

CRAVEN COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
June 30, 2025**



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

Craven County



CRAVEN COUNTY
TABLE OF CONTENTS
June 30, 2025

	<u>Page(s)</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	i-vi
GFOA Certificate of Achievement	vii
List of Principal Officials	viii
Organizational Chart	ix
Map of Craven County, North Carolina	x
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	1-3
Management Discussion and Analysis (Unaudited)	4-14
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	15-16
Statement of Activities	17-18
Fund Financial Statements	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	23
Statement of Net Position - Proprietary Funds	24
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds	26-27
Statement of Fiduciary Net Position - Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	29
Notes to Financial Statements	30-83
Required Supplementary Information (Unaudited):	
Schedule of County's Proportionate Share of Net Pension Liability (Asset) for LGERS	84
Schedule of County Contributions to LGERS	85
Schedule of County's Proportionate Share of Net Pension Liability (Asset) for RODS' Supplemental Pension Fund	86
Schedule of County Contributions for RODs' Supplemental Pension Fund	87
Schedule of Coastal Carolina Regional Airport Authority's Proportionate Share of Net Pension Liability (Asset) for LGERS	88
Schedule of Coastal Carolina Regional Airport Authority's Contributions to LGERS	89
Schedule of Craven County ABC Board's Proportionate Share of Net Pension Liability (Asset) for LGERS	90
Schedule of Craven County ABC Board's Contribution to LGERS	91
Schedule of Changes in Total Pension Liability (LEOSSA)	92
Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)	93
Schedule of Changes in the Total OPEB Liability and Related Ratios	94

CRAVEN COUNTY
TABLE OF CONTENTS
June 30, 2025

	<u>Page(s)</u>
Combining and Individual Fund Statements and Schedules:	
Major Governmental Funds	
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund	95-97
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Opioid Settlement Fund	98
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Debt Service Fund	99
Non-Major Governmental Funds	
Combining Schedules of Nonmajor Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	101
<i>Special Revenue Funds:</i>	
Combining Balance Sheet - Nonmajor Special Revenue Funds	102-203
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	204-105
Detailed Balance Sheet - All Fire District Funds	106-107
Detailed Schedule of Revenues, Expenditures, and Changes in Fund Balances - All Fire District Funds	108-109
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Fire Districts	110-120
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual	
Emergency Telephone System Fund	121
Occupancy Tax Fund	122
Stream Debris Removal Project	123
Coronavirus State Local Fiscal Recovery Funds (ARPA)	124
Community Development Block Grant Neighborhood Revitalization Grant Project Fund	125 126
Representative Payee Fund	127
NC Housing Finance Grant Fund	128
Tucker Creek Middle School Expansion Project	129
<i>Capital Project Funds:</i>	
Balance Sheet - Nonmajor Capital Project Funds	130-131
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Project Funds	132-133
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual	
Capital Reserve Fund	134
School Capital Fund	135
ERP Software Replace Phase One	136

CRAVEN COUNTY
TABLE OF CONTENTS
June 30, 2025

	<u>Page(s)</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual (continued)	
Courthouse / EOC Recovery Project	137
CARTS Building Project Fund	138
Human Service Expansion Project Fund	139
Sudan Property Redevelopment Project	140
<i>Enterprise Funds:</i>	
Schedule of Net Position - Craven County Water Fund	141
Detailed Schedule of Revenues, Expenses and Changes in Net Position - Craven County Water Fund	142
Schedule of Revenues, Expenditures and Other Financing Sources (Uses), Budget and Actual, Non-GAAP, Modified Accrual Basis:	
Craven County Water Operating Fund	143-144
Blended Component Unit, Northwest Craven Water and Sewer District	145
Water Capital Project Fund	146
SCADA / Telemetry Project Fund	147
<i>Internal Service Fund:</i>	
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) Budget and Actual, Non-GAAP, Modified Accrual Basis	148
<i>Custodial Funds:</i>	
Combining Statement of Fiduciary Net Position	149
Combining Statement of Changes in Fiduciary Net Position	150
<i>Other Schedules</i>	
Schedule of Ad Valorem Taxes Receivable	151
Analysis of Current Tax Levy	152
<i>Component Units:</i>	
Tourism Development Authority Fund (A Component Unit)	
Detailed Statement of Net Position	153
Supplemental Statement of Activities	154
Balance Sheet	155
Statement of Revenues, Expenditures and Changes in Fund Balance	156
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual	157
Coastal Carolina Regional Airport Authority (A Component Unit)	
Combining Statement of Net Position	158-159
Combining Schedule of Revenues, Expenses and Changes in Net Position	160-161
Combining Schedule of Cash Flows	162-163

**CRAVEN COUNTY
TABLE OF CONTENTS
June 30, 2025**

Page(s)

Detailed Schedule of Revenues, Expenditures and Other Financing Sources (Uses)	
Budget and Actual, Non-GAAP, Modified Accrual Basis:	
Operating Fund	164-165
Terminal Area Development Site No. 43 Capital Project Fund	166
Airport Improvement Project Fund	167
Road & Parking Lot Improvements and Expansion Fund	168
Terminal Improvements & Expansion Fund	169

Coastal Carolina Regional Airport Authority (A Component Unit) (continued)

Detailed Schedule of Revenues, Expenditures and Other Financing Sources (Uses)	
Budget and Actual, Non-GAAP, Modified Accrual Basis:	
Williams Road Realignment Fund	170
Airport State Funds Capital Reserve	171
Airport Reserve Fund	172
Air Traffic Control Tower Fund	173
Aerospace Development Fund	174
Air Service Development Capital Project Fund	175

STATISTICAL SECTION (Unaudited)

Net Position by Component - Last Ten Fiscal Years (Schedule 1)	176
Changes in Net Position - Last Ten Fiscal Years (Schedule 2)	177-178
Fund Balances - Governmental Funds - Last Ten Fiscal Years (Schedule 3)	179
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years (Schedule 4)	180
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years (Schedule 5)	181
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years (Schedule 6)	182
Principal Property Taxpayers - Last Ten Fiscal Years (Schedule 7)	183
Property Tax Levies and Collections - Last Ten Fiscal Years (Schedule 8)	184
Ratios of Outstanding Debt by Type (Schedule 9)	185
Ratio of Net General Bonded Debt Outstanding - Last Ten Fiscal Years (Schedule 10)	186
Legal Debt Margin Information - Last Ten Fiscal Years (Schedule 11)	187
Demographic and Economic Statistics - Last Ten Fiscal Years (Schedule 12)	188
Principal Employers - Current Year and Nine Years Ago (Schedule 13)	189
Full-Time Equivalent County Government Employees by Function - Last Ten Fiscal Years (Schedule 14)	190
Operating Indicators by Function - Last Ten Fiscal Years (Schedule 15)	191
Capital Assets Statistics by Function - Last Ten Fiscal Years (Schedule 16)	192

COMPLIANCE SECTION

Independent Auditor's Report on:

Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With <i>Governmental Auditing Standards</i>	193-194
Compliance for Each Major Federal Program and Internal Control Over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act	195-197

CRAVEN COUNTY
TABLE OF CONTENTS
June 30, 2025

	<u>Page(s)</u>
Compliance for Each Major State Program and Internal Control over Compliance In Accordance with Uniform Guidance and the State Single Audit Implementation Act	198-200
Schedule of Findings and Questioned Costs	201-204
Corrective Action Plan	205-206
Status of Prior Audit Findings	207
Schedule of Expenditures and Federal and State Awards	208-213
Independent Auditor's Report on:	
Compliance for the Passenger Facility Charge Program and Internal Control over Compliance and the Schedule of Passenger Facility Charge Receipts and Expenditures In Accordance with the Passenger Facility Charge Audit Guide for Public Agencies	214-216
Schedule of Passenger Facility Charge Receipts and Expenditures	217

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 12, 2025

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

We are pleased to submit the Comprehensive Annual Financial Report of Craven County for the fiscal year ending June 30, 2025. North Carolina State law requires all general-purpose local governments to publish a complete set of financial statements within four months of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed, certified public accountants. This report complies with the requirements of GASB Statement No. 34.

The Comprehensive Annual Financial Report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the County has established a comprehensive internal control framework designed to protect County assets from loss, theft, or misuse and to compile sufficient reliable information to prepare the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's internal control framework provides reasonable, rather than absolute, assurance that the financial statements will be free of material misstatement. As management, we assert that 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 County's financial statements for the fiscal year ended June 30, 2025, are free of material misstatement. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component in the financial section of this report.

The independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the unique needs of federal grantor agencies. These standards require reporting not only on the fair presentation of the financial statements but also on internal controls and compliance with legal requirements, particularly for administering federal and state awards. The auditor reports can be found 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 transmittal letter 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 independent auditors' report.

Profile of the County

Craven County, chartered in 1712, utilizes the Commissioner-Manager form of government. Seven commissioners 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 county affairs and managing all county employees.

Craven County's location along North Carolina's central coastal region fosters a unique blend of rural charm and growing urban opportunities. The county covers 712 square miles and includes the historic town of New Bern, the birthplace of Pepsi Cola, and the home of Tryon Palace Historic Sites & Gardens.

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. 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, is home to Cherry Point, the largest Marine Corps Air Station on the East Coast. This base plays a crucial role in the local economy, with the Fleet Readiness Center East serving as the largest industrial employer in Eastern North Carolina. It employs approximately 11,000 military and civilian personnel.

Local Economy

During fiscal year 2025, Craven County's labor market remained relatively stable. The average non-seasonally adjusted unemployment rate was approximately 3.7 percent from July 2024 to June 2025, slightly up from 3.6 percent during the same period from July 2023 to June 2024. As expected, the unemployment rate followed typical seasonal patterns, increasing during the summer months and improving in the fall and winter. Notably, the County reported an unemployment rate of 4.2 percent in July 2024 and 4.0 percent in June 2025, with June 2024 also recording a rate of 4.0 percent.

The United States Marine Corps Air Station at Cherry Point hosts Fleet Readiness Center East, the largest industrial employer east of I-95. This facility employs a total of 11,395 personnel, including 5,422 civilians. According to recent data, the base's total payroll, including Fleet Readiness Center East, is \$1.29 billion. Additionally, the overall economic impact of the Marine Corps Air Station at Cherry Point is approximately \$2.64 billion. The military and local communities have built a strong relationship that benefits both sides. Craven County works to ensure that decision-makers in Washington, D.C., and Raleigh, N.C., understand the importance of the military's presence in the county and across eastern North Carolina. The county also continues to explore ways to diversify its economy and attract new industries. The following table lists the 10 largest employers in Craven County.

Rank	Employer	Industry	Employment Range
1	Defense Ex Army Navy & Air Force	Public Administration	1000+
2	Carolina East Health System	Health Care and Social Assistance	1000+
3	Craven County Board Of Education	Educational Services	1000+
4	Bsh Home Appliances Corporation	Manufacturing	1000+
5	Craven County	Public Administration	500-999
6	Wal-Mart Associates Inc	Retail Trade	500-999
7	Moen Incorporated	Manufacturing	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	500-999

Source: NC Commerce LEAD Division

According to the most recent data available, per capita personal income in Craven County increased by 6.1 percent in 2023, reaching \$58,120. In comparison, North Carolina experienced a 4.9 percent increase, while the national average rose by 5.4 percent. Craven County's income levels are 94 percent of the state average of \$61,839 and 83.3 percent of the national average of \$69,810. The County's ranking fell to 28th out of 100 counties in the state for per capita income, down from 22nd the previous year. Between 2013 and 2023, the average annual growth rate of per capita personal income in Craven County was 4.4 percent. In comparison, the state's average yearly growth rate was 5.0 percent, and the nation's was 4.6 percent.

The residential development and local real estate market in Craven County continue to show positive growth. In fiscal year 2025, there were 310 new home starts, compared to 307 the previous year, indicating strong activity, as many new subdivisions remain under construction. Recent market data shows that the median sale price of a home in Craven County has reached approximately \$310,370, up 4.3 percent from \$297,500 the prior year. Additionally, the number of homes sold rose by 3.0 percent during the same period. While mortgage rates remain significantly higher than pre-pandemic levels and continue to impact affordability, local housing market conditions are expected to stay generally stable as we move into the next fiscal year. This stability is anticipated to be supported by steady demand and modest inventory growth.

The county is rich in historic sites and homes, featuring 40 miles of navigable rivers, the Croatan National Forest, and an abundance of lakes and wildlife, all of which contribute to its strong emphasis on tourism. One of the main attractions in New Bern's downtown historic district is Tryon Palace, the state's first permanent capital, which was authentically reconstructed in the 1950s. Next to Tryon Palace is the North Carolina History Center, an educational and visitor center located between the Palace and the DoubleTree by Hilton, near the Convention Center. The county invested over a million in developing this interactive museum and educational facility. The facility includes two major museums: the Pepsi Family Center and the Regional History Museum. Additionally, it features a state-of-the-art performing arts hall with 200 seats, exhibit and orientation theaters, a museum store, a waterfront café, and program and administrative spaces.

For the fourth consecutive year, the County's tourism industry has set new records, with visitor spending totaling \$183.3 million in 2024. This represents a 2.9% increase from the previous year, highlighting the County's enduring charm and appeal as a travel destination. Statewide, visitor spending rose by 3.1% to reach \$36.7 billion, surpassing the previous record of \$35.6 billion set in 2023. Travel to Craven County also contributed significantly, generating \$12.3 million in state and local tax revenues and resulting in tax savings of \$119.13 per county resident. According to the North Carolina Department of Commerce, Craven County had 1,302 tourism-related jobs in 2024, with a total annual payroll of \$45.48 million.

The Riverfront Convention Center of Craven County, located in historic downtown New Bern, Craven County, opened its doors in August 2000. The facility was constructed for \$12 million and spans approximately 50,000 square feet, featuring a 12,000-square-foot ballroom that accommodates up to 1,000 guests. It is conveniently situated near a central downtown hotel, with two additional hotels and several bed-and-breakfasts within walking distance. The primary aim of the Center is not to generate profit but to enhance the local economy by increasing visitor spending in the community.

During fiscal year 2025, the Center hosted a total of 166 events across 226 event days, generating an estimated economic benefit of approximately \$3.2 million for the local area. In 2018, after sustaining significant damage from Hurricane Florence, the County initiated a \$12.5 million project. This project, funded partially by insurance proceeds and FEMA's Public Assistance grant, included borrowing \$10 million to repair, mitigate, and modernize the facility. The borrowed funds will be repaid using occupancy tax proceeds and are expected to be fully repaid by 2034.

Long-term Financial Planning

Providing programs and services desired by citizens and those mandated by state statutes is a recurring challenge for local governments. Therefore, the County remains dedicated to maintaining fiscal discipline and expanding services only when the necessary resources are available to support them.

For the fiscal year 2026, the County adopted a balanced operating budget totaling \$160,927,630. This represents an increase of \$5.58 million, or 3.6%, over the approved FY 2025 budget. The estimated property values for fiscal year 2026 are \$15.0 billion, reflecting a 4.17% increase from the prior year. The County held a steady ad valorem tax rate of 44.48 cents per \$100 of assessed valuation. Property tax collections for FY 2026 are projected at \$66,286,320, an increase of \$2,785,960. Sales tax revenue was budgeted to increase by \$381,854, reaching \$27,293,252, indicating ongoing stability in economically sensitive revenue sources.

In preparing the FY 2026 budget, management concentrated on key cost drivers. This includes a 3% cost-of-living adjustment for employees and a 5% increase in health and dental premiums. The expanding tax base allows for increased spending while ensuring long-term sustainability. Major budget priorities include enhanced funding for emergency medical services and the addition of nine new full-time positions across various departments, including social services, the sheriff's office, elections, and water services. Furthermore, fee changes will be implemented across multiple services, including rescue squads, the convention center, health services, and water. The County has allocated \$3.78 million for critical infrastructure upgrades. Education funding totals \$28,480,425 for Craven County Schools, including a base operating increase of \$2,267,885, or 9.74%. Additionally, Craven Community College will receive \$5,081,783, representing an increase of \$227,196 or 4.68%.

The County will continue monitoring its fund balance regularly to ensure sufficient reserves for projects while maintaining an appropriate tax rate. For FY 2026, \$685,188 was allocated from fund balance to balance the budget. As of June 30th, 2025, the County's available fund balance was 34.4% of total expenditures, surpassing the State Treasurer's recommended minimum of 8% and aligning with the County's target of keeping an available fund balance between 18% and 25%. Maintaining this reserve position provides the County with flexibility to respond to economic variability, address emerging service demands, and continue funding priority capital maintenance and long-range infrastructure needs in a disciplined manner.

Major Initiatives

The county is actively engaged in various initiatives as it prepares for fiscal year 2026. This section highlights the most significant initiatives currently underway.

Economic development efforts to attract, retain, and expand businesses in Craven County continue in partnership with the Craven 100 Alliance (C1A), a public-private collaboration including Craven County, New Bern, Havelock, and various private-sector stakeholders. The County remains committed to strengthening long-term tax base growth and employment stability through targeted business recruitment, retention, and site-readiness initiatives. Investments in infrastructure and public assets are prioritized to encourage private investment and expansion opportunities. Notable developments this year include Chatsworth Products, which announced a \$15 million expansion expected to create 150 jobs over five years. Additionally, BSH is relocating its facility from Tennessee to Craven County, investing over \$11 million, and is expected to generate 239 new jobs within the same timeframe. The Coastal Carolina Regional Airport has also entered into a lease agreement with FMR Development to develop 55 acres of industrial space along the runway. The County is also investing \$2.45 million to expand Craven County Industrial Park, which will have seven new lots; one lot is already under contract for fiscal year 2024.

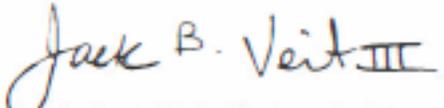
Over the past several years, Craven County has invested significant resources in modernizing its Enterprise Resource Planning (ERP) system. This multi-phase project, which began in October 2017, aimed to upgrade key systems related to financial management, payroll, human resources, utility billing, permitting, and tax administration. The ERP modernization is now complete, with the final module, Permitting and Inspections, going live in April 2025. As this project concludes, efforts will focus on optimizing the system, including enhancing workflows, offering better payment options for citizens and customers, and maximizing system capabilities to improve reporting, strengthen internal controls, and increase operational efficiency.

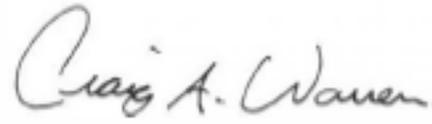
In 2019, the County completed a comprehensive facilities master plan that assessed long-term space needs for the next 15 to 30 years and recommended upgrades to approximately 25 facilities at an estimated cost of \$59 million. Since then, several high-priority projects have been completed, including renovations to the Convention Center and the construction of new buildings for the Parks and Recreation Office, CARTS, and a fueling center. Major projects planned for fiscal year 2025 include the Courthouse/EOC Recovery Project and the Human Services Expansion Project. Additional critical facilities are being evaluated for inclusion in the long-term capital improvement plan. To manage larger projects requiring financing strategies beyond the County's typical pay-as-you-go approach, a capital project planning committee has been formed. Key projects anticipated for fiscal year 2026 include demolishing the Suden Temple Building and relocating County facilities affected by the construction of the US 70 Havelock bypass.

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, 2024. This was the 34th 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 could not have been accomplished without the assistance and dedication of the entire Craven County Finance Department staff. We extend our sincere gratitude to all the members of the department who contributed to the creation of this report, as well as to the County's independent auditors, Thompson, Price, Scott, Adams, & Co., P.A., for their invaluable assistance and guidance. This report highlights the progressive leadership and support provided by the Craven County Board of Commissioners. Without the Board's guidance and initiative, Craven County's financial activities would not 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, 2024

Christopher P. Morill

Executive Director/CEO

CRAVEN COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2025

**BOARD OF
COMMISSIONERS**

DENNY BUCHER

Chairman

DENNY BUCHER

Vice-Chairman

CHADWICK HOWARD

SHERRY HUNT

TIM MASON

E. T. MITCHELL

BEATRICE SMITH

COUNTY OFFICIALS

JACK B. VEIT III

County Manager

CRAIG A. WARREN

Finance Officer

GENE HODGES

Assistant County Manager

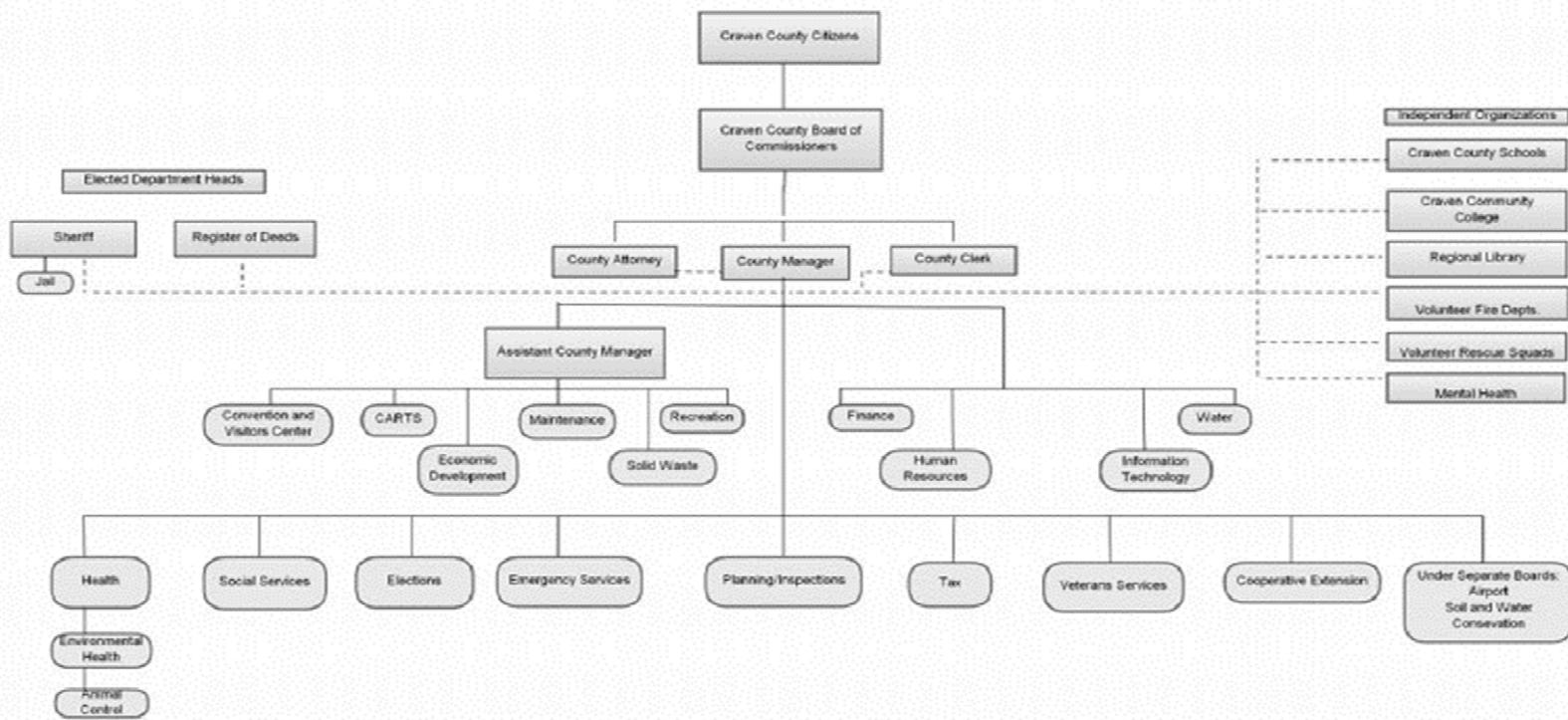
JOSHUA KOHR

Register of Deeds

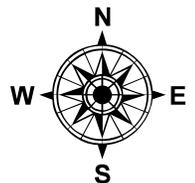
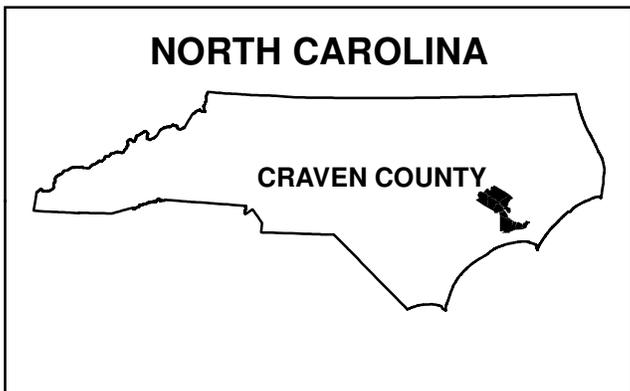
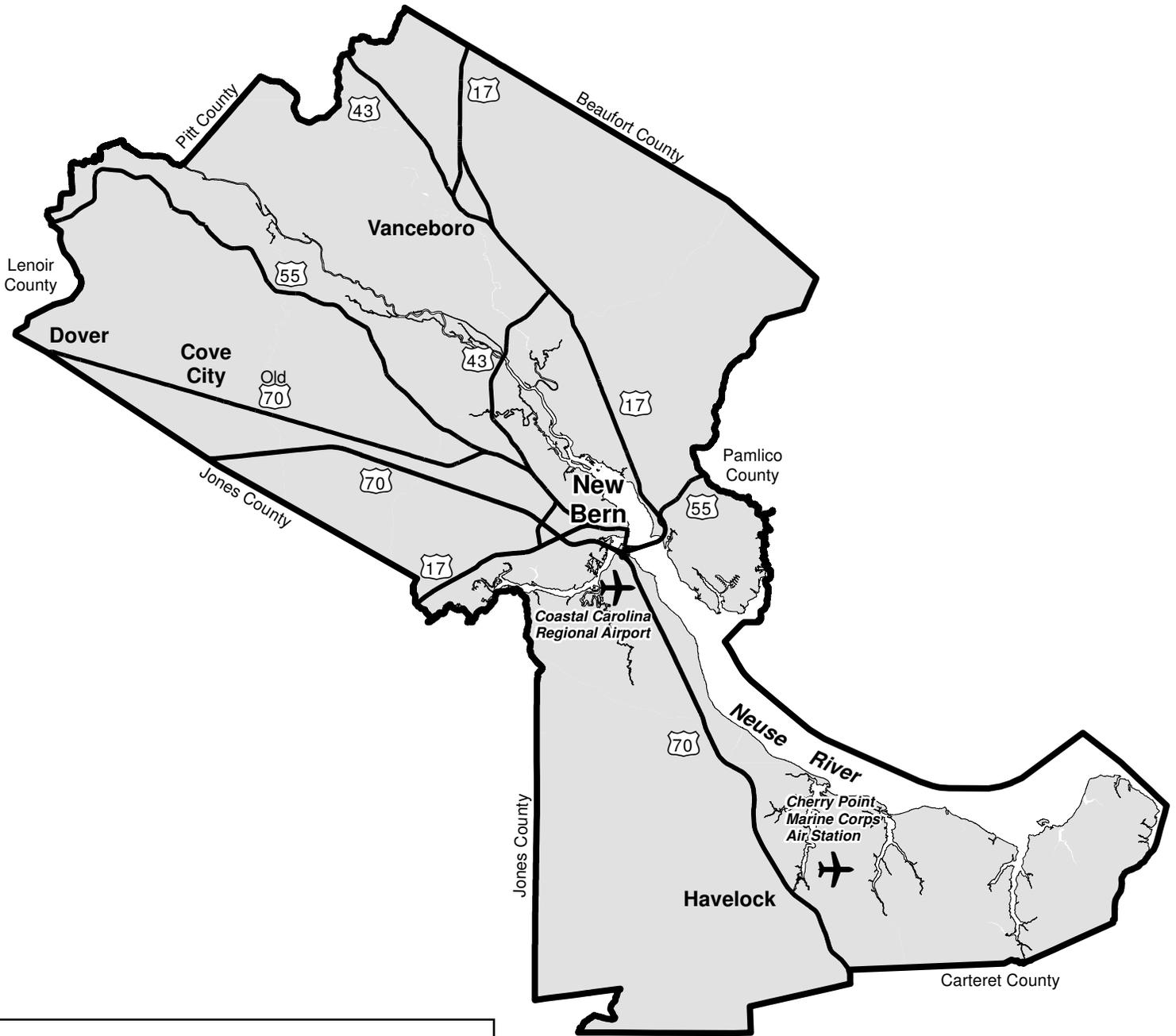
CHIP HUGHES

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

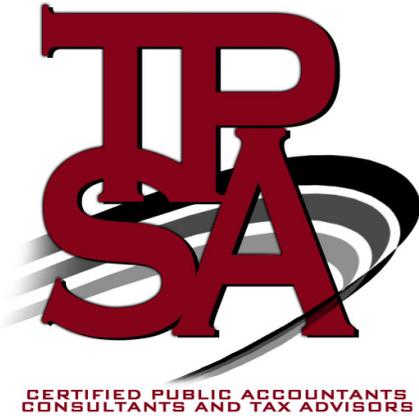
Notes to the Financial Statements

Required Supplementary Information

Other Supplementary Information

Craven County





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

**P.O Box 398
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Whiteville, NC 28472
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**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business--type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina, as of and for the year ended June 30, 2025, 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, based on our report and the report of the other auditors, the accompanying 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, 2025, 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 Coastal Carolina 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 88.3 percent, 88.1 percent, and 97.5 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025, 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 Standards* 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 and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, 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 12, 2025 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 12, 2025

Craven County
Management's Discussion and Analysis
June 30, 2025

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, 2025. 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 \$227,174,929 (net position).

The government's total net position increased by \$17,263,301 in fiscal year 2025. Of this amount, \$365,136 was a decrease in net position resulting from the operations of the Water enterprise fund. The remaining \$17,628,437 increase in net position was in governmental activities and was primarily due to revenues exceeding projections and under spending appropriations by \$15,818,927 in the general fund. The County also recorded a restatement of beginning net position as a result of the implementation of GASB 101, which resulted in a decrease in net position of \$5,099,827 for governmental activities and \$167,609 for business-type activities.

As of the close of the current fiscal year, Craven County's governmental funds reported combined ending fund balances of \$115,857,743, reflecting a net increase of \$1,238,037 for the year. Approximately 53.63 percent of the total amount or \$62,130,790, is restricted, committed, or assigned.

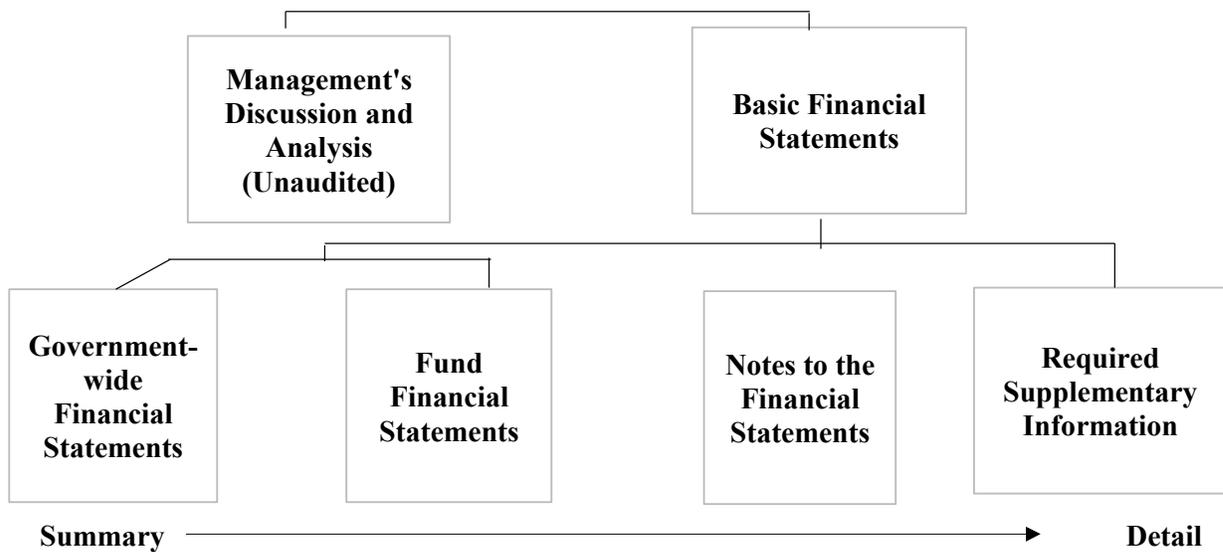
At the end of the current fiscal year, unassigned fund balance for the General Fund was \$52,150,779 or 34.28 percent of total General Fund expenditures including transfers out and excluding capital outlay financed by leases.

The County's total long-term debt decreased by \$4,586,814 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. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves. 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, in a manner similar to 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 *statement of net position* presents information on all of Craven County's assets, liabilities, and deferred onflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how Craven County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, social services, environmental protection, health, economic development, cultural and recreation, and education. The business-type activities of the County include a water utility fund.

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 \$227,174,930 as of June 30, 2025. The County's net position increased by \$17,263,302 for the fiscal year ended June 30, 2025. By far, the largest category of net position, totaling \$130,636,844 or 57.51 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 \$51,324,837 or 22.59 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 \$45,213,249 is unrestricted at June 30, 2025 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 \$2,522,250 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.

Craven County's Net Position

	Governmental Activities		Business Type Activities		Total Activities	
	2025	2024	2025	2024	2025	2024
Current and other Assets	\$ 273,318,300	\$279,739,737	\$23,250,690	\$ 27,369,922	\$296,568,990	\$ 307,109,659
Capital Assets, net	104,196,026	88,869,131	45,703,321	44,818,375	149,899,347	133,687,506
Total assets	<u>377,514,326</u>	<u>368,608,868</u>	<u>68,954,011</u>	<u>72,188,297</u>	<u>446,468,337</u>	<u>440,797,165</u>
Total deferred outflows of resources	18,587,271	23,432,164	387,207	471,704	18,974,478	23,903,868
Long-term liabilities	60,346,961	61,023,909	9,762,639	10,478,231	70,109,600	71,502,140
Other Liabilities	6,974,328	9,929,952	776,803	750,788	7,751,131	10,680,740
Total liabilities	<u>67,321,289</u>	<u>70,953,861</u>	<u>10,539,442</u>	<u>11,229,019</u>	<u>77,860,731</u>	<u>82,182,880</u>
Total deferred inflows of resources	7,547,784	6,930,752	127,403	111,172	7,675,187	7,041,924
Net position:						
Net investment in capital assets	94,640,920	77,062,330	35,995,924	34,221,913	130,636,844	111,284,243
Restricted	51,502,075	46,050,289	-	-	51,502,075	46,050,289
Unrestricted	34,868,896	45,370,663	10,167,114	12,473,870	45,036,010	57,844,533
Total net position	<u>\$ 181,011,891</u>	<u>\$168,483,282</u>	<u>\$46,163,038</u>	<u>\$ 46,695,783</u>	<u>\$227,174,929</u>	<u>\$ 215,179,065</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 99.35, which was slightly up from the previous year's collection percentage of 99.29.
- Conservative approach to projecting revenue and expenditure based upon the economy and local trends. Total General Fund expenditures were less than projected by \$15.99 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	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues						
Charges for services	\$ 19,858,047	\$ 19,182,470	\$ 5,109,581	\$ 4,878,611	\$ 24,967,628	\$ 24,061,081
Operating grants and contributions	35,527,017	30,563,246	-	750,884	35,527,017	31,314,130
Capital grants and contributions	3,581,730	5,432,077	-	-	3,581,730	5,432,077
General revenues:						
Property taxes	67,659,817	66,835,217	-	-	67,659,817	66,835,217
Sales and use taxes	27,417,524	27,677,519	-	-	27,417,524	27,677,519
Other	9,582,862	10,244,083	258,610	217,714	9,841,472	10,461,797
Total revenues	<u>163,626,996</u>	<u>159,934,612</u>	<u>5,368,191</u>	<u>5,847,209</u>	<u>168,995,187</u>	<u>165,781,822</u>
Expenses:						
General government	16,975,025	16,956,802	-	-	16,975,025	16,956,802
Public Safety	34,833,131	33,773,575	-	-	34,833,131	33,773,575
Environmental Protection	8,802,106	9,055,929	-	-	8,802,106	9,055,929
Economic and physical development	4,772,981	5,534,912	-	-	4,772,981	5,534,912
Human Services	41,616,853	40,248,660	-	-	41,616,853	40,248,660
Culture and recreation	4,837,686	2,280,749	-	-	4,837,686	2,280,749
Education	33,710,054	30,560,310	-	-	33,710,054	30,560,310
Interest on long term debt	641,857	713,378	-	-	641,857	713,378
Water and sewer districts	-	-	5,542,193	5,188,684	5,542,193	5,188,684
Total expenses	<u>146,189,693</u>	<u>139,124,315</u>	<u>5,542,193</u>	<u>5,188,684</u>	<u>151,731,886</u>	<u>144,312,999</u>
Increase in net position before transfers	17,437,303	20,810,297	(174,002)	658,525	17,263,301	21,468,823
Transfers	191,134	(2,005,161)	(191,134)	2,005,161	-	-
Increase in net position after transfers	<u>17,628,437</u>	<u>18,805,136</u>	<u>(365,136)</u>	<u>2,663,686</u>	<u>17,263,301</u>	<u>21,468,823</u>
Net Position, beginning, as restated	<u>163,383,454</u>	<u>135,554,382</u>	<u>46,528,174</u>	<u>44,032,097</u>	<u>209,911,628</u>	<u>179,586,479</u>
Net Position ending	<u>\$ 181,011,891</u>	<u>\$ 154,359,518</u>	<u>\$ 46,163,038</u>	<u>\$ 46,695,783</u>	<u>\$ 227,174,929</u>	<u>\$ 201,055,302</u>

Governmental Activities - Governmental activities increased the County's net position by \$17,628,438 from the prior fiscal year. Key elements of this increase are as follows:

- Continuous growth in assessed real property values is attributed to ongoing residential development and strong market conditions. Property tax collections have consistently exceeded 99%, aligning with historical trends.
- Sales tax has remained the second-largest source of revenue, consistently outperforming pre-pandemic levels. This reflects moderate increases in sales tax revenue due to a stable regional economy.
- Expenditure growth was controlled, especially in general government, human services, and public safety. Overall, expenditures stayed within budget, with vacancies and departmental efficiencies helping to offset inflationary pressures.

Business-type activities - Business-type activities for the County's water utility decreased the County's total net position by \$365,136.

- Total revenues fell by \$479,018 from the previous fiscal year. This decline was primarily due to the County receiving approximately \$750,000 in FEMA and insurance proceeds from Hurricane Florence in 2024. Operating and capital expenses increased compared to last year, reflecting ongoing investments in system reliability and infrastructure, such as line and meter replacements and system components to ensure compliance with State and federal regulations.

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, 2025, the governmental funds of Craven County reported a combined fund balance of \$115,857,744, which represents a 1.08 percent increase from last year.

The General Fund is the chief operating fund of Craven County. At the end of fiscal 2025, the County's unassigned fund balance in the General Fund was \$52,328,018 while total fund balance reached \$69,366,442. 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 34.44 percent of total General Fund expenditures including transfers out, while total fund balance represents 45.65 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 Opioid Settlement Fund (major governmental fund) had a increase in fund balance of approximately \$980,954. Restricted receivables net of an allowance of \$10,206,552 are reported in this fund for settlement proceeds expected in future years. This receivable is offset by a deferred inflow on the fund statements.

The Debt Service Fund (major governmental fund) had an increase in fund balance of approximately \$3,664,143 due to the transfer of funds from the General Fund to be used for future debt service payments.

Fund balances of the non-major governmental funds decreased by \$7,239,748. The primary reason for this decrease is the expenditures incurred for projects that had transfers in to cover the expenditures in a prior year.

General Fund Budgetary Highlights - The County approaches the budget using conservative, fact-based estimates for revenues and expenditures. While the County experienced higher than expected property taxes and sales taxes and investment earnings, there was a shortfall of intergovernmental revenues, resulting in revenues being under budget by \$5.5 million.

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 \$8.6 million and expenditure appropriations by \$192 thousand.

Total expenditures during 2025 came in under budget by \$15.9 million or 9.99 percent. Savings from underspending appropriations occurred in all programs with general government, public safety, economic and physical development, health, and social services accounting for most of the variance. Appropriations in these four categories were underspent by \$2.7 million, \$2.8 million, \$2.9 million, \$1.5 million, and \$4.6 million, respectively.

Net transfers out increased the budget by approximately \$863 thousand, consisting of sales tax revenue designated for school capital expenditures transferred to the Debt Service Fund, grant matches to volunteer fire districts, and transfers to projects.

Proprietary Funds – Craven County's proprietary fund statements offer detailed information similar to that found in the government-wide statements. During the fiscal year, the unrestricted net position in the Water Fund decreased by \$2.3 million, resulting in a balance of \$10.1 million. In contrast, the net investment in capital assets rose by \$1.7 million. As a result, the total net position in the Water Fund decreased by \$365,000. The primary reason for this decrease was increased capital and infrastructure investment in remote meter replacements.

Capital Asset and Debt Administration

Capital assets - Craven County's capital assets for its governmental and business-type activities as of June 30, 2025 totaled approximately \$149,899,347 (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:

- Upgrades to the HVAC unit and controls at the Convention Center
- Infrastructure improvements and land purchases at the Industrial Park
- Enhancements to recreational facilities at West Craven, Creekside, and Rocky Run Parks
- Acquisition of 24 vehicles, including 9 for the Sheriff's Department
- Renovation of the lab and restroom refresh at the Health Department
- Repaving of the parking lot and ADA upgrades at the Cooperative Extension Building
- Upgrades to the camera and IT systems at St. Luke's Building

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 21,527,087	\$ 19,269,736	\$ 947,354	\$ 947,354	\$ 22,474,441	\$ 20,217,090
Buildings	70,605,352	70,340,752	30,915,476	30,941,197	101,520,828	101,281,949
Improvements	42,997,523	40,369,356	30,153,432	30,153,432	73,150,955	70,522,788
Machinery and Equipment	12,589,936	11,969,097	291,993	272,318	12,881,929	12,241,415
Vehicles	12,320,805	10,864,144	531,655	531,655	12,852,460	11,395,799
Construction in progress	27,194,161	13,621,550	12,967,086	10,584,335	40,161,247	24,205,885
Right to use assets	806,345	783,702	-	-	806,345	783,702
Total	188,041,209	167,218,337	75,806,996	73,430,291	263,848,205	240,648,628
Less accumulated depreciation &	83,845,183	78,349,206	30,103,675	28,611,916	113,948,858	106,961,122
Total, net of depreciation	\$ 104,196,026	\$ 88,869,131	\$45,703,321	\$ 44,818,375	\$149,899,347	\$ 133,687,506

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, 2025, 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	
	2025	2024	2025	2024	2025	2024
Installment debt	\$ 12,031,000	\$ 15,670,000	\$ 9,707,397	\$ 10,596,461	\$ 21,738,397	\$ 26,266,461
Lease liability	264,690	323,440	-	-	264,690	323,440
Total	\$ 12,295,690	\$ 15,993,440	\$ 9,707,397	\$ 10,596,461	\$ 22,003,087	\$ 26,589,901

Craven County's total debt decreased \$4.6 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.

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 \$1,154,155,760.

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 average unemployment rate in the County for the calendar year 2024 remained relatively stable at 3.6 percent, compared to 3.5 percent in 2023. The rate held steady for most of the year, reaching a low of 3.1 percent in April 2024. Similarly, the statewide average unemployment rate for 2024 was 3.6 percent, representing a slight increase from the 3.5 percent reported for 2023. By the end of the fiscal year 2025, the County's unemployment rate had increased to 4.0 percent as of June 2025.

- Per capita personal income in Craven County rose by 6.1 percent, reaching \$58,120, according to the latest available information. In comparison, North Carolina experienced a 4.9 percent increase in 2023, while the national average rose by 5.4 percent. Craven County's per capita income is 94 percent of the state's average of \$61,839 and 83.3 percent of the national average of \$69,810. The county ranks 28th out of 100 counties in North Carolina for per capita income, with no change from the previous year. From 2013 to 2023, the average annual growth rate of per capita personal income in Craven County was 4.4 percent, compared to 5.0 percent for the state and 4.6 percent nationally.
- The residential development and local real estate market in Craven County continue to show positive, though moderating, growth trends. For fiscal year 2025, there were 310 new home starts, compared to 307 the previous year, indicating strong activity as many new subdivisions are still under construction. Recent market data reveals that the median sale price of a home in Craven County has reached approximately \$310,370, which represents an increase of 4.3 percent from the \$297,500 reported in the prior year. Additionally, the number of homes sold rose by 3.0 percent during the same period. Although mortgage rates remain significantly higher than pre-pandemic levels and continue to affect affordability, local housing market conditions are expected to remain generally stable as we move into the next fiscal year. This stability is anticipated to be supported by steady demand and modest inventory growth.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities - The County approved a \$160.9 million General Fund budget for fiscal year 2026, representing an increase of \$5.6 million, or 3.6 percent, from the \$155.3 million adopted for fiscal year 2025. Estimated assessed property values for fiscal 2026 were \$15 billion, a 4.2 percent increase from the \$14.4 billion estimate used for the 2025 budget. The County adopted the ad valorem tax rate of 44.48 cents per \$100 of assessed valuation, which reflects no change from the previous fiscal year. All revenues were budgeted conservatively, with projected increases of 4.4 percent in property tax revenues and 4.0 percent in sales tax receipts.

The County allocated \$685,188 from the fund balance to balance the 2026 budget. In keeping with past practice, management does not anticipate that this appropriation will be drawn upon, as revenues and expenditures have been budgeted conservatively and the County continues to monitor its financial position closely throughout the year.

Capital investments remain a priority in the fiscal year 2026 budget. The adopted budget includes approximately \$3.8 million in County infrastructure improvements, with major projects such as Ag Extension building renovations, ball field lighting improvements at West Craven Park, restroom renovations at Creekside Park, and facility improvements at the New Bern Library branch. These investments are intended to maintain and enhance key County facilities that support residents, businesses, and visitors.

Education remains one of the most significant areas of County investment. In total, the fiscal year 2026 budget provides more than \$32 million in support for Craven County Schools, including \$25.6 million in operational support, \$3.48 million for capital improvements and debt service, \$3.1 million for school resource officers, and approximately \$106,000 for additional instructional and enrichment initiatives such as the D.A.R.E. speaker, "Too Good for Drugs" program, Partners in Education, booster club match funding, and support for the North Carolina Symphony. Funding for Craven Community College totals \$5.1 million. Taken together, education-related appropriations account for roughly 21.2 percent of the General Fund budget.

The Health and Human Services division represents the largest portion of General Fund spending, accounting for approximately 26.2 percent of the fiscal year 2026 budget, which amounts to about \$42.2 million. This reflects the County's ongoing commitment to public health and human services programs. Following Health and Human Services, the next largest functional category is Public Safety, which makes up around 19.2 percent of General Fund appropriations, or roughly \$30.9 million. This funding supports law enforcement, emergency medical services, detention, and related services. Other significant categories in the budget include General Government at 16.0 percent, Environmental Protection at 6.3 percent, Transfers and Debt Service at 4.3 percent, Culture and Recreation at 3.8 percent, Economic and Physical Development at 1.7 percent, and Transportation at 1.3 percent.

Business-type Activities: The fiscal year 2026 budget for the Water Fund totals \$6.0 million and provides for ongoing operations, routine maintenance, and annual debt service for the County's water system. The budget also includes targeted adjustments to water fees to ensure that user charges keep pace with increasing operating and capital costs. In fiscal year 2018, the County completed construction of a \$30.9 million Water Treatment Plant designed to process approximately 3.0 million gallons of water per day, with the capacity to expand to 5.0 million gallons per day as future demand warrants. Looking forward, the County plans to undertake a comprehensive capital needs assessment of the water system, including the development of a system-wide asset inventory and a multi-year capital improvement plan to identify and prioritize maintenance, rehabilitation, and expansion projects over the next 20 years. As part of this effort, the County anticipates implementing phased remote meter change-out projects to improve system reliability, enhance metering accuracy, and support more efficient operations. Management reviews water rates and fees annually to ensure that they are sufficient to fully support ongoing operations, capital reinvestment, and long-term debt service.

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, NORTH CAROLINA

STATEMENT OF NET POSITION

June 30, 2025

	Primary Government			Component Units	
	Governmental	Business-type	Total	Tourism	Coastal Carolina
	Activities	Activities		Development	Regional Airport
	Activities		Authority	Authority	
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 55,809,397	\$ 9,847,792	\$ 65,657,189	\$ 77,402	\$ 5,219,368
Short-term investments	51,157,856	-	51,157,856	451,809	12,207,792
Restricted cash	5,299,443	318,903	5,618,346	-	6,928,218
Accounts Receivable (net)	7,028,532	1,336,914	8,365,446	86,413	2,495,906
Lease Receivable - current	50,997	-	50,997	-	-
Taxes Receivable (net)	9,474,232	-	9,474,232	-	-
Accrued Interest Receivable	173,820	-	173,820	-	-
Restricted opioid receivable, net	1,122,648	-	1,122,648	-	-
Inventories	-	-	-	-	-
Prepays	1,767,559	121,736	1,889,295	-	-
Total Current Assets	<u>131,884,484</u>	<u>11,625,345</u>	<u>143,509,829</u>	<u>615,624</u>	<u>26,851,284</u>
Non-Current Assets					
Lease Receivable - noncurrent	37,629	-	37,629	-	-
Opioid Receivable- noncurrent	9,083,904	-	9,083,904	-	-
Other assets	-	-	-	-	-
Net pension asset	122,386	-	122,386	-	-
Capital asset:					
Land and construction in progress	48,721,248	13,914,440	62,635,688	-	46,825,195
Other capital assets, net of depreciation	55,169,365	31,788,881	86,958,246	-	39,521,468
Right to use assets, net of amortization	305,413	-	305,413	70,629	-
Total capital assets	<u>104,196,026</u>	<u>45,703,321</u>	<u>149,899,347</u>	<u>70,629</u>	<u>86,346,663</u>
Total Non-current Assets	<u>113,439,945</u>	<u>45,703,321</u>	<u>159,143,266</u>	<u>70,629</u>	<u>86,346,663</u>
Total Assets	<u>245,324,429</u>	<u>57,328,666</u>	<u>302,653,095</u>	<u>686,253</u>	<u>113,197,947</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>18,587,271</u>	<u>387,207</u>	<u>18,974,478</u>	<u>-</u>	<u>342,976</u>
LIABILITIES					
Current Liabilities					
Accounts payable	4,800,952	397,271	5,198,223	71,508	1,801,155
Accrued salaries and benefits	2,128,364	60,629	2,188,993	-	57,267
Accrued interest payable	45,012	-	45,012	-	-
Customer Deposits	-	318,903	318,903	-	-
Unearned grant revenues	624,027	-	624,027	3,649	14,192,614
Current maturities of long term obligations	7,406,709	885,990	8,292,699	21,096	27,687
Total Current Liabilities	<u>15,005,064</u>	<u>1,662,793</u>	<u>16,667,857</u>	<u>96,253</u>	<u>16,078,723</u>
Long-term liabilities:					
Due in more than one year	60,346,961	9,762,639	70,109,600	51,346	931,610
Total Long-Term Liabilities	<u>60,346,961</u>	<u>9,762,639</u>	<u>70,109,600</u>	<u>51,346</u>	<u>931,610</u>
Total Liabilities	<u>75,352,025</u>	<u>11,425,432</u>	<u>86,777,457</u>	<u>147,599</u>	<u>17,010,333</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,547,784</u>	<u>127,403</u>	<u>7,675,187</u>	<u>-</u>	<u>123,219</u>
NET POSITION					
Net Investments in capital assets	94,640,920	35,995,924	130,636,844	(1,813)	85,387,366
Restricted for:					
Stabilization by State Statute	14,690,303	-	14,690,303	86,413	-
ROD Pension Plan	122,386	-	122,386	-	-
General government	1,027,050	-	1,027,050	-	-
Education	24,553,952	-	24,553,952	-	-
Human services	182,696	-	182,696	-	-
Opioid settlement	4,283,627	-	4,283,627	-	-
Public Safety	2,731,382	-	2,731,382	-	-
Economic and physical development	3,910,679	-	3,910,679	454,054	-
Other purposes	-	-	-	-	-
Unrestricted	<u>34,868,896</u>	<u>10,167,114</u>	<u>45,036,010</u>	<u>-</u>	<u>11,020,005</u>
Total net position	<u>\$ 181,011,891</u>	<u>\$ 46,163,038</u>	<u>\$ 227,174,929</u>	<u>\$ 538,654</u>	<u>\$ 96,407,371</u>

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

CRAVEN COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

June 30, 2025

	Component Units	
	<u>CarolinaEast</u>	<u>Craven County</u>
	<u>Health System</u>	<u>ABC Board</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 22,794,283	\$ 1,415,295
Short-term investments	85,955,874	-
Restricted cash	-	-
Accounts Receivable (net)	117,486,303	-
Lease Receivable - current	-	-
Taxes Receivable (net)	-	-
Accrued Interest Receivable	704,058	-
Restricted opioid receivable, net	-	-
Inventories	15,495,908	888,710
Prepays	9,297,141	43,354
Total Current Assets	251,733,567	2,347,359
Non-Current Assets		
Lease Receivable - noncurrent	33,599	-
Opioid Receivable- noncurrent	-	-
Other assets	337,105,343	-
Net pension asset	-	-
Capital asset:		
Land and construction in progress	39,342,337	473,830
Other capital assets, net of depreciation	200,282,285	6,827,622
Right to use assets, net of amortization	20,979,626	224,732
Total capital assets	260,604,248	7,526,184
Total Non-current Assets	597,743,190	7,526,184
Total Assets	849,476,757	9,873,543
DEFERRED OUTFLOWS OF RESOURCES	858,337	439,254
LIABILITIES		
Current Liabilities		
Accounts payable	66,536,416	1,518,380
Accrued salaries and benefits	-	-
Accrued interest payable	-	-
Customer Deposits	-	-
Unearned grant revenues	-	-
Current maturities of long term obligations	7,723,253	446,593
Total Current Liabilities	74,259,669	1,964,973
Long-term liabilities:		
Due in more than one year	61,820,118	5,174,209
Total Long-Term Liabilities	61,820,118	5,174,209
Total Liabilities	136,079,787	7,139,182
DEFERRED INFLOWS OF RESOURCES	809,214	3,685
NET POSITION		
Net Investments in capital assets	192,184,622	2,672,196
Restricted for:		
Stabilization by State Statute	-	-
ROD Pension Plan	-	-
General government	-	-
Education	-	-
Human services	-	-
Opioid settlement	-	-
Public Safety	-	-
Economic and physical development	-	-
Other purposes	4,770,660	511,807
Unrestricted	516,490,811	(14,073)
Total net position	\$ 713,446,093	\$ 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, 2025

Activities	Program Revenues			
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:				
Governmental:				
General government	\$ 16,975,025	\$ 3,335,833	\$ 6,737,053	\$ -
Public Safety	34,833,131	4,034,462	2,842,132	-
Social Services	27,103,867	785,555	14,403,996	627,302
Economic and physical development	4,772,981	68,624	3,968,009	-
Environmental protection	8,802,106	4,598,196	570,538	-
Health	14,512,986	6,041,977	6,918,841	-
Cultural and recreation	4,837,686	993,400	86,448	-
Education	33,710,054	-	-	2,954,428
Interest on long-term debt	641,857	-	-	-
Total governmental activities	146,189,693	19,858,047	35,527,017	3,581,730
Business-type:				
Water	5,542,193	5,109,581	-	-
Total business-type activities	5,542,193	5,109,581	-	-
Total primary government	\$ 151,731,886	\$ 24,967,628	\$ 35,527,017	\$ 3,581,730
Component units:				
Tourism Development Authority	\$ 956,310	\$ 869,988	\$ -	\$ -
Coastal Carolina Regional Airport Authority	6,296,337	3,280,115	7,954	11,983,410
CarolinaEast Health System	618,712,429	605,327,693	-	-
Craven County ABC Board	13,336,412	13,306,979	-	-
Total component units	\$ 639,301,488	\$ 622,784,775	\$ 7,954	\$ 11,983,410

General Revenues:
Taxes:
Property taxes, levied for general purposes
Local option sales tax
Other taxes
Investment earnings, unrestricted
Miscellaneous, unrestricted
Transfers
Total general revenues and transfers
Change in net position
Net position, beginning, restated (see Note 19)
Net position, ending

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, 2025

Net (Expense) Revenue and Changes in Net Position							
Primary Government			Component Units				
Governmental Activities	Business-type Activites	Total	Coastal Carolina			Craven County ABC Board	
			Tourism Development Authority	Regional Airport Authority	CarolinaEast Health System		
\$ (6,902,139)	\$ -	\$ (6,902,139)					
(27,956,537)	-	(27,956,537)					
(11,287,014)	-	(11,287,014)					
(736,348)	-	(736,348)					
(3,633,372)	-	(3,633,372)					
(1,552,168)	-	(1,552,168)					
(3,757,838)	-	(3,757,838)					
(30,755,626)	-	(30,755,626)					
(641,857)	-	(641,857)					
<u>(87,222,899)</u>	<u>-</u>	<u>(87,222,899)</u>					
-	(432,612)	(432,612)					
-	(432,612)	(432,612)					
<u>\$ (87,222,899)</u>	<u>\$ (432,612)</u>	<u>\$ (87,655,511)</u>					
			\$ (86,322)	\$ -	\$ -	\$ -	
			-	8,975,142	-	-	
			-	-	(13,384,736)	-	
			-	-	-	(29,433)	
			<u>\$ (86,322)</u>	<u>\$ 8,975,142</u>	<u>\$ (13,384,736)</u>	<u>\$ (29,433)</u>	
67,659,817	-	67,659,817	-	-	-	-	
27,417,524	-	27,417,524	-	-	-	-	
4,353,621	-	4,353,621	-	-	-	-	
4,125,895	258,610	4,384,505	19,324	685,583	44,303,704	29,433	
1,103,346	-	1,103,346	5,755	-	1,028,292	-	
191,134	(191,134)	-	-	-	-	-	
<u>104,851,337</u>	<u>67,476</u>	<u>104,918,813</u>	<u>25,079</u>	<u>685,583</u>	<u>45,331,996</u>	<u>29,433</u>	
17,628,437	(365,136)	17,263,301	(61,243)	9,660,725	31,947,260	-	
163,383,454	46,528,174	209,911,628	599,897	86,746,646	681,498,833	3,169,930	
<u>\$ 181,011,891</u>	<u>\$ 46,163,038</u>	<u>\$ 227,174,929</u>	<u>\$ 538,654</u>	<u>\$ 96,407,371</u>	<u>\$ 713,446,093</u>	<u>\$ 3,169,930</u>	

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

CRAVEN COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Opioid Settlement Fund	Debt Service Fund		
ASSETS					
Cash and cash equivalents	\$ 8,794,127	\$ -	\$ 19,954,954	\$ 19,887,986	\$ 48,637,067
Short-term investments	51,157,856	-	-	-	51,157,856
Restricted cash	624,027	4,292,147	-	383,269	5,299,443
Taxes receivable	8,915,431	20	-	558,781	9,474,232
Accounts receivable	6,806,825	-	116,485	23,793	6,947,103
Lease receivable	88,626	-	-	-	88,626
Restricted opioid receivable, net	-	10,206,552	-	-	10,206,552
Due from other funds	182,311	-	1,697,295	-	1,879,606
Prepays	1,767,559	-	-	-	1,767,559
Total Assets	<u>\$78,336,762</u>	<u>\$ 14,498,719</u>	<u>\$ 21,768,734</u>	<u>\$ 20,853,829</u>	<u>\$ 135,458,044</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,945,645	\$ 8,520	\$ -	\$ 189,697	\$ 3,143,862
Accrued salaries and benefits	2,128,364	-	-	-	2,128,364
Due to other funds	1,697,295	-	-	182,311	1,879,606
Unearned Revenues	624,027	-	-	-	624,027
Total liabilities	<u>7,395,331</u>	<u>8,520</u>	<u>-</u>	<u>372,008</u>	<u>7,775,859</u>
Deferred inflows of resources	<u>1,574,990</u>	<u>10,206,552</u>	<u>-</u>	<u>42,900</u>	<u>11,824,442</u>
Fund Balances:					
Non spendable					
Prepays	1,767,559	-	-	-	1,767,559
Leases	1,094	-	-	-	1,094
Restricted:					
Stabilization by State Statute	14,666,738	20	-	23,545	14,690,303
General Government	-	-	-	1,027,050	1,027,050
Human Services	-	-	-	182,696	182,696
Opioid Settlement	-	4,283,627	-	-	4,283,627
Public Safety	99,004	-	-	2,632,378	2,731,382
Economic and physical development	-	-	-	3,910,679	3,910,679
Education, schools	-	-	21,768,734	2,785,218	24,553,952
Committed:					
Capital Projects	-	-	-	10,069,834	10,069,834
Assigned:					
For subsequent year's expenditures	681,267	-	-	-	681,267
Unassigned	52,150,779	-	-	(192,479)	51,958,300
Total fund balances	<u>69,366,441</u>	<u>4,283,647</u>	<u>21,768,734</u>	<u>20,438,921</u>	<u>115,857,743</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$78,336,762</u>	<u>\$ 14,498,719</u>	<u>\$ 21,768,734</u>	<u>\$ 20,853,829</u>	<u>\$ 135,458,044</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, 2025

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

Total fund balance Governmental Funds	\$ 115,857,743
Charges relating to advance refunding debt issue	495,621
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation	104,196,026
Register of Deeds Net Pension Asset	122,386
Contributions to pension plans in the current fiscal year are deferred outflows or resources in the Statement of	5,479,963
Benefit payments and pension administration costs for LEOSSA paid in the current year are deferred outflows of resources in the Statement of Net Position	61,035
Contributions and pension administration costs for OPEB are deferred outflows of resources in the Statement of Net Position	823,120
Other Long term assets are not available to pay for current-period expenditures and therefore are unavailable in	173,820
Net pension liability (LGERS)	(26,071,560)
Total pension liability (LEOSSA)	(2,579,024)
Total OPEB liability	(17,899,213)
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	5,596,669
Amounts reported in the fund statements as deferred inflows of resources for tax and fee receivables and opioid settlement receivables.	11,487,281
Pension related deferrals	7,488,778
OPEB related deferrals	(2,971,869)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(21,248,885)
Net position of governmental activities	<u><u>\$ 181,011,891</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, 2025

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Opioid Settlement Fund	Debt Service Fund		
REVENUES					
Taxes:					
Property	\$ 65,100,116	\$ -	\$ -	\$ 2,561,517	\$ 67,661,633
Sales	26,252,681	-	-	1,164,843	27,417,524
Tourism Room	-	-	-	2,569,194	2,569,194
Intergovernmental	35,123,476	1,321,358	1,036,685	3,133,568	40,615,087
Charges for services	20,770,357	-	-	-	20,770,357
Interest	3,374,148	64,012	255,935	334,878	4,028,973
Miscellaneous	1,118,947	-	-	11,514	1,130,461
Total revenues	<u>151,739,725</u>	<u>1,385,370</u>	<u>1,292,620</u>	<u>9,775,514</u>	<u>164,193,229</u>
EXPENDITURES					
Current:					
General government	20,964,134	-	-	3,137,936	24,102,070
Public Safety	28,665,436	-	-	4,164,109	32,829,545
Environmental protection	8,947,457	-	-	-	8,947,457
Economic and physical development	6,888,104	-	-	1,481,089	8,369,193
Health	13,833,673	404,416	-	-	14,238,089
Social services	25,802,271	-	-	6,709,994	32,512,265
Culture and recreation	4,317,565	-	-	-	4,317,565
Education	32,107,469	-	-	1,602,585	33,710,054
Debt service:					
Principal	2,498,031	-	1,316,250	-	3,814,281
Interest	254,547	-	65,869	-	320,416
Total expenditures	<u>144,278,687</u>	<u>404,416</u>	<u>1,382,119</u>	<u>17,095,713</u>	<u>163,160,935</u>
Excess of revenues over (under) expenditures	<u>7,461,038</u>	<u>980,954</u>	<u>(89,499)</u>	<u>(7,320,199)</u>	<u>1,032,294</u>
OTHER FINANCING SOURCES					
Lease Proceeds	64,609	-	-	-	64,609
Transfers in	4,227,470	-	6,453,155	5,270,984	15,951,609
Transfers out	(7,920,429)	-	(2,699,513)	(5,190,533)	(15,810,475)
Total other financing sources (uses)	<u>(3,628,350)</u>	<u>-</u>	<u>3,753,642</u>	<u>80,451</u>	<u>205,743</u>
Net change in fund balances	3,832,688	980,954	3,664,143	(7,239,748)	1,238,037
FUND BALANCES					
Fund balance, beginning	<u>65,533,753</u>	<u>3,302,693</u>	<u>18,104,591</u>	<u>27,678,669</u>	<u>114,619,706</u>
Fund balance, ending	<u>\$ 69,366,441</u>	<u>\$ 4,283,647</u>	<u>\$ 21,768,734</u>	<u>\$ 20,438,921</u>	<u>\$ 115,857,743</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, 2025

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

Net Change in fund balances - total government funds	\$	1,238,037
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.		15,889,221
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.		(440,232)
Capital outlay expenditures associated with leases and subscriptions are recorded in the fund statements but capitalized as right to use assets in the statement of activities.		64,609
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.		(186,703)
The contributions to the pension plans in the current fiscal year are not included in the Statement of Activities.		5,479,963
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position.		61,035
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position.		823,120
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(663,156)
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.		3,749,672
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.		(9,912,210)
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>1,525,081</u>
Change in net position of governmental activities	\$	<u><u>17,628,437</u></u>

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

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Property	\$ 64,275,360	\$64,275,360	\$ 65,100,116	\$ 824,756
Sales	26,911,398	26,911,398	26,252,681	(658,717)
Intergovernmental	33,461,086	39,736,613	35,123,476	(4,613,137)
Charges for services	21,640,513	21,985,496	20,770,357	(1,215,139)
Interest	2,402,400	2,402,400	3,374,148	971,748
Miscellaneous	700,866	1,788,062	1,118,947	(669,115)
Total revenues	149,391,623	157,099,329	151,739,725	(5,359,604)
EXPENDITURES				
General government	21,875,149	23,697,809	20,964,134	2,733,675
Public Safety	29,045,413	31,461,345	28,665,436	2,795,909
Environmental protection	9,175,440	9,455,203	8,947,457	507,746
Economic and physical development	6,019,388	9,646,047	6,888,104	2,757,943
Health	14,150,170	15,404,017	13,833,673	1,570,344
Social services	29,189,232	30,428,539	25,802,271	4,626,268
Culture and recreation	4,589,726	4,925,965	4,317,565	608,400
Education - schools	31,444,850	32,325,725	32,107,469	218,256
Debt Service:				
Principal	2,322,752	2,497,040	2,498,031	(991)
Interest	237,544	255,924	254,547	1,377
Total debt service	2,560,296	2,752,964	2,752,578	386
Total expenditures	148,049,664	160,097,614	144,278,687	15,818,927
Excess of revenues over expenditures	1,341,959	(2,998,285)	7,461,038	10,459,323
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	64,609	64,609
Transfer in	5,958,580	6,912,778	4,227,470	(2,685,308)
Transfer out	(7,304,460)	(8,167,224)	(7,920,429)	246,795
Total other financing sources (uses)	(1,345,880)	(1,254,446)	(3,628,350)	(2,373,904)
Excess of revenues over (under) expenditures and other financing sources (uses)	(3,921)	(4,252,731)	3,832,688	8,085,419
Appropriated fund balance	3,921	4,252,731	-	(4,252,731)
Net change in fund balance	\$ -	\$ -	3,832,688	\$ 3,832,688
Fund balance, beginning			65,533,753	
Fund balance, ending			\$ 69,366,441	

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, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund	
	Water Fund	Non-major Northwest Craven Water and Sewer District			Eliminations
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 9,847,792	\$ -	\$ -	\$ 9,847,792	\$ 7,172,330
Accounts receivable, net of allowance for doubtful accounts	1,336,914	-	-	1,336,914	81,429
Prepays	121,736	-	-	121,736	-
Total current assets	<u>11,306,442</u>	<u>-</u>	<u>-</u>	<u>11,306,442</u>	<u>7,253,759</u>
Noncurrent Assets:					
Restricted cash and cash equivalents	318,903	-	-	318,903	-
Capital assets:					
Land	947,354	-	-	947,354	-
Construction in process	12,967,086	-	-	12,967,086	-
Improvements other than buildings	30,373,260	-	-	30,373,260	-
Buildings	30,695,648	-	-	30,695,648	-
Machinery and equipment	823,649	-	-	823,649	-
Less accumulated depreciation	(30,103,676)	-	-	(30,103,676)	-
Total capital assets (net of accumulated depreciation)	<u>45,703,321</u>	<u>-</u>	<u>-</u>	<u>45,703,321</u>	<u>-</u>
Total noncurrent assets	<u>46,022,224</u>	<u>-</u>	<u>-</u>	<u>46,022,224</u>	<u>-</u>
Total assets	<u>57,328,666</u>	<u>-</u>	<u>-</u>	<u>57,328,666</u>	<u>7,253,759</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>387,207</u>	<u>-</u>	<u>-</u>	<u>387,207</u>	<u>-</u>
LIABILITIES					
Current Liabilities					
Accounts payable	397,271	-	-	397,271	1,657,090
Accrued salaries and benefits	60,629	-	-	60,629	-
Accrued interest payable	-	-	-	-	-
Customer deposit payable	318,903	-	-	318,903	-
Current maturities of long term obligations	885,990	-	-	885,990	-
Total current liabilities	<u>1,662,793</u>	<u>-</u>	<u>-</u>	<u>1,662,793</u>	<u>1,657,090</u>
Noncurrent liabilities					
Due in more than one year	9,762,639	-	-	9,762,639	-
Total noncurrent liabilities	<u>9,762,639</u>	<u>-</u>	<u>-</u>	<u>9,762,639</u>	<u>-</u>
Total Liabilities	<u>11,425,432</u>	<u>-</u>	<u>-</u>	<u>11,425,432</u>	<u>1,657,090</u>
DEFERRED INFLOWS OF RESOURCES	<u>127,403</u>	<u>-</u>	<u>-</u>	<u>127,403</u>	<u>-</u>
NET POSITION					
Net Investment in capital assets	35,995,924	-	-	35,995,924	-
Unrestricted	10,167,114	-	-	10,167,114	5,596,669
Total net position	<u>\$ 46,163,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,163,038</u>	<u>\$ 5,596,669</u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	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	\$ 4,811,192	\$ -	\$ 4,811,192	\$ 8,987,070
Miscellaneous	298,389	-	298,389	346,550
Total operating revenues	<u>5,109,581</u>	<u>-</u>	<u>5,109,581</u>	<u>9,333,620</u>
OPERATING EXPENSES				
Cost of services	3,936,187	-	3,936,187	7,955,461
Depreciation and amortization	1,604,230	-	1,604,230	-
Total operating expenses	<u>5,540,417</u>	<u>-</u>	<u>5,540,417</u>	<u>7,955,461</u>
Operating income/(loss)	<u>(430,836)</u>	<u>-</u>	<u>(430,836)</u>	<u>1,378,159</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	258,610	-	258,610	96,922
FEMA Grant	-	-	-	-
Interest expense	-	(1,776)	(1,776)	-
Total net nonoperating revenues (expenses)	<u>258,610</u>	<u>(1,776)</u>	<u>256,834</u>	<u>96,922</u>
Income (loss) before transfers	<u>(172,226)</u>	<u>(1,776)</u>	<u>(174,002)</u>	<u>1,475,081</u>
Transfers in	18,000	-	18,000	50,000
Transfers out	(210,910)	1,776	(209,134)	-
Total transfers in (out)	<u>(192,910)</u>	<u>1,776</u>	<u>(191,134)</u>	<u>50,000</u>
Change in net position	<u>(365,136)</u>	<u>-</u>	<u>(365,136)</u>	<u>1,525,081</u>
Net position, beginning, restated (see Note 19)	<u>46,528,174</u>	<u>-</u>	<u>46,528,174</u>	<u>4,071,588</u>
Net position, ending	<u>\$ 46,163,038</u>	<u>\$ -</u>	<u>\$ 46,330,647</u>	<u>\$ 5,596,669</u>

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

CRAVEN COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	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	\$ 4,798,877	\$ -	\$ 4,798,877	\$ 9,883,141
Payments to customers and suppliers	(2,262,701)	-	(2,262,701)	(8,698,246)
Payments to employees	(1,461,314)	-	(1,461,314)	-
Net cash provided by (used in) operating activities	<u>1,074,862</u>	<u>-</u>	<u>1,074,862</u>	<u>1,184,895</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisitions & construction of capital assets	(2,678,710)	-	(2,678,710)	-
Repayment of installment notes and bonds	(808,950)	-	(808,950)	-
Payments on obligations under financed purchases	-	(80,114)	(80,114)	-
Interest paid	-	(2,131)	(2,131)	-
Net cash used in capital and related financing activities	<u>(3,487,660)</u>	<u>(82,245)</u>	<u>(3,569,905)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer in	18,000	82,245	100,245	50,000
Transfer out	(291,379)	-	(291,379)	-
Net cash provided by (used in) noncapital financing activities	<u>(273,379)</u>	<u>82,245</u>	<u>(191,134)</u>	<u>50,000</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest on cash and investments	258,556	-	258,556	96,922
Net cash provided by investing activities	<u>258,556</u>	<u>-</u>	<u>258,556</u>	<u>96,922</u>
Net increase (decrease) in cash and cash equivalents	(2,427,621)	-	(2,427,621)	1,331,817
CASH AND CASH EQUIVALENTS*				
Beginning*	12,594,316	-	12,594,316	5,840,513
Ending*	<u>\$ 10,166,695</u>	<u>\$ -</u>	<u>\$ 10,166,695</u>	<u>\$ 7,172,330</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, 2025

	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)	\$ (430,836)	\$ -	\$ (430,836)	\$ 1,378,159
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	1,604,230	-	1,604,230	-
Change in assets, liabilities, and deferred inflows and outflows:				
(Increase) decrease in accounts receivable	(362,629)	-	(362,629)	549,521
(Increase) decrease in prepaids	(5,325)	-	(5,325)	12,000
(Increase) decrease in deferred outflows of resources - pension	78,338	-	78,338	-
(Increase) decrease in deferred outflows of resources - OPEB	6,159	-	6,159	-
Increase (decrease) in accounts payable	156,017	-	156,017	(754,785)
Increase (decrease) in accrued payroll	7,964	-	7,964	-
Increase (decrease) in customer deposits	51,925	-	51,925	-
Increase (decrease) in compensated absences	2,059	-	2,059	-
Increase (decrease) in net pension liability	(55,589)	-	(55,589)	-
Increase (decrease) in total OPEB liability	6,318	-	6,318	-
Increase (decrease) in deferred inflows of resources - pension	28,685	-	28,685	-
Increase (decrease) in deferred inflows of resources - OPEB	(12,454)	-	(12,454)	-
Net cash provided by (used in) operating activities	<u>\$ 1,074,862</u>	<u>\$ -</u>	<u>\$ 1,074,862</u>	<u>\$ 1,184,895</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, 2025

	Custodial Fund
ASSETS	
Cash and investments	\$ 75,346
Taxes receivable for other governments, net	247,553
Total Assets	322,899
 LIABILITIES	
Accounts payable	-
Total liabilities	-
 NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	322,899
Total fiduciary net position	\$ 322,899

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, 2025

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 29,118,942
Collections on behalf of inmates	781,762
Total additions	29,900,704
 DEDUCTIONS	
Tax distributions to other governments	29,066,238
Payments on behalf of inmates	815,075
Total deductions	29,881,313
Net increase (decrease) in fiduciary net position	19,391
Net position, beginning	303,508
Net position, ending	\$ 322,899

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 County 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 County 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; therefore, these assets are not recorded in the County's financial statements (agreement details disclosed in Note 5). The Health System's financial statements are presented as of and for the year ended September 30, 2024 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, 2025 as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from the Board at 500 N D Street, Bridgeton, NC.

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, 2025 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.

Opioid Settlement Special Revenue Fund. This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

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.

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.

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Activity occurs during the year involving transfers of resources between funds, which are reported at gross amounts as transfers in/out. While these balances are reported in the fund financial statements, certain eliminations are made for the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only net amounts are included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only net amounts are included as transfers in the business-type activities column. In accordance with North Carolina General Statutes (NCGS), all funds of the County are maintained during the year using the modified accrual basis of accounting.

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

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. 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.

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 (including lease and subscription liabilities), 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. Issuances of general long-term debt and acquisitions from leases and information technology 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, 2024 and the budget as amended at June 30, 2025.

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 \$50,000; however, the governing board must approve any revisions that alter total expenditures of any fund or exceed \$50,000. 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 (except the School Capital Fund which is annually budgeted), 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), a Government Portfolio, is a SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S.159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio, is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAm by S&P and AAA-mf by Moody's Investor Services and 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.

The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$10,206,552 related to the settlement are also reported as restricted assets. 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 the eligible state, local, territorial, and tribal governments. These funds are limited to specific purposes. So, until the amounts are assigned to use for a specific purpose they are reported as restricted assets.

Craven County Restricted Cash

Governmental Activities

School Capital Projects Fund	Unexpended Public School Building funds	\$ 273,205
General Fund	Unspent grant proceeds	624,027
Opioid Settlement Fund	Unexpended settlement funds	4,292,147
American Rescue Plan Fund	Unspent grant proceeds	110,064
Total Governmental Activities		<u>\$ 5,299,443</u>

Business-Type Activities

Water Fund	Customer Deposits	\$ 318,903
Total Business-Type Activities		<u>\$ 318,903</u>

Total Restricted Cash		<u>\$ 5,618,346</u>
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Component Units

Coastal Carolina Regional Airport	State Aid to Airport Funds Appropriated	<u>\$ 6,928,218</u>
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Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Ad Valorem Taxes Receivable. In accordance with North Carolina General Statutes [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles at July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2024.

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. For the Opioid Settlement receivable, the County has estimated an uncollectible allowance using the term over which the amounts are to be paid and the possibility of bankruptcies or going concern issues of the corporations' party to the settlement. The allowance estimate has been established as 10% of the outstanding receivable balance.

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, 2025:

Health receivable allowance	\$ 372,064
Opioid settlement receivable allowance	1,134,061
Water Fund receivables allowance	56,457
<u>Component Unit - CarolinaEast Health System</u>	
Patient receivables allowance (at June 30, 2025)	\$ 18,845,891

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, 2025, 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 a Subscription Based Information Technology Arrangement (SBITA) 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 are 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

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 deferred charge on a current 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 assets that applies to future periods 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, leases, and other OPEB and pension related deferrals. In addition, certain unavailable revenues related to taxes, recycling fees, other prepaid fees, and opioid settlement receivables are reported as deferred inflows of resources, but only on the balance sheet of the governmental funds.

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. The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee or paid to an employee flex spending account) during or upon separation from employment. Based on the criteria above, two types of leave qualify for liability recognition for compensated absences - vacation and sick leave.

The liability for compensated absences is recorded as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits where applicable.

The vacation policies of the County, the Hospital, the TDA, and the Airport provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. Vacation leave over thirty days is transferred to an employee's sick leave balance at the end of each calendar year.

The sick leave policies of the County, the Hospital, the TDA, and the Airport provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Any unused sick leave accumulated for employees who leave the County, the Hospital, and the TDA prior to retirement is forfeited. The County has estimated an amount of sick leave liability to record pursuant to the requirements of GASB 101 in the current year, and beginning balances have been restated to account for this change (see Note 19).

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

Opioid Settlement Funds

The County, through a Memorandum of Agreement (MOA) with the State, is a party to certain opioid lawsuit and bankruptcy settlements. The amounts received and to be received are treated as exchange-like transactions. Per the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for all activity. Unspent funds are reported as restricted.

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion nationwide settlement related to multiple opioid lawsuits. These funds are disbursed to each participating State over an 18-year period according to an allocation agreement reached with participating States. The majority of the funds must be used for opioid abatement and remediation activities and programs and the distribution of the funds is front loaded. The North Carolina MOA between the State and local governments allocates funds 15% to the State, 80% to local governments, and 5% to a County incentive fund.

The County received \$1,321,358 in the current fiscal year, spent \$404,416, and, per the MOA, accounts for the amounts in a special revenue fund, the Opioid Settlement Fund (major fund).

In July 2025, Secondary Opioid Manufacturer Settlements were reached with Alvogen Inc., Amneal Pharmaceuticals LLC, Apotex Corp., Hikma Pharmaceuticals USA, Indivior Inc., Sun Pharmaceutical Industries Inc., and Zydus Pharmaceuticals Inc. A settlement was also reached with Purdue Pharma L.P.'s bankruptcy plan for \$7.4 billion. The Secondary Settlements are subject to the terms of the existing MOA with the State.

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 used the remaining 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. All funds were fully expended by June 30, 2024.

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

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

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

The governmental fund types classify fund balances as follows:

Nonspendable fund balance: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The following are the County's nonspendable fund balances as of June 30, 2025:

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.

Lease Receivable, net - portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

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

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," defined as follows: "*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.

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 Opioid Settlement - portion of fund balance that is restricted by revenue source for opioid abatement and remediation activities.

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.

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

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	\$ 69,366,441
Less:	
Nonspendable - Prepaids	1,767,559
Nonspendable - Leases	1,094
Stabilization by State Statute	14,666,738
Public Safety	99,004
Appropriated Fund Balance in 2026 Budget	681,267
Working Capital / Fund Balance Policy	-
Remaining Fund Balance	52,150,779

Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), 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. The County is required by State law to administer a public employee retirement system, a single employer defined benefit pension plan, to provide benefits to certain sworn law enforcement offices, the Law Enforcement Officers' Special Separation Allowance (LEOSSA).

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)**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 \$65,154,148 consists of several elements as follows:

Description	Amount
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)	\$ 187,234,864
Less accumulated depreciation	(83,344,251)
Right to Use assets used in governmental activities are not financial resources and are therefore not reported in the funds (net of accumulated amortization)	806,345
Less accumulated amortization	<u>(500,932)</u>
Net capital assets	104,196,026
Net pension asset	122,386
Contributions to the pension plan in the current fiscal year	5,479,963
Benefit payments and pension administration costs for LEOSSA	61,035
Contributions to OPEB plan in the current fiscal year	823,120
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	173,820
Deferred outflows of resources related to refunding-included on government-wide Statement of Net Position but are not current financial resources	495,621
Deferred inflows of resources reported in the fund financial statements but not the government-wide statements	11,487,281
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	5,596,669
Pension related deferrals	7,488,778
OPEB related deferrals	(2,971,869)
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	(12,031,000)
Lease and Subscription Liabilities	(318,948)
Accrued interest payable	(45,012)
Total OPEB Liability	(17,899,213)
Compensated absences	(8,853,925)
Net pension obligation (LEOSSA)	(2,579,024)
Net pension obligation (LGERs)	<u>(26,071,560)</u>
Total Adjustment	<u>\$ 65,154,148</u>

Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)**Reconciliation of Government-wide and Fund Financial Statements (continued):**

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 \$16,390,400 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 22,081,605
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	(6,192,384)
Cost of disposed capital asset not recorded in fund statements.	(440,232)
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.	64,609
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.	(186,703)
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.	(64,609)
Principal payments on debt owed are recorded as a use of funds on the fund statements but	3,814,281
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,479,963
Benefit payments and administration costs for LEOWSA are deferred outflows of resources on the Statement of Net Position	61,035
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	823,120
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	(241,982)
OPEB expense	(1,334,284)
Pension expense	(8,014,503)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	8,972
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	(330,413)
Revenues reported in the Statement of Activities that do not provide current resources are not	
Taxes Receivable and Accrued Interest on Taxes Receivable	(1,816)
Recycling Fees	12,628
Restricted Opioid Receivables, net	(673,967)
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	1,525,081
Total Adjustment	<u>\$ 16,390,400</u>

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

New Accounting Pronouncements

The County adopted the following new accounting pronouncements in the current fiscal year:

GASB 101, *Compensated Absences*, to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

GASB 102, *Certain Risk Disclosures*, to better provide users with disclosures containing timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

Note 2. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

The Representative Payee Fund (a special revenue fund) was overspent by \$32,253. It is hard to budget for this type of fund, not knowing how much benefits will be received or paid out for the beneficiaries in any given year. The County will track this budget more closely going forward.

The Tourism Authority Fund (which is presented as a component unit with the County's statements) was overspent by \$89,241, primarily because they did not budget for the initial recording of a subscription agreement. The Tourism Authority will monitor the budget more closely in the future to properly budget for future lease or subscription agreements.

Neither of these were considered to be a budget violation that would result in a finding.

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, 2025, the County's (primary government) deposits had a carrying amount of \$71,350,881, and a bank balance of \$86,426,880. Of the bank balance, \$250,000 was covered by federal depository insurance and \$85,926,880 was covered by collateral held under the pooling method.

At June 30, 2025, Craven County had \$2,730 cash on hand.

Component Unit Information

At June 30, 2025, the Tourism Development Authority had a carrying amount of \$77,402 and a bank balance of deposits of \$84,864. Of the bank balance, all of it was covered by federal depository insurance.

Note 3. Detail Notes on All Funds (Continued)

1. Deposits (continued)

At June 30, 2025, the Airport Authority had a carrying amount of \$12,147,586. 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, 2025, the ABC Board had \$13,000 cash on hand, and deposits in financial institutions with a carrying amount of \$894,216 and a bank balance of \$930,204. Of the bank balance, \$307,095 was covered by federal depository insurance and \$623,109 was covered by collateral held under the pooling method.

At June 30, 2025, the carrying amount of deposits for the Health System was \$22,491,954 and the bank balance was \$25,027,543. Of the bank balance, \$500,000 was covered by federal depository insurance and \$24,527,543 was covered by collateral held under the pooling method. Cash and cash equivalents consist of the following as of June 30, 2025:

Cash on hand	\$	10,357
Deposits		22,491,954
Money markets		291,972
	\$	<u>22,794,283</u>

2. Investments

As of June 30, 2025 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	\$ 51,157,856	\$ 51,157,856	\$ -	\$ -
		<u>\$ 51,157,856</u>	<u>\$ 51,157,856</u>	<u>\$ -</u>	<u>\$ -</u>

Component Unit - Tourism Development Authority

NC Capital Management Trust, Government Portfolio	Fair Value- Level 1	\$ 451,809	\$ 451,809	\$ -	\$ -
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Component Unit - Coastal Carolina Regional Airport Authority

UBS Securities Commercial paper	Fair Value- Level 2	12,207,792	12,207,792	-	-
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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 AAA-mf by Standard & Poor's and Moody's as of June 30, 2025.

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

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.

CarolinaEast Health System

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.

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%.

Investment Type	Fair Value	Maturity
US Government Agency Mutual Funds	\$ 39,047	N/A
Vanguard Bond Mutual Funds-Corp	54,181	N/A
Oaktree Real Estate Income Fund, L.P.	13,451	N/A
Boyd Watterson Real Estate	16,099	N/A
Equity Securities and Mutual Funds	264,188	N/A
Short Term Cash Equivalents	316	N/A
NC Capital Management Trust	27,067	N/A
	<u>\$ 414,349</u>	

The above table does not include \$291,972 which is included in unrestricted cash and cash equivalents.

	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Fair Value at 6/30/24
Assets:				
Mutual funds:				
Money market	\$ 230,198	\$ -	\$ -	\$ 230,198
Cash & Equivalents	49,381	-	-	49,381
Fixed income	92,941,599	-	-	92,941,599
Equity	263,612,189	-	-	263,612,189
Interest rate swap	-	4,245,362	-	4,245,362
Total assets at fair value	<u>\$ 356,833,367</u>	<u>\$ 4,245,362</u>	<u>\$ -</u>	
Investments at net asset value				<u>\$ 29,550,513</u>
Total investments				<u>\$ 390,629,242</u>
Cash and cash equivalents as of 6/30/25 not included above				\$ 22,794,283
North Carolina Management Capital Trust - cash portfolio as of 6/30/25 carried at amortized cost.				\$ 27,316,753
Interest receivable as of 6/30/25 not included above				\$ 704,058

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

CarolinaEast Health System (continued)

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.

There were no changes during the year ended June 30, 2025 to the System's valuation technique used to measure asset and liability fair values on a recurring basis.

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 Maes 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, 2025, the total quality ratings for the above holdings were as follows:

	Holdings			
	US Government Agencies	Corporate/Other Bond Mutual Funds	Short term Cash Equivalents	NC Capital Management
AAA	100.00%	4.97%	100.00%	100.00%
AA		5.31%		
A		36.58%		
BBB		50.90%		
BB		1.22%		
B		0.77%		
Not Rated		0.25%		
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.

Note 3. Detail Notes on All Funds (Continued)

2. Investments (Continued)

CarolinaEast Health System (continued)

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.

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.

ABC Board

As of June 30, 2025 the ABC Board had the following investments and maturities:

Investment Type	Valuation Measurement Method	Book Value at 6/30/25	Maturity	Rating
US Government Treasuries	Fair Value-Level 1	\$ -	Up to 3 years	AAA
US Government Agencies	Fair Value-Level 1	499,657	Up to 3 years	AAA
NC Capital Management Trust Government FD #47	Fair Value-Level 1	8,422	Up to 3 years	AAA
		<u>\$ 508,079</u>		

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
2022	\$ 1,328,993	\$ 435,246	\$ 1,764,239
2023	1,333,607	316,733	1,650,340
2024	1,113,529	164,246	1,277,775
2025	1,130,352	64,995	1,195,347
Total	<u>\$ 4,906,481</u>	<u>\$ 981,220</u>	<u>\$ 5,887,701</u>

Note 4. Receivables

Receivables at the government-wide level at June 30, 2025, were as follows:

	Accounts Receivable	Taxes Receivable	Interest Receivable	Total
Governmental Activities				
General	\$ 7,178,063	\$ 9,391,431	\$ 173,820	\$ 16,743,314
Other Governmental Funds	347,914	433,421	-	781,335
Total Receivables	7,525,977	9,824,852	173,820	17,524,649
Allowance for Doubtful Accounts	(372,064)	(476,000)	-	(848,064)
Total - governmental activities	<u>\$ 7,153,913</u>	<u>\$ 9,348,852</u>	<u>\$ 173,820</u>	<u>\$ 16,676,585</u>
Business-type activities				
Water	\$ 1,201,657	\$ 191,714	\$ -	\$ 1,393,371
Allowance for doubtful accounts	(56,457)	-	-	(56,457)
Total - business-type activities	<u>\$ 1,145,200</u>	<u>\$ 191,714</u>	<u>\$ -</u>	<u>\$ 1,336,914</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 06/30/2025, the value of the lease receivable is \$15,203. 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 06/30/2025 was \$14,646, 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. This lease was renewed 1/1/25 for an additional 24 months at an initial value of \$97,182. As of 06/30/2025, the value of the lease receivable is \$73,423. The lessee is required to make monthly fixed payments of \$4,400 for January 2025 thru December 2026. The lease has an interest rate of 4.5%. The value of the deferred inflow of resources as of 06/30/2025 was \$73,423, and the County recognized lease revenue of \$48,061 during the fiscal year.

Year Ending June 30	<u>Governmental Activities</u>	
	Principal	Interest
2026	\$ 50,997	\$ 4,720
2027	27,678	1,657
2028	2,706	174
2029	2,760	120
2030	2,816	64
2031-2035	1,669	11
Total	<u>\$ 88,626</u>	<u>\$ 6,746</u>

Note 5. Capital Assets

Capital asset activity for the primary government for the year ended June 30, 2025 was as follows:

	Capital Assets			Capital Assets
	June 30, 2024	Additions	Retirements	June 30, 2025
Governmental Activities				
Capital assets, not being depreciated				
Land, other	\$ 19,269,736	\$ 2,680,247	\$ 422,896	\$ 21,527,087
Construction in progress	13,621,550	14,116,858	544,247	27,194,161
Total capital assets not being depreciated	<u>32,891,286</u>	<u>16,797,105</u>	<u>967,143</u>	<u>48,721,248</u>
Capital assets, being depreciated				
Buildings	70,340,752	264,600	-	70,605,352
Vehicles	10,864,144	2,016,008	559,347	12,320,805
Equipment	11,969,097	919,972	299,133	12,589,936
Other improvements	40,369,356	2,628,167	-	42,997,523
Total capital assets being depreciated	<u>133,543,349</u>	<u>5,828,747</u>	<u>858,480</u>	<u>138,513,616</u>
Less accumulated depreciation for:				
Buildings	45,683,773	1,756,321	-	47,440,094
Vehicles	8,341,666	1,404,497	542,011	9,204,152
Equipment	7,905,337	1,055,157	299,133	8,661,361
Other Improvements	16,062,235	1,976,409	-	18,038,644
Total accumulated depreciation	<u>77,993,011</u>	<u>6,192,384</u>	<u>841,144</u>	<u>83,344,251</u>
Total capital assets, being depreciated, net	<u>55,550,338</u>	<u>(363,637)</u>	<u>17,336</u>	<u>55,169,365</u>
Capital assets, being amortized				
Right to use assets				
Leased equipment	79,434	-	-	79,434
Leased land	41,966	64,609	41,966	64,609
Leased buildings	499,422	-	-	499,422
IT Subscriptions	162,880	-	-	162,880
Total right to use assets	<u>783,702</u>	<u>64,609</u>	<u>41,966</u>	<u>806,345</u>
Less accumulated amortization for:				
Leased equipment	44,679	17,058	-	61,737
Leased land	41,967	12,922	41,966	12,923
Leased buildings	215,256	102,430	-	317,686
IT Subscriptions	54,293	54,293	-	108,586
Total accumulated amortization	<u>356,195</u>	<u>186,703</u>	<u>41,966</u>	<u>500,932</u>
Total capital assets, being amortized, net	<u>427,507</u>	<u>\$ (122,094)</u>	<u>\$ -</u>	<u>305,413</u>
Governmental activity capital assets, net	<u><u>\$ 88,869,131</u></u>			<u><u>\$ 104,196,026</u></u>
Business-type Activities				
Capital assets, not being depreciated				
Land, other	\$ 947,354	\$ -	\$ -	\$ 947,354
Construction in process	10,584,335	2,382,751	-	12,967,086
Total capital assets not being depreciated	<u>11,531,689</u>	<u>2,382,751</u>	<u>-</u>	<u>13,914,440</u>
Capital assets, being depreciated				
Buildings & other improvements	61,094,629	86,750	112,471	61,068,908
Vehicles	531,655	-	-	531,655
Equipment	272,318	19,675	-	291,993
Total capital assets being depreciated	<u>61,898,602</u>	<u>106,425</u>	<u>112,471</u>	<u>61,892,556</u>
Less accumulated depreciation for:				
Buildings & other improvements	28,000,271	1,531,528	112,471	29,419,328
Vehicles	360,982	63,331	-	424,313
Equipment	250,663	9,371	-	260,034
Total accumulated depreciation	<u>28,611,916</u>	<u>\$ 1,604,230</u>	<u>\$ 112,471</u>	<u>30,103,675</u>
Total capital assets, being depreciated, net	<u>33,286,686</u>			<u>31,788,881</u>
Business activity capital assets, net	<u><u>\$ 44,818,375</u></u>			<u><u>\$ 45,703,321</u></u>

Note 5. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 1,455,790
Public Safety	2,487,947
Social services	515,002
Economic and physical development	97,852
Health	312,677
Environmental protection	213,229
Culture and recreation	1,296,590
Total depreciation expense, governmental activities	<u>\$ 6,379,087</u>
Business-type activities:	
Water Fund	<u>\$ 1,604,230</u>
Total depreciation expense-business-type activities	<u>\$ 1,604,230</u>

The government has an active construction project as of June 30, 2025. At June 30, 2025, the government's commitment with a contractor is as follows:

Project	Spent-to-date	Remaining Commitment
Courthouse/EOC Restoration Project	\$ 9,902,664	\$ 119,835
SCADA/Telemetry Project	1,461,559	113,741
Lawson Creek Pump Station Project	533,923	13,977
Sudan Site Project	174,375	41,375
Total	<u>\$ 12,072,521</u>	<u>\$ 288,928</u>

Discretely presented component units

The following is a summary of the capital assets of the Tourism Authority at June 30, 2025.

	Capital Assets June 30, 2024	Additions	Retirements	Capital Assets June 30, 2025
Capital assets, being amortized				
Right to use assets				
Leased buildings	\$ -	\$ 59,225	\$ -	\$ 59,225
IT Subscriptions	-	29,371	-	29,371
Total right to use assets	-	88,596	-	88,596
Less accumulated amortization for:				
Leased buildings	-	7,897	-	7,897
IT Subscriptions	-	10,070	-	10,070
Total accumulated amortization	-	17,967	-	17,967
Total capital assets, being amortized, net	<u>\$ -</u>	<u>\$ 70,629</u>	<u>\$ -</u>	<u>\$ 70,629</u>

Note 5. Capital Assets (continued)

The following is a summary of the capital assets of the Airport Authority at June 30, 2025:

	Year Ended June 30, 2025			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 10,067,110	\$ -	\$ -	\$ 10,067,110
Construction in progress	33,741,275	9,004,319	5,987,510	36,758,084
Total capital assets, not being depreciated	43,808,385	9,004,319	5,987,510	46,825,194
Capital assets, being depreciated				
Buildings	16,573,543	2,735,148	-	19,308,691
Improvements other than buildings	44,104,788	3,041,432	-	47,146,220
Machinery, equipment, and vehicles	3,671,753	293,967	45,560	3,920,160
Total capital assets being depreciated	64,350,084	6,070,547	45,560	70,375,071
Less accumulated depreciation	28,555,537	2,343,625	45,560	30,853,602
Total capital assets being depreciated, net	35,794,547	\$ 3,726,922	\$ -	39,521,469
Capital assets, net	\$ 79,602,932			\$ 86,346,663

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.

The following is a summary of the Health System capital asset activity for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
	Capital assets, not being depreciated			
Land	\$ 15,434,440	\$ -	\$ -	\$ 15,434,440
Construction in progress	22,935,830	33,088,465	(32,116,398)	23,907,897
Total capital assets, not being depreciated	38,370,270	33,088,465	(32,116,398)	39,342,337
Capital assets, being depreciated/amortized				
Land improvements	7,122,802	28,133	-	7,150,935
Building and fixtures	294,407,571	2,645,513	-	297,053,084
Equipment	277,366,847	35,152,855	(851,308)	311,668,394
Total capital assets being depreciated	578,897,220	37,826,501	(851,308)	615,872,413
Less accumulated depreciation/amortization for:				
Land Improvements, buildings and fixtures and equipment	(393,069,339)	(23,343,086)	822,297	(415,590,128)
	(393,069,339)	\$ (23,343,086)	\$ 822,297	(415,590,128)
Total capital assets being depreciated/amortized, net	185,827,881			200,282,285
Health System capital assets, net	\$ 224,198,151			\$ 239,624,622

All depreciation is directly or indirectly in relation to the provision of healthcare services. Depreciation expense was approximately \$23,343,000 for the year ended June 30, 2025. The Health System has various renovation projects in progress at June 30, 2025. The estimated cost to complete the projects is approximately \$6,195,000.

Craven County holds legal title to the Health System's property and equipment, except for equipment purchased with unrestricted funds by the Health System. The facilities are leased to the Health System through a 10-year lease agreement that expires in 2034, with two 5-year renewal options, and an annual rent of one dollar. Additional consideration includes \$450,000 annually, allocated as follows: a \$200,000 credit for inmate healthcare services, \$150,000 for bed space at the regional detox facility, and \$100,000 for operating a health clinic that serves the uninsured and Medicaid populations. If the Health System dissolves or ceases to operate as a health system and fails to fulfill the lease requirements, all of its funds, properties, and assets shall revert to Craven County.

Note 5. Capital Assets (continued)

The following is a summary of the capital assets of the ABC Board at June 30, 2025:

Capital assets, not being depreciated	
Land	\$ 473,830
Construction in progress	-
Total capital assets not being depreciated	<u>473,830</u>
Capital assets, being depreciated:	
Buildings	7,829,498
Furniture & Equipment	871,219
Automobile	<u>189,184</u>
Total capital assets being depreciated	8,889,901
Less accumulated depreciation	<u>2,062,279</u>
Total capital assets being depreciated, net	<u>6,827,622</u>
Right to use asset, being amortized:	
Buildings	<u>376,663</u>
Total right to use assets being amortized	<u>376,663</u>
Less accumulated amortization	<u>151,931</u>
Total right to use assets being amortized, net	<u>224,732</u>
Capital assets, net	<u>\$ 7,526,184</u>

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, 2025, are as follows:

	Employees Not Engaged In Law Enforcement	Employees Engaged In Law Enforcement
Craven County	13.64%	15.04%
Airport Authority	13.84%	
ABC Board	13.66%	

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 \$5,596,249, \$104,236, and \$169,697, respectively, for the year ended June 30, 2025.

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, 2025, the County, Airport Authority and ABC Board reported liabilities of \$26,668,990, \$463,881, and \$740,281, respectively, for their proportionate share of the net pension liability. The net pension liabilities were measured as of June 30, 2024. The total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025 the County, Airport Authority and ABC Board's proportions were .3956%, .0069% and .0110% (measured as of June 30, 2024), respectively, which were increases/(decreases) of (.0444%), (0.008%), and (.0003%), respectively (measured as of June 30, 2023).

For the year ended June 30, 2025, the County, Airport Authority and ABC Board's recognized pension expense of \$7,896,629, \$140,560, and \$247,849, respectively.

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

At June 30, 2025, 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	\$ 4,673,417	\$ 31,422
Net difference between projected and actual earnings on pension plan investments	3,625,633	-
Changes in proportion and differences between County contributions and proportionate share of contributions	662,456	1,333,202
County contributions subsequent to the measurement date	5,596,249	-
Total	\$ 14,557,755	\$ 1,364,624

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

Local Governmental Employees' Retirement System (Continued)

At June 30, 2025, 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	\$ 81,289	\$ 547
Net difference between projected and actual earnings on pension plan investments	63,064	-
Changes in proportion and differences between Airport Authority's contributions and proportionate share of contributions	34,283	14,599
Airport Authority's contributions subsequent to the measurement date	104,236	-
Total	\$ 282,872	\$ 15,146

At June 30, 2025, 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	\$ 129,725	\$ 872
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	100,641	-
Changes in proportion and differences between ABC Board's contributions and proportionate share of contributions	39,191	2,813
ABC Board's contributions subsequent to the measurement date	169,697	-
Total	\$ 439,254	\$ 3,685

\$5,596,249, \$104,236, and \$169,697 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, 2026. 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
2026	\$ 2,477,567	\$ 58,513	\$ 93,339
2027	5,100,391	101,626	160,959
2028	428,881	10,483	22,953
2029	(409,957)	(7,132)	(11,379)
2030	-	-	-
Thereafter	-	-	-
Total	\$ 7,596,882	\$ 163,490	\$ 265,872

Actuarial Assumptions. The total pension liability in the December 31, 2023 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 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, 2023 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.

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

Local Governmental Employees' Retirement System (Continued)

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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
Total	100%	

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm. 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 2.38%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024 is 2.76%.

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 (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 47,258,231	\$ 26,668,990	\$ 9,731,507
Airport Authority's proportionate share of the net pension liability (asset)	\$ 822,011	\$ 463,881	\$ 169,270
ABC Board's proportionate share of the net pension liability (asset)	\$ 1,311,800	\$ 740,281	\$ 270,128

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.

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

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.

At December 31, 2024 the Separation Allowance's membership consisted of:

Retirees receiving benefits	12
Active plan members	104
Total	<u>116</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, 2023 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.3 to 7.8 percent, including inflation and productivity factor
Discount Rate	4.28 percent

The discount rate used to measure the TPL is the Fidelity GO AA Bond index 20-year bond rate.

The actuarial assumptions used in the December 31, 2023 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): Pub-2010 Safety Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set forward 1 year and adjusted by 97% for all ages.

Deaths Before Retirement: Pub-2010 Safety Employees Male and Female Mortality tables projected generationally with MP-2019.

Deaths After Retirement (Disabled): Pub-2010 General Disabled Retirees Mortality Table projected generationally using MP-2019. The male and female rates are set back 3 years.

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

Law Enforcement Officers Special Separation Allowance (Continued)

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 \$122,070 as benefits came due for the reporting period.

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

At June 30, 2025, the County reported a total pension liability of \$2,579,024. The total pension liability was measured as of December 31, 2024 based on a June 30, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025 the County recognized pension expense of \$270,851.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 242,569	\$ 36,011
Changes of assumptions and other inputs	158,059	353,503
County benefit payments and plan administrative expenses subsequent to the measurement date	61,035	-
Total	\$ 461,663	\$ 389,514

The County paid \$61,035 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, 2026. 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:	
2026	\$ 53,982
2027	(12,707)
2028	3,646
2029	(31,327)
2030	(2,480)
Thereafter	-
Total	\$ 11,114

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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total Pension Liability	\$ 2,819,056	\$ 2,579,024	\$ 2,361,788

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>2025</u>
Beginning balance	\$ 2,584,575
Service Cost	150,460
Interest on the total pension liability	95,020
Difference between expected and actual experience in the measurement of the total pension liability	(3,880)
Changes of assumptions or other inputs	(122,725)
Benefit payments	<u>(124,426)</u>
Ending balance of the total pension liability	<u>\$ 2,579,024</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.77 percent at June 30, 2024 to 4.28 percent at June 30, 2025.

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 June 30, 2024 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

Supplemental Retirement Income Plan for Law Enforcement Officers:

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

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

The County contributed \$333,383 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 \$9,630 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$122,386 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the County's proportion was 0.4322%, which was a decrease of 0.0077% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the County recognized pension expense of \$24,373. At June 30, 2025, 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	\$ 2,687	\$ 2,188
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	47,263	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,390	1,737
County contributions subsequent to the measurement date	9,630	-
Total	<u>\$ 63,970</u>	<u>\$ 3,925</u>

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

Register of Deeds' Supplemental Pension Fund (Continued)

\$9,630 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	\$ 23,399
2027	22,555
2028	4,291
2029	170
2030	-
Thereafter	-
Total	<u>\$ 50,415</u>

Actuarial Assumptions : The total pension liability in the December 31, 2023 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, 2023 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 information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset liability and investment policy of the North Carolina Retirement Systems. 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 2.38%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class and is 100% invested in the Bond Index External Investment Pool. The long term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024 is 2.76%.

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)	\$ (81,091)	\$ (122,386)	\$ (157,170)

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, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as December 31, 2023. The total pension liability for LEOSSA was measured as of June 30, 2024, with an actuarial valuation date of December 31, 2023.

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	\$ 26,668,990	\$ (122,386)	\$ -	\$ 26,546,604
Proportion of the Net Pension Liability (Asset)	0.39560%	1.06210%	n/a	
Total Pension Liability	-	-	2,579,024	2,579,024
Pension Expense	\$ 7,896,629	\$ 24,373	\$ 270,851	\$ 8,191,853

At June 30, 2025, 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	\$ 4,673,417	\$ 2,687	\$ 242,569	\$ 4,918,673
Changes of assumptions	-	-	158,059	158,059
Net difference between projected and actual earnings on pension plan investments	3,625,633	47,263	-	3,672,896
Changes in proportion and differences between County contributions and proportionate share of contributions	662,456	4,390	-	666,846
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	5,596,249	9,630	61,035	5,666,914
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual	\$ 31,422	\$ 2,188	\$ 36,011	\$ 69,621
Changes of assumptions	-	-	353,503	353,503
Changes in proportion and differences between County contributions and proportionate share of contributions	1,333,202	1,737	-	1,334,939

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

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 \$94,947,776 for the year ended June 30, 2025. Total contributions were \$5,678,862 for the year ended June 30, 2025, 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.

The Health System's 403(b) contributions were calculated using a covered payroll amount of \$114,672,296 for the year ended June 30, 2025. The Health System's contributions were \$2,293,446, or 2 percent of covered payroll for the year ended June 30, 2025. Employee contributions to the plan totaled \$10,934,491 or 9.54% of covered payroll for the year ended June 30, 2025. Employee contributions to the 457(b) plan totaled \$2,462,047 for the year ended June 30, 2025. These plans are not included in the Health System's reporting entity and do not issue separate, stand-alone financial reports.

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

Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

Membership of the HCB Plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers:
Retirees and dependents receiving benefits	49	12
Active plan members	535	104
Total	<u>584</u>	<u>116</u>

Total OPEB Liability

The County's total OPEB liability of \$18,317,229 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

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, 2023 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%
Wage Inflation	3.25%
Salary increases, including wage inflation:	
General employees	3.3% - 8.3%
Law Enforcement Officers	3.3% - 8.3%
Municipal Bond Index Rate:	
Prior Measurement Date	3.86%
Measurement Date	3.97%
Health Care Cost Trends:	

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, 2024	\$ 17,540,946	\$ 88,722	\$ 315,915	\$ 17,945,583
Changes for the year:				
Service cost at the end of the year	772,683	13,644	15,296	801,623
Interest on TOL and cash flows	650,377	11,497	12,924	674,798
Difference between expected and actual experience	(234,980)	(4,154)	(4,669)	(243,803)
Changes of assumptions or other inputs	(170,844)	(3,020)	(3,395)	(177,259)
Benefit payments and implicit subsidy credit	(658,970)	(11,649)	(13,094)	(683,713)
Net Changes	<u>358,266</u>	<u>6,318</u>	<u>7,062</u>	<u>371,646</u>
Balance at June 30, 2025	<u>\$ 17,899,212</u>	<u>\$ 95,040</u>	<u>\$ 322,977</u>	<u>\$ 18,317,229</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.86% to 3.97%.

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, 2023 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.

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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 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 (2.97 percent) or 1-percentage-point higher (4.97 percent) than the current discount rate:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 20,011,738	\$ 18,317,229	\$ 16,792,503

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 16,443,486	\$ 18,317,229	\$ 20,513,593

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

For the year ended June 30, 2025, the County recognized OPEB expense of \$1,376,168. At June 30, 2025, 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	\$ 689,201	\$ 3,374,976
Changes of assumptions another inputs	1,915,984	2,313,061
Benefit payments and administrative costs made subsequent to the measurement date	850,387	-
Total	<u>\$ 3,455,572</u>	<u>\$ 5,688,037</u>

\$850,387 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, 2026. 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>	
2026	\$ (74,547)
2027	(224,999)
2028	(509,269)
2029	(892,180)
2030	(819,399)
Thereafter	(562,458)

CarolinaEast Health Center

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, 2025, the Health System's membership consisted:

Retirees receiving benefits	28
Active Plan members	<u>46</u>
Total	<u><u>74</u></u>

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

CarolinaEast Health Center (continued)

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, 2025 actuarial valuations, using membership data as of January 1, 2025 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, 2025. Information included in the following schedules is based on the certification provided by the System's consulting actuary.

For the year ended June 30, 2025, the System recognized an OPEB gain of approximately \$358,000.

The following represents the changes in the net OPEB liability as of June 30, 2025:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Liability) asset (a)+(b)
Balances at June 30, 2024	\$ (3,795,551)	\$ 6,955,478	\$ 3,159,927
Changes for the Year:			
Services cost	(40,815)	-	(40,815)
Interest cost	(240,070)	-	(240,070)
Change in actuarial assumptions	545,308	-	545,308
Contributions from employer	-	(110,841)	(110,841)
Net investment earnings	-	816,700	816,700
Actual Benefits paid	389,159	(389,159)	-
Additional expected benefit payments	349,312	-	349,312
Other	294,139	(3,000)	291,139
Net Changes	1,297,033	313,700	1,610,733
Balances at June 30, 2025	\$ (2,498,518)	\$ 7,269,178	\$ 4,770,660

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

Other Postemployment Benefits (Continued)

Healthcare Benefits (Continued)

CarolinaEast Health Center (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, 2025:

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
Total OPEB Liability	\$ 2,548,336	\$ 2,498,518	\$ 2,444,624

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, 2025:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 2,428,477	\$ 2,498,518	\$ 2,571,441

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, 2025 are as follows:

Valuation date	January 1, 2025
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)

CarolinaEast Health Center (continued)

Deferred items related to OPEB. At June 30, 2025, 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	\$ 858,337	\$ 943,626
Differences between expected and actual return on plan assets	-	(162,839)
Total	\$ 858,337	\$ 780,787

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 2024. There were no changes during 2024 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 December 31, 2024:

	December 31, 2024			
	Level 1	Level 2	Level 3	Fair Value
Money market funds	\$ 39,194	\$ -	\$ -	\$ 39,194
Mutual Funds	7,229,984	-	-	7,229,984
Total	\$ 7,269,178	\$ -	\$ -	\$ 7,269,178

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 06/30/2025, the value of the lease liability is \$3,319. 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 06/30/2025 of \$16,033 with accumulated amortization of \$12,216 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 06/30/2025, the value of the lease liability is \$279. 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 06/30/2025 of \$6,734 with accumulated amortization of \$3,564 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 Social Services. An initial lease liability was recorded in the amount of \$13,467. As of 06/30/2025, the value of the lease liability is \$557. 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 06/30/2025 of \$13,467 with accumulated amortization of \$12,675 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 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 06/30/2025, the value of the lease liability is \$1,113. 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 06/30/2025 of \$18,284 with accumulated amortization of \$17,209 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 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 06/30/2025, the value of the lease liability is \$37,387. 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 06/30/2025 of \$241,824 with accumulated amortization of \$203,641 is included in the Capital Asset note as leased building. The County has 1 extension option(s), each for 12 months.

On 12/21/21, the County entered into a 61 month lease as Lessee for the use of wide format printer in GIS. An initial lease liability was recorded in the amount of \$10,564. As of 06/30/2025, the value of the lease liability is \$5,320. 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 06/30/2025 of \$10,564 with accumulated amortization of \$7,446 is included in the Capital Asset note as leased equipment. The County has 1 extension option(s), each for 12 months.

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 06/30/2025, the value of the lease liability is \$73,399. 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 06/30/2025 of \$140,894 with accumulated amortization of \$75,144 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 06/30/2025, the value of the lease liability is \$9,117. 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 06/30/2025 of \$14,353 with accumulated amortization of \$17,224 is included in the Capital Asset note as leased equipment.

On 11/1/23, the County entered into a 60 month lease as Lessee for the use of the Jackson Family Suite 506. An initial lease liability was recorded in the amount of \$116,704. As of 06/30/2025, the value of the lease liability is \$83,672. The County is required to make monthly fixed payments of \$1,970 for November 2023 thru October 2028. The lease has an interest rate of 4.5%. The value of the right to use asset as of 06/30/2025 of \$116,704 with accumulated amortization of \$140,045 is included in the Capital Asset note as leased equipment.

On 7/1/24, the County entered into a 60 month lease as Lessee for the use of land for convenience site. An initial lease liability was recorded in the amount of \$64,609. As of 06/30/2025, the value of the lease liability is \$52,624. 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 4.50%. The value of the right to use asset as of 06/30/2025 of \$64,609 with accumulated amortization of \$12,922 is included in the Capital Asset note as leased land.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 112,072	\$ 8,900
2027	73,698	5,346
2028	54,627	2,273
2029	24,294	428
Total	\$ 264,691	\$ 16,947

Note 8. Long-Term Obligations (continued)

Lease Liabilities (continued)

Tourism Authority

On 11/1/24, the Tourism Authority entered into a 60 month lease as Lessee for the use of the Chamber of Commerce facility. An initial lease liability was recorded in the amount of \$59,225. As of 06/30/2025, the value of the lease liability is \$51,880. The Tourism Authority is required to make monthly fixed payments of \$1,100 from November 2024 thru October 2029. The lease has an interest rate of 4.5%. The value of the right to use asset as of 06/30/2025 of \$59,225 with accumulated amortization of \$7,897 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, 2025, were as follows:

Year Ending June 30	Tourism Authority	
	Principal	Interest
2026	\$ 11,051	\$ 2,149
2027	11,559	1,641
2028	12,090	1,110
2029	12,645	555
2030	5,439	61
Total	<u>\$ 52,784</u>	<u>\$ 5,516</u>

Loans and Installment notes payable:

Purpose	Interest Rates	Amount
Governmental Activities:		
2013 LOB Refunded School Projects/Fiber Optic	2.07%	\$ 2,522,250
2013 LOB Refunded LEC/Park/Tyron Palace	2.07%	3,082,749
2019 Convention Center	2.20%	<u>6,426,000</u>
Total Governmental Activities		<u>12,030,999</u>
Business-type Activities:		
Water Line expansion project - Northwest Craven Water	2.66%	-
Castle Hayne Aquifer Water Treatment Project - Water	0%	<u>9,707,398</u>
Total Business-Type Activities		<u>9,707,398</u>
Total loans and installment notes payable		<u>\$ 21,738,397</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, 2025 is \$5,604,999.

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.

Note 8. Long-Term Obligations (continued)

Loans and Installment notes payable (continued):

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
2026	\$ 3,559,000	\$ 227,950	\$ 808,950	\$ -
2027	3,474,000	154,230	808,950	-
2028	714,000	109,956	808,950	-
2029	714,000	94,248	808,950	-
2030	714,000	78,540	808,950	-
2031-2035	2,856,000	157,080	4,044,750	-
2036-2040	-	-	1,617,897	-
Total	<u>\$ 12,031,000</u>	<u>\$ 822,004</u>	<u>\$ 9,707,397</u>	<u>\$ -</u>

Subscription Liability

The County has entered into agreements to lease Subscription-Based Information Technology Arrangements (Subscriptions). GASB 96 "Subscription Based Information Technology Arrangements" provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The agreements qualify as other than short-term agreements under GASB 96 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. For additional information, refer to the disclosures below.

On 7/15/2023, the County entered into a 3 year subscription as subscriber for the use of ArcGIS by Environmental Systems Research Institute, Inc. An initial lease liability was recorded in the amount of \$162,880. As of 06/30/2025, the value of the lease liability is \$54,258. The County is required to make annual fixed payments of \$56,700 for August 2023 thru August 2025. The subscription has an interest rate of 4.5%. The value of the right to use asset as of 06/30/2025 of \$162,880 with accumulated amortization of \$108,586 is included in the Right to Use asset note.

The future minimum lease obligations and the net present value of these minimum subscription payments as of June 30, 2025, were as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 54,258	\$ 2,442
	<u>\$ 54,258</u>	<u>\$ 2,442</u>

Tourism Authority

On 7/1/2024, the Tourism Authority entered into a 3 year subscription as subscriber for the use of Simpleview CRM. An initial lease liability was recorded in the amount of \$29,371. As of 06/30/2025, the value of the lease liability is \$19,658. The Tourism Authority is required to make monthly fixed payments of \$894 from July 2024 thru May 2027. The subscription has an interest rate of 4.5%. The value of the right to use asset as of 06/30/2025 of \$29,371 with accumulated amortization of \$10,070 is included in the Right to Use asset note.

The future minimum lease obligations and the net present value of these minimum subscription payments as of June 30, 2025, were as follows:

Year Ending June 30	Tourism Authority	
	Principal	Interest
2026	\$ 10,045	\$ 679
2027	9,613	218
	<u>\$ 19,658</u>	<u>\$ 897</u>

Note 8. Long-Term Obligations (Continued)

Changes in the County's long-term obligations for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Loans and installment notes	\$ 15,670,000	\$ -	\$ 3,639,000	\$ 12,031,000	\$ 3,559,000
Lease liability	323,440	64,609	123,359	264,690	112,072
Subscription Liability	106,180	-	51,922	54,258	54,258
Total pension liability	2,584,575	-	5,551	2,579,024	122,725
Total OPEB liability	17,540,946	358,267	-	17,899,213	823,120
Net Pension liability (LGRS)	28,486,577	-	2,415,017	26,071,560	-
Compensated absences**	8,611,943	241,982	-	8,853,925	2,735,534
Governmental Activities					
Long-term Liabilities	\$ 73,323,661	\$ 664,858	\$ 6,234,849	\$ 67,753,670	\$ 7,406,709
Due within one year					\$ 7,406,709
Due in more than one year					60,346,961
Total Governmental Activities					\$ 67,753,670
Business-type Activities					
Loans and installment notes	\$ 10,596,461	\$ -	\$ 889,064	\$ 9,707,397	\$ 808,950
Total OPEB liability	88,722	6,318	-	95,040	16,662
Net pension liability (LGRS)	653,019	-	55,589	597,430	-
Compensated absences**	246,703	2,059	-	248,762	60,378
Business-type Activities					
Long-term Liabilities	\$ 11,584,905	\$ 8,377	\$ 944,653	\$ 10,648,629	\$ 885,990
					\$ 885,990
					9,762,639
					\$ 10,648,629

**Restated for implementation of GASB 101 (see Note 19)

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 \$12,349,948 of its legal debt limitation of \$1,166,505,708 leaving a legal debt margin of \$1,154,155,760 at June 30, 2025.

Component Unit Long-Term Obligations

Tourism Authority

Changes in the Tourism Authority's long-term obligations for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Lease Liabilities	\$ -	\$ 59,225	\$ 6,441	\$ 52,784	\$ 11,051
Subscription Liabilities	-	29,371	9,713	19,658	10,045
Tourism Authority Long-term Liabilities	\$ -	\$ 88,596	\$ 16,154	\$ 72,442	\$ 21,096

Airport Authority

The Airport Authority does not have any general obligation bonds outstanding at June 30, 2025.

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Total OPEB liability	\$ 315,915	\$ 7,061	\$ -	\$ 322,976	\$ 10,606
Net pension liability (LGRS)	506,997	-	43,116	463,881	-
Compensated absences**	170,550	1,890	-	172,440	17,081
Airport Authority Long-term Liabilities	\$ 993,462	\$ 8,951	\$ 43,116	\$ 959,297	\$ 27,687

Note 8. Long-Term Obligations (Continued)

Component Unit Long-Term Obligations (continued)

Health System

In October 2016, the System issued \$60,000,000 of tax-exempt bank direct purchase bonds named Series 2016 Health Care System Revenue Bonds (“Series 20165 Bonds”) purchased by Truist Bank with the System’s accounts receivable as collateral.

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, 2024 was \$49,125,000. During the year ended June 30, 2025, management has assessed the swap as an ineffective interest rate hedge. The fair value of the swap at June 30, 2025 was an asset of approximately \$4,245,000 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, 2025.

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds Payable					
Revenue Bonds	\$ 49,125,000	\$ -	\$ 1,685,000	\$ 47,440,000	\$ 1,720,000

ABC Board

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 \$262,714 at June 30, 2025.

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

	Year Ending June 30	Principal	Interest	Total
	2026	\$ 34,804	\$ 9,966	\$ 44,770
	2027	40,462	8,378	48,840
	2028	42,207	6,633	48,840
	2029	44,028	4,812	48,840
	2030	45,927	2,913	48,840
	2030-2034	43,837	933	44,770
	Total	\$ 251,265	\$ 33,635	\$ 284,900

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Loans and installment notes	\$ 5,031,491	\$ -	\$ 402,235	\$ 4,629,256	\$ 411,789
Net Pension liability (LRS)	748,078	-	7,797	740,281	-
Lease liability	284,276	-	33,011	251,265	34,804
Total ABC Board	\$ 6,063,845	\$ -	\$ 443,043	\$ 5,620,802	\$ 446,593

Note 9. Interfund Assets/Liabilities and Transfers

Transfers to/from other funds at June 30, 2025, consist of the following:

From General Fund to the Self Insurance Fund to supplement resources.	\$ 50,000
From General Fund to the Human Services Expansion Project to provide resources for project expenses.	647,942
From the CARTS Building Project fund to the County Capital Reserve Fund to return funds not used for project expenses.	67,302
From Capital Reserve Fund to the General Fund to provide resources for budgeted capital expenditures.	3,113,743
From Capital Reserve Fund to the Sudan Redevelopment Project Fund to provide resources for budgeted capital expenditures.	292,813
From Capital Reserve Fund to the Courthouse Project Fund to provide resources for budgeted capital expenditures.	728,000
From Capital Reserve Fund to the ERP Project Fund to provide resources for budgeted capital expenditures.	73,949
From Water Fund to the ERP Project Fund to provide resources for budgeted capital expenditures.	10,134
From General Fund to the Capital Reserve Fund to provide resources for future capital expenses.	447,405
From General Fund to the School Capital Reserve Fund to reserve for future school capital expenses.	110,000
From Grant Project fund to the General Fund to return funds that were received in advance to cover project expenses.	43,646
From General Fund to the School Debt Service Fund to transfer local option sales tax restricted for School Debt Service.	6,453,155
From Debt Service Fund to the Tucker Creek Middle School Project Fund to provide resources for the project.	2,699,513
From General Fund to Township 1 for approved reimbursable expenses along with County Grant Match.	14,642
From General Fund to Township 3 for approved reimbursable expenses along with County Grant Match.	100,807
From General Fund to Rhems Fire Dept for approved reimbursable expenses along with County Grant Match.	40,000
From General Fund to Township 9 for approved reimbursable expenses along with County Grant Match.	38,477
From the Occupancy Tax Fund to the General Fund to service convention center debt payment.	871,080
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.	82,245
From the Water Fund to the General Fund for IT, Admin, Finance, Maintenance, and Rent allocations.	<u>199,000</u>
Total	<u><u>\$ 16,101,853</u></u>

Note 9. Interfund Assets/Liabilities and Transfers (continued)

Balances due to / from other funds at June 30, 2025, 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):

NC Housing Finance Grant Fund	\$	33,763
CDBG-NR NC Dept of Commerce Grants Fund		77,683
Grant Project Fund		<u>70,865</u>
Total Due to the General Fund	\$	<u><u>182,311</u></u>

Note 10: Net Investment in Capital Assets

Debt Related to Capital Activities - Of the Governmental Activities debt listed, \$9,827,697 relates to assets the County holds title.

The total net investment in capital assets at June 30, 2025 is composed of the following elements:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets (net of depreciation and amortization)	\$ 104,196,026	\$ 45,703,321
Add:		
Deferred charges (capital related)	272,592	-
Total capital assets and related deferred charges	<u>104,468,618</u>	<u>45,703,321</u>
Total debt, gross	12,349,948	9,707,397
Less:		
Other non-capital related debt	2,522,250	-
Capital related unspent debt issuances	-	-
Total capital debt	<u>9,827,698</u>	<u>9,707,397</u>
Net investment in capital assets	<u>\$ 94,640,920</u>	<u>\$ 35,995,924</u>

Note 11: Deferred Compensation Plan

The County offers its employees two deferred compensation plans in accordance with Internal Revenue Code Section 457. 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.

Note 12. Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources that are reported in the government-wide financial statements at June 30, 2025 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charges of refunding of debt	\$ 495,621	\$ -
Pensions - difference between expected and actual experience		
Pensions	4,918,675	69,620
OPEB	676,106	3,310,851
Pension - Changes of assumptions		
Pensions	158,059	353,503
OPEB	1,879,580	2,269,113
Pensions - difference between projected and actual investment earnings (Pensions)	3,672,896	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	666,846	1,334,939
Contributions to plans in current fiscal year		
Pensions	5,666,914	-
OPEB	839,781	-
Prepaid taxes not yet earned (General Fund)	-	149,680
Prepaid fees (General Fund)	-	99,949
Leases (General Fund)	-	87,532
Total reported in the government wide statements	<u>18,974,478</u>	<u>7,675,187</u>

Deferred outflows/inflows of resources that are reported in the governmental fund financial statements at June 30, 2025 are as follows:

Property taxes receivable, net (General Fund)	-	982,366
Property taxes receivable, net (Special Revenue Fund)	-	42,900
Recycling fees receivable (General Fund)	-	255,463
Prepaid taxes not yet earned (General Fund)	-	149,680
Prepaid fees (General Fund)	-	99,949
Restricted Opioid settlement receivables, net (Special Revenue)	-	10,206,552
Leases (General)	-	87,532
Total reported in the fund statements	<u>\$ -</u>	<u>\$ 11,824,442</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 that provides 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 \$7,837,347 in claims was incurred for benefits during fiscal year 2025. Payments received from the insurer for claims over the limit of \$346,550 and \$505,048 during fiscal 2025 and fiscal 2024 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
2024-2025	\$ 1,289,123	\$ 7,837,347	\$ 7,479,347	\$ 1,647,123
2023-2024	\$ 1,512,123	\$ 6,040,520	\$ 6,263,520	\$ 1,289,123

The County maintains 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 coverage for individual claims exceeding \$500,000. A total of (\$735,225) in claims or changes in estimates were incurred for benefits during fiscal year 2025. 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
2024-2025	\$ 1,122,300	\$ (735,225)	\$ 377,806	\$ 9,269
2023-2024	\$ 829,864	\$ 1,197,942	\$ 905,506	\$ 1,122,300

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 \$1,000,000 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. In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

The Tourism Development Authority had a separate bond as required by G.S. 159-29 for the finance officer in the amount of \$93,000.

The Coastal Carolina 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. The Director of Finance had a separate bond as required per G.S. 159-29 for the Airport Authority in the amount of \$375,000.

Note 13. Risk Management (continued)

CarolinaEast Health System

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, 2025 were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2024-2025	\$ 3,740,871	\$ 30,845,787	\$ 29,286,658	\$ 5,300,000

Total claims expense is partially offset by employee contributions.

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

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

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

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

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

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.

Note 13. Risk Management (continued)

CarolinaEast Health System

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 County 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 continued funding of the participating governments. None of the participating governments has any equity interest in the Library; therefore, no equity interest is reflected in the financial statements as of June 30, 2025. During the year ended June 30, 2025, the County appropriated a total of \$1,967,131 to the regional library system. In addition to the New Bern/Craven County Library, the County appoints board members to the three other Craven County municipal library boards. 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.

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 to the Waste Management Authority because, along with the other counties, it is legally obligated under the intergovernmental agreement that created the Waste Management Authority to cover any deficiencies if proceeds from different sources are insufficient. The County did not contribute any funds to the Waste Management Authority during the fiscal year ended June 30, 2024. The participating governments do not hold any equity interest in the joint venture; therefore, no equity interest is reflected in the financial statements as of June 30, 2025. Complete financial statements for the Waste Management Authority can be obtained from the Authority's administrative offices located at 7400 Old Highway 70 West, Cove County, NC.

Note 14. Joint Ventures (continued)

The County, in conjunction with Jones, Pamlico, Bertie, Gates, Hertford, Northampton, Pitt, Beaufort, Camden, Chowan, Currituck, Dare, Hyde, Martin, Pasquotank, Perquimans, Tyrrell and Washington Counties, participates in a joint venture to operate East Carolina Behavioral Health ("ECBH") which, effective July 1, 2015, consolidated with a similar entity to become Trillium Health Resources ("THR"). Each of the nineteen counties appoints one commissioner as a member of the Board of Directors, which consists of 24 members. The County Commissioner members jointly appoint five non-Commissioner Board members. The County has an ongoing financial responsibility for the joint venture because THR's continued existence depends on the participating governments' funding in conjunction with funding from the State of North Carolina. None of the participating governments has any equity interest in THR; therefore, no equity interest is reflected in the financial statements as of June 30, 2025. The County appropriated \$99,827 to the THR during the fiscal year ended June 30, 2025, 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 primary responsibility for providing funding for the Community College's facilities 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 finance 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 due to its statutory obligation to provide funding for the Community College's facilities. The County contributed \$4,854,587 and \$500,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2025. The participating governments do not hold any equity interest in the joint venture; therefore, no equity interest is reflected in the financial statements as of June 30, 2025.

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 has any equity interest in the library; therefore, no equity interest is reflected in the financial statements as of June 30, 2025.

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, 2025) through December 8, 2025 which represents the date the financial statements were available to be issued.

Note 19. Adjustments to and Restatements of Beginning Balances

Change in Accounting Principle

CORRECTION OF ERRORS

The Airport Authority identified assets that should have been capitalized in prior years, but were expensed. Likewise, there were project amounts accumulated in CIP that should have been expensed. The net effect of these adjustments decreased net position by \$32,270.

CHANGE IN ACCOUNTING PRINCIPLE

During the current fiscal year, the County implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the County now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effect of the change in accounting principle are summarized below in the "Restatement - GASB 101 implementation" column in the table below.

	Net Position 6/30/24 as previously reported	Restatement - GASB 101 Implementation	Correction of an Error in Prior Periods	Net Position 6/30/24 as Restated
Government-wide Statements:				
Governmental Activities	\$ 168,483,281	\$ (5,099,827)	\$ -	\$ 163,383,454
Business-Type Activities	46,695,783	(167,609)	-	46,528,174
Total Government-wide Statements	\$ 215,179,064	\$ (5,267,436)	\$ -	\$ 209,911,628
Enterprise Funds:				
Water Fund	\$ 46,695,783	\$ (167,609)		\$ 46,528,174
Total Enterprise Funds	\$ 46,695,783	\$ (167,609)	\$ -	\$ 46,528,174
Component Unit:				
Coastal Carolina Regional Airport Authority	\$ 86,895,237	\$ (116,321)	\$ (32,270)	\$ 86,746,646
Total Component Unit	\$ 86,895,237	\$ (116,321)	\$ (32,270)	\$ 86,746,646

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 Seperation Allowance
- Schedule of Total Pension Liability as a percentage of Covered Payroll - Law Enforcement Officers' Special Seperation 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportion of the net pension liability (asset) %	0.396%	0.440%	0.400%	0.393%	0.402%
County's proportionate share of the net pension liability (asset) \$	\$ 26,668,990	\$ 29,139,596	\$ 22,554,429	\$ 6,033,013	\$ 14,350,879
County's covered payroll	\$ 36,720,106	\$ 36,678,651	\$ 31,514,640	\$ 29,665,567	\$ 29,913,077
County's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	72.63%	79.45%	71.57%	20.34%	47.98%
Plan fidiciary net position as a percentage of the total pension liability	83.30%	82.49%	84.14%	95.51%	88.61%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability (asset) %	0.371%	0.378%	0.383%	0.381%	0.390%
County's proportionate share of the net pension liability (asset) \$	\$ 10,119,705	\$ 8,972,909	\$ 5,843,846	\$ 8,094,798	\$ 1,748,322
County's covered payroll	\$ 25,617,364	\$ 26,440,751	\$ 25,550,943	\$ 24,774,857	\$ 24,162,555
County's proportionate share of the net pension liability (asset) as a percentage of	39.50%	33.94%	22.87%	32.67%	7.24%
Plan fidiciary net position as a percentage of the total pension liability	90.86%	92.00%	94.18%	91.47%	98.09%

* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 5,596,249	\$ 4,802,177	\$ 4,507,959	\$ 3,611,047	\$ 3,038,004
Contributions in relation to the contractually required contribution	<u>5,596,249</u>	<u>4,802,177</u>	<u>4,507,959</u>	<u>3,611,047</u>	<u>3,038,004</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	40,458,190	36,720,106	36,678,651	31,514,640	29,665,567
Contributions as a percentage of covered payroll	13.83%	13.08%	12.29%	11.46%	10.24%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,700,885	\$ 2,151,022	\$ 2,005,720	\$ 1,873,840	\$ 1,667,585
Contributions in relation to the contractually required contribution	<u>2,700,885</u>	<u>2,151,022</u>	<u>2,005,720</u>	<u>1,873,840</u>	<u>1,667,585</u>
Contribution deficiency (excess)	<u>\$ -</u>				
County's covered payroll	29,913,077	25,617,364	26,440,751	25,550,943	24,774,857
Contributions as a percentage of covered payroll	9.03%	8.40%	7.59%	7.33%	6.73%

* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportion of the net pension liability (asset)%	1.062%	1.100%	1.073%	1.045%	1.052%
County's proportionate share of the net pension liability (asset) \$	\$ (122,386)	\$ (132,131)	\$ (142,004)	\$ (200,780)	\$ (241,008)
Plan fiduciary net position as a percentage of the total pension liability (asset)	133.61%	135.74%	139.04%	156.53%	173.62%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability (asset)%	0.977%	0.872%	1.178%	1.217%	1.111%
County's proportionate share of the net pension liability (asset) \$	\$ (192,901)	\$ (144,347)	\$ (201,138)	\$ (227,499)	\$ (257,688)
Plan fiduciary net position as a percentage of the total pension liability (asset)	164.11%	153.31%	153.77%	160.17%	197.29%

* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 9,630	\$ 9,139	\$ 9,813	\$ 12,295	\$ 12,542
Contributions in relation to the contractually required contribution	<u>9,630</u>	<u>9,139</u>	<u>9,813</u>	<u>12,295</u>	<u>12,542</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 10,069	\$ 9,287	\$ 10,238	\$ 10,238	\$ 9,941
Contributions in relation to the contractually required contribution	<u>10,069</u>	<u>9,287</u>	<u>10,238</u>	<u>10,238</u>	<u>9,941</u>
Contribution deficiency (excess)	<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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Authority's proportion of the net pension liability (asset) %	0.007%	0.008%	0.006%	0.007%	0.006%
Authority's proportionate share of the net pension liability (asset) \$	\$ 463,881	\$ 506,997	\$ 355,410	\$ 99,684	\$ 216,550
Authority's covered payroll	\$ 741,666	\$ 800,117	\$ 652,598	\$ 595,446	\$ 538,641
Authority's proportionate share of the net of its covered payroll	62.55%	63.37%	54.46%	16.74%	40.20%
Plan fiduciary net position as a percentage of the total pension liability	83.30%	82.49%	84.14%	95.51%	88.61%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability (asset) %	0.005%	0.001%	0.005%	0.004%	0.003%
Authority's proportionate share of the net pension liability (asset) \$	\$ 146,924	\$ 143,527	\$ 72,567	\$ 92,746	\$ 17,502
Authority's covered payroll	\$ 437,773	\$ 462,079	\$ 366,986	\$ 354,738	\$ 345,577
Authority's proportionate share of the net of its covered payroll	33.56%	31.06%	19.77%	26.14%	5.06%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	92.00%	94.18%	91.47%	98.09%

* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 104,236	\$ 97,010	\$ 98,655	\$ 76,028	\$ 60,438
Contributions in relation to the contractually required contribution	<u>104,236</u>	<u>97,010</u>	<u>98,655</u>	<u>76,028</u>	<u>60,438</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 763,120	\$ 741,666	\$ 800,117	\$ 652,598	\$ 595,446
Contributions as a percentage of covered payroll	13.66%	13.08%	12.33%	11.65%	10.15%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 49,111	\$ 33,767	\$ 34,656	\$ 26,606	\$ 23,663
Contributions in relation to the contractually required contribution	<u>49,111</u>	<u>33,767</u>	<u>34,656</u>	<u>26,606</u>	<u>23,663</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 538,641	\$ 437,773	\$ 462,079	\$ 366,986	\$ 354,738
Contributions as a percentage of covered payroll	9.12%	7.71%	7.50%	7.25%	6.67%

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
ABC Board's proportion of the net pension liability (asset) %	0.01098%	0.01130%	0.00940%	0.00911%	0.00908%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 740,281	\$ 748,078	\$ 530,294	\$ 139,711	\$ 324,467
ABC Board's covered payroll	\$1,101,469	\$ 1,046,260	\$ 910,537	\$ 789,629	\$ 751,821
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	67.21%	71.50%	58.24%	17.69%	43.16%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ABC Board's proportion of the net pension liability (asset) %	0.00763%	0.00786%	0.00843%	0.00728%	0.00735%
ABC Board's proportionate share of the net pension liability (asset) \$	\$ 208,369	\$ 186,466	\$ 128,787	\$ 154,506	\$ 32,986
ABC Board's covered payroll	\$ 714,459	\$ 676,367	\$ 685,968	\$ 580,917	\$ 570,899
ABC Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.16%	27.57%	18.77%	26.60%	5.78%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	92.00%	94.18%	91.47%	98.09%

* 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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 169,697	\$ 142,420	\$ 127,330	\$ 104,439	\$ 81,332
Contributions in relation to the contractually required contribution	<u>169,697</u>	<u>142,420</u>	<u>127,330</u>	<u>104,439</u>	<u>81,332</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 1,242,292	\$ 1,101,469	\$ 1,046,260	\$ 910,537	\$ 789,629
Contributions as a percentage of covered payroll	13.66%	12.93%	12.17%	11.47%	10.30%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 68,341	\$ 56,300	\$ 51,877	\$ 51,104	\$ 39,851
Contributions in relation to the contractually required contribution	<u>68,341</u>	<u>56,300</u>	<u>51,877</u>	<u>51,104</u>	<u>39,851</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 751,821	\$ 714,459	\$ 676,367	\$ 685,968	\$ 580,917
Contributions as a percentage of covered payroll	9.09%	7.88%	7.67%	7.45%	6.86%

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 Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Beginning Balance	\$ 2,584,575	\$ 2,115,459	\$ 2,282,144	\$ 2,311,100
Service Cost	150,460	128,291	177,309	167,905
Interest on the total pension liability	95,020	88,526	50,151	43,355
Difference between expected and actual experience in the measurement of the total pension liability	(3,880)	255,280	166,374	(42,045)
Changes of assumptions or other inputs	(122,725)	120,017	(440,063)	(68,757)
Benefit payments	<u>(124,426)</u>	<u>(122,998)</u>	<u>(120,456)</u>	<u>(129,414)</u>
Ending Balance of the total pension liability	<u>\$ 2,579,024</u>	<u>\$ 2,584,575</u>	<u>\$ 2,115,459</u>	<u>\$ 2,282,144</u>

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Beginning Balance	\$ 1,800,412	\$ 1,531,403	\$ 1,699,481	\$ 1,585,538
Service Cost	96,688	80,218	78,775	69,732
Interest on the total pension liability	56,377	53,039	52,055	58,828
Difference between expected and actual experience in the measurement of the total pension liability	(138,029)	237,415	(140,990)	(1,068)
Changes of assumptions or other inputs	637,773	46,918	(53,553)	109,457
Benefit payments	(142,121)	(148,581)	(104,365)	(123,006)
Other changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Balance of the total pension liability	<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 Eight Fiscal Years

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability	\$ 2,579,024	\$ 2,584,575	\$ 2,115,459	\$ 2,282,144
Covered-employee payroll	5,580,656	5,580,656	4,746,709	4,520,298
Total pension liability as a percentage of covered - employee payroll	46.21%	46.31%	44.57%	50.49%

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 2,311,100	\$ 1,800,412	\$ 1,531,403	\$ 1,699,481
Covered-employee payroll	4,158,309	3,798,109	3,344,394	3,206,963
Total pension liability as a percentage of covered - employee payroll	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 Eight Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB liability - beginning	\$ 17,945,583	\$ 21,151,065	\$ 23,143,266	\$ 19,278,312
Service Cost	801,623	971,030	1,234,154	1,018,725
Interest on the total pension liability	674,798	731,631	521,177	439,861
Difference between expected and actual experience	(243,803)	(3,981,626)	(338,660)	666,435
Changes of assumptions	(177,259)	(554,980)	(2,908,473)	2,531,946
Benefit payments	<u>(683,713)</u>	<u>(371,537)</u>	<u>(500,399)</u>	<u>(792,013)</u>
Net change in total OPEB liability	<u>371,646</u>	<u>(3,205,482)</u>	<u>(1,992,201)</u>	<u>3,864,954</u>
Total OPEB liability - ending	<u>\$ 18,317,229</u>	<u>\$ 17,945,583</u>	<u>\$ 21,151,065</u>	<u>\$ 23,143,266</u>
Covered-employee Payroll	\$ 35,527,082	\$ 35,527,082	\$ 29,549,487	\$ 29,549,487
Total OPEB Liability as a percentage of covered-employee payroll	51.56%	50.51%	71.58%	78.32%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability - beginning	\$ 16,596,576	\$ 14,058,772	\$ 13,825,361	\$ 13,876,112
Service Cost	751,540	593,237	613,031	662,069
Interest on the total pension liability	594,429	531,977	477,912	411,261
Difference between expected and actual experience	1,567	1,868,749	369,590	14,747
Changes of assumptions	2,069,353	317,752	(418,307)	(709,756)
Benefit payments	<u>(735,153)</u>	<u>(773,911)</u>	<u>(808,815)</u>	<u>(429,072)</u>
Net change in total OPEB liability	<u>2,681,736</u>	<u>2,537,804</u>	<u>233,411</u>	<u>(50,751)</u>
Total OPEB liability - ending	<u>\$ 19,278,312</u>	<u>\$ 16,596,576</u>	<u>\$ 14,058,772</u>	<u>\$ 13,825,361</u>
Covered-employee Payroll	\$ 26,685,118	\$ 26,685,118	\$ 27,587,907	\$ 27,587,907
Total OPEB Liability as a percentage of covered-employee payroll	72.24%	62.19%	50.96%	50.11%

Notes to Schedule

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

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

<u>Fiscal year</u>	
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%
2023	3.54%
2024	3.86%
2025	3.97%

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

Craven County



GENERAL FUND

Craven County



CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

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

For the Year Ended June 30, 2025

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 64,275,360	\$ 65,100,116	\$ 824,756
Sales	26,911,398	26,252,681	(658,717)
Intergovernmental	39,736,613	35,123,476	(4,613,137)
Charges for services	21,985,496	20,770,357	(1,215,139)
Interest	2,402,400	3,374,148	971,748
Miscellaneous	1,788,062	1,118,947	(669,115)
Total revenues	<u>157,099,329</u>	<u>151,739,725</u>	<u>(5,359,604)</u>
EXPENDITURES			
General government:			
Commissioners	1,234,027	1,132,005	102,022
Administration	1,029,496	1,018,696	10,800
Human Resources	872,413	811,113	61,300
Information technology	3,664,427	3,317,812	346,615
Finance	1,505,613	1,479,461	26,152
Elections	719,008	686,943	32,065
Tax assessor	1,610,111	1,385,738	224,373
Tax collections	887,600	827,514	60,086
Register of Deeds	1,345,819	1,308,435	37,384
Public buildings	2,634,136	1,820,902	813,234
Housekeeping	492,165	455,487	36,678
Court facilities	1,383,479	846,557	536,922
County garage	1,564,855	1,474,848	90,007
Maintenance	2,220,785	2,131,467	89,318
Non-departmental	2,533,875	2,267,156	266,719
Total general government	<u>23,697,809</u>	<u>20,964,134</u>	<u>2,733,675</u>
Public Safety			
Animal control	1,567,457	1,535,369	32,088
Medical examiner	366,250	196,675	169,575
Sheriff	14,373,892	13,269,727	1,104,165
Jail	7,515,250	6,350,864	1,164,386
Fire marshal/Emergency management	1,871,754	1,658,403	213,351
Inspections	777,242	737,735	39,507
Volunteer rescue squads	4,989,500	4,916,663	72,837
Total public safety	<u>31,461,345</u>	<u>28,665,436</u>	<u>2,795,909</u>

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

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

For the Year Ended June 30, 2025

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Environmental protection			
Solid Waste	6,801,698	6,559,204	242,494
Environmental health	1,521,236	1,446,046	75,190
Soil Conservation	653,190	493,470	159,720
Cooperative extension	479,079	448,737	30,342
Total environmental protection	<u>9,455,203</u>	<u>8,947,457</u>	<u>507,746</u>
Economic and physical development			
Planning	1,355,806	1,286,091	69,715
Economic Development Commission	6,112,102	4,015,218	2,096,884
Convention center	2,036,939	1,460,595	576,344
Special Appropriation	141,200	126,200	15,000
Total economic and physical development	<u>9,646,047</u>	<u>6,888,104</u>	<u>2,757,943</u>
Health			
Dental	671,530	590,236	81,294
Maternity	1,671,210	1,393,124	278,086
Child Health	2,172,413	2,074,814	97,599
Risk Reduction	221,534	181,578	39,956
WIC	628,990	597,567	31,423
Adult health services	2,735,799	2,310,657	425,142
Communicable disease	294,467	283,912	10,555
Bio-terrorism	39,524	34,847	4,677
Family planning	1,063,908	1,022,684	41,224
Home health	2,321,736	2,108,165	213,571
Mental health	399,827	212,181	187,646
Pharmacy	861,407	841,875	19,532
Opioid Epidemic Response	274,487	192,372	82,115
Other - unclassified	2,047,185	1,989,661	57,524
Total health	<u>15,404,017</u>	<u>13,833,673</u>	<u>1,570,344</u>
Social services			
Transportation	2,652,388	2,385,065	267,323
Administration	4,064,226	3,552,802	511,424
Employment assistance	6,763,040	6,067,635	695,405
Adult/child services	2,215,385	1,879,022	336,363
Veterans services	456,966	448,546	8,420
Senior services	1,846,878	1,292,658	554,220
Public assistance payments	1,652,957	417,304	1,235,653
TANF	9,630,278	8,760,901	869,377
Child support enforcement	1,003,992	855,909	148,083
Special appropriation	142,429	142,429	-
Total social services	<u>30,428,539</u>	<u>25,802,271</u>	<u>4,626,268</u>

CRAVEN COUNTY, NORTH CAROLINA
GENERAL FUND

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

For the Year Ended June 30, 2025

	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Culture and recreation			
Recreation	2,565,612	1,989,679	575,933
Libraries	2,132,131	2,104,664	27,467
Special appropriation	228,222	223,222	5,000
Total culture and recreation	<u>4,925,965</u>	<u>4,317,565</u>	<u>608,400</u>
Education - schools			
Public schools - current expenditures	23,349,991	23,334,471	15,520
Public schools - fines and forfeitures	1,015,000	842,124	172,876
Public schools - capital outlay	2,606,147	2,576,287	29,860
Community college	5,354,587	5,354,587	-
Total education	<u>32,325,725</u>	<u>32,107,469</u>	<u>218,256</u>
Debt Service:			
Principal	2,497,040	2,498,031	(991)
Interest	255,924	254,547	1,377
Total debt service	<u>2,752,964</u>	<u>2,752,578</u>	<u>386</u>
Total expenditures	<u>160,097,614</u>	<u>144,278,687</u>	<u>15,818,927</u>
Excess of revenues over expenditures	<u>(2,998,285)</u>	<u>7,461,038</u>	<u>10,459,323</u>
OTHER FINANCING SOURCES (USES)			
Lease proceeds	-	64,609	64,609
Transfer in	6,912,778	4,227,470	(2,685,308)
Transfer out	(8,167,224)	(7,920,429)	246,795
Total other financing sources (uses)	<u>(1,254,446)</u>	<u>(3,628,350)</u>	<u>(2,373,904)</u>
Excess of revenues over (under) expenditures and other financing sources (uses)	<u>(4,252,731)</u>	<u>3,832,688</u>	<u>8,085,419</u>
Appropriated fund balance	<u>4,252,731</u>	-	<u>(4,252,731)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,832,688</u>	<u>\$ 3,832,688</u>
FUND BALANCE			
Fund balance, beginning		<u>65,533,753</u>	
Fund balance, ending		<u>\$ 69,366,441</u>	

Craven County



OTHER MAJOR GOVERNMENTAL FUNDS

Craven County



CRAVEN COUNTY, NORTH CAROLINA
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Project Authorization	Current Year	Variance Positive (Negative)
REVENUES			
Restricted Intergovernmental - Opioid Settlement Funds	\$ 635,914	\$ 1,321,358	\$ 685,444
Investment Earnings	-	64,012	64,012
Total revenues	<u>635,914</u>	<u>1,385,370</u>	<u>749,456</u>
EXPENDITURES			
Human Services			
Salaries and Benefits	105,946	94,637	11,309
Other Operating Expenses	529,968	309,779	220,189
Total expenditures	<u>635,914</u>	<u>404,416</u>	<u>231,498</u>
Revenues over (under) expenditures	<u>\$ -</u>	980,954	<u>\$ 980,954</u>
Fund balance, beginning		<u>3,302,693</u>	
Fund balance, ending		<u>\$ 4,283,647</u>	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental - lottery proceeds	\$ 1,000,000	\$ 1,036,685	\$ 36,685
Interest	-	255,935	255,935
Total revenues	<u>1,000,000</u>	<u>1,292,620</u>	<u>292,620</u>
EXPENDITURES			
Principal	1,316,250	1,316,250	-
Interest and fiscal charges	67,334	65,869	1,465
Total expenditures	<u>1,383,584</u>	<u>1,382,119</u>	<u>1,465</u>
Revenues over (under) expenditures	<u>(383,584)</u>	<u>(89,499)</u>	<u>294,085</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	383,584	6,453,155	6,069,571
To Other Funds	<u>(2,699,513)</u>	<u>(2,699,513)</u>	-
Total other financing sources (uses)	<u>(2,315,929)</u>	<u>3,753,642</u>	<u>6,069,571</u>
Revenues and other sources over (under) expenditures and other financing uses	(2,699,513)	3,664,143	6,363,656
Appropriated fund balance	<u>2,699,513</u>	<u>-</u>	<u>(2,699,513)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	3,664,143	<u>\$ 3,664,143</u>
Fund balance, beginning		<u>18,104,591</u>	
Fund balance, ending		<u>\$ 21,768,734</u>	

COMBINING SCHEDULES OF NONMAJOR FUNDS

Craven County



1712

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 8,993,523	\$ 10,894,463	\$ 19,887,986
Sales tax receivable	356,608	202,173	558,781
Accounts receivable	23,545	248	23,793
Restricted cash	110,064	273,205	383,269
Total assets	<u>\$ 9,483,740</u>	<u>\$ 11,370,089</u>	<u>\$ 20,853,829</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 189,697	\$ -	\$ 189,697
Due to other funds	182,311	-	182,311
Total liabilities	<u>372,008</u>	<u>-</u>	<u>372,008</u>
Deferred inflows of resources:			
Taxes receivable	42,900	-	42,900
Total deferred inflows of resources	<u>42,900</u>	<u>-</u>	<u>42,900</u>
Fund balances:			
Restricted			
Stabilization by state statute	23,545		23,545
Public Safety	2,632,378	-	2,632,378
General government	-	1,027,050	1,027,050
Social services	182,696	-	182,696
Economic and physical development	3,910,679	-	3,910,679
Education, schools	2,512,013	273,205	2,785,218
Committed:			
Capital projects	-	10,069,834	10,069,834
Unassigned	(192,479)	-	(192,479)
Total fund balances	<u>9,068,832</u>	<u>11,370,089</u>	<u>20,438,921</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,483,740</u>	<u>\$ 11,370,089</u>	<u>\$ 20,853,829</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 6,295,554	\$ -	\$ 6,295,554
Intergovernmental	3,133,568	-	3,133,568
Miscellaneous	11,514	-	11,514
Interest	60,787	274,091	334,878
Total revenues	\$ 9,501,423	\$ 274,091	\$ 9,775,514
EXPENDITURES			
Current:			
General government	\$ -	\$ 3,137,936	\$ 3,137,936
Public safety	4,164,109	-	4,164,109
Social services	912,253	5,797,741	6,709,994
Economic and physical development	1,481,089	-	1,481,089
Education	1,602,585	-	1,602,585
Total expenditures	8,160,036	8,935,677	17,095,713
Excess of revenues over (under) expenditures	1,341,387	(8,661,586)	(7,320,199)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,893,439	2,377,545	5,270,984
Transfer out	(914,726)	(4,275,807)	(5,190,533)
Total other financing sources (uses)	1,978,713	(1,898,262)	80,451
Net change in fund balances	3,320,100	(10,559,848)	(7,239,748)
Fund balance, beginning	5,748,732	21,929,937	27,678,669
Fund balance, ending	\$ 9,068,832	\$ 11,370,089	\$ 20,438,921

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:

- **Opioid Settlement Fund** - Established to track funds received for Opioid Recovery efforts.

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.
- **ARPA Funds** - The project fund accounts for revenues and expenditures relative to the American Rescue Plan Act of 2021.
- **Community Development Block Grant Neighborhood Revitalization** - As a result of Hurricane Matthew, the County received \$750,000 from the NC Department of Commerce to elevate and rehabilitate 6 structures in western Craven County.
- **Grant Project Fund** - As a result of Hurricane Florence, the County entered into an expedited buyout program for six residential structures. The County will also provide shoreline re-stabilization to forty-two individual sites, and fund an emergency capital need for the Board of Education.
- **Representative Payee Fund** - As a result of the implementation of GASB 84, the County established a representative payee fund to track DSS trust account balances.
- **NC Housing Finance Grant Fund**- The project fund reports funds received to rehab three homes.
- **Tucker Creek Middle School Project Fund**- The project fund reports funds received for school projects.

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Fire District Funds	Emergency Telephone System	Occupancy Tax Fund	Stream Debris Removal Project	American Rescue Plan Fund
ASSETS					
Cash and cash equivalents	\$ 1,897,790	\$ 412,343	\$3,956,351	\$ 32,330	\$ -
Restricted cash	-	-	-	-	110,064
Taxes receivable	356,608	-	-	-	-
Accounts receivable	-	23,545	-	-	-
Total assets	<u>\$ 2,254,398</u>	<u>\$ 435,888</u>	<u>\$3,956,351</u>	<u>\$ 32,330</u>	<u>\$ 110,064</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,631	\$ 188,066	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,631</u>	<u>188,066</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Taxes receivable	42,900	-	-	-	-
Total deferred inflows of resources	<u>42,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted					
Stabilization by state statute	-	23,545	-	-	-
Public Safety	2,211,498	410,712	-	-	-
Human services	-	-	-	-	-
Economic and physical development	-	-	3,768,285	32,330	110,064
Education	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>2,211,498</u>	<u>434,257</u>	<u>3,768,285</u>	<u>32,330</u>	<u>110,064</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,254,398</u>	<u>\$ 435,888</u>	<u>\$3,956,351</u>	<u>\$ 32,330</u>	<u>\$ 110,064</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	CDBG-NR NC Dept of Commerce Grants Fund	Grant Project Fund	Representative Payee Fund	NC Housing Finance Grant Fund	Tucker Creek Middle School Project Fund	Totals
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 182,696	\$ -	\$ 2,512,013	\$ 8,993,523
Restricted cash	-	-	-	-	-	110,064
Taxes receivable	-	-	-	-	-	356,608
Accounts receivable	-	-	-	-	-	23,545
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,696</u>	<u>\$ -</u>	<u>\$ 2,512,013</u>	<u>\$ 9,483,740</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,697
Due to other funds	77,683	70,865	-	33,763	-	182,311
Total liabilities	<u>77,683</u>	<u>70,865</u>	<u>-</u>	<u>33,763</u>	<u>-</u>	<u>372,008</u>
Deferred inflows of resources:						
Taxes receivable	-	-	-	-	-	42,900
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,900</u>
Fund balances:						
Restricted						
Stabilization by state statute	-	-	-	-	-	23,545
Public Safety	-	10,168	-	-	-	2,632,378
Human services	-	-	182,696	-	-	182,696
Economic and physical development	-	-	-	-	-	3,910,679
Education	-	-	-	-	2,512,013	2,512,013
Unassigned	(77,683)	(81,033)	-	(33,763)	-	(192,479)
Total fund balances	<u>(77,683)</u>	<u>(70,865)</u>	<u>182,696</u>	<u>(33,763)</u>	<u>2,512,013</u>	<u>9,068,832</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,696</u>	<u>\$ -</u>	<u>\$ 2,512,013</u>	<u>\$ 9,483,740</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, 2025

	Fire District Funds	Emergency Telephone System	Occupancy Tax Fund	Stream Debris Removal Project	American Rescue Plan Fund
REVENUES					
Taxes	\$ 3,726,360	\$ -	\$2,569,194	\$ -	\$ -
Intergovernmental	-	237,818	-	-	-
Miscellaneous	-	5,760	5,754	-	-
Interest	-	4,932	55,293	-	562
Total revenues	<u>3,726,360</u>	<u>248,510</u>	<u>2,630,241</u>	<u>-</u>	<u>562</u>
EXPENDITURES					
Current:					
Public safety	3,904,738	163,792	-	-	-
Social services	-	-	-	-	-
Economic and physical development	-	-	978,111	-	-
Education	-	-	-	-	-
Total expenditures	<u>3,904,738</u>	<u>163,792</u>	<u>978,111</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(178,378)</u>	<u>84,718</u>	<u>1,652,130</u>	<u>-</u>	<u>562</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)					
To general fund	-	-	(871,080)	-	-
From general fund	193,926	-	-	-	-
Total other financing sources (uses)	<u>193,926</u>	<u>-</u>	<u>(871,080)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>15,548</u>	<u>84,718</u>	<u>781,050</u>	<u>-</u>	<u>562</u>
Fund balance, beginning	<u>2,195,950</u>	<u>349,539</u>	<u>2,987,235</u>	<u>32,330</u>	<u>109,502</u>
Fund balance, ending	<u>\$ 2,211,498</u>	<u>\$ 434,257</u>	<u>\$ 3,768,285</u>	<u>\$ 32,330</u>	<u>\$ 110,064</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, 2025

	CDBG-NR NC Dept of Commerce Grants Fund	Grant Project Fund	Representative Payee Fund	NC Housing Finance Grant Fund	Tucker Creek Middle School Project Fund	Totals
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,295,554
Intergovernmental	497,966	255,450	892,334	-	1,250,000	3,133,568
Miscellaneous	-	-	-	-	-	11,514
Interest	-	-	-	-	-	60,787
Total revenues	<u>497,966</u>	<u>255,450</u>	<u>892,334</u>	<u>-</u>	<u>1,250,000</u>	<u>9,501,423</u>
EXPENDITURES						
Current:						
Public safety	-	95,579	-	-	-	4,164,109
Social services	-	-	912,253	-	-	912,253
Economic and physical development	428,506	64,201	-	10,271	-	1,481,089
Education	-	165,085	-	-	1,437,500	1,602,585
Total expenditures	<u>428,506</u>	<u>324,865</u>	<u>912,253</u>	<u>10,271</u>	<u>1,437,500</u>	<u>8,160,036</u>
Revenues over (under) expenditures	<u>69,460</u>	<u>(69,415)</u>	<u>(19,919)</u>	<u>(10,271)</u>	<u>(187,500)</u>	<u>1,341,387</u>
OTHER FINANCING SOURCES (USES)						
Transfers in (out)						
To general fund	-	(43,646)	-	-	-	(914,726)
From general fund	-	-	-	-	2,699,513	2,893,439
Total other financing sources (uses)	<u>-</u>	<u>(43,646)</u>	<u>-</u>	<u>-</u>	<u>2,699,513</u>	<u>1,978,713</u>
Net change in fund balances	<u>69,460</u>	<u>(113,061)</u>	<u>(19,919)</u>	<u>(10,271)</u>	<u>2,512,013</u>	<u>3,320,100</u>
Fund balance, beginning	<u>(147,143)</u>	<u>42,196</u>	<u>202,615</u>	<u>(23,492)</u>	<u>-</u>	<u>5,748,732</u>
Fund balance, ending	<u>\$ (77,683)</u>	<u>\$ (70,865)</u>	<u>\$ 182,696</u>	<u>\$ (33,763)</u>	<u>\$ 2,512,013</u>	<u>\$ 9,068,832</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
ALL FIRE DISTRICTS FUNDS
June 30, 2025

	Rhems	No. 1 Township	Tri- Community	Little Swift Creek	No. 3 Township	No. 5 Township
ASSETS						
Cash and cash equivalents	\$ 291,347	\$ 252,072	\$ 288,919	\$ 91,879	\$ 47,009	\$ 140,562
Taxes receivable	25,136	31,680	51,365	24,244	33,828	42,799
Total assets	<u>\$ 316,483</u>	<u>\$ 283,752</u>	<u>\$ 340,284</u>	<u>\$ 116,123</u>	<u>\$ 80,837</u>	<u>\$ 183,361</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:						
Unavailable revenue - taxes	\$ 1,864	\$ 5,013	\$ 5,906	\$ 6,164	\$ 6,263	\$ 4,914
Total deferred inflows of resources	<u>1,864</u>	<u>5,013</u>	<u>5,906</u>	<u>6,164</u>	<u>6,263</u>	<u>4,914</u>
Fund balances:						
Restricted						
Public Safety	314,619	278,739	334,378	109,959	74,574	178,447
Total fund balances	<u>314,619</u>	<u>278,739</u>	<u>334,378</u>	<u>109,959</u>	<u>74,574</u>	<u>178,447</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 316,483</u>	<u>\$ 283,752</u>	<u>\$ 340,284</u>	<u>\$ 116,123</u>	<u>\$ 80,837</u>	<u>\$ 183,361</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
ALL FIRE DISTRICTS FUNDS
June 30, 2025

	No. 6	No. 7	West	No. 9	Sandy Point	Totals
	Township	Township	New Bern	Township	Service	
					District	
ASSETS						
Cash and cash equivalents	\$ 269,846	\$ 156,149	\$ 184,624	\$ 160,352	\$ 15,031	\$ 1,897,790
Taxes receivable	29,020	55,484	40,831	21,518	703	356,608
Total assets	<u>\$ 298,866</u>	<u>\$ 211,633</u>	<u>\$ 225,455</u>	<u>\$ 181,870</u>	<u>\$ 15,734</u>	<u>\$ 2,254,398</u>
LIABILITIES, DEFERRED						
INFLOWS, AND FUND						
BALANCES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:						
Unavailable revenue - taxes	\$ 1,850	\$ 5,090	\$ 2,061	\$ 3,671	\$ 104	\$ 42,900
Total deferred inflows of resources	<u>1,850</u>	<u>5,090</u>	<u>2,061</u>	<u>3,671</u>	<u>104</u>	<u>42,900</u>
Fund balances:						
Restricted						
Public Safety	297,016	206,543	223,394	178,199	15,630	2,211,498
Total fund balances	<u>297,016</u>	<u>206,543</u>	<u>223,394</u>	<u>178,199</u>	<u>15,630</u>	<u>2,211,498</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 298,866</u>	<u>\$ 211,633</u>	<u>\$ 225,455</u>	<u>\$ 181,870</u>	<u>\$ 15,734</u>	<u>\$ 2,254,398</u>

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL FIRE DISTRICT FUNDS
For the Year Ended June 30, 2025

	Rhems	No. 1 Township	Tri- Community	Little Swift Creek	No. 3 Township	No. 5 Township
REVENUES						
Taxes:						
Property	\$ 186,413	\$ 210,397	\$ 372,658	\$ 146,905	\$ 223,188	\$ 316,148
Sales and use tax	86,411	99,020	168,796	67,134	102,351	140,673
Total revenues	<u>\$ 272,824</u>	<u>\$ 309,417</u>	<u>\$ 541,454</u>	<u>\$ 214,039</u>	<u>\$ 325,539</u>	<u>\$ 456,821</u>
EXPENDITURES						
Remittances to fire districts	\$ 249,268	\$ 293,300	\$ 539,934	\$ 268,165	\$ 412,330	\$ 448,702
Grant match - safety	-	-	-	-	29,048	-
Miscellaneous	961	962	962	962	2,756	1,059
Total expenditures	<u>250,229</u>	<u>294,262</u>	<u>540,896</u>	<u>269,127</u>	<u>444,134</u>	<u>449,761</u>
Revenues over (under) expenditures	22,595	15,155	558	(55,088)	(118,595)	7,060
OTHER FINANCING SOURCES (USES)						
Transfers in (out):						
From General Fund	40,000	14,642	-	-	100,807	-
Between fire districts	(35,819)	(20,010)	7,380	20,010	3,000	2,563
Total other financing sources (uses)	<u>4,181</u>	<u>(5,368)</u>	<u>7,380</u>	<u>20,010</u>	<u>103,807</u>	<u>2,563</u>
Net change in fund balances	26,776	9,787	7,938	(35,078)	(14,788)	9,623
Fund balance, beginning	<u>287,843</u>	<u>268,952</u>	<u>326,440</u>	<u>145,037</u>	<u>89,362</u>	<u>168,824</u>
Fund balance, ending	<u>\$ 314,619</u>	<u>\$ 278,739</u>	<u>\$ 334,378</u>	<u>\$ 109,959</u>	<u>\$ 74,574</u>	<u>\$ 178,447</u>

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL FIRE DISTRICT FUNDS
For the Year Ended June 30, 2025

	No. 6 Township	No. 7 Township	West New Bern	No. 9 Township	Sandy Point Service District	Totals
REVENUES						
Taxes:						
Property	\$ 221,935	\$ 414,233	\$ 318,462	\$ 146,343	\$ 4,835	\$ 2,561,517
Sales and use tax	100,885	187,119	143,959	66,270	2,225	1,164,843
Total revenues	<u>\$ 322,820</u>	<u>\$ 601,352</u>	<u>\$ 462,421</u>	<u>\$ 212,613</u>	<u>\$ 7,060</u>	<u>\$ 3,726,360</u>
EXPENDITURES						
Remittances to fire districts	\$ 315,200	\$ 589,749	\$ 493,123	\$ 253,881	\$ -	\$ 3,863,652
Grant match - safety	-	-	-	-	-	29,048
Miscellaneous	1,109	1,450	963	854	-	12,038
Total expenditures	<u>316,309</u>	<u>591,199</u>	<u>494,086</u>	<u>254,735</u>	<u>-</u>	<u>3,904,738</u>
Revenues over (under) expenditures	6,511	10,153	(31,665)	(42,122)	7,060	(178,378)
OTHER FINANCING SOURCES (USES)						
Transfers in (out):						
From General Fund	-	-	-	38,477	-	193,926
Between fire districts	(2,563)	-	35,819	(3,000)	(7,380)	-
Total other financing sources (uses)	<u>(2,563)</u>	<u>-</u>	<u>35,819</u>	<u>35,477</u>	<u>(7,380)</u>	<u>193,926</u>
Net change in fund balances	3,948	10,153	4,154	(6,645)	(320)	15,548
Fund balance, beginning	293,068	196,390	219,240	184,844	15,950	2,195,950
Fund balance, ending	<u>\$ 297,016</u>	<u>\$ 206,543</u>	<u>\$ 223,394</u>	<u>\$ 178,199</u>	<u>\$ 15,630</u>	<u>\$ 2,211,498</u>

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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ 184,648	\$ 186,413	\$ 1,765
Sales and use tax	88,579	86,411	(2,168)
Total revenues	<u>273,227</u>	<u>272,824</u>	<u>(403)</u>
EXPENDITURES			
Remittances to fire districts	249,268	249,268	-
Capital outlay	27,040	-	27,040
Miscellaneous	1,100	961	139
Total expenditures	<u>277,408</u>	<u>250,229</u>	<u>27,179</u>
Revenues over (under) expenditures	<u>(4,181)</u>	<u>22,595</u>	<u>26,776</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To West New Bern Fire District	(35,819)	(35,819)	-
From General Fund	40,000	40,000	-
Total other financing sources (uses)	<u>4,181</u>	<u>4,181</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>26,776</u>	<u>26,776</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>26,776</u>	<u>\$ 26,776</u>
Fund balance, beginning		<u>287,843</u>	
Fund balance, ending		<u>\$ 314,619</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 1 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 212,160	\$ 210,397	\$ (1,763)
Sales and use tax	<u>101,503</u>	<u>99,020</u>	<u>(2,483)</u>
Total revenues	<u>313,663</u>	<u>309,417</u>	<u>(4,246)</u>
EXPENDITURES			
Remittances to fire districts	293,487	293,300	187
Capital outlay	13,895	-	13,895
Miscellaneous	<u>1,100</u>	<u>962</u>	<u>138</u>
Total expenditures	<u>308,482</u>	<u>294,262</u>	<u>14,220</u>
Revenues over (under) expenditures	<u>5,181</u>	<u>15,155</u>	<u>9,974</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General Fund	14,829	14,642	(187)
To Little Swift Creek Fire District	<u>(20,010)</u>	<u>(20,010)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,181)</u>	<u>(5,368)</u>	<u>(187)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>-</u>	<u>9,787</u>	<u>9,787</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>9,787</u>	<u>\$ 9,787</u>
Fund balance, beginning		<u>268,952</u>	
Fund balance, ending		<u>\$ 278,739</u>	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 360,622	\$ 372,658	\$ 12,036
Sales and use tax	173,032	168,796	(4,236)
Total revenues	<u>533,654</u>	<u>541,454</u>	<u>7,800</u>
EXPENDITURES			
Remittances to fire districts	539,934	539,934	-
Miscellaneous	1,100	962	138
Total expenditures	<u>541,034</u>	<u>540,896</u>	<u>138</u>
Revenues over (under) expenditures	<u>(7,380)</u>	<u>558</u>	<u>7,938</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>7,938</u>	<u>\$ 7,938</u>
Fund balance, beginning		<u>326,440</u>	
Fund balance, ending		<u>\$ 334,378</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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 143,753	\$ 146,905	\$ 3,152
Sales and use tax	68,818	67,134	(1,684)
Total revenues	212,571	214,039	1,468
EXPENDITURES			
Remittances to fire districts	268,165	268,165	-
Capital outlay	3,316	-	3,316
Miscellaneous	1,100	962	138
Total expenditures	272,581	269,127	3,454
Revenues over (under) expenditures	(60,010)	(55,088)	4,922
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	-	-	-
From Township No. 9 Fire District Fund	20,010	20,010	-
Total other financing sources (uses)	20,010	20,010	-
Revenues, other uses, and appropriated fund balance over (under) expenditures	\$ -	(35,078)	\$ (35,078)
Fund balance, beginning		145,037	
Fund balance, ending		\$ 109,959	

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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 219,099	\$ 223,188	\$ 4,089
Sales and use tax	104,919	102,351	(2,568)
Total revenues	<u>324,018</u>	<u>325,539</u>	<u>1,521</u>
EXPENDITURES			
Remittances to fire districts	413,314	412,330	984
Grant match	29,250	29,048	202
Miscellaneous	3,300	2,756	544
Total expenditures	<u>445,864</u>	<u>444,134</u>	<u>1,730</u>
Revenues over (under) expenditures	<u>(121,846)</u>	<u>(118,595)</u>	<u>3,251</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	101,993	100,807	(1,186)
From Township No. 9 Fire District Fund	3,000	3,000	-
Total other financing sources (uses)	<u>104,993</u>	<u>103,807</u>	<u>(1,186)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(14,788)	<u>\$ (14,788)</u>
Fund balance, beginning		<u>89,362</u>	
Fund balance, ending		<u>\$ 74,574</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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 303,036	\$ 316,148	\$ 13,112
Sales and use tax	144,203	140,673	(3,530)
Total revenues	<u>447,239</u>	<u>456,821</u>	<u>9,582</u>
EXPENDITURES			
Remittances to fire districts	448,702	448,702	-
Miscellaneous	1,100	1,059	41
Total expenditures	<u>449,802</u>	<u>449,761</u>	<u>41</u>
Revenues over (under) expenditures	<u>(2,563)</u>	<u>7,060</u>	<u>9,623</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Township No. 6 Fire District Fund	<u>2,563</u>	<u>2,563</u>	<u>-</u>
Total other financing sources (uses)	<u>2,563</u>	<u>2,563</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>9,623</u>	<u>\$ 9,623</u>
Fund balance, beginning		<u>168,824</u>	
Fund balance, ending		<u>\$ 178,447</u>	

CRAVEN COUNTY, NORTH CAROLINA
NO. 6 TOWNSHIP FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ 216,621	\$ 221,935	\$ 5,314
Sales and use tax	103,416	100,885	(2,531)
Total revenues	<u>320,037</u>	<u>322,820</u>	<u>2,783</u>
EXPENDITURES			
Remittances to fire districts	315,200	315,200	-
Capital outlay	1,174	-	1,174
Miscellaneous	1,109	1,109	-
Total expenditures	<u>317,483</u>	<u>316,309</u>	<u>1,174</u>
Revenues over (under) expenditures	<u>2,554</u>	<u>6,511</u>	<u>3,957</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 5 Fire District Fund	<u>(2,563)</u>	<u>(2,563)</u>	-
Total other financing sources (uses)	<u>(2,563)</u>	<u>(2,563)</u>	-
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	3,948	<u>\$ 3,948</u>
Fund balance, beginning		<u>293,068</u>	
Fund balance, ending		<u>\$ 297,016</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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 399,535	\$ 414,233	\$ 14,698
Sales and use tax	191,814	187,119	(4,695)
Total revenues	<u>591,349</u>	<u>601,352</u>	<u>10,003</u>
EXPENDITURES			
Remittances to fire districts	589,749	589,749	-
Miscellaneous	1,600	1,450	150
Total expenditures	<u>591,349</u>	<u>591,199</u>	<u>150</u>
Revenues over (under) expenditures	<u>-</u>	<u>10,153</u>	<u>10,153</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>10,153</u>	<u>\$ 10,153</u>
Fund balance, beginning		<u>196,390</u>	
Fund balance, ending		<u>\$ 206,543</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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 307,835	\$ 318,462	\$ 10,627
Sales and use tax	147,571	143,959	(3,612)
Total revenues	<u>455,406</u>	<u>462,421</u>	<u>7,015</u>
EXPENDITURES			
Remittances to fire districts	493,125	493,123	2
Miscellaneous	1,100	963	137
Total expenditures	<u>494,225</u>	<u>494,086</u>	<u>139</u>
Revenues over (under) expenditures	<u>(38,819)</u>	<u>(31,665)</u>	<u>7,154</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From Rhems	<u>35,819</u>	<u>35,819</u>	<u>-</u>
Total other financing sources (uses)	<u>35,819</u>	<u>35,819</u>	<u>-</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	4,154	<u>\$ 4,154</u>
Fund balance, beginning		<u>219,240</u>	
Fund balance, ending		<u>\$ 223,394</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, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes:			
Property	\$ 141,572	\$ 146,343	\$ 4,771
Sales and use tax	67,932	66,270	(1,662)
Total revenues	<u>209,504</u>	<u>212,613</u>	<u>3,109</u>
EXPENDITURES			
Remittances to fire districts	255,404	253,881	1,523
Capital outlay	-	-	-
Miscellaneous	1,100	854	246
Total expenditures	<u>256,504</u>	<u>254,735</u>	<u>1,769</u>
Revenues over (under) expenditures	<u>(47,000)</u>	<u>(42,122)</u>	<u>4,878</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Township No. 3 Township Fire District Fund	(3,000)	(3,000)	-
From General Fund	40,000	38,477	(1,523)
Total other financing sources (uses)	<u>37,000</u>	<u>35,477</u>	<u>(1,523)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(6,645)</u>	<u>\$ (6,645)</u>
Fund balance, beginning		<u>184,844</u>	
Fund balance, ending		<u>\$ 178,199</u>	

CRAVEN COUNTY, NORTH CAROLINA
SANDY POINT SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes:			
Property	\$ 4,833	\$ 4,835	\$ 2
Sales and use tax	<u>2,280</u>	<u>2,225</u>	<u>(55)</u>
Total revenues	<u>7,113</u>	<u>7,060</u>	<u>(53)</u>
EXPENDITURES			
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>7,113</u>	<u>7,060</u>	<u>(53)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To Tri-Community Fire District Fund	<u>(7,380)</u>	<u>(7,380)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,380)</u>	<u>(7,380)</u>	<u>-</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(267)</u>	<u>(320)</u>	<u>(53)</u>
Appropriated fund balance	<u>267</u>	<u>-</u>	<u>(267)</u>
Revenues, other uses, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(320)</u>	<u>\$ (320)</u>
Fund balance, beginning		<u>15,950</u>	
Fund balance, ending		<u>\$ 15,630</u>	

CRAVEN COUNTY, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Intergovernmental	\$ 238,583	\$ 237,818	\$ (765)
Miscellaneous income	-	5,760	5,760
Interest	-	4,932	4,932
Total revenues	<u>238,583</u>	<u>248,510</u>	<u>9,927</u>
EXPENDITURES			
Public safety	248,324	158,865	89,459
Capital outlay	4,927	4,927	-
Total expenditures	<u>253,251</u>	<u>163,792</u>	<u>89,459</u>
Revenues over (under) expenditures	<u>(14,668)</u>	<u>84,718</u>	<u>99,386</u>
Appropriated fund balance	<u>14,668</u>	<u>-</u>	<u>(14,668)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>84,718</u>	<u>\$ 84,718</u>
Fund balance, beginning		<u>349,539</u>	
Fund balance, ending		<u>\$ 434,257</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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 2,351,580	\$ 2,569,194	\$ 217,614
Miscellaneous income	20,000	5,754	(14,246)
Interest	-	55,293	55,293
Total revenues	<u>2,371,580</u>	<u>2,630,241</u>	<u>258,661</u>
EXPENDITURES			
Economic and physical development:			
Remittance to City of Havelock	124,258	102,152	22,106
Remittance to Tourism Development Authority	875,742	875,742	-
Professional services	500	217	283
Total expenditures	<u>1,000,500</u>	<u>978,111</u>	<u>22,389</u>
Revenues over (under) expenditures	<u>1,371,080</u>	<u>1,652,130</u>	<u>281,050</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
To General fund	<u>(1,371,080)</u>	<u>(871,080)</u>	<u>500,000</u>
Total other financing sources (uses)	<u>(1,371,080)</u>	<u>(871,080)</u>	<u>500,000</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>781,050</u>	<u>\$ 781,050</u>
Fund balance, beginning		<u>2,987,235</u>	
Fund balance, ending		<u>\$ 3,768,285</u>	

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, 2025

	<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
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, 2025

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Intergovernment	\$ 19,839,303	\$19,839,303	\$ -	\$ 19,839,303	\$ -
Interest	-	109,502	562	110,064	110,064
Total revenues	<u>19,839,303</u>	<u>19,948,805</u>	<u>562</u>	<u>19,949,367</u>	<u>110,064</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	19,839,303	153,138	-	153,138	19,686,165
Total expenditures	<u>19,839,303</u>	<u>153,138</u>	<u>-</u>	<u>153,138</u>	<u>19,686,165</u>
Other financing sources (uses)					
Transfer to General Fund	-	(12,178,303)	-	(12,178,303)	(12,178,303)
Transfer to Water Project Fund	-	(7,507,862)	-	(7,507,862)	(7,507,862)
Total other financing sources (uses)	<u>-</u>	<u>(19,686,165)</u>	<u>-</u>	<u>(19,686,165)</u>	<u>(19,686,165)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 109,502</u>	562	<u>\$ 110,064</u>	<u>\$ 110,064</u>
Fund balance, beginning			<u>109,502</u>		
Fund balance, ending			<u>\$ 110,064</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, 2025

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Intergovernment	<u>\$ 1,500,000</u>	<u>\$ 340,107</u>	<u>\$ 497,966</u>	<u>\$ 838,073</u>	<u>\$ (661,927)</u>
Total revenues	<u>1,500,000</u>	<u>340,107</u>	<u>497,966</u>	<u>838,073</u>	<u>(661,927)</u>
EXPENDITURES					
Economic and physical development:					
Expenditures	<u>1,500,000</u>	<u>487,250</u>	<u>428,506</u>	<u>915,756</u>	<u>584,244</u>
Total expenditures	<u>1,500,000</u>	<u>487,250</u>	<u>428,506</u>	<u>915,756</u>	<u>584,244</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$(147,143)</u>	69,460	<u>\$ (77,683)</u>	<u>\$ (77,683)</u>
Fund balance, beginning			<u>(147,143)</u>		
Fund balance, ending			<u>\$ (77,683)</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, 2025

	<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	167,955	1,684,407	(121,307)
CCBOE Emergency Generator Project					
CC Board of Education	1,231,007	1,422,100	(191,093)	1,231,007	-
Goldenleaf Foundation	1,393,628	1,115,040	278,588	1,393,628	-
Miscellaneous revenue	-	2,684	-	2,684	2,684
Total revenues	<u>8,225,996</u>	<u>7,354,209</u>	<u>255,450</u>	<u>7,609,659</u>	<u>(616,337)</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	215,555	25,655	64,201	89,856	125,699
Public Safety					
EWP Event 5038 - Hurricane Florence					
Contract Services	758,193	758,193	-	758,193	-
Admin	300,705	300,705	-	300,705	-
Grant - Construction	3,521,750	3,371,082	95,579	3,466,661	55,089
Construction - Other	20,584	20,584	-	20,584	-
Education:					
CCBOE Emergency Generator Project					
Architect / Engineer	171,378	161,813	9,565	171,378	-
Construction	2,453,257	2,297,737	155,520	2,453,257	-
Sales tax refund	(43,646)	(43,646)	-	(43,646)	-
Total expenditures	<u>8,202,934</u>	<u>7,332,597</u>	<u>324,865</u>	<u>7,657,462</u>	<u>545,472</u>
Revenues over (under) expenditures	<u>23,062</u>	<u>21,612</u>	<u>(69,415)</u>	<u>(47,803)</u>	<u>(70,865)</u>
Other financing sources:					
EWP Event 5038 - Hurricane Florence					
Transfer from General Fund	20,584	20,584	-	20,584	-
Transfer to General Fund	(43,646)	-	(43,646)	(43,646)	-
Total other financing sources	<u>(23,062)</u>	<u>20,584</u>	<u>(43,646)</u>	<u>(23,062)</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 42,196</u>	<u>(113,061)</u>	<u>\$ (70,865)</u>	<u>\$ (70,865)</u>
Fund balance, beginning			42,196		
Fund balance, ending			<u>\$ (70,865)</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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted Intergovernmental	\$ 880,000	\$ 892,334	\$ 12,334
Total revenues	880,000	892,334	12,334
EXPENDITURES			
Human Services			
Payments made for the benefit of beneficiaries	880,000	912,253	(32,253)
Total expenditures	880,000	912,253	(32,253)
Net change in fund balance	\$ -	(19,919)	\$ (19,919)
Fund balance, beginning		202,615	
Fund balance, ending		\$ 182,696	

CRAVEN COUNTY, NORTH CAROLINA
NC HOUSING FINANCE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2025

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Intergovernment	324,000	\$ -	\$ -	\$ -	\$ (324,000)
Total revenues	<u>324,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(324,000)</u>
EXPENDITURES					
Economic and physical development:					
Administration	84,000	23,492	8,171	31,663	52,337
Construction	240,000	-	2,100	2,100	237,900
Total expenditures	<u>324,000</u>	<u>23,492</u>	<u>10,271</u>	<u>33,763</u>	<u>290,237</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (23,492)</u>	(10,271)	<u>\$ (33,763)</u>	<u>\$ (33,763)</u>
Fund balance, beginning			<u>(23,492)</u>		
Fund balance, ending			<u>\$ (33,763)</u>		

CRAVEN COUNTY, NORTH CAROLINA
TUCKER CREEK MIDDLE SCHOOL 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, 2025

	Actual			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Restricted Intergovernment					
Needs Based Grant	\$ 15,297,237	\$ -	\$ 1,250,000	\$ 1,250,000	\$ (14,047,237)
Total revenues	<u>15,297,237</u>	<u>-</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>(14,047,237)</u>
EXPENDITURES					
Education:					
Expenditures	17,996,750	-	1,437,500	1,437,500	16,559,250
Total expenditures	<u>17,996,750</u>	<u>-</u>	<u>1,437,500</u>	<u>1,437,500</u>	<u>16,559,250</u>
Revenues over (under) expenditures	<u>(2,699,513)</u>	<u>-</u>	<u>(187,500)</u>	<u>(187,500)</u>	<u>2,512,013</u>
Other financing sources:					
Transfer from Debt Service Fund	2,699,513	-	2,699,513	2,699,513	-
Total other financing sources	<u>2,699,513</u>	<u>-</u>	<u>2,699,513</u>	<u>2,699,513</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,512,013</u>	<u>\$ 2,512,013</u>	<u>\$ 2,512,013</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 2,512,013</u>		

Craven County



CAPITAL PROJECT FUNDS

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

The following comprise the County's Capital Project Funds:

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.
- **ERP Software Replace Phase One** - Conversion from current financial reporting packing software to Munis (Tyler) package.
- **Courthouse/ EOC Recovery Project Fund**. This capital projects fund is used to fund upgrades and repairs at the Courthouse and County Emergency Operations Center.
- **CARTS Building Project Fund** - Improvements at the CARTS Building.
- **Human Services Expansion Project Fund** - Improvements at the Human Services Building.
- **Sudan Property Redevelopment Project Fund** - Improvements at the Sudan building.

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

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2025

	Capital Reserve Fund	School Capital Fund	ERP Software Replace Phase One	Courthouse/ EOC Recovery Project
ASSETS				
Cash and cash equivalents	\$ 9,213,102	\$ -	\$ 16,461	\$ 942,744
Restricted cash	-	273,205	-	-
Accounts receivable	248	-	-	-
Sales tax receivable	-	-	3,128	64,717
Total assets	<u>9,213,350</u>	<u>273,205</u>	<u>19,589</u>	<u>1,007,461</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted				
Education, schools	-	273,205	-	-
General government	-	-	19,589	1,007,461
Committed				
Capital Projects	9,213,350	-	-	-
Unassigned				
	-	-	-	-
Total fund balances	<u>9,213,350</u>	<u>273,205</u>	<u>19,589</u>	<u>1,007,461</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 9,213,350</u>	<u>\$ 273,205</u>	<u>\$ 19,589</u>	<u>\$ 1,007,461</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2025

	CARTS Building Project	Human Services Expansion	Sudan Property Redevelopment Project	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 380,756	\$ 341,400	\$10,894,463
Restricted cash	-	-	-	273,205
Accounts receivable	-	-	-	248
Sales tax receivable	-	134,328	-	202,173
Total assets	<u>-</u>	<u>515,084</u>	<u>341,400</u>	<u>11,370,089</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted				
Education, schools	-	-	-	273,205
General government	-	-	-	1,027,050
Committed				
Capital Projects	-	515,084	341,400	10,069,834
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>515,084</u>	<u>341,400</u>	<u>11,370,089</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ -</u>	<u>\$ 515,084</u>	<u>\$ 341,400</u>	<u>\$11,370,089</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, 2025

	Capital Reserve Fund	School Capital Fund	ERP Software Replace Phase One	Courthouse/ EOC Recovery Project
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	254,974	3,093	388	15,636
Total revenues	<u>254,974</u>	<u>3,093</u>	<u>388</u>	<u>15,636</u>
EXPENDITURES				
General government	-	-	129,480	3,008,306
Social services	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>129,480</u>	<u>3,008,306</u>
Revenues over (under) expenditures	<u>254,974</u>	<u>3,093</u>	<u>(129,092)</u>	<u>(2,992,670)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	514,707	110,000	84,083	728,000
Transfer out	(4,208,505)	-	-	-
Total other financing sources (uses)	<u>(3,693,798)</u>	<u>110,000</u>	<u>84,083</u>	<u>728,000</u>
Net change in fund balances	<u>(3,438,824)</u>	<u>113,093</u>	<u>(45,009)</u>	<u>(2,264,670)</u>
Fund balance, beginning	<u>12,652,174</u>	<u>160,112</u>	<u>64,598</u>	<u>3,272,131</u>
Fund balance, ending	<u>\$ 9,213,350</u>	<u>\$ 273,205</u>	<u>\$ 19,589</u>	<u>\$ 1,007,461</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, 2025

	CARTS Building Project	Human Services Expansion	Sudan Property Redevelopment Project	Total
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	274,091
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,091</u>
EXPENDITURES				
General government	-	-	150	3,137,936
Social services	24,280	5,773,461	-	5,797,741
Total expenditures	<u>24,280</u>	<u>5,773,461</u>	<u>150</u>	<u>8,935,677</u>
Revenues over (under) expenditures	<u>(24,280)</u>	<u>(5,773,461)</u>	<u>(150)</u>	<u>(8,661,586)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	647,942	292,813	2,377,545
Transfer out	(67,302)	-	-	(4,275,807)
Total other financing sources (uses)	<u>(67,302)</u>	<u>647,942</u>	<u>292,813</u>	<u>(1,898,262)</u>
Net change in fund balances	<u>(91,582)</u>	<u>(5,125,519)</u>	<u>292,663</u>	<u>(10,559,848)</u>
Fund balance, beginning	<u>91,582</u>	<u>5,640,603</u>	<u>48,737</u>	<u>21,929,937</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 515,084</u>	<u>\$ 341,400</u>	<u>\$ 11,370,089</u>

CRAVEN COUNTY, NORTH CAROLINA
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 254,974	\$ 254,974
Total revenues	<u>-</u>	<u>254,974</u>	<u>254,974</u>
 OTHER FINANCING SOURCES			
Transfers in (out):			
From General fund	-	447,405	447,405
To General fund	(5,030,853)	(3,113,743)	1,917,110
From Animal Shelter Project	-	67,302	67,302
To Capital Project Funds	<u>(1,094,762)</u>	<u>(1,094,762)</u>	<u>-</u>
Total other financing sources (uses)	<u>(6,125,615)</u>	<u>(3,693,798)</u>	<u>2,431,817</u>
 Revenues and other sources over (under) expenditures and other financing uses	<u>(6,125,615)</u>	<u>(3,438,824)</u>	<u>2,686,791</u>
 Appropriated fund balance	<u>6,125,615</u>	<u>-</u>	<u>(6,125,615)</u>
 Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(3,438,824)</u>	<u>\$ (3,438,824)</u>
 Fund balance, beginning		<u>12,652,174</u>	
Fund balance, ending		<u>\$ 9,213,350</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, 2025

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 3,093	\$ 3,093
Total revenues	<u>-</u>	<u>3,093</u>	<u>3,093</u>
EXPENDITURES			
Capital outlay:			
Public schools	267,557	-	267,557
Total expenditures	<u>267,557</u>	<u>-</u>	<u>267,557</u>
Revenues over (under) expenditures	<u>(267,557)</u>	<u>3,093</u>	<u>270,650</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out):			
From General fund	110,000	110,000	-
Total other financing sources	<u>267,557</u>	<u>110,000</u>	<u>(157,557)</u>
Revenues over (under) expenditures and other financing sources	<u>\$ -</u>	<u>113,093</u>	<u>\$ 113,093</u>
Fund balance, beginning		<u>160,112</u>	
Fund balance, ending		<u>\$ 273,205</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, 2025

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Interest on investments	\$ -	\$ 6,154	\$ 388	\$ 6,542	\$ 6,542
Total revenues	<u>-</u>	<u>6,154</u>	<u>388</u>	<u>6,542</u>	<u>6,542</u>
EXPENDITURES					
Capital outlay:					
Project construction	1,801,319	1,872,263	113,088	1,985,351	(184,032)
Capital outlay	249,948	41,382	16,392	57,774	192,174
Contingency	4,905	-	-	-	4,905
Total expenditures	<u>2,056,172</u>	<u>1,913,645</u>	<u>129,480</u>	<u>2,043,125</u>	<u>13,047</u>
Revenues over (under) expenditures	<u>(2,056,172)</u>	<u>(1,907,491)</u>	<u>(129,092)</u>	<u>(2,036,583)</u>	<u>19,589</u>
OTHER FINANCING SOURCES					
Transfers in (out):					
From General fund	270,000	270,000	-	270,000	-
From Capital Reserve Fund	1,592,816	1,518,867	73,949	1,592,816	-
From Water Operating Fund	193,356	183,222	10,134	193,356	-
Total other financing sources	<u>2,056,172</u>	<u>1,972,089</u>	<u>84,083</u>	<u>2,056,172</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 64,598</u>	<u>(45,009)</u>	<u>\$ 19,589</u>	<u>\$ 19,589</u>
Fund balance, beginning			<u>64,598</u>		
Fund balance, ending			<u>\$ 19,589</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, 2025

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
REVENUES					
Restricted intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -
Interest on investments	-	108,305	15,636	123,941	123,941
Total revenues	<u>5,000,000</u>	<u>5,108,305</u>	<u>15,636</u>	<u>5,123,941</u>	<u>123,941</u>
EXPENDITURES					
Capital outlay:					
Project construction	12,541,769	8,639,025	3,061,515	11,700,540	841,229
Contingency	16,922	1,865	-	1,865	15,057
Sales tax refund	-	(49,025)	(53,209)	(102,234)	102,234
Total expenditures	<u>12,558,691</u>	<u>8,591,865</u>	<u>3,008,306</u>	<u>11,600,171</u>	<u>958,520</u>
Revenues over (under) expenditures	<u>(7,558,691)</u>	<u>(3,483,560)</u>	<u>(2,992,670)</u>	<u>(6,476,230)</u>	<u>1,082,461</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	7,558,691	6,755,691	728,000	7,483,691	(75,000)
Total other financing sources (uses)	<u>7,558,691</u>	<u>6,755,691</u>	<u>728,000</u>	<u>7,483,691</u>	<u>(75,000)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 3,272,131</u>	<u>\$ (2,264,670)</u>	<u>\$ 1,007,461</u>	<u>\$ 1,007,461</u>
Fund balance, beginning			<u>3,272,131</u>		
Fund balance, ending			<u>\$ 1,007,461</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, 2025

	<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	149,917	149,917	-	149,917	-
Construction - General	1,456,633	1,456,633	-	1,456,633	-
Construction - Other	80,599	56,319	24,280	80,599	-
Construction - Contingency	-	-	-	-	-
Capital outlay	138,686	138,686	-	138,686	-
Sales tax refund	(23,136)	(23,137)	-	(23,137)	1
Total expenditures	<u>1,802,699</u>	<u>1,778,418</u>	<u>24,280</u>	<u>1,802,698</u>	<u>1</u>
Revenues over (under) expenditures	<u>(1,802,699)</u>	<u>(1,778,418)</u>	<u>(24,280)</u>	<u>(1,802,698)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)					
Transfer from Capital Reserve Fund	1,870,000	1,870,000	-	1,870,000	-
Transfer to Capital Reserve Fund	(67,301)	-	(67,302)	(67,302)	(1)
Total other financing sources (uses)	<u>1,802,699</u>	<u>1,870,000</u>	<u>(67,302)</u>	<u>1,802,698</u>	<u>(1)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 91,582</u>	<u>\$ (91,582)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>91,582</u>		
Fund balance, ending			<u>\$ -</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, 2025

	<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	874,333	727,404	146,926	874,330	3
Construction - General	8,165,115	3,412,791	4,423,206	7,835,997	329,118
Capital outlay	1,358,494	-	1,249,578	1,249,578	108,916
Sales tax refund	-	(30,798)	(46,249)	(77,047)	77,047
Total expenditures	<u>10,397,942</u>	<u>4,109,397</u>	<u>5,773,461</u>	<u>9,882,858</u>	<u>515,084</u>
Revenues over (under) expenditures	<u>(10,397,942)</u>	<u>(4,109,397)</u>	<u>(5,773,461)</u>	<u>(9,882,858)</u>	<u>515,084</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	10,397,942	9,750,000	647,942	10,397,942	-
Total other financing sources (uses)	<u>10,397,942</u>	<u>9,750,000</u>	<u>647,942</u>	<u>10,397,942</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 5,640,603</u>	<u>\$ (5,125,519)</u>	<u>\$ 515,084</u>	<u>\$ 515,084</u>
Fund balance, beginning			<u>5,640,603</u>		
Fund balance, ending			<u>\$ 515,084</u>		

CRAVEN COUNTY, NORTH CAROLINA
SUDAN PROPERTY REDEVELOPMENT PROJECT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
From the Inception and for the Fiscal Year Ended June 30, 2025

	<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	443,750	201,875	-	201,875	241,875
Construction - General	222,813	123,138	150	123,288	99,525
Total expenditures	<u>666,563</u>	<u>325,013</u>	<u>150</u>	<u>325,163</u>	<u>341,400</u>
Revenues over (under) expenditures	<u>(666,563)</u>	<u>(325,013)</u>	<u>(150)</u>	<u>(325,163)</u>	<u>341,400</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	666,563	373,750	292,813	666,563	-
Total other financing sources (uses)	<u>666,563</u>	<u>373,750</u>	<u>292,813</u>	<u>666,563</u>	<u>-</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ 48,737</u>	<u>\$ 292,663</u>	<u>\$ 341,400</u>	<u>\$ 341,400</u>
Fund balance, beginning			<u>48,737</u>		
Fund balance, ending			<u>\$ 341,400</u>		

ENTERPRISE FUNDS

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

The following comprise the County's Enterprise Fund:

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

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

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

- Northwest Craven Water and Sewer District

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF NET POSITION
CRAVEN COUNTY WATER FUND
June 30, 2025

	<u>Water Operating Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 9,847,792
Accounts receivable, net of allowance for doubtful accounts	1,336,914
Prepays	121,736
Total current assets	<u>11,306,442</u>
Noncurrent assets	
Restricted cash and cash equivalents	318,903
Capital assets:	
Land	947,354
Construction in process	12,967,086
Improvement other than buildings	30,373,260
Buildings	30,695,648
Machinery and equipment	823,649
Accumulated depreciation	<u>(30,103,676)</u>
Total capital assets, net of accumulated depreciation	<u>31,788,881</u>
Total noncurrent assets	<u>46,022,224</u>
Total assets	<u>57,328,666</u>
DEFERRED OUTFLOWS OF RESOURCES	
	<u>387,207</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	
Current liabilities:	
Accounts payable	397,271
Accrued salaries and benefits	60,629
Customer deposits payable	318,903
Current maturities of long-term obligations	885,990
Total current liabilities	<u>1,662,793</u>
Noncurrent liabilities	
Due in more than one year	<u>9,762,639</u>
Total noncurrent liabilities	<u>9,762,639</u>
Total liabilities	<u>11,425,432</u>
DEFERRED INFLOWS OF RESOURCES	
	<u>127,403</u>
NET POSITION	
Net investment in capital assets	35,995,924
Unrestricted	10,167,114
Total net position	<u>\$ 46,163,038</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, 2025

	Craven County Water Operating Fund
OPERATING REVENUES	
Charges for services	\$ 4,811,192
Miscellaneous	298,389
Total operating revenues	5,109,581
OPERATING EXPENSES	
Cost of services	3,936,187
Depreciation	1,604,230
Total operating expenses	5,540,417
Operating Income	(430,836)
NONOPERATING REVENUES AND EXPENSES	
Interest income	258,610
FEMA Grant	-
Interest expense	(1,776)
Total nonoperating	256,834
Income before transfers	(174,002)
OTHER FINANCING SOURCES (USES)	
Transfers In	18,000
Transfers Out	(209,134)
Total transfer in (out)	(191,134)
Change in net position	(365,136)
Net position, beginning, restated (see Note 19)	46,528,174
Net position, ending	\$ 46,163,038

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, 2025

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water and sewer sales	\$ 4,047,500	\$ 4,478,417	\$ 430,917
Tap and permit fees	382,000	332,775	(49,225)
Miscellaneous	191,000	298,389	107,389
Total operating revenues	<u>4,620,500</u>	<u>5,109,581</u>	<u>489,081</u>
OPERATING EXPENSES			
Personnel services:			
Salaries	1,008,864	1,008,630	234
Employee benefits	288,595	284,633	3,962
Retirement	228,678	176,015	52,663
Professional services:			
Audit and accounting fees	3,000	1,697	1,303
Legal fees	-	-	-
Engineering fees	7,649	-	7,649
Contractual services	192,270	172,339	19,931
Operating supplies	21,229	17,159	4,070
Utilities	588,094	588,093	1
Maintenance and repairs:			
Systems	559,224	559,224	-
Building and grounds	108,200	99,603	8,597
Vehicle expense	115,106	107,146	7,960
Equipment	4,000	304	3,696
Insurance	156,430	156,430	-
Tap outlays	118,116	118,116	-
Telephone and postage	12,695	12,077	618
Lockbox	167,497	167,497	-
Chemical and lab work	296,138	289,804	6,334
Supplies	8,000	6,898	1,102
Capital outlay	2,339,280	2,339,005	275
Bad debt Expenses	20,000	20,000	-
Miscellaneous	44,091	25,120	18,971
Total operating expenses	<u>6,287,156</u>	<u>6,149,790</u>	<u>137,366</u>
Excess of operating revenues over operating expenditures	<u>(1,666,656)</u>	<u>(1,040,209)</u>	<u>626,447</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, 2025

	Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	227,500	258,610	31,110
Interest paid	(3,632)	(1,776)	1,856
Principal payments	(889,065)	(889,064)	1
Total nonoperating revenues (expenditures)	(665,197)	(632,230)	32,967
Excess of revenues over expenditures	(2,331,853)	(1,672,439)	659,414
OTHER FINANCING SOURCES (USES)			
Transfer in (out):			
From General Fund	18,000	18,000	-
To General Fund	(199,000)	(199,000)	-
To ERP Project Fund	(10,134)	(10,134)	-
Appropriated Fund Balance	2,522,987	-	(2,522,987)
Total other financing sources (uses)	2,331,853	(191,134)	(2,522,987)
Excess of revenues over (under) expenditures and other financing sources (uses)	\$ -	\$ (1,863,573)	\$ (1,863,573)

**Reconciliation of modified accrual basis with full
accrual basis:**

Excess of revenues over (under) expenditures and other financing sources (uses), modified accrual basis, above	\$ (1,863,573)
Capital outlay	2,267,119
Debt principal payments	889,064
Depreciation	(1,604,230)
Increase (decrease) in deferred outflows of resources - pensions	(78,338)
Increase (decrease) in deferred outflows of resources - OPEB	(6,159)
(Increase) decrease in compensated absences	(2,059)
(Increase) decrease in total OPEB liability	(6,318)
(Increase) decrease in net pension liability	55,589
(Increase) decrease in deferred inflows of resources - pensions	(28,685)
(Increase) decrease in deferred inflows of resources - OPEB	12,454
Change in net position, full accrual basis	\$ (365,136)

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, 2025

	Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES (EXPENDITURES)			
Interest income	\$ -	\$ -	\$ -
Interest paid	(3,632)	(1,776)	1,856
Principal payments	(80,115)	(80,114)	1
Total nonoperating revenues (expenditures)	(83,747)	(81,890)	1,857
OTHER FINANCING SOURCES (USES)			
Direct financing lease proceeds	83,747	82,245	1,502
Excess of revenues and other financing sources over (under) expenditures	\$ -	\$ 355	\$ 355
Reconciliation of modified accrual basis with full accrual basis:			
Excess of revenues and other financing sources over (under) expenditures, modified accrual basis, above		\$ 355	
Reduction of investment in direct financing lease receivable		80,114	
Net position, full accrual basis		\$ 80,469	

CRAVEN COUNTY, NORTH CAROLINA
WATER CAPITAL PROJECT FUND

DETAILED SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES (USES), BUDGET AND ACTUAL, NON-GAAP, MODIFIED ACCRUAL BASIS
From Inception and for the Fiscal Year Ended June 30, 2025

	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	517,213	16,710	533,923	14,077
Construction	1,319,456	1,195,996	52,200	1,248,196	71,260
Sales tax refund	-	(37,475)	(3,615)	(41,090)	41,090
Total expenditures	<u>1,867,456</u>	<u>1,675,734</u>	<u>65,295</u>	<u>1,741,029</u>	<u>126,427</u>
Excess of revenues over (under) expenditures	<u>(1,867,456)</u>	<u>(1,675,734)</u>	<u>(65,295)</u>	<u>(1,741,029)</u>	<u>126,427</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out):					
From Water Fund	1,867,456	1,867,456	-	1,867,456	-
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>\$ 191,722</u>	<u>\$ (65,295)</u>	<u>\$ 126,427</u>	<u>\$ 126,427</u>
Reconciliation of modified accrual basis with full accrual basis:					
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (65,295)		
Capital outlay			<u>65,295</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, 2025

	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	1,418,109	110,673	1,528,782	38,518
Construction	6,140,483	5,613,947	46,089	5,660,036	480,447
Contingency	421,478	-	-	-	421,478
Capital outlay	640,000	639,622	-	639,622	378
Sales tax refund	-	(72,167)	-	(72,167)	72,167
Total expenditures	<u>8,769,261</u>	<u>7,599,511</u>	<u>156,762</u>	<u>7,756,273</u>	<u>1,012,988</u>
Excess of revenues over (under) expenditures	<u>(8,769,261)</u>	<u>(7,599,511)</u>	<u>(156,762)</u>	<u>(7,756,273)</u>	<u>1,012,988</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out):					
From American Rescue Plan Act	7,500,000	7,507,862	-	7,507,862	7,862
From Other Funds	1,269,261	1,269,261	-	1,269,261	-
Total other financing sources (uses)	<u>8,769,261</u>	<u>8,777,123</u>	<u>-</u>	<u>8,777,123</u>	<u>7,862</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 1,177,612</u>	<u>\$ (156,762)</u>	<u>\$ 1,020,850</u>	<u>\$ 1,020,850</u>
Reconciliation of modified accrual basis with full accrual basis:					
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (156,762)		
Capital outlay			<u>156,762</u>		
Change in net position, full accrual basis			<u>\$ -</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, 2025

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 8,730,000	\$ 8,987,070	\$ 257,070
Miscellaneous	<u>350,000</u>	<u>346,550</u>	<u>(3,450)</u>
Total operating revenues	<u>9,080,000</u>	<u>9,333,620</u>	<u>253,620</u>
OPERATING EXPENDITURES			
Claims reimbursement	9,160,000	7,955,461	1,204,539
Capital outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total operating expenditures	<u>9,210,000</u>	<u>7,955,461</u>	<u>1,254,539</u>
Excess of operating revenues over (under) operating expenditures	<u>(130,000)</u>	<u>1,378,159</u>	<u>1,508,159</u>
NONOPERATING REVENUES			
Interest Income	<u>80,000</u>	<u>96,922</u>	<u>16,922</u>
Excess of operaitng revenues and nonoperating revenue over operating expenditures	<u>(50,000)</u>	<u>1,475,081</u>	<u>1,525,081</u>
OTHER FINANCING SOURCES (USES)			
Transfer out:			
From General Fund	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total other financing uses	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ -</u>	<u>\$ 1,525,081</u>	<u>\$ 1,525,081</u>

Craven County



CUSTODIAL FUNDS

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

The following comprise the County's Custodial Funds:

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

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

Craven County



CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2025

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 75,346	\$ 75,346
Taxes receivable for other governments, net	247,553	-	247,553
Total assets	<u>247,553</u>	<u>75,346</u>	<u>322,899</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	247,553	75,346	322,899
Total net position	<u>\$ 247,553</u>	<u>\$ 75,346</u>	<u>\$ 322,899</u>

CRAVEN COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2025

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Ad valorem taxes for other governments	\$ 29,118,942	\$ -	\$ 29,118,942
Collections on behalf of inmates	-	781,762	781,762
Total additions	<u>29,118,942</u>	<u>781,762</u>	<u>29,900,704</u>
DEDUCTIONS			
Tax distributions to other governments	29,066,238	-	29,066,238
Payments on behalf of inmates	-	815,075	815,075
Total deductions	<u>29,066,238</u>	<u>815,075</u>	<u>29,881,313</u>
Net increase (decrease) in fiduciary net position	52,704	(33,313)	19,391
Net position, beginning	<u>194,849</u>	<u>108,659</u>	<u>303,508</u>
Net position, ending	<u>\$ 247,553</u>	<u>\$ 75,346</u>	<u>\$ 322,899</u>

OTHER SUPPLEMENTARY INFORMATION

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

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

CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
For the Year Ended June 30, 2025

Fiscal Year Ended June 30,	Uncollected Balance June 30, 2024	Additions	Collections Credits and Adjustments	Uncollected Balance June 30, 2025
2025	\$ -	\$ 64,975,047	\$ 64,513,043	\$ 462,004
2024	412,603	-	190,146	222,457
2023	235,594	-	64,200	171,394
2022	252,614	-	24,913	227,701
2021	119,229	-	15,257	103,972
2020	92,133	-	11,883	80,250
2019	72,655	-	7,668	64,987
2018	49,507	-	5,209	44,298
2017	50,775	-	5,948	44,827
2016	38,896	-	2,420	36,476
2015	36,005	-	36,005	-
	<u>\$ 1,360,011</u>	<u>\$ 64,975,047</u>	<u>\$ 64,876,692</u>	<u>\$ 1,458,366</u>

Less allowance for uncollectible
ad valorem taxes receivable

476,000

\$ 982,366

Reconciliation with revenues:

Ad valorem taxes - General Fund

\$ 65,100,116

Less: Interest collected

(312,966)

Plus: Refunds and Releases

53,537

Plus: Write-Offs

36,005

Total collections and credits

\$ 64,876,692

CRAVEN COUNTY, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
For the Year Ended June 30, 2025

	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	\$ 14,061,312,851	\$ 0.4448	\$ 62,555,889	\$ 56,952,397	\$ 5,603,492
Motor vehicles taxed at prior year's rate	423,343,123	0.4448	1,883,030	-	1,883,030
Penalties			94,853	94,853	-
	<u>14,484,655,974</u>		<u>64,533,772</u>	<u>57,047,250</u>	<u>7,486,522</u>
DISCOVERIES	123,305,459		589,082	589,082	-
	<u>14,607,961,433</u>		<u>65,122,854</u>	<u>57,636,332</u>	<u>7,486,522</u>
ABATEMENTS	(26,640,089)		(147,807)	(147,807)	-
Total property valuation	<u>\$ 14,581,321,344</u>				
Net Levy			\$ 64,975,047	\$ 57,488,525	\$ 7,486,522
Uncollected taxes at June 30, 2025			462,004	462,004	-
Current year's taxes collected			<u>\$ 64,513,043</u>	<u>\$ 57,026,521</u>	<u>\$ 7,486,522</u>
Current levy collection percentage			<u>99.29%</u>	<u>99.20%</u>	<u>100.00%</u>

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 Authority** - 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:

- **Coastal Carolina 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
CRAVEN COUNTY TOURISM DEVELOPMENT AUTHORITY FUND
(A Discretely Presented Component Unit of Craven County, North Carolina)

DETAILED STATEMENT OF NET POSITION
June 30, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 77,402
Short term investments	451,809
Accounts receivable	86,413
Total current assets	615,624

Non-Current Assets

Capital assets	
Right to use assets, net of amortization	70,629
Total capital assets	70,629
Total Non-current Assets	70,629

Total Assets	686,253
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LIABILITIES

Current liabilities:

Accounts payable	71,508
Deferred revenue	3,649
Current maturities of long-term obligations	21,096
Total current liabilities	96,253

Long-term liabilities:

Due in more than one year	51,346
Total Long-Term Liabilities	51,346

Total Liabilities	147,599
-------------------	---------

NET POSITION

Net Investment in Capital Assets	(1,813)
Restricted	
Stabilization by state statute	86,413
Tourism Promotion	454,054
Total Net Position	\$ 538,654

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY TOURISM DEVELOPMENT AUTHORITY FUND
(A Discretely Presented Component Unit of Craven County, North Carolina)

SUPPLEMENTAL STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

Functions / Programs	Expenses	Net (Expense) Revenue and Changes in Net Position
		Governmental Activities
Governmental Activities:		
Economic and physical development	\$ 956,310	\$ (956,310)
General Revenues		
Occupancy taxes		\$ 869,988
Interest		19,324
Miscellaneous		5,755
Total General Revenues		895,067
Change in Net Position		\$ (61,243)
Net Position, beginning of year		599,897
Net position, end of year		\$ 538,654

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY TOURISM DEVELOPMENT AUTHORITY FUND
(A Discretely Presented Component Unit of Craven County, North Carolina)

BALANCE SHEET
June 30, 2025

ASSETS

Cash and cash equivalents	\$ 77,402
Short term investments	451,809
Accounts receivable	86,413
Total Assets	\$ 615,624

LIABILITIES

Accounts payable	\$ 71,508
Deferred revenue	3,649
Total Liabilities	75,157

FUND BALANCE

Restricted

Stabilization by state statute	86,413
Tourism Promotion	454,054
Total Liabilities and Fund Balance	\$ 540,467

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

Total Fund Balance, Governmental Fund	\$ 540,467
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	70,629
Lease and Subscription Liabilities	(72,442)
Net position of governmental activities	\$ 538,654

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY TOURISM DEVELOPMENT AUTHORITY FUND
(A Discretely Presented Component Unit of Craven County, North Carolina)

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Year Ended June 30, 2025

REVENUES	
Occupancy tax	\$ 869,988
Interest	19,324
Miscellaneous	5,755
Total revenues	895,067
EXPENDITURES	
Economic development	
Operating expenses	936,072
Capital outlay	88,596
Debt service	
Principal	16,154
Interest	2,271
Total Expenditures	1,043,093
Revenues over (under) expenditures	(148,026)
Other financing sources (uses)	
Lease and Subscription proceeds	88,596
Total other financing sources (uses)	88,596
Revenues and other financing sources over expenditures	(59,430)
Fund Balance	
Beginning	599,897
Ending	\$ 540,467

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

Net change in fund balance - total governmental fund	\$ (59,430)
------------------------------------------------------	-------------

Governmental funds report capital outlay as expenditures, however in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Right to use assets, net of amortization	70,629
------------------------------------------	--------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources:

Principal payments on leases and subscriptions	16,154
Lease and Subscription proceeds	(88,596)
Total changes in net position of governmental activities	\$ (61,243)

NOTE: This is a discretely presented component unit which does not prepare separate financial statements.

CRAVEN COUNTY, NORTH CAROLINA
CRAVEN COUNTY TOURISM DEVELOPMENT AUTHORITY FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL**
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Occupancy tax	\$ 830,000	\$ 844,000	\$ 869,988	\$ 25,988
Interest	13,500	13,500	19,324	5,824
Miscellaneous	-	-	5,755	5,755
Total revenues	843,500	857,500	895,067	37,567
EXPENDITURES				
Economic development				
Operating expenses	924,906	935,249	936,072	(823)
Capital outlay	4,200	178	88,596	(88,418)
Debt service				
Principal	-	16,156	16,154	2
Interest	-	2,269	2,271	(2)
Total Expenditures	929,106	953,852	1,043,093	(89,241)
Revenues over (under) expenditures	(85,606)	(96,352)	(148,026)	(51,674)
Other financing sources (uses)				
Lease and Subscription proceeds	-	-	88,596	88,596
Appropriated fund balance	85,606	96,352	-	(96,352)
Total other financing sources (uses)	85,606	96,352	88,596	(7,756)
Revenues and other financing sources over expenditures	\$ -	\$ -	(59,430)	\$ (59,430)
FUND BALANCE				
Beginning			599,897	
Ending			\$ 540,467	

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

COMBINING STATEMENT OF NET POSITION
June 30, 2025

	Airport Authority Operating Fund	Terminal Area Development Site No. 43 Project Fund	Airport Improvement Project Fund	Road & Parking Lot Improvement Fund	Terminal Improvements & Expansion Fund	Williams Rd Realignment Fund
ASSETS						
Cash and cash equivalents	\$ 3,772,875	\$ -	\$ 33,275	\$ -	\$ 59,036	\$ 673,471
Short-term investments	4,943,396	-	-	-	-	7,264,396
Restricted Cash	-	-	-	-	-	735,604
Accounts receivable	36,659	-	-	-	-	-
Due from other governments	102,324	-	-	-	798,633	175,583
Due from other funds	1,507,528	-	-	-	-	-
Total current assets	<u>10,362,782</u>	<u>-</u>	<u>33,275</u>	<u>-</u>	<u>857,669</u>	<u>8,849,054</u>
Capital assets:						
Land	10,067,111	-	-	-	-	-
Buildings	19,308,691	-	-	-	-	-
Improvements other than buildings	47,146,219	-	-	-	-	-
Machinery and Equipment	3,920,160	-	-	-	-	-
Construction in progress	1,467,204	-	55,724	-	30,609,154	-
Accumulated depreciation	(30,853,602)	-	-	-	-	-
Capital assets, net of accumulated depreciation	<u>51,055,783</u>	<u>-</u>	<u>55,724</u>	<u>-</u>	<u>30,609,154</u>	<u>-</u>
Total assets	<u>61,418,565</u>	<u>-</u>	<u>88,999</u>	<u>-</u>	<u>31,466,823</u>	<u>8,849,054</u>
DEFERRED OUTFLOWS OF RESOURCES						
	<u>342,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES						
Accounts payable	130,985	-	-	-	1,074,391	-
Accrued salaries and benefits	57,267	-	-	-	-	-
Unearned grant revenues	-	-	-	-	-	8,000,000
Due to other funds	-	-	-	-	274,315	-
Compensated absences	172,440	-	-	-	-	-
Net pension liability	463,881	-	-	-	-	-
Total OPEB liability	322,976	-	-	-	-	-
Total liabilities	<u>1,147,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,706</u>	<u>8,000,000</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>123,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investments in capital assets	51,055,783	-	55,724	-	30,609,154	-
Unrestricted	9,434,990	-	33,275	-	(491,037)	849,054
Total net position	<u>60,490,773</u>	<u>-</u>	<u>88,999</u>	<u>-</u>	<u>30,118,117</u>	<u>849,054</u>
Total liabilities and net position	<u>\$ 61,638,322</u>	<u>\$ -</u>	<u>\$ 88,999</u>	<u>\$ -</u>	<u>\$31,466,823</u>	<u>\$ 8,849,054</u>

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

COMBINING STATEMENT OF NET POSITION
June 30, 2025

	State Funds Capital Reserve Fund	Airport Reserve Fund	Air Traffic Control Tower Fund	Aerospace Development Fund	Air Service Development Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 29,342	\$ 651,369	\$ -	\$ -	\$ -	\$ 5,219,368
Short-term investments	-	-	-	-	-	12,207,792
Restricted Cash	1,451,822	-	-	4,740,792	-	6,928,218
Accounts receivable	-	-	-	-	-	36,659
Due from other governments	-	-	5,424	1,132,541	244,742	2,459,247
Due from other funds	-	-	-	-	-	1,507,528
Total current assets	<u>1,481,164</u>	<u>651,369</u>	<u>5,424</u>	<u>5,873,333</u>	<u>244,742</u>	<u>28,358,812</u>
Capital assets:						
Land	-	-	-	-	-	10,067,111
Buildings	-	-	-	-	-	19,308,691
Improvements other than buildings	-	-	-	-	-	47,146,219
Machinery and Equipment	-	-	-	-	-	3,920,160
Construction in progress	-	-	196,511	4,429,491	-	36,758,084
Accumulated depreciation	-	-	-	-	-	(30,853,602)
Capital assets, net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>196,511</u>	<u>4,429,491</u>	<u>-</u>	<u>86,346,663</u>
Total assets	<u>1,481,164</u>	<u>651,369</u>	<u>201,935</u>	<u>10,302,824</u>	<u>244,742</u>	<u>114,705,475</u>
DEFERRED OUTFLOWS OF RESOURCES						
	-	-	-	-	-	342,976
LIABILITIES						
Accounts payable	-	-	-	535,561	60,218	1,801,155
Accrued salaries and benefits	-	-	-	-	-	57,267
Unearned grant revenues	1,451,822	-	-	4,740,792	-	14,192,614
Due to other funds	-	-	6,027	864,850	362,336	1,507,528
Compensated absences	-	-	-	-	-	172,440
Net pension liability	-	-	-	-	-	463,881
Total OPEB liability	-	-	-	-	-	322,976
Total liabilities	<u>1,451,822</u>	<u>-</u>	<u>6,027</u>	<u>6,141,203</u>	<u>422,554</u>	<u>18,517,861</u>
DEFERRED INFLOWS OF RESOURCES						
	-	-	-	-	-	123,219
NET POSITION						
Net investments in capital assets	-	-	196,511	4,429,491	-	86,346,663
Unrestricted	29,342	651,369	(603)	(267,870)	(177,812)	10,060,708
Total net position	<u>29,342</u>	<u>651,369</u>	<u>195,908</u>	<u>4,161,621</u>	<u>(177,812)</u>	<u>96,407,371</u>
Total liabilities and net position	<u>\$ 1,481,164</u>	<u>\$ 651,369</u>	<u>\$ 201,935</u>	<u>\$ 10,302,824</u>	<u>\$ 244,742</u>	<u>\$ 114,925,232</u>

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2025

	Airport Authority Operating Fund	Airport Improvement Program No. 43 Project Fund	Airport Improvement Project Fund	Road & Parking Lot Improvement Fund	Terminal Improvements & Expansion Fund	Williams Rd Realignment Fund
OPERATING REVENUES						
Charges for services	\$ 3,129,493	\$ -	\$ -	\$ -	\$ -	\$ -
Passenger facility fee	150,622	-	-	-	-	-
Total operating revenues	<u>3,280,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENDITURES						
Cost of sales and services	2,602,800	-	-	-	-	-
Depreciation and amortization	2,343,625	-	-	-	-	-
Total operating expenditures	<u>4,946,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating Income (Loss)	<u>(1,666,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)						
Interest Income	217,641	-	-	-	-	378,800
Total nonoperating revenues (expenses)	<u>217,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,800</u>
Income (Loss) before transfers	<u>(1,448,669)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>378,800</u>
Transfers in (out) Airport Funds	(137,856)	-	45,482	-	997,386	-
Transfer project expense to (from) operating fund	7,109,099	(1,711,640)	(2,881,150)	(2,516,309)	-	-
Capital contributions - federal and state grants	7,954	-	-	-	5,887,298	-
Change in net position	<u>5,530,528</u>	<u>(1,711,640)</u>	<u>(2,835,668)</u>	<u>(2,516,309)</u>	<u>6,884,684</u>	<u>378,800</u>
Net position, beginning, restated	<u>54,960,245</u>	<u>1,711,640</u>	<u>2,924,667</u>	<u>2,516,309</u>	<u>23,233,433</u>	<u>470,254</u>
Net position, ending	<u>\$ 60,490,773</u>	<u>\$ -</u>	<u>\$ 88,999</u>	<u>\$ -</u>	<u>\$ 30,118,117</u>	<u>\$ 849,054</u>

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

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2025

	State Funds Capital Reserve Fund	Airport Reserve Fund	Air Traffic Control Tower Fund	Aerospace Development Fund	Air Service Development Fund	Totals
OPERATING REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,129,493
Passenger facility fee	-	-	-	-	-	150,622
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,280,115</u>
OPERATING EXPENDITURES						
Cost of sales and services	-	-	-	-	1,349,912	3,952,712
Depreciation and amortization	-	-	-	-	-	2,343,625
Total operating expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,349,912</u>	<u>6,296,337</u>
Operating Income (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,349,912)</u>	<u>(3,016,222)</u>
NONOPERATING REVENUES (EXPENSES)						
Interest Income	21,473	9,759	-	57,910	-	685,583
Total nonoperating revenues (expenses)	<u>21,473</u>	<u>9,759</u>	<u>-</u>	<u>57,910</u>	<u>-</u>	<u>685,583</u>
Income (Loss) before transfers	<u>21,473</u>	<u>9,759</u>	<u>-</u>	<u>57,910</u>	<u>(1,349,912)</u>	<u>(2,330,639)</u>
Transfers in (out) Airport Funds	(1,208,966)	-	19,049	188,905	96,000	-
Transfer project expense to (from) operating fund	-	-	-	-	-	-
Capital contributions - federal and state grants	<u>1,208,966</u>	<u>-</u>	<u>10,517</u>	<u>3,800,529</u>	<u>1,076,100</u>	<u>11,991,364</u>
Change in net position	<u>21,473</u>	<u>9,759</u>	<u>29,566</u>	<u>4,047,344</u>	<u>(177,812)</u>	<u>9,660,725</u>
Net position, beginning, restated	<u>7,869</u>	<u>641,610</u>	<u>166,342</u>	<u>114,277</u>	<u>-</u>	<u>86,746,646</u>
Net position, ending	<u>\$ 29,342</u>	<u>\$ 651,369</u>	<u>\$ 195,908</u>	<u>\$ 4,161,621</u>	<u>\$ (177,812)</u>	<u>\$ 96,407,371</u>

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

COMBINING SCHEDULE OF CASH CLOWS
For the Year Ended June 30, 2025

	Airport Authority Operating Fund	Terminal Area Development Site No. 43 Project Fund	Airport Improvement Project Fund	Road & Parking Lot Improvement Fund	Terminal Improvements & Expansion Fund	Williams Rd Realignment Fund
CASH FLOW FROM (USED IN)						
OPERATING ACTIVITIES						
Receipts for customers and users	\$ 3,181,764	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from passenger facility fees	150,622	-	-	-	-	-
Payments to suppliers	(1,060,065)	-	-	-	-	-
Payments to employees	(1,650,062)	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>622,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition & construction of capital assets	(185,855)	-	(5,200)	-	(8,117,612)	-
Receipts from capital grants	46,455	-	-	-	7,264,885	-
Net cash provided by (used in) capital and related financing activities	<u>(139,400)</u>	<u>-</u>	<u>(5,200)</u>	<u>-</u>	<u>(852,727)</u>	<u>-</u>
CASH FLOW FROM (USED IN) NONCAPITAL FINANCING ACTIVITIES						
Transfers in	1,601,233	-	92,330	-	997,386	-
Transfers out	(1,739,089)	-	(46,848)	-	-	-
Transfer CIP between funds	442,247	-	-	-	(442,247)	-
Due to (from) other funds	(128,916)	-	(7,007)	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>175,475</u>	<u>-</u>	<u>38,475</u>	<u>-</u>	<u>555,139</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on cash and investments	217,641	-	-	-	-	217,355
Net cash provided by investing activities	<u>217,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,355</u>
Net increase (decrease) in cash and cash equivalents	875,975	-	33,275	-	(297,588)	217,355
CASH AND CASH EQUIVALENTS						
Beginning	7,840,296	-	-	-	356,624	8,456,116
Ending	<u>\$ 8,716,271</u>	<u>\$ -</u>	<u>\$ 33,275</u>	<u>\$ -</u>	<u>\$ 59,036</u>	<u>\$ 8,673,471</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:						
Operating loss	\$ (1,666,310)	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating loss to net cash provided by operating activities:						
Depreciation and amortization	2,343,625	-	-	-	-	-
(Increase) decrease in accounts receivable	52,271	-	-	-	-	-
(Increase) decrease in deferred outflows of resources - pension	87,055	-	-	-	-	-
(Increase) decrease in deferred outflows of resources - OPEB	21,453	-	-	-	-	-
Increase (decrease) in accounts payable	(133,696)	-	-	-	-	-
Increase (decrease) in compensated absences	1,890	-	-	-	-	-
Increase (decrease) in accrued payroll	(45,711)	-	-	-	-	-
Increase (decrease) in net pension liability	(43,116)	-	-	-	-	-
Increase (decrease) in total OPEB liability	7,061	-	-	-	-	-
Increase (decrease) in deferred inflows of resources - pension	11,657	-	-	-	-	-
Increase (decrease) in deferred inflows of resources - OPEB	(13,920)	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 622,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

COMBINING SCHEDULE OF CASH CLOWS
For the Year Ended June 30, 2025

	State Funds Capital Reserve Fund	Airport Reserve Fund	Air Traffic Control Tower Fund	Aerospace Development Fund	Air Service Development Fund	Totals
CASH FLOW FROM (USED IN) OPERATING ACTIVITIES						
Receipts for customers and users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,181,764
Receipts from passenger facility fees	-	-	-	-	-	150,622
Payments to suppliers	-	-	-	-	(1,289,694)	(2,349,759)
Payments to employees	-	-	-	-	-	(1,650,062)
Net cash provided by (used in) operating activities	-	-	-	-	(1,289,694)	(667,435)
CASH FROM (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition & construction of capital assets	-	-	(11,686)	(2,615,430)	-	(10,935,783)
Receipts from capital grants	1,485,297	-	29,081	2,502,514	831,358	12,159,590
Net cash provided by (used in) capital and related financing activities	1,485,297	-	17,395	(112,916)	831,358	1,223,807
CASH FLOW FROM (USED IN) NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	19,049	188,905	96,000	2,994,903
Transfers out	(1,208,966)	-	-	-	-	(2,994,903)
Transfer CIP between funds	-	-	-	-	-	-
Due to (from) other funds	-	-	(107,621)	(393,108)	362,336	(274,316)
Net cash provided by (used in) noncapital financing activities	(1,208,966)	-	(88,572)	(204,203)	458,336	(274,316)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on cash and investments	21,473	9,759	-	57,910	-	524,138
Net cash provided by investing activities	21,473	9,759	-	57,910	-	524,138
Net increase (decrease) in cash and cash equivalents	297,804	9,759	(71,177)	(259,209)	-	806,194
CASH AND CASH EQUIVALENTS						
Beginning	1,183,360	641,610	71,177	5,000,000	-	23,549,183
Ending	<u>\$ 1,481,164</u>	<u>\$ 651,369</u>	<u>\$ -</u>	<u>\$ 4,740,791</u>	<u>\$ -</u>	<u>\$ 24,355,377</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:						
Operating loss	\$ -	\$ -	\$ -	\$ -	\$ (1,349,912)	\$ (3,016,222)
Adjustments to reconcile operating loss to net cash provided by operating activities:						
Depreciation and amortization	-	-	-	-	-	2,343,625
(Increase) decrease in accounts receivable	-	-	-	-	-	52,271
(Increase) decrease in deferred outflows of resources - pension	-	-	-	-	-	87,055
(Increase) decrease in deferred outflows of resources - OPEB	-	-	-	-	-	21,453
Increase (decrease) in accounts payable	-	-	-	-	60,218	(73,478)
Increase (decrease) in compensated absences	-	-	-	-	-	1,890
Increase (decrease) in accrued payroll	-	-	-	-	-	(45,711)
Increase (decrease) in net pension liability	-	-	-	-	-	(43,116)
Increase (decrease) in total OPEB liability	-	-	-	-	-	7,061
Increase (decrease) in deferred inflows of resources - pension	-	-	-	-	-	11,657
Increase (decrease) in deferred inflows of resources - OPEB	-	-	-	-	-	(13,920)
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,289,694)</u>	<u>\$ (667,435)</u>

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA 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, 2025

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Charges for services	\$ 2,622,816	\$ 3,129,493	\$ 506,677
Passenger facility fee	123,132	150,622	27,490
Total operating revenues	<u>2,745,948</u>	<u>3,280,115</u>	<u>534,167</u>
OPERATING EXPENDITURES			
Personnel Services:			
Salaries	1,298,454	1,254,190	44,264
Employee benefits	236,528	211,795	24,733
Retirement	195,448	138,366	57,082
Professional Services:			
Audit and accounting fees	22,359	22,358	1
Legal fees	30,690	30,690	-
Contractual services	193,728	193,727	1
Operating supplies	73,695	61,111	12,584
Utilities	240,921	240,832	89
Maintenance and repairs:			
Buildings and grounds	51,500	47,471	4,029
Vehicle expense	20,400	18,617	1,783
Insurance	19,788	19,788	-
Telephone and postage	40,950	39,966	984
Capital outlay	433,829	193,873	239,956
Miscellaneous	71,582	65,118	6,464
Travel/Training	29,931	29,420	511
Advertising	118,680	109,959	8,721
Dues and subscriptions	50,591	39,294	11,297
Total operating expenditures	<u>3,129,074</u>	<u>2,716,575</u>	<u>412,499</u>
Excess of operating revenues over (under) operating expenditures	<u>(383,126)</u>	<u>563,540</u>	<u>946,666</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Income	200,000	217,641	17,641
Capital contributions - intergovernmental grants	-	7,954	7,954
Total nonoperating revenues (expenses)	<u>200,000</u>	<u>225,595</u>	<u>25,595</u>
Excess of revenues over expenditures	<u>(183,126)</u>	<u>789,135</u>	<u>972,261</u>

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA 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, 2025

	Budget	Actual	Variance Positive (Negative)
OTHE FINANCING SOURCES (USES)			
Transfers in (out):			
From airport project funds	-	1,601,233	1,601,233
To airport project funds	(6,154,510)	(1,739,089)	4,415,421
Appropriated Fund Balance	6,337,636	-	(6,337,636)
Total other financing sources (uses)	183,126	(137,856)	(320,982)
Excess revenues over expenditures and other financing sources (uses)	\$ -	\$ 651,279	\$ 651,279
Reconciliation of modified accrual basis with full accrual basis:			
Excess revenues over expenditures and other financing sources, modified accrual basis, above		\$ 651,279	
Capital outlay		185,855	
Depreciation		(2,343,625)	
Increase (decrease) in deferred outflows of resources - pensions		(87,055)	
Increase (decrease) in deferred outflows of resources - OPEB		(21,453)	
(Increase) decrease in compensated absences		(1,890)	
(Increase) decrease in total OPEB liability		(7,061)	
(Increase) decrease in net pension liability		43,116	
(Increase) decrease in deferred inflows of resources - pensions		(11,657)	
(Increase) decrease in deferred inflows of resources - OPEB		13,920	
Transfer of asset from project fund to operating fund		7,109,099	
Transfers to (from) project funds		137,856	
Change in net position, full accrual basis		\$ 5,668,384	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA 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, 2025

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>
		<u>Prior Year</u>	<u>Current Year</u>	
REVENUES				
Federal Grants	\$ 1,560,792	\$ 1,560,791	\$ -	\$ 1,560,791
Total revenues	<u>1,560,792</u>	<u>1,560,791</u>	<u>-</u>	<u>1,560,791</u>
EXPENDITURES				
Capital outlay:				
Construction / Architect / Engineer	1,711,641	1,711,641	-	1,711,641
Total expenditures	<u>1,711,641</u>	<u>1,711,641</u>	<u>-</u>	<u>1,711,641</u>
Excess of revenues over (under) expenditures	<u>(150,849)</u>	<u>(150,850)</u>	<u>-</u>	<u>(150,850)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	150,849	150,849	-	150,849
Total other financing sources (uses)	<u>150,849</u>	<u>150,849</u>	<u>-</u>	<u>150,849</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</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
COASTAL CAROLINA 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, 2025

	Project Authorization	Actual		Total to Date
		Prior Year	Current Year	
REVENUES				
Federal Grants	\$ 7,391,791	\$ 7,391,790	\$ -	\$ 7,391,790
Total revenues	<u>7,391,791</u>	<u>7,391,790</u>	<u>-</u>	<u>7,391,790</u>
EXPENDITURES				
Capital outlay:				
Administrative	1,021,536	983,060	5,200	988,260
Construction	7,910,251	2,005,550	-	2,005,550
Equipment	747,048	-	-	-
Sales Tax Refund	(56,937)	(56,936)	-	(56,936)
Total expenditures	<u>9,621,898</u>	<u>2,931,674</u>	<u>5,200</u>	<u>2,936,874</u>
Excess of revenues over (under) expenditures	<u>(2,230,107)</u>	<u>4,460,116</u>	<u>(5,200)</u>	<u>4,454,916</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Operating Fund	(680,678)	(633,830)	(46,848)	(680,678)
From Airport Operating Fund	2,910,785	2,818,455	92,330	2,910,785
Total other financing sources (uses)	<u>2,230,107</u>	<u>2,184,625</u>	<u>45,482</u>	<u>2,230,107</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 6,644,741</u>	<u>\$ 40,282</u>	<u>\$ 6,685,023</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 40,282	
Capital Outlay			<u>5,200</u>	
Change in net position, full accrual basis			<u>\$ 45,482</u>	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA 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, 2025

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 2,516,309	\$ 2,516,309	\$ -	\$ 2,516,309
Total revenues	<u>2,516,309</u>	<u>2,516,309</u>	<u>-</u>	<u>2,516,309</u>
EXPENDITURES				
Capital outlay:				
Administrative	359,516	359,516	-	359,516
Construction	2,170,323	2,170,323	-	2,170,323
Sales Tax Refund	(13,530)	(13,530)	-	(13,530)
Total expenditures	<u>2,516,309</u>	<u>2,516,309</u>	<u>-</u>	<u>2,516,309</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>\$ -</u>	<u>\$ -</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
COASTAL CAROLINA 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, 2025

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 27,091,379	\$ 19,261,175	\$ 5,887,298	\$ 25,148,473
State Grant	-	2,025,341	-	2,025,341
Total revenues	<u>27,091,379</u>	<u>21,286,516</u>	<u>5,887,298</u>	<u>27,173,814</u>
EXPENDITURES				
Capital outlay:				
Administrative	2,194,591	1,146,999	719,102	1,866,101
Construction	32,254,773	23,040,364	6,015,040	29,055,404
Sales Tax Refund	(250,000)	(246,684)	(65,667)	(312,351)
Total expenditures	<u>34,199,364</u>	<u>23,940,679</u>	<u>6,668,475</u>	<u>30,609,154</u>
Excess of revenues over (under) expenditures	<u>(7,107,985)</u>	<u>(2,654,163)</u>	<u>(781,177)</u>	<u>(3,435,340)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Reserve Fund	-	1,446,917	997,386	2,444,303
From (To) Airport Operating Fund	7,107,985	500,000	-	500,000
Total other financing sources (uses)	<u>7,107,985</u>	<u>1,946,917</u>	<u>997,386</u>	<u>2,944,303</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (707,246)</u>	<u>\$ 216,209</u>	<u>\$ (491,037)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 216,209	
Capital Outlay			<u>6,668,475</u>	
Change in net position, full accrual basis			<u>\$ 6,884,684</u>	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA 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, 2025

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
Federal Grants	\$ 825,724	\$ -	\$ -	\$ -
Investment Earnings	-	470,254	378,800	849,054
Total revenues	<u>825,724</u>	<u>470,254</u>	<u>378,800</u>	<u>849,054</u>
EXPENDITURES				
Capital outlay:				
Administrative	869,183	-	-	-
Construction	-	-	-	-
Sales Tax Refund	-	-	-	-
Total expenditures	<u>869,183</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(43,459)</u>	<u>470,254</u>	<u>378,800</u>	<u>849,054</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	43,459	-	-	-
Total other financing sources (uses)	<u>43,459</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 470,254</u>	<u>\$ 378,800</u>	<u>\$ 849,054</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 378,800	
Capital Outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ 378,800</u>	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA 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, 2025

	Project Authorization	Prior Year	Actual Current Year	Total to Date
REVENUES				
State Grants	\$ 2,660,787	\$ 1,437,352	\$ 1,208,966	\$ 2,646,318
Investment Earnings	-	17,434	21,473	38,907
Total revenues	<u>2,660,787</u>	<u>1,454,786</u>	<u>1,230,439</u>	<u>2,685,225</u>
Excess of revenues over (under) expenditures	<u>2,660,787</u>	<u>1,454,786</u>	<u>1,230,439</u>	<u>2,685,225</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Project Funds	<u>(2,660,787)</u>	<u>(1,446,917)</u>	<u>(1,208,966)</u>	<u>(2,655,883)</u>
Total other financing sources (uses)	<u>(2,660,787)</u>	<u>(1,446,917)</u>	<u>(1,208,966)</u>	<u>(2,655,883)</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 7,869</u>	<u>\$ 21,473</u>	<u>\$ 29,342</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 21,473	
Capital Outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ 21,473</u>	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA 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, 2025

		Actual		
	Project Authorization	Prior Year	Current Year	Total to Date
REVENUES				
Interest	\$ -	\$ 56,696	\$ 9,759	\$ 66,455
Total revenues	-	56,696	9,759	66,455
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
To Airport Operating Fund	-	(633,287)	-	(633,287)
From Airport Operating Fund	-	1,218,201	-	1,218,201
Total other financing sources (uses)	-	584,914	-	584,914
Excess of revenues and other financing sources over (under) expenditures and other uses	\$ -	\$ 641,610	\$ 9,759	\$ 651,369
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 9,759	
Change in net position, full accrual basis			\$ 9,759	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIR TRAFFIC CONTROL TOWER 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, 2025

	Project Authorization	Actual		
		Prior Year	Current Year	Total to Date
REVENUES				
Federal grants	\$ 184,686	\$ 166,342	\$ 10,517	\$ 176,859
Total revenues	<u>184,686</u>	<u>166,342</u>	<u>10,517</u>	<u>176,859</u>
EXPENDITURES				
Capital outlay:				
Administrative	205,207	184,825	11,686	196,511
Total expenditures	<u>205,207</u>	<u>184,825</u>	<u>11,686</u>	<u>196,511</u>
Excess of revenues over (under) expenditures	<u>(20,521)</u>	<u>(18,483)</u>	<u>(1,169)</u>	<u>(19,652)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	20,521	-	19,049	19,049
Total other financing sources (uses)	<u>20,521</u>	<u>-</u>	<u>19,049</u>	<u>19,049</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (18,483)</u>	<u>\$ 17,880</u>	<u>\$ (603)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ 17,880	
Capital outlay			<u>11,686</u>	
Change in net position, full accrual basis			<u>\$ 29,566</u>	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA REGIONAL AIRPORT AUTHORITY (A Component Unit)
AEROSPACE DEVELOPMENT 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, 2025

	Project	Actual		Total
	Authorization	Prior	Current	to Date
		Year	Year	
REVENUES				
State Grants - Golden Leaf	\$ 753,700	\$ 95,313	\$ 658,388	\$ 753,701
Federal Grants	3,247,300	-	1,721,416	1,721,416
State Grants	5,030,796	-	259,208	259,208
Passthrough Funds (from Craven County)	1,436,925	-	1,161,517	1,161,517
Investment Earnings	-	22,548	57,910	80,458
Total revenues	<u>10,468,721</u>	<u>117,861</u>	<u>3,858,439</u>	<u>3,976,300</u>
EXPENDITURES				
Capital outlay:				
Administrative	1,542,174	533,855	557,720	1,091,575
Construction	11,162,939	1,237,250	2,138,254	3,375,504
Sales Tax Refund	-	-	(37,588)	(37,588)
Total expenditures	<u>12,705,113</u>	<u>1,771,105</u>	<u>2,658,386</u>	<u>4,429,491</u>
Excess of revenues over (under) expenditures	<u>(2,236,392)</u>	<u>(1,653,244)</u>	<u>1,200,053</u>	<u>(453,191)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	2,236,392	-	-	-
From Airport Reserve Fund	-	-	188,905	188,905
Total other financing sources (uses)	<u>2,236,392</u>	<u>-</u>	<u>188,905</u>	<u>188,905</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (1,653,244)</u>	<u>\$ 1,388,958</u>	<u>\$ (264,286)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues and other financing sources over expenditures, modified accrual basis, above			\$ 1,388,958	
Capital Outlay			<u>2,658,386</u>	
Change in net position, full accrual basis			<u>\$ 4,047,344</u>	

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA REGIONAL AIRPORT AUTHORITY (A Component Unit)
AIR SERVICE DEVELOPMENT 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, 2025

	Project Authorization	Prior Year	Actual	
			Current Year	Total to Date
REVENUES				
Federal grants	\$ 776,000	\$ -	\$ 641,459	\$ 641,459
State grant	24,000	-	24,000	24,000
Local Nonprofit Grant	595,935	-	410,641	410,641
Total revenues	<u>1,395,935</u>	<u>-</u>	<u>1,076,100</u>	<u>641,459</u>
EXPENDITURES				
Capital outlay:				
Advertising / Marketing	196,000	-	196,000	196,000
Contract Services	1,395,935	-	1,153,912	1,153,912
Total expenditures	<u>1,591,935</u>	<u>-</u>	<u>1,349,912</u>	<u>1,349,912</u>
Excess of revenues over (under) expenditures	<u>(196,000)</u>	<u>-</u>	<u>(273,812)</u>	<u>(273,812)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out):				
From Airport Operating Fund	196,000	-	96,000	96,000
Total other financing sources (uses)	<u>196,000</u>	<u>-</u>	<u>96,000</u>	<u>96,000</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (177,812)</u>	<u>\$ (177,812)</u>
Reconciliation of modified accrual basis with full accrual basis:				
Excess of revenues over (under) expenditures and other financing sources, modified accrual basis, above			\$ (177,812)	
Capital outlay			<u>-</u>	
Change in net position, full accrual basis			<u>\$ (177,812)</u>	

Craven County



STATISTICAL SECTION (Unaudited)

This part of the County of Craven's annual comprehensive 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



1712

Schedule 1
 Craven County
 Net Position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 41,106,523	\$ 42,035,851	\$ 44,781,813	\$ 47,005,992	\$ 48,698,804	\$ 53,731,048	\$ 53,172,950	\$ 66,633,600	\$ 77,062,330	\$ 94,640,920
Restricted	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861	29,446,747	31,832,175	34,553,842	46,050,289	51,502,075
Unrestricted (deficit)	(1,596,184)	5,346,096	1,530,331	3,642,078	1,260,991	9,433,620	28,047,649	34,366,940	45,370,663	34,868,996
Total governmental activities net position	\$ 51,796,771	\$ 58,498,856	\$ 57,108,718	\$ 66,096,778	\$ 75,094,656	\$ 92,611,415	\$ 113,052,774	\$ 135,554,382	\$ 168,483,282	\$ 181,011,891
Business-type activities										
Net investment in capital assets	\$ 26,133,140	\$ 27,475,458	\$ 27,637,466	\$ 26,919,877	\$ 26,448,945	\$ 26,347,589	\$ 26,257,735	\$ 31,144,244	\$ 34,221,913	\$ 35,995,924
Unrestricted	11,950,188	11,911,171	12,101,314	12,692,737	12,894,970	13,029,798	13,783,379	12,887,853	12,473,870	10,167,114
Total business-type activities net position	\$ 38,083,328	\$ 39,386,629	\$ 39,738,780	\$ 39,612,614	\$ 39,343,915	\$ 39,377,387	\$ 40,041,114	\$ 44,032,097	\$ 46,695,783	\$ 46,163,038
Primary government										
Net investment in capital assets	\$ 67,239,663	\$ 69,511,309	\$ 72,419,279	\$ 73,925,869	\$ 75,147,749	\$ 80,078,637	\$ 79,430,685	\$ 97,777,844	\$ 111,284,243	\$ 130,636,844
Restricted	12,286,432	11,116,909	10,796,574	15,448,708	25,134,861	29,446,747	31,832,175	34,553,842	46,050,289	51,502,075
Unrestricted (deficit)	10,354,004	17,257,267	13,631,645	16,334,815	14,155,961	22,463,418	41,831,028	47,254,793	57,844,533	45,036,010
Total primary government net position	\$ 89,880,099	\$ 97,885,485	\$ 96,847,498	\$ 105,709,392	\$ 114,438,571	\$ 131,988,802	\$ 153,093,888	\$ 179,586,479	\$ 215,179,065	\$ 227,174,929

Schedule 2
Craven County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 10,291,366	\$ 9,925,453	\$ 11,077,893	\$ 17,072,762	\$ 13,026,648	\$ 14,737,395	\$ 15,288,066	\$ 18,237,517	\$ 16,956,802	\$ 16,975,025
Public safety	19,458,091	20,980,588	21,947,336	23,323,223	23,546,188	29,041,862	29,899,762	31,157,647	33,773,575	34,833,131
Social services	22,231,898	22,760,861	19,157,572	21,170,095	19,946,669	21,217,884	21,770,369	25,188,055	25,982,081	27,103,867
Economic and physical development	4,349,446	4,389,590	2,958,118	3,786,002	4,150,209	4,701,754	4,596,491	4,954,213	5,534,912	4,772,981
Environmental protection	4,998,475	4,608,929	4,950,380	6,370,235	8,046,976	7,259,522	7,389,226	8,138,308	9,055,929	8,802,106
Health	8,338,343	8,626,160	9,404,146	10,508,893	10,605,442	11,306,997	11,099,143	12,778,206	14,266,579	14,512,986
Cultural and recreation	2,403,064	2,535,497	2,675,892	3,346,603	2,871,967	2,700,856	3,242,162	3,813,906	2,280,749	4,837,886
Education	26,108,710	27,005,640	27,018,838	27,166,990	28,571,621	29,087,523	29,422,557	31,821,071	30,560,310	33,710,054
Interest on long term debt	2,105,628	1,803,760	1,550,637	1,152,829	1,347,956	1,256,730	1,119,654	902,565	713,378	641,857
Total governmental activities	100,285,021	102,636,478	100,740,812	113,897,632	112,115,676	121,310,523	123,827,430	136,991,488	139,124,315	146,189,693
Business-type activities:										
Water	2,489,876	2,667,016	3,338,714	4,090,859	4,089,249	4,201,985	4,313,497	5,021,897	5,188,684	5,542,193
Total primary government expenses	102,774,897	105,303,494	104,079,526	117,988,491	116,204,925	125,512,408	128,140,927	142,013,385	144,312,999	151,731,886
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 3,170,663	\$ 4,141,074	\$ 3,836,181	\$ 3,139,033	\$ 1,380,174	\$ 1,978,362	\$ 2,274,794	\$ 2,272,274	\$ 3,158,447	\$ 3,335,633
Public safety	3,190,889	3,316,974	3,057,836	4,996,889	3,438,127	3,544,044	3,463,365	3,690,874	3,858,894	4,034,462
Social services	630,752	559,026	595,252	2,520,085	760,964	409,522	546,446	643,149	773,616	785,555
Economic and physical development	1,052,562	1,101,404	1,159,464	216,037	51,230	50,225	57,193	61,765	60,677	68,624
Environmental protection	2,432,969	2,405,043	2,670,966	2,956,075	3,749,983	3,934,623	3,871,355	3,962,168	3,945,572	4,598,196
Health	5,652,030	5,463,003	5,663,594	5,360,985	4,813,630	5,223,450	4,863,155	5,104,214	6,363,794	6,041,977
Cultural and recreation	66,145	61,401	59,372	324,505	371,788	235,893	676,270	1,004,815	1,021,470	993,400
Operating grants and contributions:										
General government	2,122,023	2,166,871	1,929,566	3,894,897	6,671,023	10,241,514	6,622,662	19,907,811	5,802,819	6,737,053
Public safety	651,546	678,254	489,762	1,762,796	1,155,417	3,719,530	3,999,066	2,005,871	2,665,172	2,842,132
Social services	15,798,488	15,324,889	11,768,753	11,973,191	12,240,723	12,910,778	13,533,733	15,430,915	13,474,551	14,403,996
Economic and physical development	1,252,208	1,346,255	630,177	66,283	657,792	1,598,984	172,298	44,718	2,520,697	3,968,009
Environmental protection	158,994	158,668	202,131	739,981	227,652	159,886	153,260	138,542	279,540	570,538
Health	2,185,702	2,378,208	2,858,004	3,896,287	4,336,161	7,656,387	6,474,842	6,640,060	5,726,661	6,918,841
Cultural and recreation	563,280	313,000	-	42,000	22,000	63,819	165,500	86,500	93,806	86,448
Education	-	-	-	-	-	-	1,965,721	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	675,576	590,426	3,733,998	-
Public safety	-	-	-	-	-	-	-	-	-	-
Social services	120,012	-	138,417	154,529	154,899	209,441	756	27,985	134,684	627,302
Economic and physical development	-	-	515,000	-	-	-	646,406	4,675,295	-	-
Education	1,085,080	842,910	944,400	981,500	1,029,300	1,529,700	880,500	1,648,160	1,563,395	2,954,428
Total governmental activities program revenues	40,131,343	40,256,980	36,518,875	43,025,073	41,060,863	53,465,858	51,042,898	67,935,542	55,177,793	58,966,794

Schedule 2
Craven County
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Charge for services - Water	3,803,643	3,936,307	3,945,311	3,849,791	3,849,499	4,290,039	4,464,707	4,363,172	4,878,611	5,109,581
Capital grants and contributions - Water	-	-	-	-	-	62,864	-	-	750,884	-
Total business-type activities program revenues	3,803,643	3,936,307	3,945,311	3,849,791	3,849,499	4,352,903	4,464,707	4,363,172	5,629,495	5,109,581
Total primary government program revenues	\$ 43,934,986	\$ 44,193,287	\$ 40,464,186	\$ 46,874,864	\$ 44,910,362	\$ 57,818,761	\$ 55,507,605	\$ 72,298,714	\$ 60,807,288	\$ 64,076,375
Net (Expense)/Revenue										
Governmental activities	\$ (60,153,678)	\$ (62,379,498)	\$ (64,221,937)	\$ (70,872,559)	\$ (71,054,813)	\$ (67,844,665)	\$ (72,784,532)	\$ (69,055,946)	\$ (83,946,522)	\$ (87,222,899)
Business-type activities	1,313,767	1,269,291	606,597	(241,088)	(238,750)	151,018	151,210	(658,725)	440,811	(432,812)
Total primary government net (expense)/revenue	\$ (58,839,911)	\$ (61,110,207)	\$ (63,615,340)	\$ (71,113,627)	\$ (71,294,563)	\$ (67,693,647)	\$ (72,633,322)	\$ (69,714,671)	\$ (83,505,711)	\$ (87,655,511)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes	\$ 49,058,073	\$ 51,783,504	\$ 52,594,856	\$ 54,063,232	\$ 55,119,160	\$ 57,394,807	\$ 59,946,931	\$ 61,606,085	\$ 66,835,217	\$ 67,659,817
Local option sales tax	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653	22,920,189	25,160,570	27,170,396	27,877,519	27,417,524
Other taxes and licenses	1,065,391	1,077,699	1,075,286	1,758,121	2,817,033	3,455,991	4,698,756	4,286,567	4,067,771	4,353,621
Investment earnings	154,860	305,406	634,968	1,091,545	879,774	12,964	(63,708)	2,357,868	4,788,726	4,125,895
Miscellaneous	471,964	564,447	454,249	3,526,780	1,278,071	1,349,679	3,978,747	660,934	1,387,586	1,103,346
Transfers	105,000	130,000	313,222	130,000	130,000	130,000	(495,406)	(4,524,295)	(2,005,161)	191,134
Special item	-	-	-	-	-	-	-	-	-	-
Total governmental activities:	\$ 65,967,763	\$ 69,958,168	\$ 71,970,088	\$ 79,860,619	\$ 80,052,691	\$ 85,263,630	\$ 93,225,890	\$ 91,557,555	\$ 102,751,658	\$ 104,851,337
Business-type activities:										
Investment earnings	19,192	23,151	58,652	135,443	101,051	12,454	17,111	125,413	217,714	258,610
Miscellaneous	449,015	140,859	112,402	109,459	-	-	-	-	-	-
Transfers	(105,000)	(130,000)	(313,222)	(130,000)	(130,000)	(130,000)	495,406	4,524,295	2,005,161	(191,134)
Total business-type activities	363,207	34,010	(142,168)	114,902	(28,949)	(117,546)	512,517	4,649,708	2,222,875	67,476
Total primary government	\$ 66,330,970	\$ 69,992,178	\$ 71,827,920	\$ 79,975,521	\$ 80,023,742	\$ 85,146,084	\$ 93,738,407	\$ 96,207,263	\$ 104,974,533	\$ 104,918,813
Change in Net Position										
Governmental activities	\$ 5,814,085	\$ 7,578,670	\$ 7,748,151	\$ 8,988,060	\$ 8,997,878	\$ 17,418,966	\$ 20,441,358	\$ 22,501,609	\$ 18,805,136	\$ 17,628,438
Business-type activities	1,876,974	1,303,301	464,429	(126,166)	(268,699)	33,472	683,727	3,990,983	2,863,686	(365,136)
Total primary government	\$ 7,491,059	\$ 8,881,971	\$ 8,212,580	\$ 8,861,894	\$ 8,729,179	\$ 17,452,438	\$ 21,105,085	\$ 26,492,592	\$ 21,468,822	\$ 17,263,302

Schedule 3
 Craven County
 Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

General Fund	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Non Spendable:										
Prepays	\$ -	\$ 82,500	\$ 34,582	\$ 40,660	\$ 73,681	\$ 21,711	\$ 33,891	\$ 28,093	\$ 56,205	\$ 1,767,559
Leases	-	-	-	-	-	-	181	2,481	1,741	1,094
Restricted:										
Stabilization by state statute	8,690,228	7,866,740	7,681,300	9,666,695	12,415,614	16,454,141	15,518,429	11,913,799	14,916,624	14,666,738
Public Safety	81,761	56,262	36,076	24,565	41,029	15,739	43,368	64,379	99,004	99,004
Assigned:										
Subsequent year's expenditures	79,872	-	-	901,396	1,416,294	424,561	3,731	249,493	3,921	681,267
Unassigned	24,262,888	27,936,364	29,358,798	28,668,673	25,350,019	33,164,799	44,004,435	52,870,852	50,456,258	52,150,779
Total General Fund	\$ 33,114,749	\$ 35,941,866	\$ 37,110,756	\$ 39,302,029	\$ 39,296,637	\$ 50,080,951	\$ 59,604,035	\$ 65,129,097	\$ 65,533,753	\$ 69,366,441
All Other Governmental Funds										
Non Spendable:										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by state statute	1,102,191	350,482	246,658	350,349	163,893	2,490,112	5,757	33,862	11,664	23,565
General Government	-	-	527,388	913,772	2,107,453	941,549	1,425,806	4,113,310	3,336,729	1,027,050
Human Services	-	-	-	-	-	140,366	186,989	205,243	202,615	182,696
Opioid Settlement	-	-	-	-	-	-	-	-	3,302,452	4,283,627
Public Safety	759,385	1,463,892	1,188,720	1,328,278	1,874,198	2,204,704	2,457,840	2,367,542	2,534,065	2,632,378
Economic and Physical Development	1,204,220	1,218,642	1,212,049	1,646,115	6,171,089	2,361,658	2,742,889	3,355,681	3,129,066	3,910,679
Public Schools	448,646	160,891	431,771	1,518,914	2,361,585	4,836,189	9,451,097	12,286,464	18,385,939	24,553,952
Committed:										
Capital projects	8,974,443	9,719,331	10,570,948	9,896,332	9,351,742	9,818,385	12,084,072	14,747,955	18,433,096	10,069,034
Unassigned	(47,561)	(136,611)	(149,490)	(240,400)	(378,722)	(2,680,122)	(37,504)	(43,637)	(249,675)	(192,479)
Total all other governmental funds	\$ 12,441,324	\$ 12,776,627	\$ 14,028,044	\$ 15,413,360	\$ 21,651,238	\$ 20,112,841	\$ 28,316,946	\$ 37,066,420	\$ 49,085,951	\$ 46,491,302

Schedule 4
 Craven County
 Changes in fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Revenues	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Taxes:										
Property	\$ 49,134,422	\$ 51,917,034	\$ 52,668,757	\$ 54,118,386	\$ 54,957,950	\$ 57,822,448	\$ 59,866,003	\$ 61,523,018	\$ 66,599,438	\$ 67,661,633
Sales	15,112,475	16,097,112	16,897,507	19,290,881	19,828,653	22,920,189	25,160,570	27,170,396	27,677,519	27,417,524
Tourism Room	1,065,391	1,077,699	1,075,286	1,758,121	1,605,717	1,597,678	2,249,242	2,415,605	2,396,376	2,569,194
Total taxes	65,312,288	69,091,845	70,641,550	75,167,388	76,392,320	82,340,315	87,275,815	91,109,019	96,673,333	97,648,351
Intergovernmental	23,935,338	23,209,055	19,476,210	23,511,297	26,494,967	38,102,503	35,827,492	51,728,139	38,585,146	40,615,087
Charges for Services	16,333,950	17,181,291	17,191,527	13,495,640	15,711,402	16,896,108	17,629,177	17,949,560	20,381,629	20,770,357
Interest	148,453	297,665	630,042	1,117,519	879,774	12,964	(63,708)	2,357,868	4,710,773	4,028,973
Miscellaneous	979,965	1,009,671	934,418	3,339,425	1,278,072	1,373,463	4,002,009	766,729	1,393,190	1,130,461
Total Revenues	106,709,994	110,789,527	108,873,747	116,631,269	120,756,535	138,725,353	144,670,785	163,911,315	161,744,071	164,193,229
Expenditures										
General Government	10,213,411	10,435,517	12,297,021	15,831,603	14,538,888	18,918,417	16,606,583	24,371,287	24,507,945	24,102,070
Public Safety	17,892,625	19,282,826	19,927,529	21,161,542	22,268,324	26,621,964	28,192,022	29,459,298	30,715,887	32,829,545
Environmental Protection	5,079,891	5,357,128	5,473,167	6,042,356	7,655,428	7,241,021	7,347,292	8,094,358	8,865,464	8,947,457
Economic Development	3,950,990	3,849,000	3,054,020	3,499,091	12,429,224	7,194,853	3,868,787	4,277,154	5,168,638	8,369,193
Health	8,379,656	8,235,214	9,009,776	9,437,637	10,312,247	10,616,068	10,534,453	12,381,451	13,039,606	14,238,089
Social Services	22,305,810	22,309,579	19,118,866	19,023,190	19,120,635	19,937,154	20,841,760	25,660,561	27,440,764	32,512,285
Culture and Recreation	3,028,748	2,919,651	2,688,417	3,185,110	3,004,223	3,173,640	3,045,225	3,432,789	4,078,685	4,317,565
Education	26,108,710	27,005,640	27,018,838	27,166,990	28,571,621	28,777,523	29,422,557	31,821,071	30,560,310	33,710,054
Debt Service:										
Principal	6,816,300	6,891,300	7,021,300	6,845,855	5,914,300	6,400,150	6,286,945	5,218,100	3,891,114	3,814,281
Interest	1,720,571	1,471,252	1,157,728	953,550	809,936	776,440	638,514	501,661	392,081	320,416
Bond issuance costs	-	-	-	36,100	-	-	-	-	-	-
Total Expenditures	105,496,712	107,757,107	106,766,662	113,183,024	124,624,826	129,657,230	126,784,138	145,217,730	148,660,494	163,160,935
Excess of revenues over (under) expenditures	1,213,282	3,032,420	2,107,085	3,448,245	(3,868,291)	9,068,123	17,886,647	18,693,585	13,083,577	1,032,294
Other Financing Sources (Uses)										
Lease Proceeds	-	-	-	-	-	-	-	-	-	-
Transfers in	6,425,300	7,855,332	9,122,508	7,503,106	10,752,856	7,794,375	15,459,219	27,889,773	279,584	64,609
Transfers out	(6,320,300)	(7,725,332)	(8,809,286)	(7,413,106)	(10,652,079)	(7,714,375)	(16,004,625)	(32,464,068)	17,428,974	15,951,609
Refunding bonds issued	-	-	-	8,335,000	-	-	-	-	-	-
Payment to refunding escrow agent	-	-	-	(8,296,656)	-	-	-	-	-	-
Proceeds from installment note/COPS	-	-	-	-	10,000,000	-	-	-	-	-
Total other financing sources (uses)	105,000	130,000	313,222	128,344	10,100,777	80,000	(159,457)	(4,419,049)	(1,775,577)	205,743
Net change in fund balances	\$ 1,318,282	\$ 3,162,420	\$ 2,420,307	\$ 3,576,589	\$ 6,232,486	\$ 9,148,123	\$ 17,727,190	\$ 14,274,536	\$ 11,308,000	\$ 1,238,037
Debt service as a percentage of noncapital expenditures	8.28%	7.98%	8.02%	7.11%	6.03%	6.02%	5.65%	4.38%	3.25%	2.93%

Schedule 5
Craven County
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	Public Service Companies (2)	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)
	Residential Property	Commercial Property	Industrial Property	Present-use Value (1)					
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	5,206,928,087	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	132,953,959	2,028,190,175	169,749,363	9,983,634,286	0.5494	11,310,180,918
2022	5,481,813,881	2,242,623,400	48,809,700	135,172,223	2,148,572,925	187,139,127	10,244,131,256	0.5600	13,324,832,539
2023	5,787,098,645	2,263,456,720	49,402,300	134,191,573	2,075,979,231	194,660,292	10,504,788,761	0.5600	13,665,362,105
2024 (5)	8,615,989,137	2,517,865,678	64,803,380	162,072,728	2,560,602,961	242,618,048	14,163,951,932	0.4448	17,385,481,689
2025	8,767,584,662	2,579,488,670	72,268,850	159,174,675	2,745,997,820	256,806,667	14,581,321,344	0.4448	17,897,779,973

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 2025 figure is based on property sales which took place in calendar 2024 and the sales to assessment ratio was 81.47%.)
- (5) Reassessment was performed on January 1, 2023, and was the basis for fiscal year 2024 taxes. The next reassessment will occur on January 1, 2028.

Schedule 6
 Craven County
 Direct and Overlapping Property Tax Rates,
 Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024 (1)</u>	<u>2025</u>
Craven County Direct Rate	\$ 0.4675	\$ 0.5394	\$ 0.5394	\$ 0.5394	\$ 0.5494	\$ 0.5494	\$ 0.5600	\$ 0.5600	\$ 0.4448	\$ 0.4448
<u>Municipality Rates:</u>										
Bridgeton	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Cove City	0.2500	0.2678	0.2678	0.2700	0.2700	0.2700	0.2700	0.2700	0.2200	0.3600
Dover	0.3000	0.3500	0.3500	0.3500	0.3500	0.3500	0.2900	0.2900	0.3100	0.3300
Havelock	0.5100	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.5900	0.6800	0.7100
New Bern	0.4100	0.4600	0.4600	0.4600	0.4822	0.4822	0.4822	0.4822	0.3800	0.3900
River Bend	0.2650	0.3105	0.2900	0.2400	0.2600	0.2600	0.2600	0.2600	0.2400	0.2400
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	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.4000	0.4000
<u>Fire Districts Rates:</u>										
West New Bern II (Rhems)	0.0389	0.0457	0.0457	0.0400	0.0400	0.0400	0.0350	0.0350	0.0250	0.0250
Township #1	0.0250	0.0269	0.0269	0.0269	0.0269	0.0269	0.0250	0.0250	0.0200	0.0200
Tri Community	0.0527	0.0658	0.0555	0.0555	0.0555	0.0555	0.0500	0.0500	0.0375	0.0375
Little Swift Creek	0.0549	0.0700	0.0700	0.0700	0.0650	0.0650	0.0650	0.0650	0.0500	0.0500
Township #3	0.0774	0.0861	0.0861	0.0861	0.0900	0.0900	0.0900	0.0900	0.0650	0.0650
Township #5	0.0553	0.0653	0.0653	0.0653	0.0653	0.0653	0.0653	0.0653	0.0541	0.0541
Township #6	0.0520	0.0586	0.0586	0.0500	0.0500	0.0500	0.0450	0.0450	0.0380	0.0380
Township #7	0.0190	0.0216	0.0272	0.0250	0.0250	0.0250	0.0250	0.0250	0.0200	0.0200
West New Bern	0.0349	0.0391	0.0457	0.0391	0.0391	0.0391	0.0375	0.0375	0.0281	0.0281
Township #9	0.0682	0.0746	0.0746	0.0746	0.0746	0.0746	0.0600	0.0600	0.0425	0.0425
Sandy Point	0.0527	0.0672	0.0672	0.0672	0.0672	0.0672	0.0500	0.0500	0.0375	0.0375

Source: Craven County Tax Department

Note: (1) Real property was revalued on January 1, 2023

**Schedule 7
Craven County
Principal Property Tax Payers,
Current Year and Nine Years Ago**

	Fiscal Year 2025				Fiscal Year 2016			
	Taxpayer	Type of Business	Assessed Valuation	Rank	Assessed Valuation	Rank	Assessed Valuation	Percentage of Total Assessed Valuation
BSH Home Appliances Corp	Home appliance manufacturer	\$ 220,213,897	1	104,666,438	2	1.04%		
International Paper Company	Wood pulp manufacturer	211,756,939	2	53,769,337	4	0.54%		
Duke Energy Progress Inc.	Electric utility	130,699,789	3	59,404,810	3	0.59%		
Weyerhaeuser Company	Real estate investment trust	100,092,316	4	26,953,630	7	0.27%		
Piedmont Natural Gas	Gas utility	39,748,785	5	18,357,026	9	0.18%		
Wal-Mart Real Estate Business Trust	Real estate development	37,087,671	6	32,606,200	5	0.33%		
New Bern Apartments LLC	Real estate development	34,573,368	7	202,253,942	1	2.02%		
Craven Wood Energy LTD	Electricity manufacturer	29,038,822	8	27,007,004	6	0.27%		
Atlantic Marine Corps Communities, LLC	Real estate development	28,699,346	9	24,890,230	8	0.25%		
Trader Construction Company	General Construction	27,105,138	10	16,008,110	10	0.16%		
Weyerhaeuser NR Company	Wood pulp manufacturer							
Carolina Telephone & Telegraph Co.	Communications utility							
New Bern Riverfront Development LLC	Real estate development							
Wyndam Vacation Resorts Inc	Real estate development							
Totals		\$ 859,016,071		\$ 565,916,727		5.89%		5.65%

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		Total		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	(Original Levy)	Adjustments	Adjusted Levy	Amount	Percentage of Levy	Amount		Amount	Percentage of Adjusted Levy
2016	\$ 46,661,088	\$ 287,113	\$ 46,948,201	\$ 46,591,996	99.24%	\$ 315,167	\$ 46,907,163	99.91%	
2017	49,281,078	264,724	49,545,802	49,229,371	99.36%	261,554	49,490,925	99.89%	
2018	50,133,887	208,230	50,342,117	50,013,650	99.35%	269,008	50,282,658	99.88%	
2019	51,207,256	357,778	51,565,034	51,213,187	99.32%	219,950	51,433,137	99.74%	
2020	52,499,119	271,764	52,770,883	52,162,736	98.85%	142,829	52,305,565	99.12%	
2021	54,749,539	272,681	55,022,220	54,599,304	99.23%	321,944	54,921,248	99.82%	
2022	57,025,239	396,164	57,421,403	56,829,343	98.97%	363,582	57,192,925	99.60%	
2023	58,468,532	435,582	58,904,114	58,397,668	99.14%	335,052	58,732,720	99.71%	
2024	63,288,453	385,598	63,674,051	63,261,448	99.35%	238,876	63,500,324	99.73%	
2025	64,547,823	427,224	64,975,047	64,513,714	99.29%	-	64,513,714	99.29%	

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		General		General		General				
	Obligation Bonds	Installment Loans	Financed Purchase	Obligation Bonds	Installment Loans	Obligation Bonds	Installment Loans				
2016	\$ 16,448,638	\$ 37,862,267	\$ -	\$ -	\$ 16,279,594	\$ -	\$ -	\$ 70,590,499	693	1.69%	
2017	13,808,847	33,427,050	-	-	16,819,909	-	-	64,055,806	629	1.52%	
2018	11,109,056	29,025,750	-	-	15,930,845	-	-	56,065,651	551	1.31%	
2019	8,614,265	24,654,450	-	-	15,041,781	-	-	48,310,496	478	1.09%	
2020	6,146,474	31,128,149	-	-	14,152,717	-	-	51,427,340	508	1.10%	
2021	3,729,683	27,064,999	-	-	13,263,653	-	-	44,058,335	430	0.88%	
2022	1,365,892	23,184,999	-	-	12,374,589	-	-	36,925,480	358	0.68%	
2023	-	19,389,999	315,921	-	11,485,525	-	-	31,191,445	299	0.57%	
2024	-	15,670,000	323,441	-	10,596,461	-	-	26,589,902	260	0.45%	
2025	-	12,031,000	264,691	-	9,707,397	-	-	22,003,088	215	0.37%	

*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	Restricted to Repaying Principal	Less: Amounts				
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%	0
2022	1,365,892	1,365,892		-	0.00%	0.00%	0
2023	-	-		-	0.00%	0.00%	0
2024	-	-		-	0.00%	0.00%	0
2025	-	-		-	0.00%	0.00%	0

*Information not yet available.

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences. Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See schedule 5 for estimated actual taxable value data.

Schedule 11
 Craven County
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 (dollars in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed Value of Property	\$ 10,023,729	\$ 9,205,215	\$ 9,320,966	\$ 9,540,578	\$ 9,596,740	\$ 9,993,634	\$ 10,244,131	\$ 10,504,789	\$ 14,163,952	\$ 14,581,321
Debt Limit, 8% of Assessed Value (Statutory Limitation)	801,898	736,417	745,677	763,246	767,739	799,491	819,531	840,383	1,133,116	1,166,506
Amount of Debt Applicable to Limit										
Gross debt	70,590	64,056	56,066	48,310	51,427	44,058	36,925	31,191	26,590	22,003
Less: Amount available for repayment of g.o.bonds	449	156	401	1,211	2,202	3,730	1,366	-	-	-
Debt outstanding for water and sewer purposes	16,280	16,820	15,931	15,042	14,153	13,264	12,375	11,486	10,596	9,707
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	53,862	47,080	39,734	32,058	35,073	27,065	23,185	19,706	15,983	12,296
Legal Debt Margin	\$ 746,036	\$ 689,337	\$ 705,944	\$ 731,188	\$ 732,666	\$ 772,426	\$ 796,346	\$ 820,677	\$ 1,117,123	\$ 1,154,210
Total net debt applicable to the limit as a % of debt limit	6.72%	6.39%	5.33%	4.20%	4.57%	3.39%	2.83%	2.34%	1.41%	1.05%

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)
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
2024	102,391	5,951,003	58,120	12,285	3.5%	15,955
2025	102,391	5,951,003	58,120	12,117	3.7%	16,373

* 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	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,976	1	15.03%	5,173	1	13.34%
CarolinaEast Health Systems	3,270	2	8.22%	2,200	2	5.67%
Craven County Schools	1,585	3	3.99%	1,820	3	4.69%
BSH Home Appliances	1,498	4	3.77%	1,300	4	3.35%
State of North Carolina	820	5	2.06%	773	6	1.99%
Craven County	732	6	1.84%	601	8	1.55%
Wal-Mart	696	7	1.75%	703	7	1.81%
Moen Incorporated	658	8	1.65%	1,000	5	2.58%
City of New Bern	521	9	1.31%	453	10	1.17%
Craven Community College	521	10	1.31%	562	9	1.45%
	<u>16,277</u>		<u>40.93%</u>	<u>14,585</u>		<u>37.60%</u>

Source: Craven County Economic Development, NC Department of Commerce - NCWorks

Notes: (1) Excludes 6,832 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

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	77	78	78	79	84	96	86	92	100	118
Public safety	157	162	164	183	178	186	176	189	188	202
Social services	195	204	207	211	192	194	180	194	185	220
Economic and physical development	23	23	20	20	9	10	10	9	10	11
Environmental protection	29	28	30	32	28	34	31	35	28	32
Health	93	99	98	105	101	102	101	98	96	112
Transportation (1)					17	16	17	28	28	20
Cultural and recreation (2)	13	13	9	13	25	23	22	26	16	18
Water (Enterprise activity)	14	15	18	18	16	17	17	19	17	21
Total	601	622	624	661	650	678	640	690	668	754

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	2016	2017	2018	2019	2020 (5)	2021	2022	2023	2024	2025
<u>Public Safety</u>										
Fire/Rescue calls to County E911 (A)	9,453	9,823	9,483	10,212	9,774	10,364	11,176	10,957	12,242	12,789
Average daily population in jail (B)	276	275	287	306	304	297	326	306	308	314
<u>Health Services (C)</u>										
Food and lodging inspections	1,299	1,374	1,190	1,471	788	1,027	1,215	1,421	1,428	1,326
Visits to health department	30,014	29,298	27,262	28,151	26,900	26,073	25,453	27,806	28,534	24,112
<u>Transportation Services (D)</u>										
Number of miles driven	673,929	599,621	594,277	588,401	527,137	446,095	486,584	525,727	651,120	627,979
Number of trips provided	74,346	69,359	64,167	63,144	55,027	42,239	46,117	55,602	63,491	57,708
<u>Tax/Real Estate Services (E)</u>										
Deed transfers processed	4,136	4,567	4,484	4,815	4,859	5,930	6,624	5,191	4,904	5,255
Number of real estate parcels	57,354	57,438	57,571	57,952	58,385	58,734	59,285	59,829	59,955	60,391
Number of tax bills generated (3)(6)	67,034	67,398	67,425	67,813	68,488	74,057	71,815	71,545	71,237	71,236
<u>Economic and Physical Development</u>										
County tourism revenues (1)(2)(6)(G)	131	137	142	149	155	115	160	171	180	183
Economic impact of convention center (2)(5)(G)	9.0	9.0	9.0	2.0	1.0	0.8	2.1	3.1	4.6	3.2
Number of registered voters (H)	69,459	66,615	68,827	67,487	72,995	69,206	69,206	59,091	78,988	79,555
Number of enplanements at airport (I)	111,909	111,962	116,647	112,889	87,335	56,709	76,539	75,108	61,797	75,087
<u>Water Services</u>										
Number of service connections (J)	13,615	13,664	13,821	13,949	14,119	14,331	14,462	14,857	14,732	15,404

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 | (F) Craven County Finance Department |
| (B) Craven County Sheriff Department | (G) New-Bern Craven County Convention Center |
| (C) Craven County Health Department | (H) Craven County Elections Department |
| (D) CARTS (Craven County Transportation) | (I) Coastal Carolina Regional Airport |
| (E) Craven County Tax Department | (J) Craven County Water Department |

Schedule 16
 Craven County
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Public Safety (A)</u>										
Correction facility rated capacities	292	292	292	292	292	292	292	292	292	314
<u>Parks and Land Use (B)</u>										
Number of county parks	4	4	4	4	4	4	4	4	4	4
Boat ramps operated (1)	0	0	0	0	0	0	0	0	0	0
<u>Water Service (C)</u>										
Miles of water main	634	634	650	650	655	657	658	665	676	685
Number of elevated water tanks	9	9	9	9	9	9	9	9	9	9
Number of system wells	10	10	18	18	18	18	18	18	18	18
Water Treatment Plant	1	1	1	1	1	1	1	1	1	1
<u>Transportation Services (D)</u>										
Number of CARTS vehicles	32	32	32	32	29	29	29	29	29	29
<u>Economic and Physical Development</u>										
Convention center	1	1	1	1	1	1	1	1	1	1
Number of acres remaining at Industrial Park (E)	161	161	161	142	142	135	111		87	62
<u>Airport (F)</u>										
Number of runways	2	2	2	2	2	2	2	2	2	2

Source of data:
 (A) Craven County Sheriff Department
 (B) Craven County Recreation Department
 (C) Craven County Water Department
 (D) CARTS (Craven County Transportation)
 (E) Craven County Finance Department
 (F) Craven County Regional Airport

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

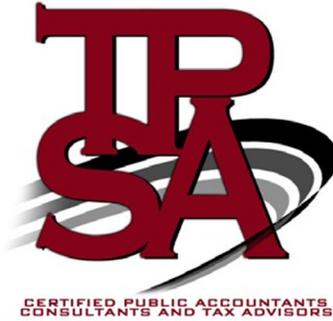
Craven County



COMPLIANCE SECTION

Craven County





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**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

Independent Auditors' Report

To the Board of County Commissioners
Craven County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Craven County, North Carolina, as of and for the year ended June 30, 2025, 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 12, 2025. 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.

Members

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Report on Compliance and Other Matters

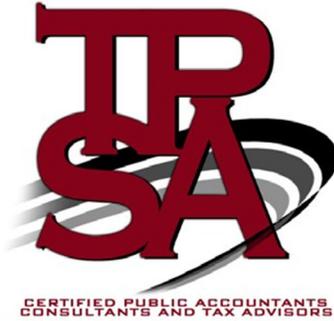
As part of obtaining reasonable assurance about whether Craven County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 12, 2025



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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, 2025. 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, 2025.

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.

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.

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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 [2025-001] 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.

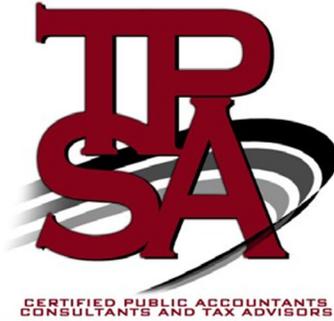
Government Auditing Standards requires the auditor to perform limited procedures on Craven County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Craven County's response was not subjected to the auditing procedures 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 12, 2025



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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, 2025. 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, 2025.

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.

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.

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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 [2025-001, 2025-002] 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 12, 2025

Craven County, North Carolina
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported
- Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported

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

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

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
20.930	Small Community Air Service Development Program
93.558	Temporary Assistance for Needy Families (TANF)
93.658, 93.659	Foster Care and Adoption Cluster
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? X yes ___ no

State Awards

Internal control over major State programs:

- Material 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

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section I - Summary of Auditors' Results (continued)

Identification of major State programs:

Program Name

Foster Care and Adoption Cluster
Medical Assistance Program
Industrial Development Public Utility Account
Regional Economic Development Reserve #20174
Regional Economic Development Reserve #20175

Dollar threshold used to determine
State Major Programs

\$ 500,000

Auditee qualified as low-risk auditee?

X yes

no

Passenger Facility Charge Program

Internal control over Passenger Facility Charge Program

• Material weakness(es) identified?

yes

X no

• Significant deficiency(ies) identified

yes

X 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 Federal Aviation Administration
Passenger Facility Charge Audit Guide for Public Agencies?

yes

X no

Identification of programs:

Program Name

Passenger Facility Charge Program

Section II - Financial Statement Findings

None Reported.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section III - Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

Passed through the NC Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid)

AL #: 93.778

Finding: 2025-001

Inaccurate Information Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	Federal regulations under 42 CFR § 435.956 require states to verify eligibility factors using electronic data sources where available, and to obtain documentation for unverifiable information. Additionally, the state's Medicaid manual (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual) mandates that all eligibility determinations include cross-verification of applicant-provided data against reliable external sources to ensure accuracy and prevent improper payments.
Condition:	There were a total of 9 errors found during our testing procedures: <ul style="list-style-type: none">- There were 2 errors where income or household size was incorrectly calculated or inaccurate information was entered into the case file.- There were 7 errors where required information needed for eligibility determinations were not requested or not requested timely at applications or redeterminations.
Questioned Costs:	Due to the nature of the populations provided from which the samples were chosen, we are unable to calculate questioned costs for the above mentioned potential eligibility and noncompliance errors.
Context:	We examined 60 cases from of a total of 520,055 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:	These control deficiencies and noncompliance increase the risk of improper Medicaid payments, potentially resulting in overpayments to ineligible beneficiaries or underpayments to those who qualify.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2024-001 and 2024-003. Note in FY 2025 Medicaid findings were combined into a single finding.
Cause:	The deficiencies and noncompliance reported above are caused from ineffective record keeping and case review processes due to insufficient training of staff, lack of oversight from management, and/or inadequate communication between departments resulting in inconsistencies in data sharing and delayed information exchanges.

Craven County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

Section III - Federal Award Findings and Questioned Costs (continued)

Recommendation: We recommend that management enhance internal controls by: (1) Providing comprehensive training to staff on the program's eligibility requirements and procedures outlined in the State's Medicaid manuals; (2) Ensuring that there is a formal internal review process and that it is adequately completed to identify and correct errors and monitor compliance; and (3) Communicating all program or policy changes clearly and timely across all departments who oversee eligibility determinations for federal funded programs.

Views of responsible officials and planned corrective actions: The County agrees with the finding and is implementing actions to correct these issues, which are further discussed in the corrective action plan.

Section IV - State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid)

AL # 93.778

SIGNIFICANT DEFICIENCY: Finding 2025-001 also apply to State requirements and State Awards.

N.C. Office of State Budget and Management

Program Name: Regional Economic Development Reserve

Finding: 2025-002

Funds Management

SIGNIFICANT DEFICIENCY

Cash Management

Criteria: According to the grant agreement and award terms issued by the North Carolina Office of State Budget and Management (OSBM), grant activities must be recorded in a separate fund and accounting system within the recipient's central accounting to ensure proper separation, tracking, and reporting of grant revenues and expenses.

Condition: Grant revenues and expenditures were recorded in the County's General Fund instead of a separate grant-specific fund.

Effect: Including grant activity in the General Fund can decrease clarity and separation of grant transactions, increasing the risk of noncompliance with grant and statutory requirements.

Cause: The requirement to establish a separate fund was not incorporated during budget development and initial grant setup.

Recommendation: Review grant agreements for the separate fund requirement clause, record all related revenues and expenditures accordingly, and establish a standardized process for setup and review to ensure proper grant establishment before posting transactions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

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
Ettienne "E.T." Mitchell
Beatrice R. Smith

Administrative Staff

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

Craven County



Administration Building

406 Craven Street
New Bern, NC 28560

Fax 252-637-0526
jveit@cravencountync.gov

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, 2025

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

Finding 2025-001

Inaccurate Information Entry

Name of contact person:

April Rollins, Medicaid Program Manager

Corrective Action:

Policy refresher training will be held by December 31, 2025. Refresher training for staff that files should be reviewed internally to ensure proper documentation is in place for eligibility determination. Workers will receive refresher training what files should contain and the importance of complete and accurate record keeping. Staff will have refresher training 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. Second party reviews of at least or in excess of the state's mandated 98 cases will be conducted quarterly. The second party review threshold for staff is 90%. Any errors will be discussed one on one by the supervisor with the employee to ensure the employee has a full understanding of policies and procedures. Supervisors will review error trends every quarter to determine if further group training is needed. The Learning Gateway trainings have also been completed in the past 180 days for all Medicaid staff will further assist with retaining staff.

Proposed completion date: 12/31/2025

Board of Commissioners

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Corrective Action Plan
For the Year Ended June 30, 2025

Section IV - State Award Findings and Questioned Costs

Corrective Action for Finding 2025-001 also apply to the State award findings.

Finding 2025-002

Funds Management

Name of contact person: Craig Warren, Finance Director

Corrective Action: The County will establish a standardized grant setup process to ensure all new grant awards are established in the accounting system using an appropriate, segregated structure before posting any grant-related transactions.

Proposed completion date: Immediately.

Section V - Passenger Facility Charge Program Findings and Questioned Costs

None reported.

Craven County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2025

Finding: 2024-001
Status: Repeat as finding 2025-001. Note that in FY 2025 Medicaid findings were combined into a single finding.

Finding: 2024-002
Status: Corrected in FY 2025

Finding: 2024-003
Status: Repeat as finding 2025-001. Note that in FY 2025 Medicaid findings were combined into a single finding.

Finding: 2024-004
Status: Corrected in FY 2025

Finding: 2024-005
Status: Corrected in FY 2025

Finding: 2024-006
Status: Corrected in FY 2025

**CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal AL# CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Provided to <u>Subrecipients</u>
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:					
<u>SNAP Cluster</u>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 1,361,356	\$ 36,869	\$ -
Total SNAP Cluster			<u>1,361,356</u>	<u>36,869</u>	<u>-</u>
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		602,030	-	-
Emergency Watershed Protection Program	10.923		95,579	-	-
Total U.S. Department of Agriculture			<u>2,058,965</u>	<u>36,869</u>	<u>-</u>
<u>U.S. Dept. of Housing and Urban Development</u>					
Passed-through N.C. Department of Commerce					
CDBG - Neighborhood Revitalization Program	14.228		428,506	-	-
Total U.S. Department of Housing and Urban Development			<u>428,506</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>					
Byrne Justice Assistance Grants	16.738		16,596	-	-
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838		255,572	-	-
Total U.S. Dept. of Justice			<u>272,168</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Transportation</u>					
Direct Programs:					
Administered by Coastal Carolina Regional Airport					
Airport Improvement Program					
Airport Project NO. 51	20.106		1,500,950	-	-
Airport Project NO. 51	20.106		845,100	-	-
Airport Project NO. 52	20.106		11,686	-	-
Airport Project NO. 53	20.106		375,000	-	-
Airport Project NO. 54	20.106		901,346	-	-
Airport Project NO. 55	20.106		2,058,538	-	-
Airport Project NO. 55	20.106		1,422,981	-	-
Airport Project NO. 56	20.106		958,616	-	-
Airport Project NO. 56	20.106		7,954	-	-
Airport Project NO. 57	20.106		324,872	-	-
Total Airport Improvement Program			<u>8,407,043</u>	<u>-</u>	<u>-</u>
Formula Grants for Rural Areas and Tribal Transit Program					
		DOT-11			
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	36233.31.25.1	71,755	4,485	-
Formula Grants for Rural Areas and Tribal Transit Program - Operating	20.509	36233.31.25.2	1,278	-	-
		DOT-11			
Formula Grants for Rural Areas and Tribal Transit Program - Capital	20.509	36233.31.24.3	-	89,594	-
		DOT-11			
Formula Grants for Rural Areas and Tribal Transit Program - Capital	20.509	36233.31.24.3	-	477	-
		DOT-11			
Formula Grants for Rural Areas and Tribal Transit Program - Capital	20.509	36233.31.25.3	317,294	39,662	-
		DOT-11			
Formula Grants for Rural Areas and Tribal Transit Program - Admin	20.509	36233.31.26.1	209,066	13,067	-
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>599,393</u>	<u>147,285</u>	<u>-</u>
Small Community Air Service Development Program	20.930		641,459	-	-
Total U.S. Dept. of Transportation			<u>9,647,895</u>	<u>147,285</u>	<u>-</u>

**CRAVEN COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

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
<u>U.S. Dept. of Treasury</u>					
Passed through N.C. Dept. of Health and Human Services					
Coronavirus State and Local Fiscal Recovery Funds	21.027		1,649	-	-
Total U.S. Dept. of Treasury			1,649	-	-
<u>U.S. Dept. of Health & Human Services</u>					
Direct Program					
Health Center Program	93.224		1,467,169	-	-
Health Center Program - ARPA	93.224		453,633	-	-
Total Health Center Program			1,920,802	-	-
Passed-through Eastern Carolina Council of Governments:					
Division of Aging and Adult Services:					
ARPA - Title III Preventative Health	93.043		1,377	81	-
Title III Preventative Health	93.043		6,217	-	-
Family Caregiver Support	93.052		587	39	-
ARPA - Family Caregiver Support	93.052		5,121	1,707	-
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III B					
Grants for Supportive Services and Senior Centers	93.044		208,827	12,284	-
ARPA - Supportive Services	93.044		32,521	5,739	-
Special Programs for the Aging - Title III C					
Nutrition Services	93.045		216,046	12,709	-
ARPA - Home Delivered Meals	93.045		15,334	2,706	-
Nutrition Services Incentive Program	93.053		31,911	-	-
Total Aging Cluster			504,639	33,438	-
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		1,689,734	-	-
Division of Public Health					
TANF - Work First	93.558		16,489	-	-
Total TANF Cluster			1,706,223	-	-
<u>Foster Care and Adoption Cluster (Note 4 and 5)</u>					
Foster Care - Title IV-E	93.658		774,396	97,093	-
Foster Care - Title IV-E - Benefit Payments	93.658		362,622	137,334	-
Adoption Assistance	93.659		16,049	-	-
Total Foster Care and Adoption Cluster (Note 4)			1,153,067	234,427	-
Child Support Enforcement	93.563		793,523	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556		8,554	-	-
Division of Social Services:					
Refugee and Entrant Assistance State / Replacement Designee Administered Programs	93.566		4,694	-	-
Division of Public Health					
Refugee and Entrant Assistance State / Replacement Designee Administers Programs	93.566		21,700	-	-
Total Refugee and Entrant Assistance State / Replacement Designee Administers Programs			26,394	-	-
Low-Income Home Energy Assistance:					
Weatherization Assistance and Heating and Air Repair	93.568		72,036	-	-
Total Low-Income Home Energy Assistance			72,036	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
- Permanency Planning - Families for Kids	93.645		26,497	-	-

**Craven County, North Carolina
Schedule of Expenditures of Federal and State Awards
for the Year Ended June 30, 2025**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal AL# CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Provided to <u>Subrecipients</u>
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Administrative and Services	93.674		29,462	7,366	-
Benefit Payments	93.674		5,250	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			34,712	7,366	-
Social Service Block Grant - Other Service and Training	93.667		430,004	-	-
Division of Social Services:					
Social Services Block Grant					
State In Home Service Fund	93.667		56,020	-	-
State Adult Day Care	93.667		47,219	-	-
State Child Protective Services	93.667		30,862	-	-
Total Social Service Block Grant			564,105	-	-
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		201,927	-	-
Total Subsidized Child Care			201,927	-	-
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		4,420,142	281,854	-
Division of Social Services:					
Administration:					
State Children's Insurance Program - N.C. Health Choice	93.767		309,505	99,338	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		35,455	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116		50	-	-
Family Planning Services	93.217		88,502	-	-
Immunization Cooperation Agreements	93.268		79,308	-	-
COVID-19 Immunization Cooperation Agreements	93.268		7,885	-	-
Total Immunization Cooperation Agreements			87,193	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		7,800	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917		12,592	-	-
HIV Prevention Activities_Health Department Based	93.940		103,999	-	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		111,760	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Preventive Health and Health Services Block Grant	93.991		30,741	-	-
Maternal and Child Health Services Block Grant	93.994		74,782	27,007	-
Total U.S. Dept. of Health and Human Services			12,308,402	685,257	-

**Craven County, North Carolina
Schedule of Expenditures of Federal and State Awards
for the Year Ended June 30, 2025**

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal AL# CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Provided to <u>Subrecipients</u>
U. S. Department of Homeland Security					
Passed-through N.C. Dept. of Public Safety: Division of Emergency Management:					
Hazard Mitigation Grant Program	97.039	HMGP 4393- 0008-R	64,201	-	-
Emergency Management Performance	97.042	EMPG-2016- 37049	35,000	-	-
Homeland Security Grant Program	97.067	EMW-2022-CY- 00006-2280059	24,830	-	-
Total U. S. Department of Homeland Security			124,031	-	-
Total Federal Awards			\$ 24,841,616	\$ 869,411	\$ -
State Awards:					
N.C. Dept. of Administration					
Veterans Service			-	2,273	-
Total N.C. Dept. of Administration			-	2,273	-
N.C. Department of Commerce					
Division of Rural Economic Development					
Industrial Development Public Utility Account			-	1,161,517	-
Total N.C. Department of Commerce			-	1,161,517	-
Golden LEAF Foundation					
Golden LEAF Grant Administered by Coastal Carolina Regional Airport					
Golden LEAF Grant			-	165,085	-
Total Golden LEAF Foundation			-	658,388	-
			-	823,473	-
N.C. Department of Environmental Quality					
Division of Waste Management					
Soil Conservation State Match			-	3,600	-
Total N.C. Dept. Environmental Quality			-	3,600	-
N.C. Dept. of Health and Human Services					
Passed-through Eastern Carolina Council of Governments:					
Division of Aging and Adult Services					
Senior Center General Purpose			-	2,816	-
Total Division of Aging and Adult Services			-	2,816	-
Division of Social Services					
Administration					
Smart Start			-	40,242	-
State Child Welfare - State Protective Services			-	99,956	-
Emergency PLMT FC			-	140,166	-
Direct Benefit Payments					
State Foster Home			-	119,166	-
State Foster Home Fund (SFHF) Maximization			-	51,928	-
Foster Care at Risk Maximization			-	18,561	-
Extended Foster Care Maximization Non IV-E programs			-	11,742	-
Foster Care Kinship			-	36,137	-
State-Family Foster Max			-	6,079	-
Total Division of Social Service			-	523,977	-
Division of Public Health					
Breast and Cervical Cancer Control			-	8,125	-
Child Fatality Case Reporting			-	1,895	-
Child Health			-	979	-
DPH Aid-to-Counties			-	131,720	-
Family Planning - State			-	63,385	-
Food and Lodging Fees			-	36,608	-
General Communicable Disease Control			-	6,343	-
Healthy Community Activities			-	3,785	-
High Risk Maternity Clinics			-	132,379	-
Mosquito and Tick Suppression			-	2,489	-
State Fiscal Recovery Funds			-	100,000	-

**Craven County, North Carolina
Schedule of Expenditures of Federal and State Awards
for the Year Ended June 30, 2025**

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
TB Control			-	33,610	-
Total Division of Public Health			-	521,318	-
Total N. C. Department of Health and Human Services			-	1,048,111	-
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs					
Community for Children			-	2,435	2,435
Structured Day Reporting			-	89,000	89,000
Teen Court			-	160,000	160,000
Raise the Age			-	42,400	42,400
Positive Impact			-	26,500	26,500
Total Juvenile Crime Prevention Programs			-	320,335	320,335
Total N. C. Department of Public Safety			-	320,335	320,335
<u>N.C. Dept. of Transportation</u>					
Rural Operating Assistance Program (ROAP) Cluster					
ROAP RGP		36228.22.13.1	-	22,411	-
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.13.1	-	160,054	-
ROAP Work First Transitional - Employment		36236.11.12.1	-	72,304	-
Total ROAP Cluster			-	254,769	-
DOT-9					
State Maintenance Assistance for Urban and Small Urban Program		36234.88.4.2	-	130,920	-
Administered by Coastal Carolina Regional Airport					
DOT-8					
State Aid to Airports		36244.26.15.3	-	24,000	-
DOT-8					
State Aid to Airports		36244.26.16.1	-	974,495	-
DOT-8					
State Aid to Airports		36244.26.17.1	-	234,471	-
DOT-8					
State Aid to Airports		36244.26.16.3	-	259,208	-
Total State Aid to Airports			-	1,492,174	-
Total N.C. Dept. of Transportation			-	1,877,863	-
<u>N.C. Office of State Budget and Management</u>					
Regional Economic Development Reserve		20174	-	1,940,571	-
Regional Economic Development Reserve		20175	-	739,150	-
Regional Economic Development Reserve		20176	-	117,450	-
Total N.C. Office of State Budget and Management			-	2,797,171	-
<u>N.C. Department of Information Technology</u>					
911 BOARD Grant			-	49,761	-
Total N.C. Department of Information Technology			-	49,761	-
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds			-	1,036,685	1,036,685
Needs Based Lottery Fund			-	1,250,000	1,250,000
Repair and Renovation Lottery Fund			-	580,248	580,248
Total N.C. Department of Public Instruction			-	2,866,933	2,866,933
Total State Awards			-	10,951,037	3,187,268
Other Financial Assistance:					
<u>NC Dept. of Justice</u>					
Opioid Settlement Fund (Note 6)			-	404,416	-
Total Federal and State Awards			\$ 24,841,616	\$ 12,224,864	\$ 3,187,268

**Craven County, North Carolina
Schedule of Expenditures of Federal and State Awards
for the Year Ended June 30, 2025**

<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>
-------------------------------------------------------	--------------------------------------------	---------------------------------------------------------	---------------------------------------------------------------------	-------------------------------	------------------------------------------

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, 2025. 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.

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	\$ 2,587,364	\$ -
Supplemental Nutrition Assistance Program	10.551	25,803,827	-
Temporary Assistance for Needy Families	93.558	219,524	-
Refugee Assistance Payment	93.566	7,128	-
Adoption Assistance	93.659	425,639	86,521
Medical Assistance Program	93.778	185,531,233	63,644,631
Child Welfare Services Adoption	N/A	-	245,319
State / County Special Assistance program	N/A	-	382,013



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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 Receipts 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 Coastal Carolina Regional Airport's ("the Airport", 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, 2025.

As described in Note 2 to the Schedule of Passenger Facility Charge Receipts and Expenditures ("the Schedule"), effective for fiscal year ended June 30, 2025, the Schedule is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. In prior years, the Schedule was prepared on the accrual basis of accounting.

In our opinion, Coastal Carolina Regional Airport'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, 2025. The Schedule of Passenger Facility Charge Receipts and Expenditures referred to above presents fairly, in all material respects, the cash receipts and cash expenditures of the Passenger Facility Charge program of Coastal Carolina Regional Airport for the year ended June 30, 2025, on the basis of accounting described in Note 1 to the Schedule. The Airport's procedures for receiving, holding, and using PFC revenue are fair and reasonable in all material respects and are in compliance with applicable FAA requirements. The quarterly report required under Section 158.63 fairly represents, in all material respects, the net transactions within the PFC account for the year ended June 30, 2025.

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 Airport 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 Airport'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 Airport'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 Airport'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 Airport'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 Airport'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 Airport'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 12, 2025

CRAVEN COUNTY, NORTH CAROLINA
COASTAL CAROLINA REGIONAL AIRPORT (A COMPONENT UNIT)

SCHEDULE OF PASSENGER FACILITY CHARGE RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Receipts

Passenger Facility Charges Collected	\$ 221,332
Interest Income on PFC Funds	10,312
Total Receipts	<u>231,644</u>

Expenditures

PFC Application 96-01-C-02-EWN	(61,810)
PFC Application 24-04-C-00-EWN	1,612,569
Total expenditures	<u>1,550,759</u>

Excess (Deficiency) of Receipts over Expenditures	<u>(1,319,115)</u>
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Cash Balance – Beginning of Year	<u>1,376,503</u>
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Cash Balance – End of Year	<u><u>\$ 57,388</u></u>
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Note 1: Summary of Significant Accounting Policies

This schedule presents the activity of the passenger facility charge program of Coastal Carolina Regional Airport. The schedule is presented using the cash basis of accounting.

Note 2: Change in Basis of Accounting

Effective for the fiscal year ended June 30, 2025, the Schedule of Passenger Facility Charge Receipts and Expenditures has been prepared on the cash basis of accounting. In prior years, the schedule was prepared on the accrual basis of accounting. Under the cash basis, receipts are recognized when received and expenditures are recognized when paid, rather than when earned or incurred. This change was made to conform with Federal Aviation Administration (FAA) guidance for PFC reporting. As a result of this change, amounts presented in the current schedule may not be directly comparable to those reported in prior years.

Note 3: Passenger Facility Charges

Beginning February 1, 1997, and including subsequent revisions, Coastal Carolina Regional Airport 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.