liability as a percentage of covered payroll	44.57%	50.49%	55.58%	47.40%	45.79%	52.99%

Notes to the schedules:

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB liability - beginning	\$ 23,143,266	\$ 19,278,312	\$ 16,596,576
Service Cost	1,234,154	1,018,725	751,540
Interest on the total pension liability	521,177	439,861	594,429
Difference between expected and actual experience	(338,660)	666,435	1,567
Changes of assumptions	(2,908,473)	2,531,946	2,069,353
Benefit payments	<u>(500,399)</u>	<u>(792,013)</u>	<u>(735,153)</u>
Net change in total OPEB liability	<u>(1,992,201)</u>	<u>3,864,954</u>	<u>2,681,736</u>
Total OPEB liability - ending	<u>\$ 21,151,065</u>	<u>\$ 23,143,266</u>	<u>\$ 19,278,312</u>
Covered-employee Payroll	\$ 29,549,487	\$ 29,549,487	\$ 26,685,118
Total OPEB Liability as a percentage of covered-employee payroll	71.58%	78.32%	72.24%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 14,058,772	\$ 13,825,361	\$ 13,876,112
Service Cost	593,237	613,031	662,069
Interest on the total pension liability	531,977	477,912	411,261
Difference between expected and actual experience	1,868,749	369,590	14,747
Changes of assumptions	317,752	(418,307)	(709,756)
Benefit payments	<u>(773,911)</u>	<u>(808,815)</u>	<u>(429,072)</u>
Net change in total OPEB liability	<u>2,537,804</u>	<u>233,411</u>	<u>(50,751)</u>
Total OPEB liability - ending	<u>\$ 16,596,576</u>	<u>\$ 14,058,772</u>	<u>\$ 13,825,361</u>
Covered-employee Payroll	\$ 26,685,118	\$ 27,587,907	\$ 27,587,907
Total OPEB Liability as a percentage of covered-employee payroll	62.19%	50.96%	50.11%

Notes to Schedule

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

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

<u>Fiscal year</u>	
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.54%

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

GENERAL FUND

Craven County



CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL**
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 58,878,294	\$ 59,101,199	\$ 222,905
Sales	23,583,150	25,926,013	2,342,863
Intergovernmental	33,134,353	32,307,134	(827,219)
Charges for services	19,477,839	17,949,560	(1,528,279)
Interest	1,701,500	2,173,374	471,874
Miscellaneous	638,325	690,300	51,975
Total revenues	<u>137,413,461</u>	<u>138,147,580</u>	<u>734,119</u>
EXPENDITURES			
General government:			
Commissioners	676,999	637,585	39,414
Administration	916,038	901,515	14,523
Human Resources	869,040	838,785	30,255
Information technology	2,909,141	2,723,208	185,933
Finance	1,264,078	1,240,759	23,319
Elections	579,336	513,208	66,128
Tax assessor	1,419,543	1,337,403	82,140
Tax collections	885,190	864,302	20,888
Register of Deeds	1,678,251	1,365,802	312,449
Public buildings	8,454,097	8,195,115	258,982
Housekeeping	487,380	476,271	11,109
Court facilities	491,387	464,372	27,015
County garage	911,861	714,463	197,398
Maintenance	1,779,407	1,623,081	156,326
Non-departmental	4,489,329	1,942,426	2,546,903
Total general government	<u>27,811,077</u>	<u>23,838,295</u>	<u>3,972,782</u>
Public Safety			
Animal control	817,580	738,182	79,398
Medical examiner	205,000	179,900	25,100
Sheriff	12,114,789	11,632,017	482,772
Jail	6,505,869	5,896,663	609,206
Fire marshal/Emergency management	2,131,259	2,089,806	41,453
Inspections	867,602	660,940	206,662
Volunteer rescue squads	4,372,124	4,217,860	154,264
Total public safety	<u>27,014,223</u>	<u>25,415,368</u>	<u>1,598,855</u>

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Environmental protection			
Solid Waste	6,171,936	6,081,649	90,287
Environmental health	1,294,073	1,252,860	41,213
Soil Conservation	824,591	415,274	409,317
Cooperative extension	379,966	344,575	35,391
Total environmental protection	<u>8,670,566</u>	<u>8,094,358</u>	<u>576,208</u>
Economic and physical development			
Planning	1,076,308	1,037,248	39,060
Economic Development Commission	1,478,495	752,954	725,541
Convention center	1,516,523	1,350,449	166,074
Special Appropriation	219,448	144,627	74,821
Total economic and physical development	<u>4,290,774</u>	<u>3,285,278</u>	<u>1,005,496</u>
Health			
Dental	509,428	478,515	30,913
Maternity	1,465,440	1,326,843	138,597
Child Health	1,942,358	1,711,481	230,877
Risk Reduction	176,089	168,966	7,123
WIC	623,022	575,300	47,722
Adult health services	1,911,095	1,671,684	239,411
Communicable disease	745,984	558,454	187,530
Bio-terrorism	345,768	337,775	7,993
Family planning	927,548	878,949	48,599
Home health	1,972,348	1,892,562	79,786
Mental health	394,827	389,961	4,866
Pharmacy	1,004,794	840,730	164,064
Other - unclassified	1,779,584	1,550,231	229,353
Total health	<u>13,798,285</u>	<u>12,381,451</u>	<u>1,416,834</u>
Social services			
Transportation	2,013,044	1,558,173	454,871
Administration	3,429,029	3,128,606	300,423
Employment assistance	5,689,588	5,476,918	212,670
Adult/child services	1,866,458	1,843,639	22,819
Veterans services	414,159	404,535	9,624
Senior services	676,882	540,474	136,408
Public assistance payments	1,403,038	955,480	447,558
TANF	8,283,104	7,895,968	387,136
Child support enforcement	898,201	876,776	21,425
Special appropriation	77,300	77,300	-
Total social services	<u>24,750,803</u>	<u>22,757,869</u>	<u>1,992,934</u>

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE, BUDGET AND ACTUAL**
For the Year Ended June 30, 2023

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Culture and recreation			
Recreation	1,757,237	1,516,450	240,787
Libraries	1,687,896	1,687,896	-
Special appropriation	231,033	228,443	2,590
Total culture and recreation	<u>3,676,166</u>	<u>3,432,789</u>	<u>243,377</u>
Education - schools			
Public schools - current expenditures	22,065,404	22,065,404	-
Public schools - fines and forfeitures	865,000	554,607	310,393
Public schools - capital outlay	2,802,453	2,527,776	274,677
Community college	4,804,125	4,804,125	-
Total education	<u>30,536,982</u>	<u>29,951,912</u>	<u>585,070</u>
Debt Service:			
Principal	2,506,100	2,506,100	-
Interest	345,273	345,257	16
Total debt service	<u>2,851,373</u>	<u>2,851,357</u>	<u>16</u>
Total expenditures	<u>143,400,249</u>	<u>132,008,677</u>	<u>11,391,572</u>
Excess of revenues over expenditures	<u>(5,986,788)</u>	<u>6,138,903</u>	<u>12,125,691</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds	-	155,246	155,246
Transfer in	6,095,794	13,290,843	7,195,049
Transfer out	(14,062,435)	(14,059,930)	2,505
Total other financing sources (uses)	<u>(7,966,641)</u>	<u>(613,841)</u>	<u>7,352,800</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(13,953,429)</u>	<u>5,525,062</u>	<u>19,478,491</u>
Appropriated fund balance	<u>13,953,429</u>	-	<u>(13,953,429)</u>
Net change in fund balance	<u>\$ -</u>	<u>5,525,062</u>	<u>\$ 5,525,062</u>
FUND BALANCE			
Fund balance, beginning		<u>59,604,035</u>	
Fund balance, ending		<u>\$ 65,129,097</u>	

Craven County



OTHER MAJOR GOVERNMENTAL FUNDS

Craven County



CRAVEN COUNTY, NORTH CAROLINA
CORONAVIRUS STATE LOCAL FISCAL RECOVERY FUNDS CFR 21.027 (ARPA FUNDS)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Intergovernment	\$ 19,839,303	\$ 646,406	\$ 16,853,598	\$ 17,500,004	\$ (2,339,299)
Interest	-	1,855	68,022	69,877	69,877
Total revenues	<u>19,839,303</u>	<u>648,261</u>	<u>16,921,620</u>	<u>17,569,881</u>	<u>(2,269,422)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	19,839,303	-	-	-	19,839,303
Total expenditures	<u>19,839,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,839,303</u>
Other financing sources (uses)					
Transfer to General Fund	-	-	(12,178,303)	(12,178,303)	(12,178,303)
Transfer to Water Project Fund	-	(646,406)	(4,675,295)	(5,321,701)	(5,321,701)
Total other financing sources (uses)	<u>-</u>	<u>(646,406)</u>	<u>(16,853,598)</u>	<u>(17,500,004)</u>	<u>(17,500,004)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 1,855</u>	68,022	<u>\$ 69,877</u>	<u>\$ 69,877</u>
Fund balance, beginning			<u>1,855</u>		
Fund balance, ending			<u>\$ 69,877</u>		

CRAVEN COUNTY, NORTH CAROLINA
COURTHOUSE / EOC RECOVERY PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
REVENUES					
Restricted intergovernmental	\$ 5,000,000	\$ 675,576	\$ 590,426	\$ 1,266,002	\$ (3,733,998)
Interest on investments	-	842	20,350	21,192	21,192
Total revenues	<u>5,000,000</u>	<u>676,418</u>	<u>610,776</u>	<u>1,287,194</u>	<u>(3,712,806)</u>
EXPENDITURES					
Capital outlay:					
Project construction	10,690,273	3,084,072	487,967	3,572,039	7,118,234
Contingency	241,106	1,865	-	1,865	239,241
Sales tax refund	-	(14,111)	-	(14,111)	14,111
Total expenditures	<u>10,931,379</u>	<u>3,071,826</u>	<u>487,967</u>	<u>3,559,793</u>	<u>7,371,586</u>
Revenues over (under) expenditures	<u>(5,931,379)</u>	<u>(2,395,408)</u>	<u>122,809</u>	<u>(2,272,599)</u>	<u>3,658,780</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	5,931,379	3,323,593	2,607,786	5,931,379	-
Total other financing sources (uses)	<u>5,931,379</u>	<u>3,323,593</u>	<u>2,607,786</u>	<u>5,931,379</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 928,185</u>	<u>\$ 2,730,595</u>	<u>\$ 3,658,780</u>	<u>\$ 3,658,780</u>
Fund balance, beginning			<u>928,185</u>		
Fund balance, ending			<u>\$ 3,658,780</u>		

CRAVEN COUNTY, NORTH CAROLINA
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES				
Interest	\$ -	\$ 1,469,434	\$ 44,504	\$ 1,513,938
Total revenues	<u>-</u>	<u>1,469,434</u>	<u>44,504</u>	<u>1,513,938</u>
OTHER FINANCING SOURCES				
Transfers in (out):				
From General fund	50,000	15,992,341	4,350,999	20,343,340
To General fund	(2,661,414)	(2,965,683)	-	(2,965,683)
To Capital Project Funds	(607,000)	(4,117,970)	(607,000)	(4,724,970)
To Stream Debris Removal	-	(50,230)	-	(50,230)
Total other financing sources (uses)	<u>(3,218,414)</u>	<u>8,858,458</u>	<u>3,743,999</u>	<u>12,602,457</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>(3,218,414)</u>	<u>10,327,892</u>	<u>3,788,503</u>	<u>14,116,395</u>
Appropriated fund balance	<u>3,218,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 10,327,892</u>	<u>3,788,503</u>	<u>\$ 14,116,395</u>
Fund balance, beginning			<u>10,327,892</u>	
Fund balance, ending			<u>\$ 14,116,395</u>	

Craven County



COMBINING SCHEDULES OF NONMAJOR FUNDS

Craven County



CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,273,515	\$ 2,158,262	\$ 10,335,273	\$ 17,767,050
Sales tax receivable	385,836	26,591	1,653,180	2,065,607
Accounts receivable	71,791	-	-	71,791
Restricted cash	1,116,187	157,557	-	1,273,744
Total assets	<u>\$ 6,847,329</u>	<u>\$ 2,342,410</u>	<u>\$ 11,988,453</u>	<u>\$ 21,178,192</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 536,823	\$ 188,269	\$ -	\$ 725,092
Due to other funds	64,734	-	-	64,734
Unearned revenues	1,116,187	-	-	1,116,187
Total liabilities	<u>1,717,744</u>	<u>188,269</u>	<u>-</u>	<u>1,906,013</u>
Deferred inflows of resources:				
Taxes receivable	50,811	-	-	50,811
Total deferred inflows of resources	<u>50,811</u>	<u>-</u>	<u>-</u>	<u>50,811</u>
Fund balances:				
Restricted				
Stabilization by state statute	33,862	-	-	33,862
Public Safety	2,367,542	-	-	2,367,542
General government	-	454,530	-	454,530
Social services	205,243	-	-	205,243
Economic and physical development	2,375,310	910,494	-	3,285,804
Education, schools	140,454	157,557	11,988,453	12,286,464
Committed:				
Capital projects	-	631,560	-	631,560
Unassigned	(43,637)	-	-	(43,637)
Total fund balances	<u>5,078,774</u>	<u>2,154,141</u>	<u>11,988,453</u>	<u>19,221,368</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,847,329</u>	<u>\$ 2,342,410</u>	<u>\$ 11,988,453</u>	<u>\$ 21,178,192</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	Special Revenue Funds	Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 6,081,807	\$ -	\$ -	\$ 6,081,807
Intergovernmental	1,045,661	-	931,320	1,976,981
Miscellaneous	76,429	-	-	76,429
Interest	11,330	2,583	37,705	51,618
Total revenues	<u>\$ 7,215,227</u>	<u>\$ 2,583</u>	<u>\$ 969,025</u>	<u>\$ 8,186,835</u>
EXPENDITURES				
Current:				
General government	\$ -	\$ 45,025	\$ -	\$ 45,025
Public safety	4,043,930	-	-	4,043,930
Social services	709,933	2,192,759	-	2,902,692
Economic and physical development	991,876	-	-	991,876
Education	1,869,159	-	-	1,869,159
Debt service:				
Principal	-	-	2,712,000	2,712,000
Interest	-	-	156,404	156,404
Total expenditures	<u>7,614,898</u>	<u>2,237,784</u>	<u>2,868,404</u>	<u>12,721,086</u>
Excess of revenues over (under) expenditures	<u>(399,671)</u>	<u>(2,235,201)</u>	<u>(1,899,379)</u>	<u>(4,534,251)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	160,267	1,068,139	6,411,739	7,640,145
Transfer out	(943,540)	-	-	(943,540)
Total other financing sources (uses)	<u>(783,273)</u>	<u>1,068,139</u>	<u>6,411,739</u>	<u>6,696,605</u>
Net change in fund balances	<u>(1,182,944)</u>	<u>(1,167,062)</u>	<u>4,512,360</u>	<u>2,162,354</u>
Fund balance, beginning	<u>6,261,718</u>	<u>3,321,203</u>	<u>7,476,093</u>	<u>17,059,014</u>
Fund balance, ending	<u>\$ 5,078,774</u>	<u>\$ 2,154,141</u>	<u>\$ 11,988,453</u>	<u>\$ 19,221,368</u>

SPECIAL REVENUE FUNDS

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

The following comprise the County's Special Revenue Funds:

Major Fund:

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

Non-major Funds:

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

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Fire District Funds	Emergency Telephone System	Occupancy Tax Fund	Stream Debris Removal Project	CDBG-DR Active Disaster Grants Fund
ASSETS					
Cash and cash equivalents	\$ 1,719,712	\$ 277,767	\$ 2,534,386	\$ 32,330	\$ -
Restricted cash	-	-	-	-	-
Taxes receivable	385,836	-	-	-	-
Accounts receivable	-	33,862	-	-	-
Total assets	<u>\$ 2,105,548</u>	<u>\$ 311,629</u>	<u>\$ 2,534,386</u>	<u>\$ 32,330</u>	<u>\$ -</u>

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

Liabilities:					
Accounts payable	\$ -	\$ 271	\$ 191,406	\$ -	\$ -
Due to other funds	-	-	-	-	1,152
Unearned revenues	-	-	-	-	-
Total liabilities	<u>-</u>	<u>271</u>	<u>191,406</u>	<u>-</u>	<u>1,152</u>
Deferred inflows of resources:					
Taxes receivable	50,811	-	-	-	-
Total deferred inflows of resources	<u>50,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Fund balances:					
Restricted					
Stabilization by state statute	-	33,862	-	-	-
Public Safety	2,054,737	277,496	-	-	-
Human services	-	-	-	-	-
Economic and physical development	-	-	2,342,980	32,330	-
Education	-	-	-	-	-
Unassigned	-	-	-	-	(1,152)
Total fund balances	<u>2,054,737</u>	<u>311,358</u>	<u>2,342,980</u>	<u>32,330</u>	<u>(1,152)</u>

Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,105,548</u>	<u>\$ 311,629</u>	<u>\$ 2,534,386</u>	<u>\$ 32,330</u>	<u>\$ -</u>
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CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	CDBG-NR					Totals
	Flood Hazard Mitigation Assist 2016-006	NC Dept of Commerce Grants Fund	Grant Project Fund	Representative Payee Fund	Opioid Settlement Fund	
\$	-	-	\$ 504,077	\$ 205,243	-	\$ 5,273,515
Cash and cash equivalents	-	-	-	-	1,116,187	1,116,187
Restricted cash	-	-	-	-	-	385,836
Taxes receivable	-	-	37,929	-	-	71,791
Accounts receivable	-	-	\$ 542,006	\$ 205,243	\$ 1,116,187	\$ 6,847,329
Total assets	-	-	-	-	-	-

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

Liabilities:						
Accounts payable	\$	-	\$ 345,146	\$	-	\$ 536,823
Due to other funds	-	63,582	-	-	-	64,734
Unearned revenues	-	-	-	-	1,116,187	1,116,187
Total liabilities	-	63,582	345,146	-	1,116,187	1,717,744
Deferred inflows of resources:						
Taxes receivable	-	-	-	-	-	50,811
Total deferred inflows of resources	-	-	-	-	-	50,811
Fund balances:						
Restricted						
Stabilization by state statute	-	-	-	-	-	33,862
Public Safety	-	-	35,309	-	-	2,367,542
Human services	-	-	-	205,243	-	205,243
Economic and physical development	-	-	-	-	-	2,375,310
Education	-	-	140,454	-	-	140,454
Unassigned	-	(63,582)	21,097	-	-	(43,637)
Total fund balances	-	(63,582)	196,860	205,243	-	5,078,774
Total liabilities, deferred inflows of resources and fund balances	\$	-	\$ 542,006	\$ 205,243	\$ 1,116,187	\$ 6,847,329

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

	Fire District Funds	Emergency Telephone System	Occupancy Tax Fund	Stream Debris Removal Project	CDBG-DR Active Disaster Grants Fund
REVENUES					
Taxes	\$ 3,666,202	\$ -	\$ 2,415,605	\$ -	\$ -
Intergovernmental	-	125,957	-	-	-
Miscellaneous	-	27,526	10,974	-	-
Interest	-	1,785	9,545	-	-
Total revenues	<u>3,666,202</u>	<u>155,268</u>	<u>2,436,124</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
Public safety	3,555,665	488,265	-	-	-
Social services	-	-	-	-	-
Economic and physical development	-	-	947,814	-	-
Education	-	-	-	-	-
Total expenditures	<u>3,555,665</u>	<u>488,265</u>	<u>947,814</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>110,537</u>	<u>(332,997)</u>	<u>1,488,310</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)					
To general fund	-	-	(943,540)	-	-
From general fund	160,267	-	-	-	-
Total other financing sources (uses)	<u>160,267</u>	<u>-</u>	<u>(943,540)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>270,804</u>	<u>(332,997)</u>	<u>544,770</u>	<u>-</u>	<u>-</u>
Fund balance, beginning	<u>1,783,933</u>	<u>644,355</u>	<u>1,798,210</u>	<u>32,330</u>	<u>(1,152)</u>
Fund balance, ending	<u>\$ 2,054,737</u>	<u>\$ 311,358</u>	<u>\$ 2,342,980</u>	<u>\$ 32,330</u>	<u>\$ (1,152)</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2023

	Flood Hazard Mitigation Assist 2016-006	CDBG-NR NC Dept of Commerce Grants Fund	Grant Project Fund	Representative Payee Fund	Totals
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 6,081,807
Intergovernmental	-	-	191,517	728,187	1,045,661
Miscellaneous	-	-	37,929	-	76,429
Interest	-	-	-	-	11,330
Total revenues	-	-	229,446	728,187	7,215,227
EXPENDITURES					
Current:					
Public safety	-	-	-	-	4,043,930
Social services	-	-	-	709,933	709,933
Economic and physical development	-	44,062	-	-	991,876
Education	-	-	1,869,159	-	1,869,159
Total expenditures	-	44,062	1,869,159	709,933	7,614,898
Revenues over (under) expenditures	-	(44,062)	(1,639,713)	18,254	(399,671)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)					
To general fund	-	-	-	-	(943,540)
From general fund	-	-	-	-	160,267
Total other financing sources (uses)	-	-	-	-	(783,273)
Net change in fund balances	-	(44,062)	(1,639,713)	18,254	(1,182,944)
Fund balance, beginning	-	(19,520)	1,836,573	186,989	6,261,718
Fund balance, ending	\$ -	\$ (63,582)	\$ 196,860	\$ 205,243	\$ 5,078,774

CRAVEN COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 ALL FIRE DISTRICT FUNDS
 June 30, 2023

	No. 1		Tri-Community		Little Swift Creek		No. 3 Township		No. 5 Township		No. 6 Township		No. 7 Township		West New Bern		No. 9 Township		Sandy Point Service District		Totals	
	Township						Township		Township		Township		Township		Township		Township		District			
ASSETS																						
Cash and cash equivalents	\$ 223,785	\$ 212,467	\$ 262,244	\$ 111,832	\$ 88,957	\$ 124,893	\$ 233,121	\$ 122,232	\$ 166,705	\$ 158,269	\$ 15,207	\$ 1,719,712										
Taxes receivable	32,116	32,701	54,539	23,604	39,054	45,152	32,818	58,281	41,953	24,429	1,189	385,836										
Total assets	\$ 255,901	\$ 245,168	\$ 316,783	\$ 135,436	\$ 128,011	\$ 170,045	\$ 265,939	\$ 180,513	\$ 208,658	\$ 182,698	\$ 16,396	\$ 2,105,548										
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES																						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred inflows of resources:																						
Unavailable revenue - taxes	\$ 3,160	\$ 5,482	\$ 8,437	\$ 4,790	\$ 7,359	\$ 6,131	\$ 2,056	\$ 6,796	\$ 2,334	\$ 3,735	\$ 531	\$ 50,811										
Total deferred inflows of resources	3,160	5,482	8,437	4,790	7,359	6,131	2,056	6,796	2,334	3,735	531	50,811										
Fund balances:																						
Restricted																						
Public Safety	252,741	239,686	308,346	130,646	120,652	163,914	263,883	173,717	206,324	178,963	15,865	2,054,737										
Total fund balances	252,741	239,686	308,346	130,646	120,652	163,914	263,883	173,717	206,324	178,963	15,865	2,054,737										
Total liabilities, deferred inflows of resources and fund balances	\$ 255,901	\$ 245,168	\$ 316,783	\$ 135,436	\$ 128,011	\$ 170,045	\$ 265,939	\$ 180,513	\$ 208,658	\$ 182,698	\$ 16,396	\$ 2,105,548										

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL FIRE DISTRICT FUNDS
For the Year Ended June 30, 2023

	No. 1 Township	Tri- Community	Little Swift Creek	No. 3 Township	No. 5 Township	No. 6 Township	No. 7 Township	West New Bern	No. 9 Township	Sandy Point Service District	Totals
REVENUES											
Taxes:											
Property	\$ 187,912	\$ 339,320	\$ 142,289	\$ 227,911	\$ 289,698	\$ 205,491	\$ 377,414	\$ 291,480	\$ 153,028	\$ 4,639	\$ 2,421,819
Sales and use tax	107,554	171,238	69,882	117,726	144,934	114,258	191,228	147,160	76,862	2,442	1,244,383
Total revenues	\$ 295,466	\$ 510,558	\$ 212,171	\$ 345,637	\$ 434,632	\$ 319,749	\$ 568,642	\$ 438,640	\$ 229,890	\$ 7,081	\$ 3,666,202
EXPENDITURES											
Remittances to fire districts	\$ 209,268	\$ 497,014	\$ 239,178	\$ 388,919	\$ 417,184	\$ 270,971	\$ 538,000	\$ 460,435	\$ 234,165	\$ -	\$ 3,515,486
Grant match - safety	-	-	-	28,140	-	-	-	-	-	-	28,140
Miscellaneous	1,033	1,033	1,033	2,556	1,033	1,033	1,422	1,033	830	-	12,039
Total expenditures	210,301	498,047	240,211	419,615	418,217	272,004	539,422	461,468	234,995	-	3,555,665
Revenues over (under) expenditures	85,165	12,511	(28,040)	(73,978)	16,415	47,745	29,220	(22,828)	(5,105)	7,081	110,537
OTHER FINANCING SOURCES (USES)											
Transfers in (out):											
From General Fund	-	-	29,882	87,362	-	-	-	-	28,280	-	160,267
Between fire districts	(43,268)	7,380	19,596	3,000	2,688	(2,688)	-	43,268	(3,000)	(7,380)	-
Total other financing sources (uses)	(43,268)	(4,853)	49,478	90,362	2,688	(2,688)	-	43,268	25,280	(7,380)	160,267
Net change in fund balances	41,897	37,498	21,438	16,384	19,103	45,057	29,220	20,440	20,175	(299)	270,804
Fund balance, beginning	210,844	202,188	288,455	104,268	144,811	218,826	144,497	185,884	158,788	16,164	1,783,933
Fund balance, ending	\$ 252,741	\$ 239,686	\$ 308,346	\$ 120,652	\$ 163,914	\$ 263,883	\$ 173,717	\$ 206,324	\$ 178,963	\$ 15,865	\$ 2,054,737

CRAVEN COUNTY, NORTH CAROLINA
RHEMS FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 190,670	\$ 187,912	\$ (2,758)
Sales and use tax	95,760	107,554	11,794
Total revenues	286,430	295,466	9,036
EXPENDITURES			
Remittances to fire districts	209,268	209,268	-
Workers' compensation	2,846	-	2,846
Capital outlay	29,949	-	29,949
Miscellaneous	1,099	1,033	66
Total expenditures	243,162	210,301	32,861
Revenues over (under) expenditures	43,268	85,165	41,897
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To West New Bern Fire District	(43,268)	(43,268)	-
Total other financing sources (uses)	(43,268)	(43,268)	-
Revenues over (under) expenditures and other financing sources (uses)	-	41,897	41,897
Appropriated fund balance	-	-	-
Revenues, other uses, and appropriated fund balance over (under) expenditures	\$ -	41,897	\$ 41,897
Fund balance, beginning		210,844	
Fund balance, ending		\$ 252,741	

CRAVEN COUNTY, NORTH CAROLINA
NO. 1 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 202,181	\$ 202,637	\$ 456
Sales and use tax	90,013	101,099	11,086
Total revenues	292,194	303,736	11,542
EXPENDITURES			
Remittances to fire districts	260,397	260,352	45
Workers' compensation	4,423	-	4,423
Capital outlay	21,468	-	21,468
Miscellaneous	1,098	1,033	65
Total expenditures	287,386	261,385	26,001
Revenues over (under) expenditures	4,808	42,351	37,543
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Little Swift Creek Fire District	(19,596)	(19,596)	-
Total other financing sources (uses)	(19,596)	(19,596)	-
Revenues over (under) expenditures and other financing sources (uses)	(14,788)	22,755	37,543
Appropriated fund balance	14,788	-	(14,788)
Revenues, other uses, and appropriated fund balance over (under) expenditures	\$ -	22,755	\$ 22,755
Fund balance, beginning		202,188	
Fund balance, ending		\$ 224,943	

CRAVEN COUNTY, NORTH CAROLINA
TRI-COMMUNITY FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ 342,344	\$ 339,320	\$ (3,024)
Sales and use tax	152,461	171,238	18,777
Total revenues	<u>494,805</u>	<u>510,558</u>	<u>15,753</u>
EXPENDITURES			
Remittances to fire districts	497,015	497,014	1
Workers' compensation	4,072	-	4,072
Miscellaneous	1,098	1,033	65
Total expenditures	<u>502,185</u>	<u>498,047</u>	<u>4,138</u>
Revenues over (under) expenditures	<u>(7,380)</u>	<u>12,511</u>	<u>19,891</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Sandy Point	7,380	7,380	-
Total other financing sources (uses)	<u>7,380</u>	<u>7,380</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>19,891</u>	<u>\$ 19,891</u>
Fund balance, beginning		<u>288,455</u>	
Fund balance, ending		<u>\$ 308,346</u>	

CRAVEN COUNTY, NORTH CAROLINA
LITTLE SWIFT CREEK FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ 139,964	\$ 142,289	\$ 2,325
Sales and use tax	62,219	69,882	7,663
Total revenues	<u>202,183</u>	<u>212,171</u>	<u>9,988</u>
EXPENDITURES			
Remittances to fire districts	239,179	239,178	1
Workers' compensation	2,527	-	2,527
Capital outlay	8,857	-	8,857
Miscellaneous	1,098	1,033	65
Total expenditures	<u>251,661</u>	<u>240,211</u>	<u>11,450</u>
Revenues over (under) expenditures	<u>(49,478)</u>	<u>(28,040)</u>	<u>21,438</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	29,882	29,882	-
From Township No. 9 Fire District Fund	19,596	19,596	-
Total other financing sources (uses)	<u>49,478</u>	<u>49,478</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	21,438	<u>\$ 21,438</u>
Fund balance, beginning		<u>109,208</u>	
Fund balance, ending		<u>\$ 130,646</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 3 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ 233,091	\$ 227,911	\$ (5,180)
Sales and use tax	104,817	117,726	12,909
Total revenues	<u>337,908</u>	<u>345,637</u>	<u>7,729</u>
EXPENDITURES			
Remittances to fire districts	389,689	388,919	770
Workers' compensation	8,134	-	8,134
Grant match	28,140	28,140	-
Miscellaneous	3,077	2,556	521
Total expenditures	<u>429,040</u>	<u>419,615</u>	<u>9,425</u>
Revenues over (under) expenditures	<u>(91,132)</u>	<u>(73,978)</u>	<u>17,154</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	88,132	87,362	(770)
From Township No. 9 Fire District Fund	3,000	3,000	-
Total other financing sources (uses)	<u>91,132</u>	<u>90,362</u>	<u>(770)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>16,384</u>	<u>\$ 16,384</u>
Fund balance, beginning		<u>104,268</u>	
Fund balance, ending		<u>\$ 120,652</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 5 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 289,643	\$ 289,698	\$ 55
Sales and use tax	129,041	144,934	15,893
Total revenues	418,684	434,632	15,948
EXPENDITURES			
Remittances to fire districts	417,184	417,184	-
Workers' compensation	3,089	-	3,089
Miscellaneous	1,099	1,033	66
Total expenditures	421,372	418,217	3,155
Revenues over (under) expenditures	(2,688)	16,415	19,103
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Township No. 6 Fire District Fund	2,688	2,688	-
Total other financing sources (uses)	2,688	2,688	-
Revenues, other uses, and appropriated fund balance over (under) expenditures	\$ -	19,103	\$ 19,103
Fund balance, beginning		144,811	
Fund balance, ending		\$ 163,914	

CRAVEN COUNTY, NORTH CAROLINA
NO. 6 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 205,853	\$ 205,491	\$ (362)
Sales and use tax	101,729	114,258	12,529
Total revenues	<u>307,582</u>	<u>319,749</u>	<u>12,167</u>
EXPENDITURES			
Remittances to fire districts	270,971	270,971	-
Workers' compensation	3,229	-	3,229
Capital outlay	29,595	-	29,595
Miscellaneous	1,099	1,033	66
Total expenditures	<u>304,894</u>	<u>272,004</u>	<u>32,890</u>
Revenues over (under) expenditures	<u>2,688</u>	<u>47,745</u>	<u>45,057</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 5 Fire District Fund	(2,688)	(2,688)	-
Total other financing sources (uses)	<u>(2,688)</u>	<u>(2,688)</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	45,057	<u>\$ 45,057</u>
Fund balance, beginning		<u>218,826</u>	
Fund balance, ending		<u>\$ 263,883</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 7 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ 382,036	\$ 377,414	\$ (4,622)
Sales and use tax	170,259	191,228	20,969
Total revenues	<u>552,295</u>	<u>568,642</u>	<u>16,347</u>
EXPENDITURES			
Remittances to fire districts	538,001	538,000	1
Workers' compensation	5,756	-	5,756
Capital outlay	7,079	-	7,079
Miscellaneous	1,459	1,422	37
Total expenditures	<u>552,295</u>	<u>539,422</u>	<u>12,873</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	29,220	<u>\$ 29,220</u>
Fund balance, beginning		<u>144,497</u>	
Fund balance, ending		<u>\$ 173,717</u>	

CRAVEN COUNTY, NORTH CAROLINA
WEST NEW BERN FIRE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 291,736	\$ 291,480	\$ (256)
Sales and use tax	131,023	147,160	16,137
Total revenues	<u>422,759</u>	<u>438,640</u>	<u>15,881</u>
EXPENDITURES			
Remittances to fire districts	460,435	460,435	-
Workers' compensation	4,493	-	4,493
Miscellaneous	1,099	1,033	66
Total expenditures	<u>466,027</u>	<u>461,468</u>	<u>4,559</u>
Revenues over (under) expenditures	<u>(43,268)</u>	<u>(22,828)</u>	<u>20,440</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Rhems	43,268	43,268	-
Total other financing sources (uses)	<u>43,268</u>	<u>43,268</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	20,440	<u>\$ 20,440</u>
Fund balance, beginning		<u>185,884</u>	
Fund balance, ending		<u>\$ 206,324</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 9 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 152,417	\$ 153,028	\$ 611
Sales and use tax	68,434	76,862	8,428
Total revenues	220,851	229,890	9,039
EXPENDITURES			
Remittances to fire districts	235,855	234,165	1,690
Workers' compensation	4,633	-	4,633
Capital outlay	6,454	-	6,454
Miscellaneous	879	830	49
Total expenditures	247,821	234,995	12,826
Revenues over (under) expenditures	(26,970)	(5,105)	21,865
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 3 Township Fire District Fund	(3,000)	(3,000)	-
From General Fund	29,970	28,280	(1,690)
Total other financing sources (uses)	26,970	25,280	(1,690)
Revenues, other uses, and appropriated fund balance over (under) expenditures	\$ -	20,175	\$ 20,175
Fund balance, beginning		158,788	
Fund balance, ending		\$ 178,963	

CRAVEN COUNTY, NORTH CAROLINA
SANDY POINT SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 4,887	\$ 4,639	\$ (248)
Sales and use tax	2,174	2,442	268
Total revenues	7,061	7,081	20
 EXPENDITURES			
Capital outlay	-	-	-
Total expenditures	-	-	-
 Revenues over (under) expenditures	7,061	7,081	20
 OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Tri-Community Fire District Fund	(7,380)	(7,380)	-
Total other financing sources (uses)	(7,380)	(7,380)	-
 Revenues over (under) expenditures and other financing sources (uses)	(319)	(299)	20
 Appropriated fund balance	319	-	(319)
 Revenues, other uses, and appropriated fund balance over (under) expenditures	\$ -	(299)	\$ (299)
 Fund balance, beginning		16,164	
Fund balance, ending		\$ 15,865	

CRAVEN COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 125,957	\$ 125,957	\$ -
Miscellaneous income	-	27,526	27,526
Interest	-	1,785	1,785
Total revenues	<u>125,957</u>	<u>155,268</u>	<u>29,311</u>
EXPENDITURES			
Public safety	560,559	481,027	(79,532)
Capital outlay	8,500	7,238	(1,262)
Total expenditures	<u>569,059</u>	<u>488,265</u>	<u>(80,794)</u>
Revenues over (under) expenditures	<u>(443,102)</u>	<u>(332,997)</u>	<u>110,105</u>
Appropriated fund balance	<u>443,102</u>	<u>-</u>	<u>(443,102)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u><u>\$ -</u></u>	<u><u>(332,997)</u></u>	<u><u>\$ (332,997)</u></u>
Fund balance, beginning		<u>644,355</u>	
Fund balance, ending		<u><u>\$ 311,358</u></u>	

CRAVEN COUNTY, NORTH CAROLINA
OCCUPANCY TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 1,853,740	\$ 2,415,605	\$ 561,865
Miscellaneous income	10,000	10,974	974
Interest	-	9,545	9,545
Total revenues	1,863,740	2,436,124	572,384
EXPENDITURES			
Economic and physical development:			
Remittance to City of Havelock	116,456	116,456	-
Remittance to Tourism Development Authority	843,531	831,146	(12,385)
Professional services	213	212	(1)
Total expenditures	960,200	947,814	(12,386)
Revenues over (under) expenditures	903,540	1,488,310	584,770
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To General fund	(943,540)	(943,540)	-
Total other financing sources (uses)	(943,540)	(943,540)	-
Revenues over (under) expenditures and other financing sources (uses)	(40,000)	544,770	584,770
Appropriated fund balance	40,000	-	(40,000)
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	544,770	\$ 544,770
Fund balance, beginning		1,798,210	
Fund balance, ending		\$ 2,342,980	

CRAVEN COUNTY, NORTH CAROLINA
STREAM DEBRIS REMOVAL PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Intergovernmental	\$ 709,229	\$ 709,229	\$ -	\$ 709,229	\$ -
Golden Leaf Foundation Grant	618,670	520,745	-	520,745	(97,925)
Total revenues	<u>1,327,899</u>	<u>1,229,974</u>	<u>-</u>	<u>1,229,974</u>	<u>(97,925)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	1,378,129	1,247,874	-	1,247,874	130,255
Total expenditures	<u>1,378,129</u>	<u>1,247,874</u>	<u>-</u>	<u>1,247,874</u>	<u>130,255</u>
Revenues over (under) expenditures	<u>(50,230)</u>	<u>(17,900)</u>	<u>-</u>	<u>(17,900)</u>	<u>32,330</u>
OTHER FINANCING SOURCES (USES)					
Transfers in:					
From Reserve fund	50,230	50,230	-	50,230	-
Total other financing sources (uses)	<u>50,230</u>	<u>50,230</u>	<u>-</u>	<u>50,230</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 32,330</u>	<u>-</u>	<u>\$ 32,330</u>	<u>\$ 32,330</u>
Fund balance, beginning			<u>32,330</u>		
Fund balance, ending			<u>\$ 32,330</u>		

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

From the Inception and for the Fiscal Year Ended June 30, 2023

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

CRAVEN COUNTY, NORTH CAROLINA
FLOOD HAZARD MITIGATION ASSISTANCE PROJECT 2016-006
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

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

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

From the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Intergovernment	\$ 750,000	\$ 311,847	\$ -	\$ 311,847	\$ (438,153)
Total revenues	<u>750,000</u>	<u>311,847</u>	<u>-</u>	<u>311,847</u>	<u>(438,153)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	750,000	331,367	44,062	375,429	374,571
Total expenditures	<u>750,000</u>	<u>331,367</u>	<u>44,062</u>	<u>375,429</u>	<u>374,571</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (19,520)</u>	(44,062)	<u>\$ (63,582)</u>	<u>\$ (63,582)</u>
Fund balance, beginning			<u>(19,520)</u>		
Fund balance, ending			<u>\$ (63,582)</u>		

CRAVEN COUNTY, NORTH CAROLINA
GRANT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

From the Inception and for the Year Ended June 30, 2023

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Intergovernment					
HMGP 4393-0008-R					
FEMA	\$ 629,670	\$ 446,613	\$ -	\$ 446,613	\$ (183,057)
NC Dept of Public Safety	209,889	-	-	-	(209,889)
EWP Event 5038 - Hurricane Florence					
US Department of Agriculture	2,956,088	2,851,320	-	2,851,320	(104,768)
NC Dept of Agriculture	1,805,714	1,516,452	-	1,516,452	(289,262)
CCBOE Emergency Generator Project					
CC Board of Education	1,862,671	1,862,671	(293,714)	1,568,957	(293,714)
Goldenleaf Foundation	1,393,800	103,050	485,231	588,281	(805,519)
Miscellaneous revenue	-	2,684	37,929	40,613	40,613
Total revenues	<u>8,857,832</u>	<u>6,782,790</u>	<u>229,446</u>	<u>7,012,236</u>	<u>(1,845,596)</u>
EXPENDITURES					
Economic and physical development:					
HMGP 4393-008-R					
Land Acquisition	688,002	397,265	-	397,265	290,737
Demolition	117,156	43,209	-	43,209	73,947
Admin	481,859	25,655	-	25,655	456,204
Public Safety					
EWP Event 5038 - Hurricane Florence					
Contract Services	758,193	668,851	-	668,851	89,342
Admin	34,401	292,530	-	292,530	(258,129)
Grant - Construction	3,521,750	3,371,082	-	3,371,082	150,668
Construction - Other	20,584	20,584	-	20,584	-
Education:					
CCBOE Emergency Generator Project					
Architect / Engineer	209,070	116,676	32,375	149,051	60,019
Construction	3,047,401	30,949	1,836,784	1,867,733	1,179,668
Sales tax refund	-	-	(37,929)	(37,929)	37,929
Total expenditures	<u>8,878,416</u>	<u>4,966,801</u>	<u>1,831,230</u>	<u>6,798,031</u>	<u>2,080,385</u>
Revenues over (under) expenditures	<u>(20,584)</u>	<u>1,815,989</u>	<u>(1,601,784)</u>	<u>214,205</u>	<u>234,789</u>
Other financing sources:					
EWP Event 5038 - Hurricane Florence					
Transfer from General Fund	20,584	20,584	-	20,584	-
Total other financing sources	<u>20,584</u>	<u>20,584</u>	<u>-</u>	<u>20,584</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$1,836,573</u>	<u>(1,601,784)</u>	<u>\$ 234,789</u>	<u>\$ 234,789</u>
Fund balance, beginning			<u>1,836,573</u>		
Fund balance, ending			<u>\$ 234,789</u>		

CRAVEN COUNTY, NORTH CAROLINA
REPRESENTATIVE PAYEE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted Intergovernmental	\$ 850,000	\$ 728,187	\$ (121,813)
Total revenues	850,000	728,187	(121,813)
EXPENDITURES			
Human Services			
Payments made for the benefit of beneficiaries	850,000	709,933	140,067
Total expenditures	850,000	709,933	140,067
Net change in fund balance	\$ -	18,254	\$ 18,254
Fund balance, beginning		186,989	
Fund balance, ending		\$ 205,243	

DEBT SERVICE FUND

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

Craven County



CRAVEN COUNTY, NORTH CAROLINA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental - lottery proceeds	\$ 1,000,000	\$ 931,320	\$ (68,680)
Interest	-	37,705	37,705
Total revenues	1,000,000	969,025	(30,975)
EXPENDITURES			
Principal	2,712,000	2,712,000	-
Interest and fiscal charges	157,420	156,404	(1,016)
Total expenditures	2,869,420	2,868,404	(1,016)
Revenues over (under) expenditures	(1,869,420)	(1,899,379)	(29,959)
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	1,869,420	6,411,739	4,542,319
Total other financing sources (uses)	1,869,420	6,411,739	4,542,319
Revenues, other sources, and appropriated fund balance over (under) expenditures	\$ -	4,512,360	\$ 4,512,360
Fund balance, beginning		7,476,093	
Fund balance, ending		\$ 11,988,453	

CAPITAL PROJECT FUNDS

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

The following comprise the County's Capital Project Funds:

Major Fund:

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

Non-major Funds:

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

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

Craven County



Craven County



CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2023

	School Capital Fund	Convention Center Restoration Fund	ERP Software Replace Phase One	CARTS Building Project	Human Services Expansion	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 910,494	\$ 457,486	\$ 302,776	\$ 487,506	\$ 2,158,262
Restricted cash	157,557	-	-	-	-	157,557
Sales tax receivable	-	-	378	26,213	-	26,591
Total assets	<u>157,557</u>	<u>910,494</u>	<u>457,864</u>	<u>328,989</u>	<u>487,506</u>	<u>2,342,410</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	3,334	184,935	-	188,269
Total liabilities	<u>-</u>	<u>-</u>	<u>3,334</u>	<u>184,935</u>	<u>-</u>	<u>188,269</u>
Fund balances:						
Restricted						
Education, schools	157,557	-	-	-	-	157,557
General government	-	-	454,530	-	-	454,530
Economic and physical development	-	910,494	-	-	-	910,494
Committed						
Capital Projects	-	-	-	144,054	487,506	631,560
Unsigned						
Total fund balances	<u>157,557</u>	<u>910,494</u>	<u>454,530</u>	<u>144,054</u>	<u>487,506</u>	<u>2,154,141</u>
Total liabilities and fund balances	<u>\$ 157,557</u>	<u>\$ 910,494</u>	<u>\$ 457,864</u>	<u>\$ 328,989</u>	<u>\$ 487,506</u>	<u>\$ 2,342,410</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2023

	School Capital Fund	Covention Center Restoration Fund	ERP Software Replace Phase One	CARTS Building Project	Human Services Expansion	Total
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	649	-	1,934	-	-	2,583
Total revenues	<u>649</u>	<u>-</u>	<u>1,934</u>	<u>-</u>	<u>-</u>	<u>2,583</u>
EXPENDITURES						
General government	-	-	45,025	-	-	45,025
Social services	-	-	-	1,612,126	580,633	2,192,759
Total expenditures	<u>-</u>	<u>-</u>	<u>45,025</u>	<u>1,612,126</u>	<u>580,633</u>	<u>2,237,784</u>
Revenues over (under) expenditures	<u>649</u>	<u>-</u>	<u>(43,091)</u>	<u>(1,612,126)</u>	<u>(580,633)</u>	<u>(2,235,201)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,068,139	1,068,139
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,068,139</u>	<u>1,068,139</u>
Net change in fund balances	<u>649</u>	<u>-</u>	<u>(43,091)</u>	<u>(1,612,126)</u>	<u>487,506</u>	<u>(1,167,062)</u>
Fund balance, beginning	<u>156,908</u>	<u>910,494</u>	<u>497,621</u>	<u>1,756,180</u>	<u>-</u>	<u>3,321,203</u>
Fund balance, ending	<u>\$ 157,557</u>	<u>\$ 910,494</u>	<u>\$ 454,530</u>	<u>\$ 144,054</u>	<u>\$ 487,506</u>	<u>\$ 2,154,141</u>

CRAVEN COUNTY, NORTH CAROLINA
SCHOOL CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 649	\$ 649
Total revenues	<u>-</u>	<u>649</u>	<u>649</u>
EXPENDITURES			
Capital outlay:			
Public schools	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>649</u>	<u>649</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	-	-	-
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources	<u>\$ -</u>	<u>649</u>	<u>\$ 649</u>
Fund balance, beginning		<u>156,908</u>	
Fund balance, ending		<u>\$ 157,557</u>	

CRAVEN COUNTY, NORTH CAROLINA
CONVENTION CENTER RESTORATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

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

CRAVEN COUNTY, NORTH CAROLINA
ERP SOFTWARE REPLACE PHASE ONE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Interest	\$ -	\$ 1,277	\$ 1,934	\$ 3,211	\$ 3,211
Total revenues	<u>-</u>	<u>1,277</u>	<u>1,934</u>	<u>3,211</u>	<u>3,211</u>
EXPENDITURES					
Capital outlay:					
Project construction	1,643,511	1,449,443	45,025	1,494,468	149,043
Capital outlay	233,123	26,302	-	26,302	206,821
Contingency	95,455	-	-	-	95,455
Total expenditures	<u>1,972,089</u>	<u>1,475,745</u>	<u>45,025</u>	<u>1,520,770</u>	<u>451,319</u>
Revenues over (under) expenditures	<u>(1,972,089)</u>	<u>(1,474,468)</u>	<u>(43,091)</u>	<u>(1,517,559)</u>	<u>454,530</u>
OTHER FINANCING SOURCES					
Transfers in (out):					
From General fund	270,000	270,000	-	270,000	-
From Capital Reserve Fund	1,518,867	1,518,867	-	1,518,867	-
From Water Operating Fund	183,222	183,222	-	183,222	-
Total other financing sources	<u>1,972,089</u>	<u>1,972,089</u>	<u>-</u>	<u>1,972,089</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 497,621</u>	<u>(43,091)</u>	<u>\$ 454,530</u>	<u>\$ 454,530</u>
Fund balance, beginning			<u>497,621</u>		
Fund balance, ending			<u>\$ 454,530</u>		

CRAVEN COUNTY, NORTH CAROLINA
CARTS BUILDING PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay:					
Architect / Engineer	165,551	113,820	36,097	149,917	15,634
Construction - General	1,423,317	-	1,413,728	1,413,728	9,589
Construction - Other	79,535	-	44,883	44,883	34,652
Construction - Contingency	66,923	-	-	-	66,923
Capital outlay	134,674	-	134,673	134,673	1
Sales tax refund	-	-	(17,255)	(17,255)	17,255
Total expenditures	<u>1,870,000</u>	<u>113,820</u>	<u>1,612,126</u>	<u>1,725,946</u>	<u>144,054</u>
Revenues over (under) expenditures	<u>(1,870,000)</u>	<u>(113,820)</u>	<u>(1,612,126)</u>	<u>(1,725,946)</u>	<u>144,054</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	1,870,000	1,870,000	-	1,870,000	-
Total other financing sources (uses)	<u>1,870,000</u>	<u>1,870,000</u>	<u>-</u>	<u>1,870,000</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 1,756,180</u>	<u>\$ (1,612,126)</u>	<u>\$ 144,054</u>	<u>\$ 144,054</u>
Fund balance, beginning			<u>1,756,180</u>		
Fund balance, ending			<u>\$ 144,054</u>		

CRAVEN COUNTY, NORTH CAROLINA
HUMAN SERVICE EXPANSION PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2023

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay:					
Architect / Engineer	873,133	-	580,633	580,633	292,500
Construction - General	195,006	-	-	-	195,006
Total expenditures	<u>1,068,139</u>	<u>-</u>	<u>580,633</u>	<u>580,633</u>	<u>487,506</u>
Revenues over (under) expenditures	<u>(1,068,139)</u>	<u>-</u>	<u>(580,633)</u>	<u>(580,633)</u>	<u>487,506</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	1,068,139	-	1,068,139	1,068,139	-
Total other financing sources (uses)	<u>1,068,139</u>	<u>-</u>	<u>1,068,139</u>	<u>1,068,139</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,506</u>	<u>\$ 487,506</u>	<u>\$ 487,506</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 487,506</u>		

Craven County



ENTERPRISE FUNDS

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

The following comprise the County's Enterprise Fund:

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

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

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

- Northwest Craven Water and Sewer District

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF NET POSITION
CRAVEN COUNTY WATER FUND
June 30, 2023

	<u>Water Operating Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 12,896,847
Accounts receivable, net of allowance for doubtful accounts	734,170
Prepays	116,886
Total current assets	<u>13,747,903</u>
Noncurrent assets	
Restricted cash and cash equivalents	323,560
Capital assets:	
Land	947,369
Construction in process	6,959,358
Improvement other than buildings	30,267,730
Buildings	30,695,648
Machinery and equipment	725,008
Accumulated depreciation	<u>(26,965,344)</u>
Total capital assets, net of accumulated depreciation	<u>34,723,042</u>
Total noncurrent assets	<u>42,953,329</u>
Total assets	<u>56,701,232</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>384,980</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	
Current liabilities:	
Accounts payable	453,188
Accrued salaries and benefits	51,829
Accrued payroll taxes	(108)
Accrued interest payable	710
Customer deposits payable	323,560
Compensated absences liability - current	46,042
Debt payable - current	808,949
Obligations under capital lease - current	80,115
Total current liabilities	<u>1,764,285</u>
Noncurrent liabilities	
Compensated absence liability	21,433
Net pension liability	504,853
Total OPEB liability	143,215
Debt payable	10,516,348
Obligations under capital lease	80,113
Total noncurrent liabilities	<u>11,265,962</u>
Total liabilities	<u>13,030,247</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>23,868</u>
NET POSITION	
Net investment in capital assets	31,144,244
Unrestricted	12,887,853
Total net position	<u>\$ 44,032,097</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY WATER FUND
DETAILED SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET
POSITION
For the Year Ended June 30, 2023

	Craven County Water Operating Fund
OPERATING REVENUES	
Charges for services	\$ 4,163,133
Miscellaneous	200,039
Total operating revenues	4,363,172
OPERATING EXPENSES	
Cost of services	3,296,276
Depreciation	1,719,584
Total operating expenses	5,015,860
Operating Income	(652,688)
NONOPERATING REVENUES AND EXPENSES	
Interest income	125,413
Interest expense	(6,037)
Total nonoperating	119,376
Income before transfers	(533,312)
TRANSFER IN (OUT):	
From General Fund	18,000
To General Fund	(169,000)
From ARPA Fund	4,675,295
Total transfer in (out)	4,524,295
Change in net position	3,990,983
Net position, beginning	40,041,114
Net position, ending	\$ 44,032,097

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY WATER OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
 BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water and sewer sales	\$ 3,850,000	\$ 3,858,643	\$ 8,643
Tap and permit fees	382,000	304,490	(77,510)
Miscellaneous	190,000	200,039	10,039
Total operating revenues	<u>4,422,000</u>	<u>4,363,172</u>	<u>(58,828)</u>
OPERATING EXPENSES			
Personnel services:			
Salaries	929,493	923,002	(6,491)
Employee benefits	273,965	262,897	(11,068)
Retirement	198,961	149,792	(49,169)
Professional services:			
Audit and accounting fees	3,000	1,039	(1,961)
Legal fees	5,000	-	(5,000)
Engineering fees	7,815	-	(7,815)
Contractual services	155,767	146,116	(9,651)
Operating supplies	17,500	15,338	(2,162)
Utilities	422,000	421,915	(85)
Maintenance and repairs:			
Systems	343,824	343,824	-
Building and grounds	92,750	84,620	(8,130)
Vehicle expense	114,594	114,593	(1)
Equipment	20,000	12,655	(7,345)
Insurance	102,908	102,754	(154)
Tap outlays	159,948	159,947	(1)
Telephone and postage	21,880	19,673	(2,207)
Lockbox	116,800	116,049	(751)
Chemical and lab work	280,445	280,444	(1)
Supplies	8,000	6,711	(1,289)
Capital outlay	1,174,196	770,093	(404,103)
Bad debt Expenses	25,000	20,000	(5,000)
Miscellaneous	31,195	22,438	(8,757)
Total operating expenses	<u>4,505,041</u>	<u>3,973,900</u>	<u>(531,141)</u>
Excess of operating revenues over operating expenditures	<u>(83,041)</u>	<u>389,272</u>	<u>472,313</u>

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY WATER OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
 BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	15,000	125,413	110,413
Interest paid	(7,894)	(6,037)	1,857
Principal payments	(889,065)	(889,064)	1
Total nonoperating revenues (expenditures)	(881,959)	(769,688)	112,271
Excess of revenues over expenditures	(965,000)	(380,416)	584,584
OTHER FINANCING SOURCES (USES)			
Transfer in (out):			
From General Fund	18,000	18,000	-
To General Fund	(169,000)	(169,000)	-
To Water Project Fund	(1,269,261)	(1,269,261)	-
Appropriated Fund Balance	2,385,261	-	(2,385,261)
Total other financing sources (uses)	965,000	(1,420,261)	(2,385,261)
Excess of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ (1,800,677)	\$ (1,800,677)
Reconciliation of modified accrual basis with full accrual basis:			
Excess of revenues over (under) expenditures and other financing sources (uses), modified accrual basis, above		\$ (1,800,677)	
Capital outlay		741,961	
Debt principal payments		889,064	
Depreciation		(1,719,584)	
Increase (decrease) in deferred outflows of resources - pensions		130,711	
Increase (decrease) in deferred outflows of resources - OPEB		(20,574)	
(Increase) decrease in compensated absences		(4,515)	
(Increase) decrease in total OPEB liability		14,360	
(Increase) decrease in net pension liability		(371,732)	
(Increase) decrease in deferred inflows of resources - pensions		192,238	
(Increase) decrease in deferred inflows of resources - OPEB		(4,825)	
Transfers to project funds		5,944,556	
Change in net position, full accrual basis		\$ 3,990,983	

CRAVEN COUNTY, NORTH CAROLINA
 BLENDED COMPONENT UNIT, NORTHWEST CRAVEN WATER AND SEWER DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
 BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS

For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	\$ -	\$ -	\$ -
Interest paid	(7,894)	(6,037)	1,857
Principal payments	<u>(80,115)</u>	<u>(80,114)</u>	<u>1</u>
Total nonoperating revenues (expenditures)	<u>(88,009)</u>	<u>(86,151)</u>	<u>1,858</u>
 OTHER FINANCING SOURCES (USES)			
Direct financing lease proceeds	<u>88,009</u>	<u>86,507</u>	<u>1,502</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 356</u>	<u>\$ 356</u>
 Reconciliation of modified accrual basis with full accrual basis:			
Excess of revenues and other financing sources over (under) expenditures, modified accrual basis, above		\$ 356	
Reduction of investment in direct financing lease receivable		<u>80,114</u>	
Net position, full accrual basis		<u>\$ 80,470</u>	

CRAVEN COUNTY, NORTH CAROLINA
WATER CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
REVENUES					
State Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay:					
Engineer	548,000	380,880	38,267	419,147	128,853
Construction	1,319,456	224,306	195,575	419,881	899,575
Sales tax refund	-	(4,343)	(10,909)	(15,252)	15,252
Total expenditures	<u>1,867,456</u>	<u>600,843</u>	<u>222,933</u>	<u>823,776</u>	<u>1,043,680</u>
Excess of revenues over (under) expenditures	<u>(1,867,456)</u>	<u>(600,843)</u>	<u>(222,933)</u>	<u>(823,776)</u>	<u>1,043,680</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out):					
From Water Fund	<u>1,867,456</u>	<u>1,867,456</u>	<u>-</u>	<u>1,867,456</u>	<u>-</u>
Total other financing sources (uses)	<u>1,867,456</u>	<u>1,867,456</u>	<u>-</u>	<u>1,867,456</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$1,266,613</u>	<u>\$ (222,933)</u>	<u>\$ 1,043,680</u>	<u>\$ 1,043,680</u>
Reconciliation of modified accrual basis with full accrual basis:					
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (222,933)		
Capital outlay			<u>222,933</u>		
Change in net position, full accrual basis			<u>\$ -</u>		

CRAVEN COUNTY, NORTH CAROLINA
SCADA / TELEMETRY PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Year	Current Year		
REVENUES					
State Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay:					
Engineer	1,567,300	743,313	397,633	1,140,946	426,354
Construction	6,111,556	-	3,779,193	3,779,193	2,332,363
Contingency	450,405	-	-	-	450,405
Capital outlay	640,000	-	637,320	637,320	2,680
Sales tax refund	-	-	(62,061)	(62,061)	62,061
Total expenditures	<u>8,769,261</u>	<u>743,313</u>	<u>4,752,085</u>	<u>5,495,398</u>	<u>3,273,863</u>
Excess of revenues over (under) expenditures	<u>(8,769,261)</u>	<u>(743,313)</u>	<u>(4,752,085)</u>	<u>(5,495,398)</u>	<u>3,273,863</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out):					
From American Rescue Plan Act	7,500,000	646,406	4,675,295	5,321,701	2,178,299
From Other Funds	1,269,261	-	1,269,261	1,269,261	-
Total other financing sources (uses)	<u>8,769,261</u>	<u>646,406</u>	<u>5,944,556</u>	<u>6,590,962</u>	<u>2,178,299</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (96,907)</u>	<u>\$ 1,192,471</u>	<u>\$ 1,095,564</u>	<u>\$ 5,452,162</u>
Reconciliation of modified accrual basis with full accrual basis:					
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ 1,192,471		
Capital outlay			<u>4,752,085</u>		
Change in net position, full accrual basis			<u>\$ 5,944,556</u>		

INTERNAL SERVICE FUND

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis.

Internal Service Fund - This fund is used to finance and account for the County's health and dental insurance and workers' compensation information.

Craven County



CRAVEN COUNTY, NORTH CAROLINA
INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES),
BUDEGT AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 7,925,500	\$ 7,912,509	\$ (12,991)
Miscellaneous	395,000	519,579	124,579
Total operating revenues	8,320,500	8,432,088	111,588
OPERATING EXPENDITURES			
Claims reimbursement	8,910,500	9,642,411	(731,911)
Vehicle expense	-	(110)	110
Capital outlay	50,000	23,632	26,368
Total operating expenditures	8,960,500	9,665,933	(705,433)
Excess of operating revenues over (under) operating expenditures	(640,000)	(1,233,845)	(593,845)
NONOPERATING REVENUES			
Interest Income	-	63,419	63,419
Excess of operaitng revenues and nonoperating revenue over operating expenditures	(640,000)	(1,170,426)	(530,426)
OTHER FINANCING SOURCES (USES)			
Transfer out:			
From General Fund	50,000	50,000	-
Total other financing uses	50,000	50,000	-
Appropriated Fund Balance	590,000	-	(590,000)
Change in Net Position	\$ -	\$ (1,120,426)	\$ (1,120,426)

Craven County



CUSTODIAL FUNDS

Custodial Funds serve primarily as clearing mechanisms for cash resources which are collected by a governmental unit, held as such for a brief period, and then distributed to authorized recipients.

The following comprise the County's Custodial Funds:

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

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

Craven County



CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 52,487	\$ 52,487
Taxes receivable for other governments, net	250,918	-	250,918
Total assets	250,918	52,487	303,405
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	-	-	-
Total liabilities	-	-	-
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	250,918	52,487	303,405
Total net position	\$ 250,918	\$ 52,487	\$ 303,405

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2023

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ADDITIONS			
Ad valorem taxes for other governments	\$ 22,791,202	\$ -	\$ 22,791,202
Collections on behalf of inmates	-	844,592	844,592
Total additions	22,791,202	844,592	23,635,794
DEDUCTIONS			
Tax distributions to other governments	22,811,720	-	22,811,720
Payments on behalf of inmates	-	871,090	871,090
Total deductions	22,811,720	871,090	23,682,810
Net increase (decrease) in fiduciary net position	(20,518)	(26,498)	(47,016)
Net position, beginning	271,436	78,985	350,421
Net position, ending	\$ 250,918	\$ 52,487	\$ 303,405

OTHER SUPPLEMENTARY INFORMATION

Other financial information includes additional detailed analysis of particular aspects of the County's financial position and results of operations.

- Schedule of Ad Valorem Taxes Recievable
- Analysis of Current Tax Levy

CRAVEN COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
For the Year Ended June 30, 2023

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Motor Vehicles	Registered Motor Vehicles
ORIGINAL LEVY:					
Property taxed at current year's rate	\$ 10,094,651,715	\$ 0.5600	\$ 56,530,899	\$ 50,885,598	\$ 5,645,301
Motor vehicles taxed at prior year's rate	329,299,396	0.5600	1,844,077	-	1,844,077
Penalties			93,556	93,556	-
	\$ 10,423,951,111		\$ 58,468,532	\$ 50,979,154	\$ 7,489,378
DISCOVERIES	105,564,947		589,894	589,894	-
	\$ 10,529,516,058		\$ 59,058,426	\$ 51,569,048	\$ 7,489,378
ABATEMENTS	(24,727,297)		(154,312)	(154,312)	-
	\$ 10,504,788,761				
Net Levy			\$ 58,904,114	\$ 51,414,736	\$ 7,489,378
Uncollected taxes at June 30, 2023			507,267	507,267	-
Current year's taxes collected			\$ 58,396,847	\$ 50,907,469	\$ 7,489,378
Current levy collection percentage			99.14%	99.01%	100.00%

Craven County



**SUPPLEMENTARY INFORMATION -
DISCRETELY PRESENTED COMPONENT UNITS
WITHOUT SEPERATLY ISSUED FINANCIAL STATEMENTS**

The following is a discretely presented component unit, which is presented as if it were a special revenue fund:

- **Tourism Development Authoirty** - The Tourism Development Authority is used to account for occupancy tax revenues and related tourism expenditures.

The following is a discretely presented component unit, which is presented as if it were a proprietary fund:

- **Craven County Regional Airport Authority** - The Regional Airport Authority is used to account for the operations and capital project activity of the Regional Airport Authority.

Craven County



CRAVEN COUNTY, NORTH CAROLINA
TOURISM DEVELOPMENT AUTHORITY FUND (A Component Unit)

DETAILED STATEMENT OF NET POSITION

June 30, 2023

ASSETS

Cash and cash equivalents	\$ 564,331
Accounts receivable	74,951
	<u>639,282</u>

LIABILITIES

Accounts payable	9,635
Deferred revenue	1,265
	<u>10,900</u>

Net position:

Unrestricted	
accrued liabilities	<u><u>\$ 628,382</u></u>

CRAVEN COUNTY, NORTH CAROLINA
TOURISM DEVELOPMENT AUTHORITY FUND (A Component Unit)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Occupancy tax	\$ 769,313	\$ 820,072	\$ 50,759
Miscellaneous	-	11,076	11,076
Total revenues	769,313	831,148	61,835
EXPENDITURES			
Economic development	774,313	764,210	(10,103)
Revenues over (under) expenditures	(5,000)	66,938	71,938
Other financing sources (uses)			
Appropriated fund balance	5,000	-	(5,000)
Total other financing sources (uses)	5,000	-	(5,000)
Revenues and other financing sources over expenditures	\$ -	66,938	\$ 66,938
NET POSITION			
Beginning		561,444	
Ending		\$ 628,382	

Craven County



Craven County, North Carolina
Craven County Regional Airport Authority (A Component Unit)

COMBINING STATEMENT OF NET POSITION
 June 30, 2023

	Airport Operating Fund	Airport Improvement Program		Runway Pavement Rehabilitation		Airfield Improvements FY19		Airfield Improvements STIP		Terminal Area Development Site No. 42		Terminal Area Development Site No. 43		Airport Improvement Project		Road & Parking Lot Improvement Fund			
		Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	
ASSETS																			
Cash and cash equivalents	\$ 4,304,877	\$ -	\$ -	\$ -	\$ -	\$ 381,848	\$ -	\$ -	\$ 580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Restricted Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accounts receivable	16,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due from other governments	785,066	-	-	12,025	-	80	-	-	10,110	-	-	-	-	-	63,461	-	360,882	-	
Due from other funds	170,166	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total current assets	5,276,734	-	-	12,025	-	381,928	-	-	10,690	-	-	-	-	-	63,461	-	360,882	-	
Capital assets:																			
Land	10,317,671	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	16,322,983	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Improvements other than buildings	34,535,154	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	3,475,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction in progress	711,141	-	-	2,977,971	-	110,555	-	300,000	5,654,215	-	1,715,640	-	-	2,818,980	-	2,270,621	-	-	-
Accumulated depreciation	(26,232,516)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital assets, net of accumulated depreciation	39,129,713	-	-	2,977,971	-	110,555	-	300,000	5,654,215	-	1,715,640	-	-	2,818,980	-	2,270,621	-	-	-
Total assets	44,406,447	-	-	2,989,996	-	492,483	-	300,000	5,664,905	-	1,715,640	-	-	2,882,441	-	2,631,503	-	-	-
DEFERRED OUTFLOWS OF RESOURCES	386,335	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LIABILITIES																			
Accounts payable	140,312	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued salaries and benefits	96,999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unearned grant revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	12,564	-	-	-	-	-	-	3,964	-	-	38,444	-	115,194	-	-	-
Net pension liability	355,410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OPEB liability	376,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	969,540	-	-	12,564	-	-	-	-	-	-	3,964	-	-	38,444	-	115,194	-	-	-
DEFERRED INFLOWS OF RESOURCES	56,287	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET POSITION																			
Net investments in capital assets	39,129,713	-	-	2,977,971	-	110,555	-	300,000	5,654,215	-	1,715,640	-	-	2,818,980	-	2,270,621	-	-	-
Unrestricted	4,637,242	-	-	(539)	-	381,928	-	-	10,690	-	(3,964)	-	-	25,017	-	245,688	-	-	-
Total net position	43,766,955	-	-	2,977,432	-	492,483	-	300,000	5,664,905	-	1,711,676	-	-	2,843,997	-	2,516,309	-	-	-
Total liabilities and net position	\$ 44,736,495	\$ -	\$ 249,087	\$ 2,989,996	\$ -	\$ 492,483	\$ -	\$ 300,000	\$ 5,664,905	\$ -	\$ 1,715,640	\$ -	\$ -	\$ 2,882,441	\$ -	\$ 2,631,503	\$ -	\$ -	\$ -

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

COMBINING STATEMENT OF NET POSITION
 June 30, 2023

	Terminal	State Funds		Totals
	Improvements & Expansion Fund	Williams Rd Realignment Fund	Airport Reserve Fund	
ASSETS				
Cash and cash equivalents	\$ 3,785,926	\$ 88,088	\$ 3,584	\$ 9,197,329
Short-term investments	-	6,927,041	-	6,927,041
Restricted Cash	-	1,072,959	1,064,778	2,137,737
Accounts receivable	-	-	-	16,625
Due from other governments	1,662,368	-	-	2,893,992
Due from other funds	-	-	-	170,166
Total current assets	5,448,294	8,088,088	1,068,362	21,342,890
Capital assets:				
Land	-	-	-	10,317,671
Buildings	-	-	-	16,322,983
Improvements other than buildings	-	-	-	34,535,154
Machinery and Equipment	-	-	-	3,475,280
Construction in progress	8,251,130	-	-	25,059,340
Accumulated depreciation	-	-	-	(26,232,516)
Capital assets, net of accumulated depreciation	8,251,130	-	-	63,477,912
Total assets	13,699,424	8,088,088	1,068,362	84,820,802
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	386,335
LIABILITIES				
Accounts payable	2,222,999	-	-	2,363,311
Accrued salaries and benefits	-	-	-	96,999
Unearned grant revenues	-	8,000,000	1,064,778	9,064,778
Due to other funds	-	-	-	170,166
Net pension liability	-	-	-	355,410
Total OPEB liability	-	-	-	376,819
Total liabilities	2,222,999	8,000,000	1,064,778	12,427,483
DEFERRED INFLOWS OF RESOURCES	-	-	-	56,287
NET POSITION				
Net investments in capital assets	8,251,130	-	-	63,477,912
Unrestricted	3,225,295	88,088	3,584	9,245,455
Total net position	11,476,425	88,088	3,584	72,723,367
Total liabilities and net position	\$13,699,424	\$ 8,088,088	\$ 1,068,362	\$ 85,150,850

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 For the Year Ended June 30, 2023

	Airport Authority Operating Fund	Airport Improvement Program		Airport Improvement Program No. 41		Runway Pavement Rehabilitation		Airfield Improvements FY19		Airfield Improvements STIP		Terminal Area Development Site No. 42	
		Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund	Project Fund
OPERATING REVENUES													
Charges for services	\$ 1,950,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Passenger facility fee	227,687	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	66	-	-	-	-	-	-	-	-	-	-	-	-
Total operating revenues	<u>2,178,502</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENDITURES													
Cost of sales and services	3,751,060	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	1,636,479	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenditures	<u>5,387,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Income (Loss)	<u>(3,209,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)													
Interest Income	38,850	-	-	-	-	-	-	-	-	-	-	-	-
Project reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>38,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) before transfers	<u>(3,170,187)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers in (out) Airport Funds	(5,375,433)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer project expense to operating fund	397,298	(397,298)	-	-	-	-	-	-	-	-	-	-	-
Capital contributions - federal and state grants	4,759,131	-	-	-	-	-	-	-	-	-	-	-	-
Change in net position	<u>(3,389,191)</u>	<u>(397,298)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning	47,156,146	397,298	249,087	249,087	2,977,432	2,977,432	300,000	492,483	492,483	300,000	5,664,905	5,664,905	
Net position, beginning, adjusted	<u>47,156,146</u>	<u>397,298</u>	<u>249,087</u>	<u>249,087</u>	<u>2,977,432</u>	<u>2,977,432</u>	<u>300,000</u>	<u>492,483</u>	<u>492,483</u>	<u>300,000</u>	<u>5,664,905</u>	<u>5,664,905</u>	
Net position, ending	\$ <u>43,766,955</u>	\$ <u>-</u>	\$ <u>249,087</u>	\$ <u>249,087</u>	\$ <u>2,977,432</u>	\$ <u>2,977,432</u>	\$ <u>300,000</u>	\$ <u>492,483</u>	\$ <u>492,483</u>	\$ <u>300,000</u>	\$ <u>5,664,905</u>	\$ <u>5,664,905</u>	

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023

	Airport Improvement Program No. 43		Road & Parking Lot Improvement		Terminal Improvements & Expansion		Williams Rd Realignment		State Funds Capital Reserve		Airport Reserve		Totals
	Project Fund	Improvement Project Fund	Improvement Fund	Lot Improvement Fund	Improvements Fund	Expansion Fund	Realignment Fund	Reserve Fund	Reserve Fund	Reserve Fund	Fund	Fund	
OPERATING REVENUES													
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,950,749
Passenger facility fee	-	-	-	-	-	-	-	-	-	-	-	-	227,687
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	66
Total operating revenues	-	-	-	-	-	-	-	-	-	-	-	-	2,178,502
OPERATING EXPENDITURES													
Cost of sales and services	-	-	-	-	-	-	-	-	-	-	-	-	3,751,060
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	1,636,479
Total operating expenditures	-	-	-	-	-	-	-	-	-	-	-	-	5,387,539
Operating Income (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	(3,209,037)
NONOPERATING REVENUES (EXPENSES)													
Interest income	-	-	-	-	-	-	88,088	-	3,584	-	2,603	-	133,125
Project reimbursement	-	-	-	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	-	-	-	-	-	-	88,088	-	3,584	-	2,603	-	133,125
Income (Loss) before transfers	-	-	-	-	-	-	88,088	-	3,584	-	2,603	-	(3,075,912)
Transfers in (out) Airport Funds	-	1,432,773	-	-	3,942,660	-	-	-	-	-	-	-	-
Transfer project expense to operating fund	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital contributions - federal and state grants	-	258,420	2,516,309	2,516,309	7,533,765	-	-	-	-	-	-	-	15,067,625
Change in net position	-	1,691,193	2,516,309	2,516,309	11,476,425	-	88,088	-	3,584	-	2,603	-	11,991,713
Net position, beginning	1,711,676	1,152,804	-	-	-	-	-	-	-	-	629,823	-	60,731,654
Net position, beginning, adjusted	1,711,676	1,152,804	-	-	-	-	-	-	-	-	629,823	-	60,731,654
Net position, ending	\$ 1,711,676	\$ 2,843,997	\$ 2,516,309	\$ 2,516,309	\$ 11,476,425	\$ 88,088	\$ 3,584	\$ 632,426	\$ 3,584	\$ 632,426	\$ 632,426	\$ 632,426	\$ 72,723,367

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2023

	Airport Authority Operating Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Roadway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Terminal Area Development Site No. 43 Project Fund	Airport Improvement Project Fund	Road & Parking Lot Improvement Project Fund	Terminal Improvements & Expansion Project Fund	Williams Rd Realignment Project Fund	State Funds Capital Reserve Fund	Airport Reserve Fund	Totals
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES															
Receipts for customers and users	\$ 1,970,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,970,615
Receipts from passengers facility fees	227,687	-	-	-	-	-	-	-	-	-	-	-	-	-	227,687
Miscellaneous receipts	66	-	-	-	-	-	-	-	-	-	-	-	-	-	66
Payments to suppliers	(2,127,212)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,127,212)
Payments to employees	(1,479,322)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,479,322)
Net cash provided by (used in) operating activities	(1,408,166)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,408,166)
CASH FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES															
Acquisition & construction of capital assets	(1,420,604)	-	-	-	-	-	-	-	-	(2,270,621)	(6,028,131)	-	-	-	(10,113,059)
Receipts from capital grants	4,677,206	-	-	-	13,783	1,054,592	52,243	52,243	393,703	2,155,427	5,871,397	8,000,000	1,064,778	-	22,889,426
Project reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	3,256,602	-	-	-	13,783	1,054,592	52,243	52,243	393,703	(115,194)	(156,734)	8,000,000	1,064,778	-	12,776,367
CASH FLOW FROM (USED IN) NONCAPITAL FINANCING ACTIVITIES															
Transfers in	-	-	-	-	-	-	-	-	1,432,773	-	3,942,660	-	-	-	5,375,433
Transfers out	(5,375,433)	-	-	-	-	-	-	-	(2,093,662)	115,194	-	-	-	-	(5,375,433)
Transfer CIP between funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to (from) other funds	2,087,326	-	-	-	(13,203)	(2,093,662)	(95,654)	(95,654)	(660,889)	-	-	-	-	-	1
Net cash provided by (used in) noncapital financing activities	(3,288,107)	-	-	-	(13,203)	(2,093,662)	(95,654)	(95,654)	(660,889)	115,194	3,942,660	-	-	-	1
CASH FLOWS FROM INVESTING ACTIVITIES															
Interest on cash and investments	38,850	-	-	-	-	-	-	-	-	-	-	88,088	3,584	2,603	135,125
Net cash provided by investing activities	38,850	-	-	-	-	-	-	-	-	-	-	88,088	3,584	2,603	135,125
Net increase (decrease) in cash and cash equivalents	(1,400,821)	-	-	-	580	-	(43,411)	(43,411)	-	-	3,785,926	8,088,088	1,068,302	2,603	11,501,327
CASH AND CASH EQUIVALENTS															
Beginning	5,705,698	-	-	-	381,848	-	43,411	43,411	-	-	-	-	-	629,823	6,760,780
Ending	\$ 4,304,877	\$ -	\$ -	\$ -	\$ 381,848	\$ -	\$ 580	\$ -	\$ -	\$ -	\$ 3,785,926	\$ 8,088,088	\$ 1,068,362	\$ 632,426	\$ 18,262,107

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2023

	Airport Authority Operating Fund	Airport Improvement Program No. 40 Project Fund	Airport Improvement Program No. 41 Project Fund	Runway Pavement Rehabilitation Project Fund	Airfield Improvements FY19 Project Fund	Airfield Improvements STIP Project Fund	Terminal Area Development Site No. 42 Project Fund	Terminal Area Development Site No. 43 Project Fund	Airport Improvement Project Fund	Road & Parking Lot Improvement Project Fund	Terminal Improvements & Expansion Project Fund	Williams Rd Realignment Project Fund	State Funds Capital Reserve Fund	Airport Reserve Fund	Totals
Operating loss	\$ (3,209,037)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,209,037)
Adjustments to reconcile operating loss to net cash provided by operating activities:															
Depreciation and amortization	1,636,479	-	-	-	-	-	-	-	-	-	-	-	-	-	1,636,479
Change in assets, liabilities, and deferred inflows and outflows:															
(Increase) decrease in accounts receivable	19,866	-	-	-	-	-	-	-	-	-	-	-	-	-	19,866
(Increase) decrease in prepaid expense	420	-	-	-	-	-	-	-	-	-	-	-	-	-	420
(Increase) decrease in deferred outflows of resources - pension	(94,186)	-	-	-	-	-	-	-	-	-	-	-	-	-	(94,186)
(Increase) decrease in deferred outflows of resources - OPEB	34,460	-	-	-	-	-	-	-	-	-	-	-	-	-	34,460
Increase (decrease) in accounts payable	72,597	-	-	-	-	-	-	-	-	-	-	-	-	-	72,597
Increase (decrease) in accrued payroll	17,315	-	-	-	-	-	-	-	-	-	-	-	-	-	17,315
Increase (decrease) in net pension liability	255,726	-	-	-	-	-	-	-	-	-	-	-	-	-	255,726
Increase (decrease) in total OPEB liability	(35,099)	-	-	-	-	-	-	-	-	-	-	-	-	-	(35,099)
Increase (decrease) in deferred inflows of resources - pension	(141,250)	-	-	-	-	-	-	-	-	-	-	-	-	-	(141,250)
Increase (decrease) in deferred inflows of resources - OPEB	34,543	-	-	-	-	-	-	-	-	-	-	-	-	-	34,543
Net cash provided by (used in) operating activities	\$ (1,408,166)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,408,166)

Reconciliation of operating loss to net cash provided by (used in) operating activities:

Operating loss

Adjustments to reconcile operating loss to net cash provided by operating activities:

Depreciation and amortization

Change in assets, liabilities, and deferred inflows and outflows:

(Increase) decrease in accounts receivable

(Increase) decrease in prepaid expense

(Increase) decrease in deferred outflows of resources - pension

(Increase) decrease in deferred outflows of resources - OPEB

Increase (decrease) in accounts payable

Increase (decrease) in accrued payroll

Increase (decrease) in net pension liability

Increase (decrease) in total OPEB liability

Increase (decrease) in deferred inflows of resources - pension

Increase (decrease) in deferred inflows of resources - OPEB

Net cash provided by (used in) operating activities

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 1,584,818	\$ 1,950,749	\$ 365,931
Passenger facility fee	-	227,687	227,687
Miscellaneous	-	66	66
Total operating revenues	<u>1,584,818</u>	<u>2,178,502</u>	<u>593,684</u>
OPERATING EXPENDITURES			
Personnel Services:			
Salaries	1,459,885	1,156,418	303,467
Employee benefits	255,705	191,853	63,852
Retirement	159,836	139,649	20,187
Professional Services:			
Audit and accounting fees	12,000	3,726	8,274
Legal fees	57,000	52,000	5,000
Contractual services	577,030	451,168	125,862
Operating supplies	71,900	60,963	10,937
Utilities	181,500	178,316	3,184
Maintenance and repairs:			
Buildings and grounds	69,585	68,540	1,045
Vehicle expense	20,400	16,706	3,694
Insurance	229,000	202,839	26,161
Telephone and postage	18,450	16,328	2,122
Capital outlay	2,494,724	1,930,816	563,908
Miscellaneous	117,807	95,664	22,143
Travel/Training	49,910	31,628	18,282
Advertising	531,000	479,582	51,418
Dues and subscriptions	52,595	32,557	20,038
Total operating expenditures	<u>6,358,327</u>	<u>5,108,753</u>	<u>1,249,574</u>
Excess of operating revenues over (under) operating expenditures	<u>(4,773,509)</u>	<u>(2,930,251)</u>	<u>1,843,258</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	-	38,850	38,850
Capital contributions - intergovernmental grants	5,968,045	4,759,131	(1,208,914)
Total nonoperating revenues (expenses)	<u>5,968,045</u>	<u>4,797,981</u>	<u>(1,170,064)</u>
Excess of revenues over expenditures	<u>1,194,536</u>	<u>1,867,730</u>	<u>673,194</u>

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
OTHE FINANCING SOURCES (USES)			
Transfers in (out):			
To airport project funds	(7,905,039)	(5,375,433)	2,529,606
Appropriated Fund Balance	6,984,826	-	(6,984,826)
Total other financing sources (uses)	(920,213)	(5,375,433)	(4,455,220)
Excess revenues over expenditures and other financing sources (uses)	\$ 274,323	\$ (3,507,703)	\$ (3,782,026)

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

Excess revenues over expenditures and other financing sources, modified accrual basis, above		\$ (3,507,703)	
Capital outlay		1,817,902	
Depreciation		(1,636,479)	
Increase (decrease) in deferred outflows of resources - pensions		94,186	
Increase (decrease) in deferred outflows of resources - OPEB		(34,460)	
(Increase) decrease in compensated absences		(8,717)	
(Increase) decrease in total OPEB liability		35,099	
(Increase) decrease in net pension liability		(255,726)	
(Increase) decrease in deferred inflows of resources - pensions		141,250	
(Increase) decrease in deferred inflows of resources - OPEB		(34,543)	
Project Costs not capitalized		(397,298)	
Transfer of asset from project fund to operating fund		397,298	
Change in net position, full accrual basis		\$ (3,389,191)	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 40 CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Year	Actual		Total to Date
			Current Year	Completed Project	
REVENUES					
Federal grants	\$ 363,969	\$ 360,594	\$ -	\$ (360,594)	\$ -
Total revenues	<u>363,969</u>	<u>360,594</u>	<u>-</u>	<u>(360,594)</u>	<u>-</u>
EXPENDITURES					
Capital outlay:					
Administrative	404,410	397,298	-	(397,298)	-
Total expenditures	<u>404,410</u>	<u>397,298</u>	<u>-</u>	<u>(397,298)</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(40,441)</u>	<u>(36,704)</u>	<u>-</u>	<u>36,704</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out):					
From Airport Operating Fund	40,441	40,441	-	(40,441)	-
To Airport Improvement Project	-	(3,737)	-	3,737	-
Total other financing sources (uses)	<u>40,441</u>	<u>36,704</u>	<u>-</u>	<u>(36,704)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of modified accrual basis with full accrual basis:					
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -		
Capital outlay			-		
Change in net position, full accrual basis			<u>\$ -</u>		

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 41 CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
Federal grants	\$ 2,241,781	\$ 21,611	\$ -	\$ 21,611
Total revenues	<u>2,241,781</u>	<u>21,611</u>	<u>-</u>	<u>21,611</u>
EXPENDITURES				
Capital outlay:				
Administrative	268,051	447	-	447
Construction	<u>2,222,817</u>	<u>241,194</u>	<u>-</u>	<u>241,194</u>
Total expenditures	<u>2,490,868</u>	<u>241,641</u>	<u>-</u>	<u>241,641</u>
Excess of revenues over (under) expenditures	<u>(249,087)</u>	<u>(220,030)</u>	<u>-</u>	<u>(220,030)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	256,533	220,030	-	220,030
To Airport Operating Fund	<u>(7,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>249,087</u>	<u>220,030</u>	<u>-</u>	<u>220,030</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
RUNWAY PAVEMENT REHABILITATION CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
State grants	\$ 3,000,000	\$ 2,977,432	\$ -	\$ 2,977,432
Total revenues	<u>3,000,000</u>	<u>2,977,432</u>	<u>-</u>	<u>2,977,432</u>
EXPENDITURES				
Capital outlay:				
Administrative	4,600	3,600	-	3,600
Construction	2,995,400	2,974,371	-	2,974,371
Total expenditures	<u>3,000,000</u>	<u>2,977,971</u>	<u>-</u>	<u>2,977,971</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(539)</u>	<u>-</u>	<u>(539)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	-	-	-	-
To Airport Operating Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (539)</u>	<u>\$ -</u>	<u>\$ (539)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRFIELD IMPROVEMENTS FY 19 CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Year</u>	<u>Actual</u> <u>Current</u> <u>Year</u>	<u>Total</u> <u>to Date</u>
REVENUES				
State Grants	\$ 653,162	\$ 653,162	\$ -	\$ 653,162
Total revenues	<u>653,162</u>	<u>653,162</u>	<u>-</u>	<u>653,162</u>
EXPENDITURES				
Capital outlay:				
Construction	653,162	110,555	-	110,555
Total expenditures	<u>653,162</u>	<u>110,555</u>	<u>-</u>	<u>110,555</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>542,607</u>	<u>-</u>	<u>542,607</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Operating Fund	-	(160,679)	-	(160,679)
Total other financing sources (uses)	<u>-</u>	<u>(160,679)</u>	<u>-</u>	<u>(160,679)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 381,928</u>	<u>\$ -</u>	<u>\$ 381,928</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			<u>\$ -</u>	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRFIELD IMPROVEMENTS STIP CAPITAL PROJECT FUND

**DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS**
From Inception and for the Fiscal Year Ended June 30, 2023

	Project	Actual		
	Authorization	Prior	Current	Total
		Year	Year	to Date
REVENUES				
State Grants	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
EXPENDITURES				
Capital outlay:				
Construction	300,000	300,000	-	300,000
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ -	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 42 CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
 SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
 From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
Federal Grants	\$ 5,185,000	\$ 5,088,794	\$ -	\$ 5,088,794
Total revenues	<u>5,185,000</u>	<u>5,088,794</u>	<u>-</u>	<u>5,088,794</u>
EXPENDITURES				
Capital outlay:				
Administrative	5,280	31,357	-	31,357
Construction	5,720,010	5,589,656	-	5,589,656
Land	35,821	33,202	-	33,202
Total expenditures	<u>5,761,111</u>	<u>5,654,215</u>	<u>-</u>	<u>5,654,215</u>
Excess of revenues over (under) expenditures	<u>(576,111)</u>	<u>(565,421)</u>	<u>-</u>	<u>(565,421)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	576,111	576,111	-	576,111
Total other financing sources (uses)	<u>576,111</u>	<u>576,111</u>	<u>-</u>	<u>576,111</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 10,690</u>	<u>\$ -</u>	<u>\$ 10,690</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ -	
Capital Outlay			<u>-</u>	
Change in net position, full accrual basis			<u><u>\$ -</u></u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL AREA DEVELOPMENT SITE NO. 43 CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
Federal Grants	\$ 1,648,577	\$ 1,560,791	\$ -	\$ 1,560,791
Total revenues	<u>1,648,577</u>	<u>1,560,791</u>	<u>-</u>	<u>1,560,791</u>
EXPENDITURES				
Capital outlay:				
Construction / Architect / Engineer	1,799,462	1,715,641	-	1,715,641
Total expenditures	<u>1,799,462</u>	<u>1,715,641</u>	<u>-</u>	<u>1,715,641</u>
Excess of revenues over (under) expenditures	<u>(150,885)</u>	<u>(154,850)</u>	<u>-</u>	<u>(154,850)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	150,885	150,885	-	150,885
Total other financing sources (uses)	<u>150,885</u>	<u>150,885</u>	<u>-</u>	<u>150,885</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (3,965)</u>	<u>\$ -</u>	<u>\$ (3,965)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ -	
Capital Outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ -</u>	

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
Federal Grants	\$ 7,537,354	\$ 7,052,700	\$ 258,420	\$ 7,311,120
Total revenues	<u>7,537,354</u>	<u>7,052,700</u>	<u>258,420</u>	<u>7,311,120</u>
EXPENDITURES				
Capital outlay:				
Administrative	1,036,113	849,557	20,809	870,366
Construction	7,938,818	1,856,434	149,116	2,005,550
Equipment	747,048	-	-	-
Sales Tax Refund	-	(55,107)	(1,829)	(56,936)
Total expenditures	<u>9,721,979</u>	<u>2,650,884</u>	<u>168,096</u>	<u>2,818,980</u>
Excess of revenues over (under) expenditures	<u>(2,184,625)</u>	<u>4,401,816</u>	<u>90,324</u>	<u>4,492,140</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Operating Fund	(633,830)	(633,830)	-	(633,830)
From Airport Operating Fund	2,818,455	1,385,682	1,432,773	2,818,455
Total other financing sources (uses)	<u>2,184,625</u>	<u>751,852</u>	<u>1,432,773</u>	<u>2,184,625</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 5,153,668</u>	<u>\$ 1,523,097</u>	<u>\$ 6,676,765</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 1,523,097	
Capital Outlay			<u>168,096</u>	
Change in net position, full accrual basis			<u>\$ 1,691,193</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
ROAD & PARKING LOT IMPROVEMENTS AND EXPANSION FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		
		Prior Year	Current Year	Total to Date
REVENUES				
Federal Grants	\$ 2,562,397	\$ -	\$ 2,516,309	\$ 2,516,309
Total revenues	<u>2,562,397</u>	<u>-</u>	<u>2,516,309</u>	<u>2,516,309</u>
EXPENDITURES				
Capital outlay:				
Administrative	391,553	-	113,828	113,828
Construction	2,170,844	-	2,170,323	2,170,323
Sales Tax Refund	-	-	(13,530)	(13,530)
Total expenditures	<u>2,562,397</u>	<u>-</u>	<u>2,270,621</u>	<u>2,270,621</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>245,688</u>	<u>245,688</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Operating Fund	-	-	-	-
From Airport Operating Fund	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,688</u>	<u>\$ 245,688</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 245,688	
Capital Outlay			<u>2,270,621</u>	
Change in net position, full accrual basis			<u>\$ 2,516,309</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
TERMINAL IMPROVEMENTS & EXPANSION FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Year	Actual	
			Current Year	Total to Date
REVENUES				
Federal Grants	\$ 20,903,935	\$ -	\$ 5,508,424	\$ 5,508,424
CARES Act Grant	2,378,946	-	-	-
State Grant	3,087,119	-	2,025,341	2,025,341
Total revenues	<u>26,370,000</u>	<u>-</u>	<u>7,533,765</u>	<u>7,533,765</u>
EXPENDITURES				
Capital outlay:				
Administrative	1,230,208	-	524,081	524,081
Construction	25,412,058	-	7,751,490	7,751,490
Sales Tax Refund	-	-	(24,441)	(24,441)
Total expenditures	<u>26,642,266</u>	<u>-</u>	<u>8,251,130</u>	<u>8,251,130</u>
Excess of revenues over (under) expenditures	<u>(272,266)</u>	<u>-</u>	<u>(717,365)</u>	<u>(717,365)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	272,266	-	3,942,660	3,942,660
Total other financing sources (uses)	<u>272,266</u>	<u>-</u>	<u>3,942,660</u>	<u>3,942,660</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,225,295</u>	<u>\$ 3,225,295</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 3,225,295	
Capital Outlay			<u>8,251,130</u>	
Change in net position, full accrual basis			<u>\$ 11,476,425</u>	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
WILLIAMS ROAD REALIGNMENT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
Federal Grants	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	88,088	88,088
Total revenues	-	-	88,088	88,088
EXPENDITURES				
Capital outlay:				
Administrative	-	-	-	-
Construction	-	-	-	-
Sales Tax Refund	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	88,088	88,088
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	\$ -	\$ -	\$ 88,088	\$ 88,088
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 88,088	
Capital Outlay			-	
Change in net position, full accrual basis			\$ 88,088	

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIRPORT STATE FUNDS CAPITAL RESERVE

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
State Grants	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	3,584	3,584
Total revenues	-	-	3,584	3,584
EXPENDITURES				
Capital outlay:				
Administrative	-	-	-	-
Construction	-	-	-	-
Sales Tax Refund	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over (under) expenditures	-	-	3,584	3,584
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other uses	\$ -	\$ -	\$ 3,584	\$ 3,584
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 3,584	
Capital Outlay			-	
Change in net position, full accrual basis			\$ 3,584	

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

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2023

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
REVENUES				
Interest	\$ -	\$ 44,909	\$ 2,603	\$ 47,512
Total revenues	<u>-</u>	<u>44,909</u>	<u>2,603</u>	<u>47,512</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Operating Fund	-	(633,287)	-	(633,287)
From Airport Operating Fund	<u>-</u>	<u>1,218,201</u>	<u>-</u>	<u>1,218,201</u>
Total other financing sources (uses)	<u>-</u>	<u>584,914</u>	<u>-</u>	<u>584,914</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 629,823</u>	<u>\$ 2,603</u>	<u>\$ 632,426</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			<u>\$ 2,603</u>	
Change in net position, full accrual basis			<u>\$ 2,603</u>	

STATISTICAL SECTION (Unaudited)

This part of the County of Craven's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents

Financial Trends

Schedules one through four contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

Schedules five through eight contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

Debt Capacity

Schedules nine through eleven present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

Schedules twelve and thirteen offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

Schedules fourteen through sixteen contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Craven County



Schedule 1
 Craven County
 Net Position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 40,967,813	\$ 40,687,026	\$ 41,106,523	\$ 42,035,951	\$ 44,781,813	\$ 47,005,992	\$ 48,698,804	\$ 53,731,048	\$ 53,172,950	\$ 66,633,600
Restricted	9,303,705	9,704,162	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861	29,446,747	31,832,175	34,553,842
Unrestricted (deficit)	(8,377,381)	(4,408,502)	(1,596,184)	5,346,096	1,530,331	3,642,078	1,260,991	9,433,620	28,047,649	34,366,940
Total governmental activities net position	\$ 41,894,137	\$ 45,982,686	\$ 51,796,771	\$ 58,498,856	\$ 57,108,718	\$ 66,096,778	\$ 75,094,656	\$ 92,611,415	\$ 113,052,774	\$ 135,554,382
Business-type activities										
Net investment in capital assets	\$ 16,063,577	\$ 21,306,317	\$ 26,133,140	\$ 27,475,458	\$ 27,637,466	\$ 26,919,877	\$ 26,448,945	\$ 26,347,589	\$ 26,257,735	\$ 31,144,244
Restricted	18,968,230	15,100,037	11,950,188	11,911,171	12,101,314	12,692,737	12,894,970	13,029,798	13,783,379	12,887,853
Unrestricted	35,031,807	36,406,354	38,083,328	39,586,629	39,738,780	39,612,614	39,343,915	39,377,387	40,041,114	44,032,097
Total business-type activities net position	\$ 35,031,807	\$ 36,406,354	\$ 38,083,328	\$ 39,586,629	\$ 39,738,780	\$ 39,612,614	\$ 39,343,915	\$ 39,377,387	\$ 40,041,114	\$ 44,032,097
Primary government										
Net investment in capital assets	\$ 57,031,390	\$ 61,993,343	\$ 67,239,663	\$ 69,511,309	\$ 72,419,279	\$ 73,925,869	\$ 75,147,749	\$ 80,078,637	\$ 79,430,685	\$ 97,777,844
Restricted	9,303,705	9,704,162	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861	29,446,747	31,832,175	34,553,842
Unrestricted (deficit)	10,590,849	10,691,535	10,354,004	17,257,267	13,631,645	16,334,815	14,155,961	22,463,418	41,831,028	47,254,793
Total primary government net position	\$ 76,925,944	\$ 82,389,040	\$ 89,880,099	\$ 97,885,485	\$ 96,847,498	\$ 105,709,392	\$ 114,438,571	\$ 131,968,802	\$ 153,093,888	\$ 179,566,479

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 9,529,776	\$ 9,219,322	\$ 10,291,366	\$ 9,925,453	\$ 11,077,893	\$ 17,072,762	\$ 13,026,648	\$ 14,737,395	\$ 15,288,066	\$ 18,237,517
Public safety	18,273,896	18,505,550	19,458,091	20,980,588	21,947,336	23,323,223	23,546,188	29,041,862	29,899,762	31,157,647
Social services	22,078,158	21,913,659	22,231,898	22,760,861	19,157,572	21,170,095	19,946,669	21,217,884	21,770,369	25,188,055
Economic and physical development	3,244,680	4,035,005	4,349,446	4,389,590	2,958,118	3,786,002	4,150,209	4,701,754	4,596,491	4,954,213
Environmental protection	5,200,967	5,121,002	4,998,475	4,608,929	4,950,380	6,370,235	8,048,976	7,259,522	7,389,226	8,138,308
Health	8,495,912	7,784,851	8,338,343	8,626,160	9,404,146	10,508,893	10,605,442	11,306,997	11,099,143	12,778,206
Cultural and recreation	2,435,885	2,289,270	2,403,064	2,535,497	2,675,892	3,346,603	2,871,967	2,700,856	3,242,162	3,813,906
Education	23,691,968	24,559,787	26,108,710	27,005,640	27,018,838	27,166,990	28,571,621	28,777,523	29,422,557	31,821,071
Interest on long term debt	2,617,304	2,360,526	2,105,628	1,803,760	1,550,637	1,152,829	1,347,956	1,256,730	1,119,654	902,565
Total governmental activities	\$ 95,568,546	\$ 95,788,972	\$ 100,285,021	\$ 102,636,478	\$ 100,740,812	\$ 113,897,632	\$ 112,115,676	\$ 121,000,523	\$ 123,827,430	\$ 136,991,488
Business-type activities:										
Water	2,559,429	2,510,634	2,489,876	2,667,016	3,338,714	4,090,859	4,089,249	4,201,885	4,313,497	5,021,897
Total primary government expenses	\$ 98,127,975	\$ 98,299,606	\$ 102,774,897	\$ 105,303,494	\$ 104,079,526	\$ 117,988,491	\$ 116,204,925	\$ 125,202,408	\$ 128,140,927	\$ 142,013,385
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 2,194,205	\$ 3,493,235	\$ 3,170,663	\$ 4,141,074	\$ 3,836,181	\$ 3,139,033	\$ 1,380,174	\$ 1,978,362	\$ 2,274,794	\$ 2,272,274
Public safety	2,584,019	2,947,087	3,190,889	3,316,974	3,057,836	4,996,889	3,498,127	3,544,044	3,463,365	3,890,874
Social services	597,505	572,655	630,752	559,026	595,252	2,520,085	760,964	409,522	546,446	643,149
Economic and physical development	1,244,763	925,772	1,052,562	1,101,404	1,159,464	216,037	51,230	50,225	57,193	61,765
Environmental protection	2,417,794	2,428,100	2,432,969	2,405,043	2,670,966	2,956,075	3,749,983	3,934,623	3,871,355	3,962,168
Health	5,003,765	3,866,147	5,652,030	5,463,003	5,663,594	5,360,985	4,813,630	5,223,450	4,863,155	5,104,214
Cultural and recreation	89,512	69,062	66,145	61,401	59,372	324,505	371,788	235,893	676,270	1,004,815
Operating grants and contributions:										
General government	2,337,535	2,306,404	2,122,023	2,166,871	1,929,566	3,894,897	6,671,023	-	6,622,662	19,907,811
Public safety	645,226	430,833	651,546	678,254	489,762	1,762,796	1,155,417	-	3,999,066	2,005,871
Social services	14,917,957	16,040,514	15,798,488	15,324,889	11,768,753	11,973,191	12,240,723	-	13,533,733	15,430,915
Economic and physical development	-	1,453,613	1,252,208	1,346,255	630,177	66,283	657,792	-	172,298	44,718
Environmental protection	253,420	196,894	158,994	158,668	202,131	739,981	227,652	-	153,260	138,542
Health	1,645,752	1,556,948	2,185,702	2,378,208	2,858,004	3,896,287	4,336,161	7,656,387	6,474,842	6,840,060
Cultural and recreation	51,500	61,000	563,280	313,000	-	42,000	22,000	63,819	165,500	86,500
Education	-	-	-	-	-	-	-	-	1,965,721	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	675,576	590,426
Public safety	-	-	-	-	-	-	-	-	-	-
Social services	255,086	181,004	120,012	-	138,417	154,529	154,899	209,441	756	27,985
Economic and physical development	204,085	-	-	-	515,000	-	-	-	646,406	4,675,295
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Education	1,030,840	926,810	1,063,080	842,910	944,400	981,500	1,029,300	1,219,700	880,500	1,648,160
Total governmental activities program revenues	\$ 35,472,964	\$ 37,456,078	\$ 40,131,343	\$ 40,286,960	\$ 36,518,875	\$ 43,025,073	\$ 41,060,863	\$ 24,525,466	\$ 51,042,898	\$ 67,935,542

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charge for services - Water	3,828,806	3,809,820	3,803,643	3,936,307	3,845,311	3,849,791	3,849,499	4,290,039	4,464,707	4,363,172
Capital grants and contributions - Water	-	-	-	-	-	-	-	62,864	-	-
Total business-type activities program revenues	3,828,806	3,809,820	3,803,643	3,936,307	3,845,311	3,849,791	3,849,499	4,352,903	4,464,707	4,363,172
Total primary government program revenues	\$ 39,301,770	\$ 41,265,898	\$ 43,934,986	\$ 44,193,287	\$ 40,464,186	\$ 46,874,864	\$ 44,910,362	\$ 28,878,369	\$ 55,507,605	\$ 72,298,714
Net (Expense)/Revenue										
Governmental activities	\$ (60,095,582)	\$ (59,332,894)	\$ (60,153,678)	\$ (62,379,498)	\$ (64,221,937)	\$ (70,872,559)	\$ (71,054,813)	\$ (96,475,057)	\$ (72,784,532)	\$ (69,055,946)
Business-type activities	1,269,377	1,299,186	1,313,767	1,269,291	606,597	(241,068)	(239,750)	151,018	151,210	(658,725)
Total primary government net (expense)/revenue	\$ (58,826,205)	\$ (57,033,708)	\$ (58,839,911)	\$ (61,110,207)	\$ (63,615,340)	\$ (71,113,627)	\$ (71,294,563)	\$ (96,324,039)	\$ (72,633,322)	\$ (69,714,671)

General Revenues and Other Changes in Net Assets

Governmental activities:										
Property taxes	\$ 48,512,236	\$ 48,065,864	\$ 49,058,073	\$ 51,783,504	\$ 52,594,856	\$ 54,063,292	\$ 55,119,160	\$ 57,394,807	\$ 59,946,931	\$ 61,606,085
Local option sales tax	13,394,720	14,532,240	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653	22,920,189	25,160,570	27,170,396
Other taxes and licenses	862,997	934,214	1,065,391	1,077,699	1,075,286	1,758,121	2,817,033	3,455,991	4,698,756	4,286,567
Investment earnings	156,285	163,783	154,860	305,406	634,968	1,091,545	879,774	12,964	(63,708)	2,357,868
Miscellaneous	1,006,261	658,262	471,964	564,447	454,249	3,526,780	1,278,071	1,349,679	3,978,747	660,934
Transfers	83,240	105,000	105,000	130,000	313,222	130,000	130,000	130,000	(495,406)	(4,524,295)
Special item	1,516,317	850,000	-	-	-	-	-	-	-	-
Total governmental activities:	\$ 65,532,056	\$ 65,309,363	\$ 65,967,763	\$ 69,958,168	\$ 71,970,088	\$ 79,860,619	\$ 80,052,691	\$ 85,283,630	\$ 93,225,890	\$ 91,557,555
Business-type activities:										
Investment earnings	57,122	42,829	19,192	23,151	58,652	135,443	101,051	12,454	17,111	125,413
Miscellaneous	107,772	204,818	449,015	140,859	112,402	109,459	-	-	-	-
Transfers	(83,240)	(105,000)	(105,000)	(130,000)	(313,222)	(130,000)	(130,000)	(130,000)	495,406	4,524,295
Total business-type activities	81,654	142,647	363,207	34,010	(142,168)	114,902	(28,949)	(117,546)	512,517	4,649,708
Total primary government	\$ 65,613,710	\$ 65,452,010	\$ 66,330,970	\$ 69,992,178	\$ 71,827,920	\$ 79,975,521	\$ 80,023,742	\$ 85,146,084	\$ 93,738,407	\$ 96,207,263
Change in Net Position										
Governmental activities	\$ 5,436,474	\$ 6,976,469	\$ 5,814,085	\$ 7,578,670	\$ 7,748,151	\$ 8,988,060	\$ 8,997,878	\$ (11,211,426)	\$ 20,441,358	\$ 22,501,609
Business-type activities	1,351,031	1,441,833	1,676,974	1,303,301	464,429	(126,166)	(288,699)	33,472	663,727	3,990,983
Total primary government	\$ 6,787,505	\$ 8,418,302	\$ 7,491,059	\$ 8,881,971	\$ 8,212,580	\$ 8,861,894	\$ 8,729,179	\$ (11,177,954)	\$ 21,105,085	\$ 26,492,592

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

General Fund	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ 82,500	\$ 34,582	\$ 40,680	\$ 73,681	\$ 21,711	\$ 33,891	\$ 28,093
Leases									181	2,481
Restricted:										
Stabilization by state statute	5,866,674	6,619,013	8,690,228	7,866,740	7,681,300	9,666,695	12,415,614	16,454,141	15,518,429	11,913,799
Public Safety	104,005	89,738	81,761	56,262	36,076	24,585	41,029	15,739	43,368	64,379
Register of Deeds	3,030	-	-	-	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	186,332	131,509	79,872	-	-	901,396	1,416,294	424,561	3,731	249,493
Unassigned	25,743,810	25,565,252	24,262,888	27,936,364	29,358,798	28,668,673	25,350,019	33,164,799	44,004,435	52,870,852
Total General Fund	\$ 31,903,851	\$ 32,405,512	\$ 33,114,749	\$ 35,941,866	\$ 37,110,756	\$ 39,302,029	\$ 39,296,637	\$ 50,080,951	\$ 59,604,035	\$ 65,129,097
All Other Governmental Funds										
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by state statute	161,598	183,592	1,102,191	350,482	246,658	350,349	163,893	2,490,112	5,757	33,862
General Government	-	-	-	-	527,388	913,772	2,107,453	941,549	1,425,806	4,113,310
Human Services	-	-	-	-	-	-	-	140,366	186,989	205,243
Public Safety	595,537	567,449	759,385	1,463,892	1,188,720	1,328,278	1,874,198	2,204,704	2,457,840	2,367,542
Economic and Physical Development	1,475,800	1,596,963	1,204,220	1,218,642	1,212,049	1,646,115	6,171,089	2,361,658	2,742,889	3,355,681
Public Schools	1,097,060	647,407	448,646	160,891	431,771	1,518,914	2,361,585	4,836,189	9,451,097	12,286,464
Committed:										
Capital projects	6,643,056	8,981,920	8,974,443	9,719,331	10,570,948	9,896,332	9,351,742	9,818,385	12,084,072	14,747,955
Unassigned	(268,169)	(145,052)	(47,561)	(136,611)	(149,490)	(240,400)	(378,722)	(2,680,122)	(37,504)	(43,637)
Total all other governmental funds	\$ 9,704,882	\$ 11,832,279	\$ 12,441,324	\$ 12,776,627	\$ 14,028,044	\$ 15,413,360	\$ 21,651,238	\$ 20,112,841	\$ 28,316,946	\$ 37,066,420

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes:										
Property	\$ 48,823,450	\$ 48,452,331	\$ 49,134,422	\$ 51,917,034	\$ 52,668,757	\$ 54,118,386	\$ 54,957,950	\$ 57,822,448	\$ 59,866,003	\$ 61,523,018
Sales	13,394,720	14,532,240	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653	22,920,189	25,160,570	27,170,396
Tourism Room	862,997	934,214	1,065,591	1,077,699	1,075,286	1,758,121	1,605,717	1,597,678	2,249,242	2,415,605
Total taxes	63,081,167	63,918,785	65,312,288	69,091,845	70,641,550	75,167,388	76,392,320	82,340,315	87,275,815	91,109,019
Intergovernmental	21,341,401	23,154,019	23,935,338	23,209,055	19,476,210	23,511,297	26,494,967	38,102,503	35,827,492	51,728,139
Charges for Services	14,490,392	14,617,799	16,333,950	17,181,291	17,191,527	13,495,640	15,711,402	16,896,108	17,629,177	17,949,560
Interest	142,116	150,404	148,453	297,665	630,042	1,117,519	879,774	12,964	(63,708)	2,357,868
Miscellaneous	1,432,328	1,428,429	979,965	1,009,671	934,418	3,339,425	1,278,072	1,373,463	4,002,009	766,729
Total Revenues	100,487,404	103,269,436	106,709,994	110,789,527	108,873,747	116,631,269	120,756,535	138,725,353	144,670,785	163,911,315
Expenditures										
General Government	9,446,475	9,948,357	10,213,411	10,435,517	12,297,021	15,831,603	14,538,888	18,918,417	16,606,583	24,371,287
Public Safety	18,056,044	17,185,318	17,892,625	19,282,826	19,927,529	21,161,542	22,268,324	26,621,964	28,192,022	29,459,298
Environmental Protection	5,121,996	5,140,583	5,079,891	5,357,128	5,473,167	6,042,356	7,655,428	7,241,021	7,347,292	8,094,358
Economic Development	2,764,612	3,612,837	3,950,990	3,849,000	3,054,020	3,499,091	12,429,224	7,194,853	3,868,787	4,277,154
Health	8,200,004	7,644,382	8,379,656	8,235,214	9,009,776	9,437,637	10,312,247	10,616,068	10,534,453	12,381,451
Social Services	22,150,591	22,555,542	22,305,810	22,309,579	19,118,866	19,023,190	19,120,635	19,937,154	20,841,760	25,660,561
Culture and Recreation	2,314,351	2,341,104	3,028,748	2,919,651	2,688,417	3,185,110	3,004,223	3,173,640	3,045,225	3,432,789
Education	23,691,968	24,559,787	26,108,710	27,005,640	27,018,888	27,166,990	28,571,621	28,777,523	29,422,557	31,821,071
Debt Service:										
Principal	6,832,806	6,831,446	6,816,300	6,891,300	7,021,300	6,845,855	5,914,300	6,400,150	6,286,945	5,218,100
Interest	2,232,885	1,976,022	1,720,571	1,471,252	1,157,728	953,550	809,936	776,440	638,514	501,661
Bond issuance costs	-	-	-	-	-	36,100	-	-	-	-
Total Expenditures	100,811,732	101,595,378	105,496,712	107,757,107	106,766,662	113,183,024	124,624,826	129,657,230	126,784,138	145,217,730
Excess of revenues over (under) expenditures	(324,328)	1,674,058	1,213,282	3,032,420	2,107,085	3,448,245	(3,868,291)	9,068,123	17,886,647	18,693,585
Other Financing Sources (Uses)										
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	8,702,882	7,619,608	6,425,300	7,855,332	9,122,508	7,503,106	10,752,856	7,794,375	15,459,219	155,246
Transfers out	(8,619,642)	(7,514,608)	(6,320,300)	(7,725,332)	(8,809,286)	(7,413,106)	(10,652,079)	(7,714,375)	(16,004,625)	27,889,773
Refunding bonds issued	-	-	-	-	-	8,335,000	-	-	-	(32,464,068)
Payment to refunding escrow agent	-	-	-	-	-	(8,296,656)	-	-	-	-
Proceeds from installment note/COPS	-	-	-	-	-	-	10,000,000	-	-	-
Special item	1,516,317	850,000	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,599,557	955,000	105,000	130,000	313,222	128,344	10,100,777	80,000	(159,457)	(4,419,049)
Net change in fund balances	\$ 1,275,229	\$ 2,629,058	\$ 1,318,282	\$ 3,162,420	\$ 2,420,307	\$ 3,576,589	\$ 6,232,466	\$ 9,148,123	\$ 17,727,190	\$ 14,274,536
Debt service as a percentage of noncapital expenditures	9.28%	8.94%	8.28%	7.98%	8.02%	7.11%	6.03%	6.02%	5.65%	4.38%

Schedule 5
Craven County
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Present-use Value (1)	Personal Property	Public Service Companies (2)	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)
	Residential Property	Commercial Property	Industrial Property	Property						
2014	5,863,934,499	2,154,674,323	46,723,660	134,530,824	1,667,107,995	138,720,822	10,005,692,123	0.4675	8,853,027,892	
2015	5,902,879,610	2,162,096,295	46,574,740	139,682,484	1,522,563,337	130,349,522	9,904,145,988	0.4675	8,753,885,441	
2016	5,947,385,914	2,178,573,186	46,564,923	141,917,615	1,553,771,682	155,515,544	10,023,728,864	0.4675	9,087,696,160	
2017 (5)	5,206,928,087	2,030,255,403	42,342,930	131,599,087	1,638,861,659	155,227,537	9,205,214,703	0.5394	9,298,196,670	
2018	5,466,479,591	1,860,735,378	43,165,400	133,196,948	1,655,323,746	162,065,213	9,320,966,276	0.5394	9,563,889,058	
2019	5,327,228,030	2,108,571,090	43,578,000	133,240,033	1,761,612,228	166,348,703	9,540,578,084	0.5394	10,039,543,391	
2020	5,304,353,760	2,108,733,327	45,922,900	133,783,370	1,827,117,756	176,828,919	9,596,740,032	0.5494	10,514,670,792	
2021	5,486,948,016	2,127,480,453	48,312,340	132,953,939	2,028,190,175	169,749,363	9,993,634,286	0.5494	11,301,160,918	
2022	5,481,813,881	2,242,623,400	48,809,700	135,172,223	2,148,572,925	187,139,127	10,244,131,256	0.5600	13,324,832,539	
2023	5,788,240,270	2,263,456,720	49,402,300	134,191,573	2,075,979,231	194,660,292	10,505,930,386	0.5600	13,665,362,105	

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place in the calendar year ending during the fiscal year. (The 2023 figure is based on property sales which took place in calendar 2022 and the sales to assessment ratio was 76.88%.)
- (5) Reassessment was performed on January 1, 2016 and was the basis for fiscal year 2017 taxes. The next reassessment will occur on January 1, 2023, then again on January 1, 2028.

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

	2014	2015	2016	2017 (1)	2018	2019	2020	2021	2022	2023
Craven County Direct Rate	\$ 0.4675	\$ 0.4675	\$ 0.4675	\$ 0.5394	\$ 0.5394	\$ 0.5394	\$ 0.5494	\$ 0.5494	\$ 0.5600	\$ 0.5600
Municipality Rates:										
Bridgeton	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Cove City	0.1500	0.1500	0.2500	0.2678	0.2678	0.2700	0.2700	0.2700	0.2700	0.2700
Dover	0.3000	0.3000	0.3000	0.3500	0.3500	0.3500	0.3500	0.3500	0.2900	0.2900
Havelock	0.4650	0.4850	0.5100	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900
New Bern	0.4100	0.4100	0.4100	0.4600	0.4600	0.4600	0.4822	0.4822	0.4822	0.4822
River Bend	0.2650	0.2650	0.2650	0.3105	0.2900	0.2400	0.2600	0.2600	0.2600	0.2600
Trent Woods	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Vanceboro	0.4600	0.4600	0.4600	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Fire Districts Rates:										
West New Bern II (Rhems)	0.0389	0.0389	0.0389	0.0457	0.0457	0.0400	0.0400	0.0400	0.0350	0.0350
Township #1	0.0250	0.0250	0.0250	0.0269	0.0269	0.0269	0.0269	0.0269	0.0250	0.0250
Tri Community	0.0277	0.0377	0.0527	0.0658	0.0555	0.0555	0.0555	0.0555	0.0500	0.0500
Little Swift Creek	0.0549	0.0549	0.0549	0.0700	0.0700	0.0700	0.0650	0.0650	0.0650	0.0650
Township #3	0.0624	0.0624	0.0774	0.0861	0.0861	0.0861	0.0900	0.0900	0.0900	0.0900
Township #5	0.0453	0.0453	0.0553	0.0653	0.0653	0.0653	0.0653	0.0653	0.0653	0.0653
Township #6	0.0480	0.0480	0.0520	0.0586	0.0586	0.0500	0.0500	0.0500	0.0450	0.0450
Township #7	0.0177	0.0177	0.0190	0.0216	0.0272	0.0250	0.0250	0.0250	0.0250	0.0250
West New Bern	0.0324	0.0324	0.0349	0.0391	0.0457	0.0391	0.0391	0.0391	0.0375	0.0375
Township #9	0.0582	0.0682	0.0682	0.0746	0.0746	0.0746	0.0746	0.0746	0.0600	0.0600
Sandy Point	0.0352	0.0377	0.0527	0.0672	0.0672	0.0672	0.0672	0.0672	0.0500	0.0500

Source: Craven County Tax Department

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

Schedule 7
 Craven County
 Principal Property Tax Payers,
 Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2023			Fiscal Year 2014		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BSH Home Appliances Corp	Home appliance manufacturer	\$ 181,092,800	1	1.72%	\$ 63,872,711	2	0.64%
International Paper Company	Wood pulp manufacturer	176,955,617	2	1.68%			
Duke Energy Progress Inc.	Electric utility	90,576,287	3	0.86%	50,237,052	4	0.50%
Weyerhaeuser Company	Real estate investment trust	84,504,023	4	0.80%	62,555,420	3	0.63%
Wal-Mart Real Estate Business Trust	Real estate development	32,107,296	5	0.31%	23,725,040	9	0.24%
Piedmont Natural Gas	Gas utility	29,404,016	6	0.28%			
Atlantic Marine Corps Communities, LLC	Real estate development	28,650,962	7	0.27%	32,918,627	6	0.33%
Craven Wood Energy LTD	Electricity manufacturer	28,112,107	8	0.27%			
New Bern Apartments LLC	Real estate development	24,465,593	9	0.23%			
White River Marine Group LLC	Boat manufacturer	23,918,028	10	0.23%			
Weyerhaeuser NR Company	Wood pulp manufacturer				187,118,871	1	1.87%
Carolina Telephone & Telegraph Co.	Communications utility				34,928,917	5	0.35%
Hatteras Yachts	Yacht builder				25,759,674	7	0.26%
New Bern Riverfront Development LLC	Real estate development				25,099,239	8	0.25%
Wyndam Vacation Resorts Inc	Real estate development				22,227,790	10	0.22%
Totals		\$ 699,786,729		6.66%	\$ 528,443,341		5.28%

Source: Craven County Tax Department

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

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2014	46,405,671	423,380	46,829,051	46,266,555	98.80%	511,144	46,777,699	99.89%
2015	46,074,580	354,529	46,429,109	46,059,154	99.20%	325,613	46,384,767	99.90%
2016	46,661,088	287,113	46,948,201	46,591,996	99.24%	308,225	46,900,221	99.90%
2017	49,281,078	264,724	49,545,802	49,229,371	99.36%	248,995	49,478,366	99.86%
2018	50,133,887	208,230	50,342,117	50,013,650	99.35%	256,801	50,270,451	99.86%
2019	51,207,256	357,778	51,565,034	51,213,187	99.32%	203,312	51,416,499	99.71%
2020	52,499,119	271,764	52,770,883	52,162,736	98.85%	112,906	52,275,642	99.06%
2021	54,749,539	272,681	55,022,220	54,599,304	99.23%	284,012	54,883,316	99.75%
2022	57,025,239	396,164	57,421,403	56,829,343	98.97%	262,948	57,092,291	99.43%
2023	58,468,532	435,582	58,904,114	58,397,668	99.14%	-	58,397,668	99.14%

Source: Craven County Tax Department

Schedule 9
 Craven County
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General		Installment		General		Installment				
	Obligation Bonds	Capital Leases	Loans	Loans	Obligation Bonds	Loans	Loans				
2014	21,711,331	20,145	46,597,703	3,735,899	25,000	3,735,899	698	72,090,078	698	1.83%	
2015	19,059,987	-	42,252,485	5,601,369	5,000	5,601,369	656	66,918,841	656	1.64%	
2016	16,448,638	-	37,862,267	16,279,594	-	16,279,594	693	70,590,499	693	1.69%	
2017	13,808,847	-	33,427,050	16,819,909	-	16,819,909	629	64,055,806	629	1.52%	
2018	11,109,056	-	29,025,750	15,930,845	-	15,930,845	551	56,065,651	551	1.31%	
2019	8,614,265	-	24,654,450	15,041,781	-	15,041,781	478	48,310,496	478	1.09%	
2020	6,146,474	-	31,128,149	14,152,717	-	14,152,717	508	51,427,340	508	1.10%	
2021	3,729,683	-	27,064,999	13,263,653	-	13,263,653	430	44,058,335	430	0.88%	
2022	1,365,892	-	23,184,999	12,374,589	-	12,374,589	358	36,925,480	358	0.68%	
2023	-	-	19,389,999	11,485,525	-	11,485,525	296	30,875,524	296	0.56%	

*Information not yet available

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the calendar year ended during the fiscal year.

Schedule 10

Craven County

Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Total	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts						
		Restricted to Repaying Principal						
2014	21,736,331	1,097,061		20,639,270	0.52%	0.23%	200	
2015	19,064,987	647,407		18,417,580	0.45%	0.21%	180	
2016	16,448,638	448,646		15,999,992	0.38%	0.18%	157	
2017	13,808,847	155,992		13,652,855	0.32%	0.15%	134	
2018	11,109,056	401,190		10,707,866	0.25%	0.11%	105	
2019	8,614,265	1,210,957		7,403,308	0.17%	0.07%	73	
2020	6,146,474	2,201,532		3,944,942	0.08%	0.04%	39	
2021	3,729,683	3,729,683		-	0.00%	0.00%	-	
2022	1,365,892	1,365,892		-	0.00%	0.00%	-	
2023	-	-		-	0.00%	0.00%	-	

*Information not yet available.

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See schedule 5 for estimated actual taxable value data.

Schedule 11
 Craven County
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 (dollars in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value of Property	\$ 10,005,692	\$ 9,904,146	\$ 10,023,729	\$ 9,205,215	\$ 9,320,966	\$ 9,540,578	\$ 9,596,740	\$ 9,993,634	\$ 10,244,131	\$ 10,505,930
Debt Limit, 8% of Assessed Value (Statutory Limitation)	800,455	792,332	801,898	736,417	745,677	763,246	767,739	799,491	819,531	840,474
Amount of Debt Applicable to Limit										
Gross debt	72,090	66,919	70,590	64,056	56,066	48,310	51,427	44,058	36,925	30,876
Less: Amount available for repayment of g.o. bonds	1,097	647	449	156	401	1,211	2,202	3,730	1,366	-
Debt outstanding for water and sewer purposes	3,761	5,606	16,280	16,820	15,931	15,042	14,153	13,264	12,375	11,486
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	67,232	60,665	53,862	47,080	39,734	32,058	35,073	27,065	23,185	19,390
Legal Debt Margin	\$ 733,223	\$ 731,667	\$ 748,036	\$ 689,337	\$ 705,944	\$ 731,188	\$ 732,666	\$ 772,426	\$ 796,346	\$ 821,084
Total net debt applicable to the limit as a % of debt limit	8.40%	7.66%	6.72%	6.39%	5.33%	4.20%	4.57%	3.39%	2.83%	2.31%

Note: NC Statute GS159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal, debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

Schedule 12
 Craven County
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)	Number of Building Inspections Performed(5)
2014	103,219	3,943,754	37,860	14,472	9.0%	7,811
2015	102,048	4,069,541	39,168	14,297	6.8%	7,538
2016	101,875	4,178,133	40,702	14,120	6.1%	8,918
2017	101,863	4,224,542	41,265	14,002	5.3%	9,688
2018	101,809	4,269,091	41,748	13,778	4.7%	8,942
2019	101,167	4,437,303	43,458	13,584	4.2%	15,602
2020	101,181	4,677,441	46,130	13,113	4.1%	14,063
2021	102,568	4,979,472	49,475	12,542	6.7%	13,647
2022	103,193	5,414,079	53,991	12,353	4.7%	15,808
2023	104,372	5,480,226	54,327	12,490	3.7%	14,074

* Information not yet available.

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year (July 1)
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are as of the end of the calendar year ended during the fiscal year.
- (3) N.C. Department of Public Instruction, First Month Average Daily Membership.
- (4) N. C. Employment Security Commission, Annual Average as of the end of the calendar year ended during the fiscal year.
- (5) Total number of inspections performed by Craven County Inspections Department. Does not include inspections by municipalities.

**Schedule 13
Craven County
Principal Employers
Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,456	1	13.72%	5,194	1	13.63%
CarolinaEast Health Systems	2,890	2	7.27%	2,180	2	5.72%
BSH Home Appliances	1,521	4	3.82%	950	5	5.14%
Craven County Schools	1,466	3	3.69%	1,961	3	2.49%
State of North Carolina	784	5	1.97%	923	6	2.42%
Moen Incorporated	705	6	1.77%	665	4	2.18%
Craven County	685	7	1.72%	607	7	1.74%
Wal-Mart	537	8	1.35%	830	9	1.59%
Craven Community College	529	9	1.33%	420	8	1.25%
City of New Bern	495	10	1.24%	475	10	1.10%
	<u>15,068</u>		<u>37.89%</u>	<u>14,205</u>		<u>37.26%</u>

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

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

**Schedule 14
Craven County
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years**

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General government	80	78	77	78	78	79	84	96	86	92
Public safety	158	154	157	162	164	183	178	186	176	189
Social services	197	188	195	204	207	211	192	194	180	194
Economic and physical development	21	20	23	23	20	20	9	10	10	9
Environmental protection	30	31	29	28	30	32	28	34	31	35
Health	97	90	93	99	98	105	101	102	101	98
Transportation (1)							17	16	17	28
Cultural and recreation (2)	11	14	13	13	9	13	25	23	22	26
Water (Enterprise activity)	13	13	14	15	18	18	16	17	17	19
Total	607	588	601	622	624	661	650	678	640	690

Source: Craven County Human Resources, Finance Department

Notes: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this schedule the number of part time employees has been divided by 2.5 to arrive at the full time equivalents.

- (1) Effective 2020. Transportation function added to schedule. Employees were previously included in the social services count.
- (2) Effective 2020. Convention Center FTE's were reclassified from economic and physical development to cultural and recreation.

Schedule 15
 Craven County
 Operating Indicators by Function,
 Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020 (5)	2021	2022	2023
Public Safety										
Fire/Rescue calls to County E911 (A)	8,587	9,457	9,453	9,823	9,483	10,212	9,774	10,364	11,176	10,957
Average daily population in jail (B)	277	261	276	275	287	306	304	297	326	306
Health Services (C)										
Food and lodging inspections	1,322	1,312	1,299	1,374	1,190	1,471	788	1,027	1,215	1,421
Visits to health department	28,774	30,576	30,014	29,298	27,262	28,151	26,900	26,073	25,453	27,806
Transportation Services (D)										
Number of miles driven	772,009	708,841	673,929	599,621	594,277	588,401	527,137	446,095	486,584	525,727
Number of trips provided	91,554	86,927	74,346	69,359	64,167	63,144	55,027	42,239	46,117	55,602
Tax/Real Estate Services (E)										
Deed transfers processed	3,953	3,970	4,136	4,567	4,484	4,815	4,859	5,930	6,624	5,191
Number of real estate parcels	56,898	57,097	57,354	57,438	57,571	57,952	58,385	58,734	59,285	59,829
Number of tax bills generated (3)(6)	114,148	65,112	67,034	67,398	67,425	67,813	68,488	74,057	71,815	71,545
Economic and Physical Development										
County tourism revenues (1)(2)(6)(G)	121	127	131	137	142	149	155	115	160	171
Economic impact of convention center (2)(5)(G)	9.0	9.0	9.0	9.0	9.0	2.0	1.0	0.8	2.1	3.1
Number of registered voters (H)	69,455	66,478	69,459	66,615	68,827	67,487	72,995	69,206	69,206	59,091
Number of enplanements at airport (I)	128,157	114,373	111,909	111,962	116,647	112,889	87,335	56,709	76,539	75,108
Water Services										
Number of service connections (J)	13,459	13,442	13,615	13,664	13,821	13,949	14,119	14,331	14,462	14,857

Notes:

- (1) The amounts shown are for calendar year ending December 31 during the fiscal year.
- (2) Amounts shown are millions of dollars.
- (3) Fiscal 2015 decrease due to DMV billing for motor vehicles property tax at time of registration renewal.
- (4) Fiscal 2019 decrease due to damages caused by Hurricane Florence September 12-15, 2018. Facility closed for repairs following the storm for the remainder of the fiscal year. Facility reopened October 2019.
- (5) Fiscal 2020 decreases in most categories can be attributed to COVID-19 restrictions.
- (6) Fiscal 2021 increase due to first year of GAP Billing.

Source of data:

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

Schedule 16
 Craven County
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>Public Safety (A)</u>									
Correction facility rated capacities	292	292	292	292	292	292	292	292	292
<u>Parks and Land Use (B)</u>									
Number of county parks	4	4	4	4	4	4	4	4	4
Boat ramps operated (1)	2	2	0	0	0	0	0	0	0
<u>Water Service (C)</u>									
Miles of water main	633	634	634	634	650	650	655	657	658
Number of elevated water tanks	9	9	9	9	9	9	9	9	9
Number of system wells	10	10	10	10	18	18	18	18	18
Water Treatment Plant					1	1	1	1	1
<u>Transportation Services (D)</u>									
Number of CARTS vehicles	32	32	32	32	32	32	29	29	29
<u>Economic and Physical Development</u>									
Convention center	1	1	1	1	1	1	1	1	1
Number of acres remaining at Industrial Park (E)	213	183	161	161	161	142	142	135	111
<u>Airport (F)</u>									
Number of runways	2	2	2	2	2	2	2	2	2

Source of data:

- (A) Craven County Sheriff Department
- (B) Craven County Recreation Department
- (C) Craven County Water Department
- (D) CARTS (Craven County Transportation)
- (E) Craven County Finance Department
- (F) Craven County Regional Airport

Note:

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

Craven County



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COMPLIANCE SECTION

Craven County





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

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises Craven County's basic financial statements, and have issued our report thereon dated December 27, 2023. Our report includes a reference to other auditors who audited the financial statements of Carolina East Health System and Craven County Alcoholic Beverage Control Board, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matter that are reported on separately by those auditors. The financial statements of Carolina East Health System and Craven County Alcoholic Beverage Control Board were not audited in accordance with Government Auditing Standards.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Craven County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Craven County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

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Report on Compliance and Other Matters

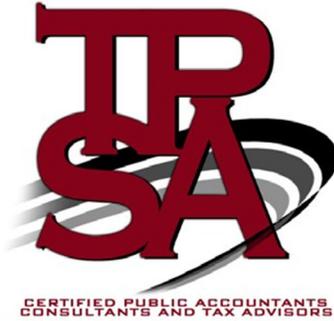
As part of obtaining reasonable assurance about whether Craven County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters⁶ that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 27, 2023



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

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Craven County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Craven County's major federal programs for the year ended June 30, 2023. Craven County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Craven County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Craven County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Craven County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Craven County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Craven County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Craven County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Craven County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Craven County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Craven County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-001, 2023-002, 2023-003] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

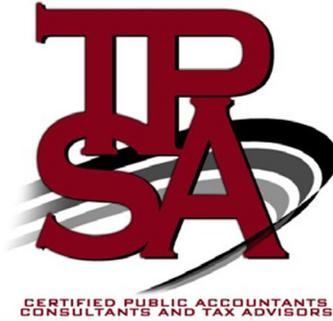
Government Auditing Standards requires the auditor to perform limited procedures on Craven County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Craven County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Craven County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Craven County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 27, 2023



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

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Craven County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Craven County's major State programs for the year ended June 30, 2023. Craven County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Craven County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Craven County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Craven County's compliance with the compliance requirements referred to above.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPAs Private Companies Practice Section

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Craven County State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Craven County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Craven County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Craven County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Craven County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Craven County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-001, 2023-002, 2023-003] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

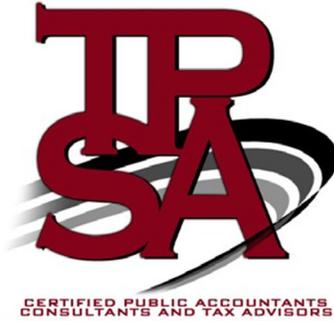
Government Auditing Standards requires the auditor to perform limited procedures on Craven County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Craven County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Craven County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Craven County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 27, 2023



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**Report on Compliance for the Passenger Facility Charge Program and on Internal Control Over Compliance and the Schedule of Passenger Facility Charge Revenue and Expenditures
In Accordance With the Passenger Facility Charge Audit Guide for Public Agencies**

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited Craven County Regional Airport Authority's ("the Authority", a component unit of Craven County) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (the Guide), issued by the Federal Aviation Administration that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2023.

In our opinion, the Craven County Regional Airport Authority's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its passenger facility charge program for the year ended June 30, 2023.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

Whiteville, NC

December 27, 2023

Craven County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported
- Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported

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

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

Identification of major federal programs:

CFDA #	Program Name
20.106	Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 1,493,307

Auditee qualified as low-risk auditee? X yes ___ no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported

Type of auditor's report issued on compliance for major State programs: Unmodified

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

Identification of major State programs:

Program Name
Medical Assistance Program
State Aid to Airports
State Capital Infrastructure Funds
Public School Building Capital Fund - Lottery Proceeds

Dollar threshold used to determine State Major Programs \$ 500,000

Auditee qualified as low-risk auditee? X yes ___ no

Craven County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

Section I - Summary of Auditors' Results (continued)

Passenger Facility Charge Program

Internal control over Passenger Facility Charge Program

- Material weakness(es) identified? ___ yes no X
- Significant deficiency(ies) identified ___ yes none reported X

Type of auditor's report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Federal Aviation Administration Passenger Facility Charge Audit Guide for Public Agencies? ___ yes no X

Identification of programs:

Program Name
 Passenger Facility Charge Program

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
 Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
 AL# 93.778

Finding: 2023-001 Inaccurate Information

SIGNIFICANT DEFICENCY

Eligibility

- Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
- Condition: There were 3 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
- Questioned Cost: There was no known affect to eligibility and there were no known questioned costs.
- Context: We examined 60 cases from of a total of 896,867 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
- Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
- Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-001.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
AL # 93.778

Finding: 2023-002

Inaccurate Resource Calculation

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: In accordance with Medicaid Manual MA-2230, Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were 7 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

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

Context: We examined 60 cases from of a total of 896,867 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-002.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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

Views of responsible officials The County agrees with the finding. See Corrective Action Plan in the following section.
and planned corrective
actions:

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
AL # 93.778

Finding: 2023-003 Inadequate Request for Information

SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Condition: There were 3 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

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

Context: We examined 60 cases from of a total of 896,867 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-004.

Cause: Error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials The County agrees with the finding. See Corrective Action Plan in the following section.
and planned corrective
actions:

Section IV - State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
AL # 93.778
SIGNIFICANT DEFICENCY: Finding 2023-001, 2023-002, and 2023-003 also apply to State requirements and State Awards.

Section V - Passenger Facility Charge Program Findings and Questioned Costs

None reported.

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



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 Nan Holton, Clerk to the Board
 Amber M. Parker, Human Resources Director
 Craig Warren, Finance Director

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

Corrective Action Plan
 For the Year Ended June 30, 2023

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

Finding 2023-001

Name of contact person: April Rollins, Medicaid Program Manager

Corrective Action: Refresher training will be held to retrain staff that files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers will be retrained on what files should contain and the importance of complete and accurate record keeping. Staff will be retrained that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Proposed completion date: 12/31/2023

Finding 2023-002

Name of contact person: April Rollins, Medicaid Program Manager

Corrective Action: Refresher training will be held to retrain staff that files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers will be retrained on what files should contain and the importance of complete and accurate record keeping including that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Proposed completion date: 12/31/2023

Board of Commissioners

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

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Corrective Action Plan
For the Year Ended June 30, 2023

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

Finding 2023-003

Name of contact person: April Rollins, Medicaid Program Manager

Corrective Action: Refresher training will be held to retrain that files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers will be retrained on what files should contain and the importance of complete and accurate record keeping. Staff will be retrained that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Proposed completion date: 12/31/2023

Section IV - State Award Findings and Questioned Costs

Corrective Action for Finding 2023-001, 2023-002, and 2023-003 also apply to the State award findings.

Craven County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

Finding: 2022-001
Status: Repeated as 2023-001

Finding: 2022-002
Status: Repeated as 2023-002

Finding: 2022-003
Status: Corrected

Finding: 2022-004
Status: Repeated as 2023-003

**CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the						
Supplemental Nutrition Assistance Program	10.561		\$ 1,132,448	\$ -	\$ -	\$ 1,132,448
FNS ARPA	10.561		252,901	-	-	97,876
Total Supplemental Nutrition Assistance Program			1,385,349	-	-	1,230,324
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for						
Women, Infants, & Children	10.557		528,791	-	-	-
Total U.S. Department of Agriculture			1,914,140	-	-	1,230,324
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce						
CDBG - Neighborhood Revitalization Program	14.228		44,062	-	-	-
Total U.S. Department of Housing and Urban Development			44,062	-	-	-
<u>U.S. Dept. of Justice</u>						
Passed-through N.C. Department of Public Safety						
Byrne Justice Assistance Grants	16.738		20,723	-	-	-
Total U.S. Dept. of Justice			20,723	-	-	-
<u>U.S. Dept. of Transportation</u>						
Direct Programs:						
Administered by Craven County Regional Airport Authority						
Airport Improvement Program						
Airport Improvement Program - CARES Act Fund	20.106		5,985,407	-	-	-
Airport Improvement Program - Airport Security	20.106		103,330	-	-	-
Airport Improvement Project	20.106		169,925	-	-	-
Airport Project NO. 50	20.106		2,284,151	-	-	-
Airport Project NO. 51	20.106		6,945,965	-	-	-
Total Airport Improvement Program			15,488,778	-	-	-
Administered by Craven Area Rural Transportation System						
Federal Transit Formula Grants	20.507		551,440	-	-	-
Formula Grants for Rural Areas and Tribal Transit Program						
Formula Grants for Rural Areas and Tribal Transit Program -						
Admin	20.509	DOT-11 36233.31.23.1	73,699	4,606	-	-
Formula Grants for Rural Areas and Tribal Transit Program -	20.509	DOT-11 36233.31.23.2	2,279	1	-	-
Operating	20.509	DOT-11 36233.31.24.1	108,391	6,774	-	-
Admin	20.509	50371.15.1.3	28,513	-	-	-
Capital	20.509	49233.69.1.2	364,455	-	-	-
COVID 19 Formula Grants for Rural Areas and Tribal Transit	20.509		577,337	11,381	-	-
Program - Operating			577,337	11,381	-	-
Total Formula Grants for Rural Areas and Tribal Transit Program						
State and Community Highway Safety	20.600	22023.6.30	6,189	-	-	-
Buses and Bus Facilities Formula, Competitive, and Low or No						
Emissions Programs	20.526	DOT-14 44637.5.4.3	24,876	3,109	-	-
Total U.S. Dept. of Transportation			16,648,620	14,490	-	-
<u>U.S. Dept. of Treasury</u>						
Direct Grant						
Coronavirus State and Local Fiscal Recovery Funds	21.027		16,853,598	-	-	-
Local Assistance and Tribal Consistency Fund	21.032		162,054	-	-	-
Total U.S. Dept. of Treasury			17,015,652	-	-	-
<u>U.S. Dept. of Health & Human Services</u>						
Direct Program						
Health Center Program	93.527		1,410,000	-	-	-
Health Center Program - ARPA	93.224		1,250,012	-	-	-

**CRAVEN COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Passed-through Eastern Carolina Council of Governments:						
Division of Aging and Adult Services:						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		183,767	10,810	-	-
ARPA - Supportive Services	93.044		32,081	5,661	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		413,766	11,186	-	-
ARPA - Home Delivered Meals	93.045		468,097	82,605	-	-
Nutrition Services Incentive Program	93.053		33,008	-	-	-
Total Aging Cluster			1,130,719	110,262	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		1,453,185	-	-	679,605
Division of Public Health						
TANF - Work First	93.558		16,489	-	-	-
Total TANF Cluster			1,469,674	-	-	679,605
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Foster Care - Title IV-E	93.658		1,058,462	195,643	-	684,941
Foster Care	N/A		186,242	-	-	223,597
Adoption Assistance	93.659		17,973	-	-	17,973
Total Foster Care and Adoption Cluster (Note 4)			1,262,677	195,643	-	926,511
AFDC Payments & Penalties	93.560		(19)	(5)	-	(5)
Child Support Enforcement	93.563		566,132	(769)	-	292,413
Refugee Assistance Admin	93.566		2,673	-	-	-
Family Preservation	93.556		25,894	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		67,377	-	-	-
Energy Assistance Payments	93.568		211,298	-	-	-
Crisis Intervention Program	93.568		221,286	-	-	-
LIEAP ARPA	93.568		(167)	-	-	-
LIHWAP ADMIN	93.568		11,813	-	-	-
LIHWAP CAA	93.568		72,152	-	-	-
LIHWAP ARPA	93.568		289,085	-	-	-
LIHWAP ARPA ADMIN	93.568		13,480	-	-	-
Total Low-Income Home Energy Assistance			886,324	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		39,717	(10,702)	-	6,104
Chafee Foster Care Independence Program	93.674		50,318	4,840	-	-
SSBG - Other Service and Training	93.667		418,687	-	-	139,562
Division of Aging and Adult Services:						
SSBG	93.667		25,414	726	-	-
Division of Social Services:						
SSBG - Adult Protective Service	93.667		73,754	-	-	14,309
SSBG - State In Home Service Fund	93.667		54,494	-	-	7,785
SSBG - CPS TANF TO SSBG	93.667		107,547	-	-	-
Total Social Service Block Grant			679,896	726	-	161,656
Division of Child Development and Early Education:						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		206,098	-	-	-
Total Subsidized Child Care			206,098	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		3,965,679	638,900	-	1,225,518
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		94,643	4,828	-	17,101

**CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		39,524	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		3,558	-	-	-
Family Planning Services	93.217		78,900	-	-	-
Immunization Cooperation Agreements	93.268		37,858	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		306,120	-	-	-
Total Immunization Cooperation Agreements			343,978	-	-	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		340,147	-	-	-
Refugee and Entrant Assistance State / Replacement Designee Administers Programs	93.566		10,080	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		15,200	-	-	-
HIV Prevention Activities_Health Department Based	93.940		103,999	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		74,659	27,007	-	-
Total U.S. Dept. of Health and Human Services			14,081,189	970,730	-	3,308,903
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management:						
Emergency Management Performance	97.042	EMPG-2016-37049	52,522	-	-	-
Total U. S. Department of Homeland Security			52,522	-	-	-
Total Federal Awards			\$ 49,776,908	\$ 985,220	\$ -	\$ 4,539,227
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Service			-	2,083	-	-
Total N.C. Dept. of Administration			-	2,083	-	-
<u>Golden LEAF Foundation</u>						
Golden LEAF Grant			-	485,231	-	-
Total Golden LEAF Foundation			-	485,231	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Passed-through Eastern Carolina Council of Governments:						
Division of Aging and Adult Services						
State Appropriation - In-Home Services			-	184,953	-	-
Total Division of Aging and Adult Services			-	184,953	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	86,886	-	-
County Funded Programs			-	-	-	3,740,734
DCD Smart Start			-	39,752	-	-
AFDC Incent/Prog Integrit			-	5	-	-
Non-Allocating Reimbursable			-	-	-	199,719
Work First Non Reimbursable			-	-	-	673,612
Extended FC/MAX Non IV-E			-	29,023	-	-
SFHF Maximization			-	201,649	-	157,314
State Foster Home			-	167,043	-	147,308
F/C at Rist Maximization			-	14,196	-	5,217
LINKS/CHAFFEE/NR-LINKS			-	-	-	43,515
Total Division of Social Service			-	538,554	-	4,967,419
Division of Public Health						
Food and Lodging Fees			-	20,117	-	-
Public Health Pest Management			-	2,073	-	-
PH Capacity Building			-	131,720	-	-
General Communicable Disease Control			-	6,343	-	-
Healthy Community Activities			-	3,747	-	-
Child Health			-	1,102	-	-
HIV/STD STATE			-	12,563	-	-
Breast and Cervical Cancer Control			-	10,850	-	-

**CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

Grantor/Pass-through Grantor/Program Title	Federal AL# CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Family Planning - State			-	63,385	-	-
Maternal Health			-	60,951	-	-
High Risk Maternity Clinics			-	71,428	-	-
Women's Health Service Fund			-	14,102	-	-
TB Control			-	33,610	-	-
County Confinement Facilities Funding			-	45,375	-	-
Total Division of Public Health			-	477,366	-	-
Total N. C. Department of Health and Human Services			-	1,200,873	-	4,967,419
<u>N.C. Dept. of Public Safety</u>						
State Emergency and Disaster Response Reserve Fund			-	103,121	-	-
Sheriff Assitance Fund						
Tier II Grant						
Juvenile Crime Prevention Programs						
Community for Children			-	2,835	2,835	-
Structured Day Reporting			-	90,300	90,300	-
Teen Court			-	160,000	160,000	-
Raise the Age			-	42,000	42,000	-
Total Juvenile Crime Prevention Programs			-	295,135	295,135	-
Total N. C. Department of Public Safety			-	398,256	295,135	-
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP RGP		36228.22.11.1	-	57,522	-	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.11.1	-	94,850	-	-
ROAP Work First Transitional - Employment		36236.11.10.1	-	28,354	-	-
Total ROAP Cluster			-	180,726	-	-
		DOT-9				
State Maintenance Assistance for Urban and Small Urban Program		36234.88.2.2	-	130,920	-	-
		DOT-11				
Rual State Operating Program		36223.144.1.2	-		-	-
		DOT-8				
State Aid to Airports		36244.26.14.1		1,329,606		
		DOT-8				
State Aid to Airports		36244.26.15.2		695,735		
Total State Aid to Airports			-	2,025,341	-	-
Total N.C. Dept. of Transportation			-	2,336,987	-	-
<u>N.C. Office of State Budget and Management</u>						
State Capital Infrastructure Funds - County Court House Project			-	590,426	-	-
State Capital Infrastructure Funds - Fuel Center Project			-	507,754	-	-
Total N.C. Office of State Budget and Management			-	1,098,180	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	1,456,643	1,456,643	-
Total N.C. Department of Public Instruction			-	1,456,643	1,456,643	-
			\$	-	\$	-
Total State Awards			-	6,978,253	1,751,778	4,967,419
			\$	49,776,908	\$	7,963,473
Total Federal and State Awards			\$	49,776,908	\$	1,751,778
			\$	9,506,646	\$	9,506,646

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Craven County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Craven County, it is not intended to and does not present the financial position, changes in net position or cash flows of Craven County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

Craven County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

**CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL# CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
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Note 5: Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 40,848,021	\$ -
Supplemental Nutrition Assistance Program	10.551	2,230,990	-
Medical Assistance Program	93.778	133,802,551	51,907,552
Children's Health Insurance Program	93.767	640,769	143,501
IV-E Adopt & Vendor	93.659	509,603	88,544
TANF PEAF	93.558	81,635	-
TANF Special Children	93.558	21,456	-
TANF Payments & Penalties	93.558	246,453	-
Refugee Assistance Payment	93.566	5,973	-
CWS Adopt, Vendor, Guard	N/A	-	249,366
SC/SA Domiciliary Care	N/A	-	339,469

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

SCHEDULE OF PASSENGER FACILITY CHARGE REVENUE AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2023

Unexpended passenger facility charges as of July 1, 2022	\$ 302,340
Revenues	
Passenger facility charges collected	227,687
Interest Income	4,314
Total revenue	232,001
Unexpended passenger facility charges as of June 30, 2023	\$ 534,341

Note 1: Summary of Significant Accounting Policies

This schedule presents the activity of the passenger facility charge program of Craven County Regional Airport Authority. The schedule is presented using the accrual basis of accounting.

Note 2: Passenger Facility Charges

Beginning February 1, 1997, and including subsequent revisions, Craven County Regional Airport Authority was authorized to impose a passenger facility charges to a maximum of \$11,200,275. There was no expenditures incurred in the current fiscal year. Passenger facility charges are administered by the Federal Aviation Administration but are not considered to be Federal financial assistance as defined by OMB Circular A-133.