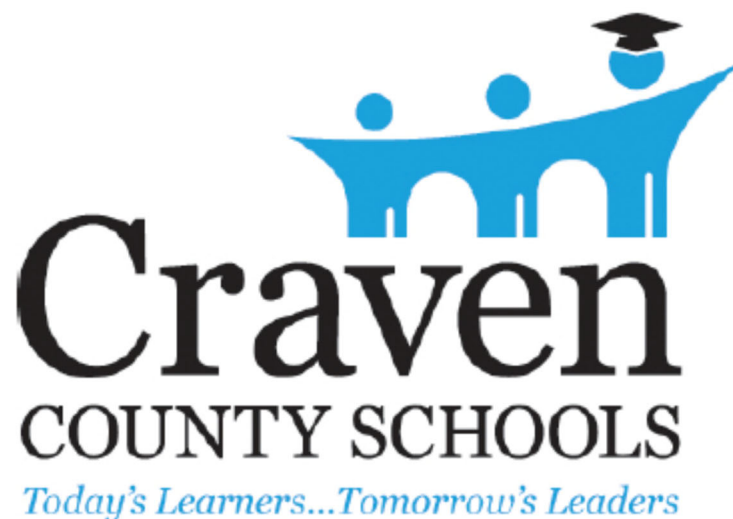


Craven County Board of Education
(New Bern, North Carolina)

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2023**



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Craven County Board of Education
New Bern, North Carolina

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

PREPARED BY
Finance Department
Denise Altman, Finance Officer

CRAVEN COUNTY BOARD OF EDUCATION

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CRAVEN COUNTY BOARD OF EDUCATION

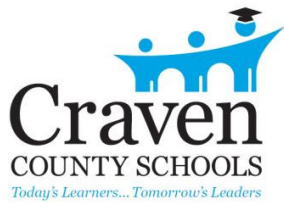
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Introductory Section



Board of Education

BRENT D. MANNING, *Chairman* • SCOTT A. MURPHY, *Vice Chairman*
NAOMI E. CLARK • JENNIFER J. DACEY • CARROLL G. IPOCK, II • LAUREN R. KITZINGER • KELLI S. MUSE
DR. WENDY A. MILLER, *Superintendent*

Letter of Transmittal

October 31, 2023

Members of the Craven County Board of Education and Citizens of Craven County, North Carolina,

The Annual Comprehensive Financial Report of the Craven County Board of Education for the fiscal year ended June 30, 2023, is hereby submitted in compliance with the Public School Laws of North Carolina. The Superintendent and the Finance Officer are responsible for the accuracy, completeness, and clarity of this report which has been prepared in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and is presented in a manner that reflects fairly the financial position and results of the operations of the Board and may help the reader better understand operations and financial position of the local educational agency. All disclosures necessary to enable the reader to gain an understanding of the Board's financial activity have been included.

District Profile

The Craven County Board of Education is a Local Education Agency empowered by State law (Chapter 115C of the North Carolina General Statutes) and is the lowest level of government having financial accountability and control over all activities related to public school education in Craven County, North Carolina. The Craven County Board of Education, whose members are elected by the citizens of Craven County, has the authority to designate management, make binding decisions, and significantly influence operations. The Board has final approval over the budget and primary accountability for fiscal matters (including any deficits.) Accordingly, the Craven County Board of Education is not included in any other reporting entity as defined in GASB pronouncements.

The system for FY 2022-2023 had 15 elementary schools, 5 middle schools, 5 high schools and Craven Virtual Academy with a final ADM of 12,381 students. The system employed a total of 1,762 personnel, with licensed personnel comprising 53.7% of that total. One of our high schools is partnered with the High School Innovation Project (HSIP) as a Learn and Earn early college high school. This program has been highly successful and continues to spark a lot of interest in the community. This type of collaboration enhances the overall educational setting in Craven County. Craven County Schools is also proud to have Early College East in the Havelock area to focus on Science, Technology, Engineering, and Mathematics. The system partners with Craven Community College and NAV Air aboard Cherry Point Marine Air Station to allow for this awesome educational experience, merging real-time project-based learning and technology. This is a five-year program which will enable students to graduate with a high school diploma and up to two years of college credit toward a bachelors or associates degree. The instructional services for the students include general education, special education, JROTC, and CTE programs.

Craven County continues to operate the PASS program at New Bern High School, Havelock High School and West Craven High School. These three locations are spread out to allow our system to effectively reach more students to offer them alternative avenues for education. Also, Craven County Schools continues to operate Aspire school which is located on the Grover C. Fields Middle School site location. This school is designed to target those students with extreme behavior type issues that may be a barrier to learning in the regular classroom environment. The school is staffed with specially trained educators to assist these students with strategies that will enhance their learning potential, as well as a coordinator for the school.

Each school has a principal that is responsible for the total school operations. Appropriate instructional and support personnel, based on student enrollment, staff the schools. Instructional specialists and central administrative staff work with the school principal and other faculty in developing, implementing, and enhancing effective instructional programs to serve the students of Craven County. Craven County's facilities range in age from the mid 1950's to the most recent new construction in 2006. Craven County has maintained the older buildings over the years by replacing roofs, installing updated HVAC systems, HVAC control systems for efficiency, window and door replacements and restroom renovations. We have completed a long-range facilities plan that will help guide us as we address the needs of the system as budget allows.

Accounting System and Budgetary Control

The Board provides a variety of services to meet its educational responsibilities and goals. The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity. From an accounting and financial management viewpoint, a governmental unit is a combination of several distinctly different fiscal and accounting entities, each having a separate set of accounts and functions that operate independently. Each entity is a separate 'fund' with a self-balancing set of accounts comprised of assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

In developing and improving the Board's accounting system, consideration is given to the adequacy of the internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Board's internal control structure adequately protects assets and provides reasonable assurance of proper recording of financial transactions.

North Carolina General Statutes require an annual balanced budget to be adopted for all funds, except for the individual school funds, before July 1 of each year and can be amended through June 30. The Board's annual budget Resolution authorizes expenditures by fund, function, and project on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the

accompanying financial statements represent the final budget as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item. All appropriations lapse at the fiscal year-end and outstanding encumbrances at the end of the fiscal year related to normal operations are considered continuing contracts and are re-appropriated by budget amendment in the new fiscal year.

Management's Discussion and Analysis

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This discussion is included in this report. This letter of transmittal is designed to complement the MD&A and should be read in connection with it.

Health Insurance Update

The Board participates in the State Health Plan for teachers and state employees. The Plan provides health care coverage for eligible teachers, state employees, retirees and others identified under the COBRA law. It is a self-insured plan and exempt from the Employee Retirement Income Security Act as a government-sponsored plan. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits through one of two preferred provider organization (PPO) plans. PPO plans extend the freedom of choice among in-network providers and lower out-of-pocket costs. For active employees, the State Health Plan will continue to offer 2 plans which include the enhanced 80/20 plan, and the traditional 70/30 plan. These plans allow individuals the flexibility to receive benefits for visits to any provider, whether they are in or out of network. Active employees must pay a \$25 monthly premium for the Traditional 70/30 plan, previously termed the Basic Plan. This plan has higher copays and deductibles in exchange for reduced premiums. The second Enhanced 80/20 plan includes enhanced benefits with a strong emphasis on preventive health and comes with a monthly premium cost of \$50 for the employee. The extended monthly premium is a tradeoff for lower copays, coinsurance, and deductibles. All tobacco users have the option to attend a CVS Minute Clinic or meet with their preferred health provider to aid in the cessation of tobacco usage to avoid the additional \$60 charge.

Independent Audit

The General Statutes of North Carolina require an annual independent audit of all local boards of education. Dixon Hughes Goodman, LLP, a firm of independent certified public accountants, has examined the financial statements, and their opinion is included in this report. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Title 2 US Code of Federal Regulations Part 200 Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the North Carolina Single Audit Implementation Act. This audit was performed using auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The auditor's report on the management's discussion and analysis, the basic financial statements, and the combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in the compliance section of this report.

Economic Profile

Craven County finds its place nestled in the heart of North Carolina's coastal shores with its picturesque location on the banks of two major rivers, about 40 miles from the ocean. The county is filled with an abundance of natural resources. The Craven County region encompasses New Bern, Havelock, and Vanceboro where they collectively create an environment where the citizens are actively engaged with where they live, work, play and learn. This unique widespread county is a special place with a multitude of opportunities. The region's atmosphere allows businesses to thrive and residents to live comfortably. Craven County has a strong manufacturing history which has allowed our economy to grow and diversify. This county has a mild climate and tranquil countryside along with well-maintained greens that are spread over acreage of approximately 712 square miles. Craven County's population in 2023 came in at 99,886. The county tax rate for FY23/24 is \$0.4448 per \$100 of assessed value. It is home to the Croatan National Forest and Marine Corps Air Station Cherry Point.

The county seat, New Bern, was settled in 1710 and was the first capital of North Carolina. It was in 1712 that Craven County was founded and named for William, Earl of Craven who lived from 1608 to 1697. He was one of the eight original Lords Proprietor of the Colony of Carolina which King Charles II of England granted in 1663. Tuscarora Tribe's Native Americans originally inhabited the region, and was later settled by German, Swiss and English colonists. At the confluence of the Neuse and Trent Rivers, sits New Bern which is the county seat of Craven County. New Bern's rich history and beautiful location have made this city appreciated across the state. Significant towns within Craven County include Havelock, Fort Barnwell, Tuscarora, Bridgeton, Vanceboro, Trent Woods, Jasper and Dover. The county has a total of seven districts while each one is distinct with its own rich heritage. This county was once known primarily for farming and agriculture; however, tourism has emerged over time and continues to be a key component in this historic southern city.

Of the 161,000 acres of land that comprise the Croatan National Forest, 63,068 of them are located within Craven County. It offers Pocosins, Longleaf and Loblolly pine, bottomland and upland hardwood ecosystems, well-developed hiking trails, campgrounds, a long sandy swimming beach, and paddle trails for canoeists. The fishing is plentiful with a wide variety of fish from catfish to largemouth bass, bluegills to flounder, perch or croakers. Some very unusual plants such as Venus' flytraps, sundews and pitcher plants are scattered throughout the Forest. A percentage of money received from production of goods and services on national forest lands is distributed to school systems. For FY 2023, our system received \$60,674.

A 2020 study reveals North Carolina as home to the 5th largest military population in the US. North Carolina has adopted the Interstate Compact on Educational Opportunity for Military Children. This compact addresses many areas of need for the military student who deals with many transitions during their lifetime. On average, the military child moves 6-9 times between kindergarten and twelfth grade. At least one military child is represented at every school in our county. Marine Corps Air Station Cherry Point was authorized by Congress on July 9, 1941 with an initial appropriation of \$14,990,000 for construction. Originally, this was an 8,000-acre tract of swamps, farms, and timberland. One of the best all weather jet bases in the world is claimed by Cherry Point. Cherry Point has grown to occupy more than 29,000 acres which includes the air station as well as its associated support locations. This air station continues to pursue quality of life initiatives and community outreach efforts. It is their guiding principle to foster these positive relationships with the local communities to further mutual interests and commitments. Cherry

Point continues to increase in number for military and civilian, which in turn increases the number of new students served by Craven County Schools. The Armed Forces see STEM education as a golden opportunity for future employment as there is a rapidly growing need for employers in fields that utilize science, technology, engineering and mathematics. Craven County School District received \$1.3 million from the Department of Education for Impact Aid directly related to Cherry Point in fiscal year 2023. International Paper Company, formerly Weyerhaeuser Company, previously the largest taxpayer in Craven County has slipped into the second highest taxpayer spot in FY 2023. Its 2023 assessed valuation was \$176.9 million. BSH Home Appliances Corp. is now the highest taxpayer with an assessed valuation of \$181 million. The Department of Defense remains the largest employer in terms of numbers of employees with a count of 5,456 civilian employees; Carolina East Health Systems is second with 2,890 employees and third is BSH Home Appliances with 1,521. The annual average unemployment rate for Craven County is 3.6%, which decreased from 4.68 % for the previous year.

Financial Planning

The Craven County Board of Education is a financially dependent organization. By state statute the Board has no taxing authority or other means of generating revenues. The Board is dependent upon the State of North Carolina, the Federal Government, and the Craven County Commissioners. The State budget for FY 2022-2023 provided licensed teachers with a Bachelor degree a starting annual salary of \$39,000 and will cap at the top of the scale at \$55,100. The schedule for principal salaries is a range from \$75,526 to \$113,288. Principal bonuses will be designated for the top 50% in the State. The measuring component will be the growth of the school supervised. Noncertified and central office staff were granted a 4% salary increase. It is important to note that there was an increase in the final average daily membership this past year from 12,280 to 12,381.

As most of the Federal and State funding are based on the student population, this drop has a negative impact on our funding dollars. Due to the continued limited growth in our economy, the State and local funding entities have endured funding shortages which have impacted the Board of Education as well since they are a funding dependent government entity. Through all of this, Craven County Schools maintains their vision for academic success for all students and strives to monitor the budgeting needs of the future. Craven County School System also receives Federal Impact Aid funding which may be used at the district's discretion and in accordance with their local and state requirements. Most school districts utilize this funding for current expenditures such as teacher salaries, supplies, equipment, computers, tutoring, and enrichment programs. Craven County Schools are eligible for this funding since Craven County includes within their boundary parcels of land that are owned by the Federal Government or that have been removed from the local tax rolls. This leaves the county operating with less local revenue while still providing a quality education for these students living on the Indian and other Federal lands. The Impact Aid program was implemented by Congress to provide this financial assistance to the local school districts that are affected with this decreased local revenue. It was officially signed into law in 1950 by President Harry S. Truman. This assistance funding requires parent-pupil surveys to be filled out around the September time frame for each student enrolled in Craven County Schools.

On an annual basis, Craven County Schools' leadership team meets for an Organizational Review with its Board Members. This review covers curriculum changes and planning, updates on School-Family-Community Connections, long range planning for facilities, and sharing of data on our educators and potential future leaders for our system. Long-range facilities plan for capital improvements has been

completed to help our school district leaders and county leaders determine the order of priorities over a five-year time span.

CRAVEN COUNTY SCHOOLS

VISION

We envision a public education system that challenges all students as learners and prepares them to imagine and create a successful life; values educators and empowers them to inspire and spark innovation in every student; leads in education and community engagement; and invites all students, their families, and all members of the community to work together to support public education to the benefit of our students, our community, our nation and our world.

MISSION

Together with OUR families and community, Craven County Schools will educate all learners to personal, professional, and civic success through challenging and personalized instruction.

STRATEGIC PLAN GOALS

- ☐ The Learner
- ☐ The Educator
- ☐ Teaching and Learning
- ☐ Community Engagement and Leadership
- ☐ Operations and Resources

CORE VALUES

- ☐ Visionary Leadership
- ☐ Student-Centered Excellence
- ☐ Organizational Learning and Agility
- ☐ Valuing People
- ☐ Focus on Success
- ☐ Managing for Innovation
- ☐ Management by Fact
- ☐ Societal Responsibility
- ☐ Delivering Value and Results
- ☐ Ethics and Transparency

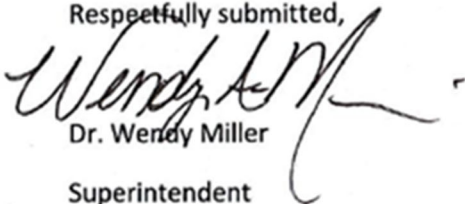
Financial Reporting Awards

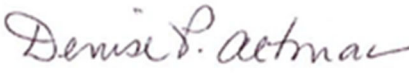
Since 1990, our Annual Comprehensive Financial Report has earned the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) and since 1995 the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). These awards are made only to governmental units that publish annual comprehensive financial reports that are easily readable, efficiently organized, and conform to program standards as well as satisfy generally accepted accounting principles and applicable legal requirements. We believe that our accompanying report conforms to ASBO and GFOA requirements and we will again submit this report for award consideration. Also, the North Carolina State Board of Education Recognition of Achievement in Financial Resource Management Certificate has been received from FY 1996 through FY 2022 with the exception of FY 2009. Craven County Board of Education will continue to make every effort to receive all future awards.

Acknowledgements

The preparation of this report could not have been accomplished without our independent audit firm, FORVIS, LLP and the efficient and dedicated services of the personnel in the business office. This report would not be possible without their dedicated efforts and commitment to this school system. We would like to express our appreciation for their assistance and contributions in developing the final report.

As required by North Carolina General Statute 115C-44, copies of this report will be filed with the Secretary of the Local Government Commission, the Controller of the State Board of Education, and the Board of County Commissioners. Also, a copy will be made available for public inspection in the office of the Superintendent.

Respectfully submitted,

Dr. Wendy Miller
Superintendent


Denise P. Altman
Finance Officer

Craven County Board of Education

List of Principal Officers

BOARD OF EDUCATION

Brent D. Manning
Chairman

Scott Murphy
Vice Chairperson

Jennifer Dacey

Kelli S. Muse

Naomi Clark

Carr Ipock

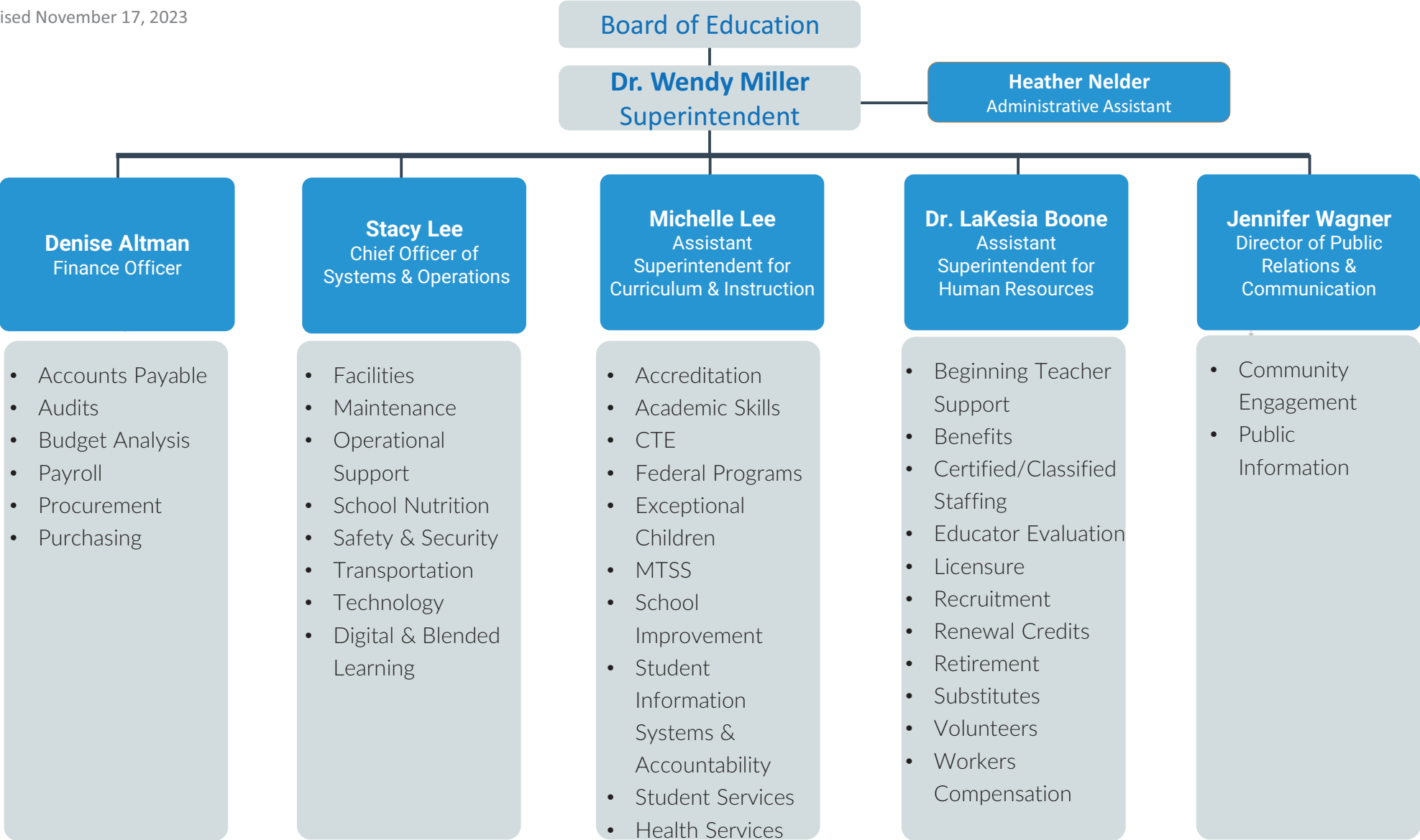
Lauren Kitzinger

SUPERINTENDENT

Dr. Wendy A. Miller

ASSISTANT SUPERINTENDENTS/CHIEF OFFICERS

Mr. Stacy Lee
Dr. LaKesia Boone
Mrs. Michelle Lee





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Craven County Board of Education

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a large, looped 'J' and 'H'.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a large, looped 'S' and 'M'.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Craven County Board of Education
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO



Financial Section

Independent Auditor's Report

Board of Education
Craven County Schools
New Bern, North Carolina

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School Fund, Other Local Current Expense, and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Board, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 raise substantial doubt about the Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from 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 *Government Auditing Standards* will always detect a material misstatement 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:

- Exercise professional judgment and maintain 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 the Board'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 Board'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 Management's Discussion and Analysis on pages 4 through 11 and the Teachers' and State Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Board Contributions, on pages 54 through 55, respectively, and the Retiree Health Benefit Fund's Schedules of Proportionate Share of the Net OPEB Liability and Board Contributions, on pages 56 through 57, respectively, and the Disability Income Plan of North Carolina's Schedules of the Proportionate Share of the Net OPEB Asset (Liability) and Board Contributions, on pages 58 through 59, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The individual fund statements and schedules, including the schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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. In our opinion, the individual statements and schedules and the schedule of expenditures of federal and state awards is 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 comprehensive financial report. The other information comprises the introductory and 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 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 statements, 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 October 31, 2023, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

FORVIS, LLP

High Point, North Carolina
October 31, 2023

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

As management of the Craven County Board of Education, we offer readers of the Craven County Board of Education's financial statements this narrative overview and analysis of the financial activities of the Craven County Board of Education for the fiscal year ended June 30, 2023. We encourage readers to read the information presented in conjunction with the audited financial statements included in this report.

Financial Highlights

- There was an increase in the final student average daily membership (ADM) from 12,280 to 12,381. Most of the funding received from the Federal and State grants that flow through the State are based on the general and special groups of student population.
- The Board of Education reported an ending fund balance of \$17,839,595 in the General Fund, an increase of \$489,734 in comparison with the prior year. Included in this total is \$387,825, the value of inventories which represents amounts that are non-spendable at year end. Also included in this total is \$941,039 restricted for Stabilization of State Statute and \$5,549,992 assigned for subsequent year's expenditures. The remaining balance of \$10,960,739 is unassigned which is available for spending at the government's discretion.
- The Major Funds include fund balances of \$996,988 for the Individual Schools Fund and \$5,941,678 for the Other Local Current Expense Fund. The Individual Schools Fund is maintained by individual schools and is not required to be budgeted by the Board of Education. The Other Local Current Expense Fund is maintained by the Board to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.
- Financial reporting awards from the Association of School Business Officials International was received for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

The audited financial statements of the Board consist of four components. They are as follows:

- Independent Auditor's Report
- Management's Discussion and Analysis (required supplementary information)
- Basic Financial Statements
- Required supplemental information section presents schedules for Teachers' and State Employees' Retirement System, Retiree Health Benefit Fund, Disability Income Plan of North Carolina and budgetary statements for the governmental and proprietary funds.

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *government-wide statements*. The government-wide statements are presented on the full accrual basis of accounting and include the Statement of Net Position (Deficit) and the Statement of Activities. The Statement of Net Position (Deficit) includes all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of resources, obligations to creditors, and deferred inflows of resources. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

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

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near-term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary and fiduciary fund is presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position (Deficit) includes all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position (deficit) and how they have changed. Net position - the difference between the total of the Board's assets and deferred outflows of resources and the total of the liabilities and deferred inflows of resources - is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position (deficit) are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- Governmental activities: Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and state and federal aid finance most of these activities.
- Business-type activities: The Board charges fees to help it cover the costs of certain services it provides. School food service is included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds - not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants fund.

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

The Board has three types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things - (1) how cash and other assets that can readily be converted to cash flow in and out, and (2) the balances left at year end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund, the Other Local Current Expense Fund, and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits 3, 4, 5, and 6 of this report.

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Board's only proprietary fund is an enterprise fund, School Food Service.

The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Board has one fiduciary fund - the Administrative Fund, which is a loan/scholarship fund under the control of the administrative unit. This is accounted for as a private purpose trust fund.

The fiduciary fund statements are shown as Exhibits 10 and 11 of this report.

Financial Analysis of the Board as a Whole

The net position (deficit) is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$55.6 million as of June 30, 2023. The largest component of the net deficit is the Board's net investment in capital assets of \$78.8 million. Restricted and unrestricted net position (deficit) amounted to \$4.3 million and (\$138.7) million, respectively. The primary reason for the total net deficit and unrestricted net deficit in the current year is the presentation of the board's proportionate share of the net pension liability and net OPEB liability in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The net pension liability, net OPEB liability, and related components has a \$160.2 million negative effect to the Board's overall net position.

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

The following is a summary of the Statement of Net Position (Deficit):

Table 1
Condensed Statement of Net Position (Deficit)
as of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 27,620,205	\$ 26,833,549	\$ 6,081,114	\$ 6,331,901	\$ 33,701,319	\$ 33,165,450
Non-current assets	79,771,784	71,053,160	1,167,711	1,150,135	80,939,495	72,203,295
Total assets	107,391,989	97,886,709	7,248,825	7,482,036	114,640,814	105,368,745
Deferred outflows of resources	59,439,329	38,544,456	1,472,211	897,410	60,911,540	39,441,866
Current liabilities	6,593,694	6,670,454	158,899	224,642	6,752,593	6,895,096
Long-term liabilities	166,711,765	149,482,946	3,917,780	3,394,487	170,629,545	152,877,433
Total liabilities	173,305,459	156,153,400	4,076,679	3,619,129	177,382,138	159,772,529
Deferred inflows of resources	52,680,608	69,580,344	1,111,958	1,588,444	53,792,566	71,168,788
Net investment in capital assets	77,609,120	67,304,864	1,167,711	1,150,135	78,776,831	68,454,999
Restricted net position	4,328,619	4,867,283	-	1,554	4,328,619	4,868,837
Unrestricted net deficit	(141,092,488)	(161,474,726)	2,364,688	2,020,184	(138,727,800)	(159,454,542)
Total net position (deficit)	\$ (59,154,749)	\$ (89,302,579)	\$ 3,532,399	\$ 3,171,873	\$ (55,622,350)	\$ (86,130,706)

The net deficit of the Board's governmental activities decreased from \$89.3 million at June 30, 2022 to \$59.2 million at June 30, 2023, a decrease of \$30.1 million. The Board's net investment in capital assets increased by \$10.3 million during the year due primarily to capital outlay expenditures in excess of depreciation expense. Restricted net position decreased by \$538 thousand primarily due to decreases in the restricted amounts for stabilization by state statute. Unrestricted net deficit decreased by \$20.4 million primarily as a result of the changes in the proportionate share of the Teachers' and State Employees' Retirement System plan net pension liability, as well as changes to the proportionate share of the Retiree Health Benefit Fund net OPEB liability and deferred outflows and inflows of resources. Restrictions to net position are related to stabilization by state statute, and reserves for the Disability Income Plan of North Carolina and reserves for individual schools. The Board does not believe there are any other restrictions, commitments, or other limitations that will significantly affect fund resources for future use.

The net position of business-type activities increased \$360 thousand from \$3.2 million at June 30, 2022 to \$3.5 million at June 30, 2023. This represented a decrease in the change in net position from the prior year, as net position increased by \$2.2 million for the year ended June 30, 2022. The increase in net position is primarily related to an increase in deferred outflows of \$575 thousand compared to the prior year. The decrease in the change in net position compared to the prior year is primarily related to increases in food sales and decreases of federal reimbursements of \$721 thousand and \$1.8 million, respectively, in combination with an increase in food purchasing expense of \$320 thousand.

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

The following table shows the revenues and expenses for the Board for the current fiscal year.

**Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2023 & 2022**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 2,649,384	\$ 2,064,313	\$ 996,417	\$ 274,703	\$ 3,645,801	\$ 2,339,016
Operating grants and contributions	128,375,447	123,961,741	8,497,451	10,227,111	136,872,898	134,188,852
Capital grants and contributions	1,377,640	994,285	-	-	1,377,640	994,285
General revenues:						
Unrestricted state and federal appropriations	3,069,775	2,712,259	19,735	18,836	3,089,510	2,731,095
Unrestricted county appropriations	24,007,444	24,153,436	-	-	24,007,444	24,153,436
Insurance proceeds	76,586	60,000	-	-	76,586	60,000
Other revenues	2,206,285	1,933,287	97,575	51,305	2,303,860	1,984,592
Total revenues	161,762,561	155,879,321	9,611,178	10,571,955	171,373,739	166,451,276
Expenses:						
Governmental activities:						
Instructional services	98,777,553	98,430,514	-	-	98,777,553	98,430,514
System-wide support services	29,300,075	28,417,270	-	-	29,300,075	28,417,270
Ancillary services	200,439	547,031	-	-	200,439	547,031
Non-programmed charges	394,520	498,146	-	-	394,520	498,146
Unallocated depreciation expense	2,879,046	3,738,761	-	-	2,879,046	3,738,761
Interest expense	63,098	44,805	-	-	63,098	44,805
Business-type activities:						
School food service	-	-	9,250,652	8,350,348	9,250,652	8,350,348
Total expenses	131,614,731	131,676,527	9,250,652	8,350,348	140,865,383	140,026,875
Increase (decrease) in net position	30,147,830	24,202,794	360,526	2,221,607	30,508,356	26,424,401
Net position (deficit), beginning	(89,302,579)	(113,505,373)	3,171,873	950,266	(86,130,706)	(112,555,107)
Net position (deficit), ending	\$ (59,154,749)	\$ (89,302,579)	\$ 3,532,399	\$ 3,171,873	\$ (55,622,350)	\$ (86,130,706)

During the year ended June 30, 2023, governmental activities generated revenues of \$161.8 million and incurred expenses of \$131.6 million, resulting in the aforementioned decrease in net deficit for these activities of \$30.1 million. Overall, revenues were up by \$5.9 million when compared to the prior year, while expenses decreased \$62 thousand. The increase in revenues is primarily the result of increases in operating grants and contributions totaling \$4.4 million. Primary sources of revenue were funding from the State of North Carolina, Craven County, and the United States government, which respectively comprised 59.4%, 14.8%, and 21.6% of our revenues, respectively. As would be expected, the major component of the Board's expenses were instructional services, which accounted for 75.1% of our total during the most recent fiscal year. Of the remaining expenses, 22.3% was attributable to system-wide support services. To assist the Board in mitigating the increased cost of education during the COVID-19 pandemic, the Board received and expended \$21.7 million in funding from the federal government through the Education Stabilization Fund.

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

Business-type activities generated revenue of \$9.6 million and incurred expenses of \$9.3 million, resulting in an increase in net position of \$360 thousand. This represents a decrease of \$1.9 million over the prior year increase in net position of \$2.1 million. The increase in the change in net position compared to the prior year is primarily related to increases in food sales and decreases in federal reimbursements of \$721 thousand and \$1.8 million, respectively, in combination with an increase in food purchasing expense of \$320 thousand.

Financial Analysis of the Board's Funds

Governmental Funds: The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$25.9 million at June 30, 2023, a \$742 thousand increase compared to the prior year. Overall, total revenues increased by \$6.0 million, or 3.9%, compared to the prior year, while total expenditures increased by \$11.6 million, or 7.7%. Further, other financing sources (uses) decreased \$452 thousand related to a decrease in installment purchase obligations issued \$355 thousand. The increase in revenues is attributable to an increase in revenues from the U.S. Government of \$3 million and the State of North Carolina of \$3.0 million. The increase in expenditures is primarily related to increases in operational support of \$11.1 million and special population expenditures of \$1.3 million.

For the fiscal year ended June 30, 2023, the Board's General Fund and Other Local Current Expense Fund experienced an increase in fund balance of \$490 thousand and \$286 thousand, respectively. Specifically related to the General Fund, County revenues remained consistent with the prior year at \$22 million, while revenues from the U.S. Government decreased by \$3.5 million related to Disaster Grants - Public Assistance which were recognized in the prior year. Expenditures in the General fund increased by \$728 thousand. The Other Local Current Expense Fund recognized an decrease in total revenues of \$360 thousand when compared to the prior year. During the same period, the Board experienced an increase in expenditures of \$440 thousand in this fund.

The Board's State Public School Fund and Federal Grants Fund recognized increases in revenues of \$1.4 million or 1.6% and \$8.4 million or 36%, respectively. The increases in the State Public School Fund and Federal Grants Fund are primarily attributable to additional funding provided under the State Public School Fund of \$3.9 million and the Education Stabilization Fund of \$7.7 million.

The Board's Individual Schools Fund and Capital Outlay Fund had a net change in fund balance of \$(91) thousand and \$57 thousand, respectively. The increase in revenues of \$579 thousand and increase in expenditures of \$651 thousand in the Individual Schools Fund were a result of increased participation. Revenues in the Capital Outlay Fund increased over the prior year by \$265 thousand to \$3.4 million. Capital Outlay Fund expenditures decreased by \$26 thousand in the current year related to a decrease in bus purchases of \$355 thousand.

Proprietary Funds: The Board's business-type fund, the School Food Service Fund, generated an increase in net position of \$360 thousand during the year ended June 30, 2023, compared to an increase in net position of \$2.2 million during the prior year, a change of \$(1.9) million. As previously mentioned, the increase compared to the prior year is primarily related to increases in food sales and a decrease in federal reimbursements of \$722 thousand and \$1.8 million, respectively, in excess of an increase in food purchasing expense of \$320 thousand.

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

General Fund Budgetary Highlights

During the fiscal year, the Board revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and (3) increases in appropriations that become necessary to maintain services. The General Fund's final budget included \$3,574,258 of appropriated fund balance, none of which was used during the fiscal year ended June 30, 2023. Amendments were made necessary by all three categories. Amendments were in all fund operations of the Board of Education.

Capital Assets

During the fiscal year ended June 30, 2023, capital assets, net of accumulated depreciation/amortization, increased by \$8.4 million for governmental activities and increased by \$17.6 thousand for business-type activities, compared to the prior year. During the year, the Board added \$7.5 million to construction in progress, primarily related to the construction of HVAC systems within the schools. The Board also acquired \$5.2 million in buildings, equipment, furniture, and vehicles. Total depreciation/amortization charges for the year ended June 30, 2023 was \$4.2 million for governmental activities. Total depreciation/amortization charges for the year ended June 30, 2023 was \$229 thousand for business-type activities. For more detailed information, please see Capital Assets in Note 2 in the accompanying notes to the financial statements.

Table 3
Summary of Capital Assets
as of June 30, 2023 and 2022

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,074,671	\$ 3,074,671	\$ -	\$ -	\$ 3,074,671	\$ 3,074,671
Construction in progress	7,457,316	-	-	-	7,457,316	-
Buildings and improvements	61,618,374	60,055,753	-	-	61,618,374	60,055,753
Equipment and furniture	2,882,732	2,865,706	1,049,651	1,023,552	3,932,383	3,889,258
Lease assets	654,058	1,055,907	-	-	654,058	1,055,907
Right-to-use subscription assets	250,613	339,448	-	-	250,613	339,448
Vehicles	3,834,020	4,001,123	118,060	126,583	3,952,080	4,127,706
Total	\$ 79,771,784	\$ 71,392,608	\$ 1,167,711	\$ 1,150,135	\$ 80,939,495	\$ 72,542,743

Debt Outstanding

The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. During the year ended June 30, 2023, the Board's outstanding debt decreased by \$1.2 million due to principal repayments in excess of borrowings on installment purchase obligations and \$718 thousand due to principal repayments in excess of borrowings on lease liabilities and subscription liabilities in the current year. For more detailed information, please see Long-Term Obligations in Note 2 in the accompanying notes to the financial statements.

Economic Factors

Craven County Schools experienced an increase in average daily membership of students from 12,280 students at 2022 year end to 12,381 at 2023 year end. For every fluctuation of 100 students, our state allotments are adjusted by DPI according to funding formulas. The Craven County Board of Education is dependent upon state, federal and local funding to operate.

Administrators within the district continue to meet multiple times each school year to analyze funding available and make best use of those funds. Teaching positions are looked at closely when ADM decreases to ensure we are staying within budgeted positions.

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

Craven County had a decrease in the annual unemployment rate from 4.68% for calendar year 2022 to 3.6% for 2023 and the per capita personal income increased from \$48,832 in 2022 to \$54,135 in 2023. Building inspections decreased from 15,075 in FY 2022 to 14,136 in FY 2023.

Requests for Information

This report is intended to provide a summary of the financial condition of the Board of Education of Craven County Schools. Questions or requests for additional information should be addressed to:

Denise P. Altman, CPA, Finance Officer
Board of Education of Craven County
3600 Trent Road
New Bern, North Carolina 28562

Board of Education of Craven County Schools
Statement of Net Position (Deficit)
June 30, 2023

Exhibit 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,902,693	\$ 5,622,563	\$ 30,525,256
Due from other governments	1,610,778	258,126	1,868,904
Receivables	4,508	-	4,508
Internal balances	183,474	(183,474)	-
Inventories	918,752	383,899	1,302,651
Capital assets:			
Land and construction in progress	10,531,987	-	10,531,987
Other capital assets, net of depreciation/amortization	69,239,797	1,167,711	70,407,508
Total assets	107,391,989	7,248,825	114,640,814
DEFERRED OUTFLOWS OF RESOURCES	59,439,329	1,472,211	60,911,540
LIABILITIES			
Accounts payable and accrued expenses	191,427	4,637	196,064
Accrued salaries and wages payable	637,958	1,056	639,014
Unearned revenue	114,491	52,512	167,003
Long-term liabilities:			
Due within one year	5,649,818	100,694	5,750,512
Due in more than one year	166,711,765	3,917,780	170,629,545
Total liabilities	173,305,459	4,076,679	177,382,138
DEFERRED INFLOWS OF RESOURCES	52,680,608	1,111,958	53,792,566
NET POSITION (DEFICIT)			
Net investment in capital assets	77,609,120	1,167,711	78,776,831
Restricted for:			
Stabilization by State Statute	3,331,631	-	3,331,631
Individual Schools	996,988	-	996,988
Unrestricted	(141,092,488)	2,364,688	(138,727,800)
Total net position (deficit)	\$ (59,154,749)	\$ 3,532,399	\$ (55,622,350)

Board of Education of Craven County Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 55,585,783	\$ -	\$ 58,427,094	\$ -	\$ 2,841,311	\$ -	\$ 2,841,311
Special populations	14,728,581	-	16,063,332	-	1,334,751	-	1,334,751
Alternative programs	7,062,321	-	6,238,593	-	(823,728)	-	(823,728)
School leadership	7,566,842	-	5,647,039	-	(1,919,803)	-	(1,919,803)
Co-curricular	798,686	2,624,921	945	-	1,827,180	-	1,827,180
School-based support	13,035,340	-	9,481,548	-	(3,553,792)	-	(3,553,792)
System-wide support services:							
Support and development	2,326,817	-	1,884,721	-	(442,096)	-	(442,096)
Special population support and development	831,121	-	988,731	-	157,610	-	157,610
Alternative programs and services support and development	451,491	-	225,291	-	(226,200)	-	(226,200)
Technology support	1,881,558	-	989,588	-	(891,970)	-	(891,970)
Operational support	19,169,478	24,463	25,994,783	1,377,640	8,227,408	-	8,227,408
Financial and human resource	2,475,701	-	1,041,070	-	(1,434,631)	-	(1,434,631)
Accountability	197,317	-	233,034	-	35,717	-	35,717
System-wide pupil support	415,800	-	140,980	-	(274,820)	-	(274,820)
Policy, leadership, and public relations	1,550,792	-	334,529	-	(1,216,263)	-	(1,216,263)
Ancillary services	200,439	-	84,345	-	(116,094)	-	(116,094)
Non-programmed charges	394,520	-	577,171	-	182,651	-	182,651
Interest on long-term debt	63,098	-	22,653	-	(40,445)	-	(40,445)
Unallocated depreciation/amortization expense, excluding direct depreciation/amortization expense charged to programs	2,879,046	-	-	-	(2,879,046)	-	(2,879,046)
Total governmental activities	131,614,731	2,649,384	128,375,447	1,377,640	787,740	-	787,740
Business-type activities:							
School food service	9,250,652	996,417	8,497,451	-	-	243,216	243,216
Total primary government	\$ 140,865,383	\$ 3,645,801	\$ 136,872,898	\$ 1,377,640	\$ 787,740	\$ 243,216	\$ 1,030,956
General revenues:							
Unrestricted county appropriations - operating					22,004,991	-	22,004,991
Unrestricted county appropriations - capital					2,002,453	-	2,002,453
Unrestricted State and Federal appropriations - operating					3,069,775	-	3,069,775
State OPEB contribution - non-capital					717,269	19,735	737,004
Investment earnings, unrestricted					288,136	47,104	335,240
Miscellaneous, unrestricted					1,200,880	50,471	1,251,351
Insurance proceeds					76,586	-	76,586
Total general revenues					29,360,090	117,310	29,477,400
Change in net position (deficit)					30,147,830	360,526	30,508,356
Net position (deficit), beginning					(89,302,579)	3,171,873	(86,130,706)
Net position (deficit), ending					\$ (59,154,749)	\$ 3,532,399	\$ (55,622,350)

Board of Education of Craven County Schools
Balance Sheet
Governmental Funds
June 30, 2023

Exhibit 3

	Major Funds						
	General	State Public School	Federal Grants Fund	Capital Outlay	Individual Schools	Other Local Current Expense	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 17,958,508	\$ -	\$ -	\$ 1,110,373	\$ 996,988	\$ 4,836,824	\$ 24,902,693
Accounts receivable	4,508	-	-	-	-	-	4,508
Due from other governments	232,046	2,029	128,052	26,881	-	1,221,770	1,610,778
Due from other funds	184,809	-	-	-	-	-	184,809
Inventories	387,825	530,927	-	-	-	-	918,752
Total assets	<u>\$ 18,767,696</u>	<u>\$ 532,956</u>	<u>\$ 128,052</u>	<u>\$ 1,137,254</u>	<u>\$ 996,988</u>	<u>\$ 6,058,594</u>	<u>\$ 27,621,540</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 190,337	\$ -	\$ -	\$ -	\$ -	\$ 1,090	\$ 191,427
Due to other funds	-	-	-	-	-	1,335	1,335
Accrued salaries and benefits payable	637,958	-	-	-	-	-	637,958
Unearned revenue	-	-	-	-	-	114,491	114,491
Total liabilities	828,295	-	-	-	-	116,916	945,211
Deferred inflows of resources	99,806	532,956	128,052	26,881	-	-	787,695
Fund balances:							
Nonspendable:							
Inventories	387,825	-	-	-	-	-	387,825
Restricted:							
Stabilization by State Statute	941,039	-	-	1,110,373	-	1,280,219	3,331,631
Individual Schools	-	-	-	-	996,988	-	996,988
Assigned:							
Subsequent year's expenditures	5,549,992	-	-	-	-	-	5,549,992
Other special programs	-	-	-	-	-	4,661,459	4,661,459
Unassigned	10,960,739	-	-	-	-	-	10,960,739
Total fund balances	<u>17,839,595</u>	<u>-</u>	<u>-</u>	<u>1,110,373</u>	<u>996,988</u>	<u>5,941,678</u>	<u>25,888,634</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,767,696	\$ 532,956	\$ 128,052	\$ 1,137,254	\$ 996,988	\$ 6,058,594	

Amounts reported for governmental activities in the Statement of Net Position (Deficit) (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	79,771,784
Deferred outflows of resources related to pensions	43,239,525
Deferred outflows of resources related to OPEB	16,199,804
Some liabilities, including compensated absences, installment purchase obligations, lease liabilities, and subscription liabilities and are not due and payable in the current period, and therefore are not reported in the funds	(8,170,756)
Net pension liability	(69,264,320)
Net OPEB liability	(94,926,507)
Deferred inflows of resources related to pensions	(2,309,226)
Deferred inflows of resources related to OPEB	(49,583,687)
Net deficit of governmental activities	<u>\$ (59,154,749)</u>

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants Fund	Capital Outlay	Individual Schools	Other Local Current Expense	
Revenues:							
Intergovernmental:							
State of North Carolina	\$ 360,206	\$ 92,421,656	\$ -	\$ 1,377,640	\$ -	\$ 1,841,590	\$ 96,001,092
Craven County							
Local current expense	22,004,991	-	-	-	-	-	22,004,991
Other	-	-	-	2,002,453	-	-	2,002,453
U.S. Government	2,014,099	-	31,637,694	-	-	1,228,185	34,879,978
Other	2,595,342	-	-	30,977	2,624,921	1,536,604	6,787,844
Total revenues	26,974,638	92,421,656	31,637,694	3,411,070	2,624,921	4,606,379	161,676,358
Expenditures:							
Current:							
Instructional services:							
Regular instructional	6,069,409	54,614,080	3,143,228	-	-	474,152	64,300,869
Special populations	147,176	11,541,863	4,521,469	-	-	662,329	16,872,837
Alternative programs	24,971	677,515	5,561,078	-	-	1,714,218	7,977,782
School leadership	3,369,827	5,578,088	68,951	-	-	3,183	9,020,049
Co-curricular	896,277	945	-	-	-	18,448	915,670
School-based support	1,619,116	8,041,669	1,439,879	-	2,266,319	1,145,996	14,512,979
System-wide support							
services:							
Support and development	898,939	1,342,028	542,693	-	-	-	2,783,660
Special population support							
and development	1,039	94,779	893,952	-	-	-	989,770
Alternative programs and							
services support							
and development	188,446	29,921	195,370	-	-	114,555	528,292
Technology support	1,062,070	989,588	-	-	-	-	2,051,658
Operational support	8,018,852	7,909,053	13,769,633	-	-	514,401	30,211,939
Financial and human							
resources	1,717,374	536,129	504,941	-	-	3,129	2,761,573
Accountability	2,604	233,034	-	-	-	-	235,638
System-wide pupil support	344,444	140,980	-	-	-	-	485,424
Policy, leadership, and							
public relations	1,411,063	334,529	-	-	-	3,185	1,748,777
Ancillary services	35,267	54,591	29,754	-	-	113,703	233,315
Non-programmed charges	521,802	-	577,171	-	-	3,199	1,102,172
Debt service:							
Principal	143,903	290,727	379,059	1,715,060	-	-	2,528,749
Interest	13,299	12,137	10,516	27,146	-	-	63,098
Capital outlay:							
Land and buildings	-	-	-	-	-	-	-
Furniture and equipment	96,000	-	-	1,643,852	-	-	1,739,852
Buses and motor vehicles	-	-	-	507,669	-	-	507,669
Total expenditures	26,581,878	92,421,656	31,637,694	3,893,727	2,266,319	4,770,498	161,571,772
Revenues over (under)							
expenditures	392,760	-	-	(482,657)	358,602	(164,119)	104,586
Other financing sources (uses):							
Transfers from (to) other funds	-	-	-	-	(449,753)	449,753	-
Insurance proceeds	44,099	-	-	32,487	-	-	76,586
Subscription liabilities issued	96,000	-	-	-	-	-	96,000
Installment purchase							
obligations issued	-	-	-	507,669	-	-	507,669
Total other financing							
sources (uses)	140,099	-	-	540,156	(449,753)	449,753	680,255
Net changes in fund							
balance	532,859	-	-	57,499	(91,151)	285,634	784,841
Fund balances:							
Beginning of year	17,349,861	-	-	1,052,874	1,088,139	5,656,044	25,146,918
Decrease in reserve for							
inventories	(43,125)	-	-	-	-	-	(43,125)
End of year	\$ 17,839,595	\$ -	\$ -	\$ 1,110,373	\$ 996,988	\$ 5,941,678	\$ 25,888,634

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

Board of Education of Craven County Schools
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 784,841
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(43,125)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	8,410,299
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	13,474,389
Contributions to the OPEB plans in the current fiscal year are not included in the Statement of Activities	5,419,291
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Net OPEB benefit	12,582,025
State OPEB contribution	717,269
The issuance of long-term obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term obligations and related items.	1,925,080
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated absences	1,069,640
Pension expense	(14,160,756)
Loss on disposal of capital assets	(31,123)
Total changes in net position (deficit) of governmental activities	\$ 30,147,830

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

Exhibit 6
Page 1 of 4

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 125,000	\$ -	\$ 360,206	\$ 360,206
Craven County	22,004,991	22,004,991	22,004,991	-
U.S. Government	2,080,000	1,770,000	2,014,099	244,099
Other	1,325,000	1,771,398	2,595,342	823,944
	<u>25,534,991</u>	<u>25,546,389</u>	<u>26,974,638</u>	<u>1,428,249</u>
Expenditures:				
Current:				
Instructional services	12,825,365	13,073,348	12,126,776	946,572
System-wide support services	14,121,358	15,179,572	13,644,831	1,534,741
Ancillary services	26,132	35,272	35,267	5
Non-programmed charges	595,000	595,000	521,802	73,198
Debt service	-	237,455	157,202	80,253
	<u>27,567,855</u>	<u>29,120,647</u>	<u>26,485,878</u>	<u>2,634,769</u>
Total expenditures	<u>27,567,855</u>	<u>29,120,647</u>	<u>26,485,878</u>	<u>2,634,769</u>
Revenues over (under) expenditures	<u>(2,032,864)</u>	<u>(3,574,258)</u>	<u>488,760</u>	<u>4,063,018</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Insurance proceeds	-	274,234	44,099	(230,135)
	<u>-</u>	<u>274,234</u>	<u>44,099</u>	<u>(230,135)</u>
Total other financing sources (uses)	<u>-</u>	<u>274,234</u>	<u>44,099</u>	<u>(230,135)</u>
Fund balance appropriated	<u>2,032,864</u>	<u>3,300,024</u>	<u>-</u>	<u>(3,300,024)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>532,859</u>	<u>\$ 532,859</u>
Fund balances:				
Beginning of year			17,349,861	
Decrease in reserve for inventories			<u>(43,125)</u>	
End of year			<u>\$ 17,839,595</u>	

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

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

Exhibit 6
Page 2 of 4

	Other Local Current Expense			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ -	\$ 2,149,663	\$ 1,841,590	\$ (308,073)
Craven County	-	-	-	-
U.S. Government	-	2,876,768	1,228,185	(1,648,583)
Other	-	642,457	1,536,604	894,147
	-	5,668,888	4,606,379	(1,062,509)
Expenditures:				
Current:				
Instructional services	-	7,539,384	4,018,326	3,521,058
System-wide support services	-	1,060,626	635,270	425,356
Ancillary services	-	370,296	113,703	256,593
Non-programmed charges	-	4,200	3,199	1,001
Debt service	-	-	-	-
Total expenditures	-	8,974,506	4,770,498	4,204,008
Revenues over (under) expenditures	-	(3,305,618)	(164,119)	3,141,499
Other financing sources (uses):				
Transfers to other funds	-	437,818	449,753	11,935
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	-	437,818	449,753	11,935
Fund balance appropriated	-	2,867,800	-	(2,867,800)
Net change in fund balance	\$ -	\$ -	285,634	\$ 285,634
Fund balances:				
Beginning of year			5,656,044	
Decrease in reserve for inventories			-	
End of year			\$ 5,941,678	

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

Exhibit 6
Page 3 of 4

	State Public School Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 87,227,106	\$ 96,182,113	\$ 92,421,656	\$ (3,760,457)
Craven County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
	<u>87,227,106</u>	<u>96,182,113</u>	<u>92,421,656</u>	<u>(3,760,457)</u>
Expenditures:				
Current:				
Instructional services	75,428,857	83,440,253	80,454,160	2,986,093
System-wide support services	11,684,429	12,322,186	11,610,041	712,145
Ancillary services	113,820	116,810	54,591	62,219
Non-programmed charges	-	-	-	-
Debt service	-	302,864	302,864	-
	<u>87,227,106</u>	<u>96,182,113</u>	<u>92,421,656</u>	<u>3,760,457</u>
Total expenditures	<u>87,227,106</u>	<u>96,182,113</u>	<u>92,421,656</u>	<u>3,760,457</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

Board of Education of Craven County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
General Fund and Annually Budgeted Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2023

Exhibit 6
Page 4 of 4

	Federal Grants Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Craven County	-	-	-	-
U.S. Government	8,605,288	50,031,890	31,637,694	(18,394,196)
Other	-	-	-	-
	<u>8,605,288</u>	<u>50,031,890</u>	<u>31,637,694</u>	<u>(18,394,196)</u>
Expenditures:				
Current:				
Instructional services	7,158,545	23,800,736	14,734,605	9,066,131
System-wide support services	1,107,703	24,758,780	15,906,589	8,852,191
Ancillary services	-	29,895	29,754	141
Non-programmed charges	339,040	1,052,904	577,171	475,733
Debt service	-	389,575	389,575	-
	<u>-</u>	<u>389,575</u>	<u>389,575</u>	<u>-</u>
Total expenditures	<u>8,605,288</u>	<u>50,031,890</u>	<u>31,637,694</u>	<u>18,394,196</u>
Revenues over (under) expenditures	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

Board of Education of Craven County Schools
Statement of Net Position (Deficit)
Proprietary Funds
June 30, 2023

Exhibit 7

	<u>Enterprise Major Fund School Food Service</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,622,563
Due from other governments	258,126
Due from other funds	30,581
Inventories	383,899
Total current assets	<u>6,295,169</u>
Noncurrent assets:	
Capital assets:	
Furniture, equipment and vehicles, net	<u>1,167,711</u>
Total assets	<u>7,462,880</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,472,211</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	4,637
Accrued salaries and benefits payable	1,056
Due to other funds	214,055
Unearned revenue	52,512
Compensated absences	100,694
Total current liabilities	<u>372,954</u>
Noncurrent liabilities:	
Net pension liability	1,735,010
Net OPEB liability	2,157,098
Compensated absences	25,672
Total noncurrent liabilities	<u>3,917,780</u>
Total liabilities	<u>4,290,734</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,111,958</u>
NET POSITION (DEFICIT)	
Investment in capital assets	1,167,711
Unrestricted	2,364,688
Total net position	<u><u>\$ 3,532,399</u></u>

Board of Education of Craven County Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

Exhibit 8

	<u>Enterprise</u> <u>Major Fund</u> <u>School Food</u> <u>Service</u>
Operating revenues:	
Food sales	\$ 996,417
Operating expenses:	
Food cost:	
Purchase of food	3,709,920
Donated commodities	676,146
Salaries and benefits	3,751,963
Indirect costs	349,196
Materials and supplies	309,340
Repairs and maintenance	112,546
Contracted services	50,259
Depreciation	229,439
Other	61,843
Total operating expenses	<u>9,250,652</u>
Operating loss	<u>(8,254,235)</u>
Nonoperating revenues (expenses):	
Federal reimbursements	7,807,495
State reimbursements	13,810
Federal commodities	676,146
State OPEB contribution	19,735
Interest earned	47,104
Loss on sale of capital assets	(4,745)
Other local revenues	55,216
Total nonoperating revenues	<u>8,614,761</u>
Change in net position	360,526
Total net position, beginning	<u>3,171,873</u>
Total net position, ending	<u><u>\$ 3,532,399</u></u>

Board of Education of Craven County Schools
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023

Exhibit 9

	Enterprise Major Fund School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 914,949
Cash paid for goods and services	(4,681,835)
Cash paid to employees for services	(4,244,274)
Net cash used by operating activities	<u>(8,011,160)</u>
Cash flows from noncapital financing activities:	
Net decrease in due from (to) other funds	(23,361)
Federal and state reimbursements	8,009,764
Other local donations and grants	55,216
Net cash provided by noncapital financing activities	<u>8,041,619</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(253,586)
Proceeds on sale of capital assets	1,826
Net cash used by capital and financing activities	<u>(251,760)</u>
Cash flows from investing activities:	
Interest earned on investments	<u>47,104</u>
Net decrease in cash and cash equivalents	(174,197)
Cash and cash equivalents, beginning of year	<u>5,796,760</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,622,563</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (8,254,235)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	229,439
Donated commodities	676,146
State OPEB contribution	19,735
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:	
Change in accounts receivable	936
Change in inventories	(90,998)
Change in net OPEB asset	1,554
Change in deferred outflows of resources	(574,801)
Change in accounts payable and accrued liabilities	1,331
Change in accrued salaries and wages payable	(1,929)
Change in unearned revenue	(81,468)
Change in net pension liability	1,329,030
Change in net OPEB liability	(765,357)
Change in compensated absences payable	(24,057)
Change in deferred inflows of resources	(476,486)
Total adjustments	<u>243,075</u>
Net cash used by operating activities	<u><u>\$ (8,011,160)</u></u>

NONCASH OPERATING, CAPITAL AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$676,146 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8.

During the fiscal year, the State Health Plan transferred assets to the Retiree Health Benefit Fund as a result of cost savings to the State Health Plan. In accordance with GASB 75, the School Food Service Fund recorded \$19,735 as a nonoperating revenue on Exhibit 8 as a result of this transfer.

Board of Education of Craven County Schools
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2023

Exhibit 10

	<u>Private Purpose Trust</u>
ASSETS	
Cash	\$ 1,035,838
Notes receivable	<u>2,968</u>
Total assets	<u><u>\$ 1,038,806</u></u>
NET POSITION	
Assets held in trust for scholarships	<u><u>\$ 1,038,806</u></u>

Board of Education of Craven County Schools
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2023

Exhibit 11

	Private Purpose Trust
Additions:	
Interest income	\$ 10,000
Total additions	10,000
Deductions:	
Scholarships	36,000
Management fees	25,000
Bank charges and other expenses	858
Total deductions	61,858
Change in net position	(51,858)
Net position, beginning	1,090,664
Net position, ending	\$ 1,038,806

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Board of Education of Craven County Schools (the "Board") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Board is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Craven County, North Carolina ("County"). The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board does not have any component units for which it is financially accountable, and as such, there are no component units included in the accompanying financial statements.

B. Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the Board's funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The fiduciary fund is presented separately.

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

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

State Public School Fund. The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Federal Grants Fund. The Federal Grants Fund is used to account for federal grant monies administered through the Department of Public Instruction.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S. 115C-426]. Capital projects are funded by County appropriations, restricted sales tax moneys, proceeds of County bonds issued for public school construction, as well as certain State assistance.

Individual Schools Fund. The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Other Local Current Expense Fund. This fund accounts for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs.

The Board reports the following major enterprise fund:

School Food Service Fund. The School Food Service Fund is used to account for the food service program within the school system.

The Board reports the following fiduciary fund:

Administrative Fund. The Administrative Fund is used to account for scholarship money under the control of the Board for the benefit of students in the County. This fund is reported as a private purpose trust fund.

C. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the function level for all annually budgeted funds. All amendments must be approved by the governing board. The Board has authorized the Superintendent or designee to transfer appropriations within a fund and will file a report with the Board of all transfers at the functional level at the end of the year or earlier upon requests. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity

(1) Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by state law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF).

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

The Board's investments are reported at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures.

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

STIF investments are valued by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and has a weighted average maturity at June 30, 2023 of 0.7 years.

(2) Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

(3) Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved. The State Public School Fund inventories do reflect current appropriable resources and, thus, no equivalent portion of fund balance is nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

(4) Capital Assets

Donated assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Capital assets are tangible and intangible assets. Tangible assets include buildings and improvements, equipment, furniture, and vehicles. It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Intangible assets include right-to-use leased assets and right-to-use subscription-based information technology arrangement assets. Intangible assets follow the same policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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.

Right-to-use subscription-based information technology 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 information technology subscription vendor at the start of the subscription term.

The County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales paid for construction costs. Agreements between the County and the Board give the schools full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Land and construction in progress are not depreciated. Right-to-use leased assets are amortized on a straight-line basis over the life of the related lease. Right-to-use subscription-based information technology assets are amortized on a straight-line basis over the related subscription term. The other tangible and intangible property, plant, and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings and improvements	20 to 50 years
Equipment and furniture	3 to 10 years
Vehicles	6 years
Computer equipment	3 years

Depreciation/amortization for building and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as “unallocated depreciation/amortization” on the Statement of Activities.

(5) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position (Deficit) will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has several items that meets this criterion - pension and OPEB-related deferrals and contributions made to the plans subsequent to the measurement date. The Statement of Net Position (Deficit) also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion - unearned grant revenue and pension, and OPEB-related deferrals.

(6) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

(7) Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2023 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years’ records of the current portion of compensated absences.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

(8) Net Position (Deficit)

Net position (deficit) in the government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State Statute. For purposes of net position classification expenses are to be spent from restricted net position first, followed by unrestricted net position (deficit).

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

(9) Fund Balance

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

Restricted for School Capital Outlay - portion of fund balance that can only be used for School Capital Outlay [G.S. 159-18 through 22].

Restricted for Individual Schools - revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund-raising activities for which they were collected.

Assigned Fund Balance - portion of fund balance that the Board intends to use for specific purposes.

Other special programs - portion of fund balance that includes carry over funding for the applicable state and federal programs accounted for in the Other Local Current Expense Fund activities as well as a portion of the fund balance that will be used by Other Local Current Expense Fund activities, as determined by the governing body.

Subsequent year's expenditures - Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes management to modify the appropriations by resource.

Unassigned fund balance - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance. While governmental funds other than the General Fund do not report positive unassigned fund balance, they do report deficits, if any, in that category.

The Board has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-board of education funds, board of education funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, then by assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board.

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

F. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position (deficit):

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position (deficit) - governmental activities* as reported in the government-wide statement of net position (deficit). The net adjustment of \$(85,043,383) 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)	\$ 181,697,860
Less accumulated depreciation	<u>(101,926,076)</u>
Net capital assets	<u>79,771,784</u>
Pension-related deferred outflows of resources	43,239,525
OPEB-related deferred outflows of resources	<u>16,199,804</u>
	<u>59,439,329</u>
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Direct borrowing installment purchases	(1,465,875)
Lease liabilities	(679,765)
Compensated absences	(6,008,092)
Subscription-based-information-technology liabilities	(17,024)
Net pension liability	(69,264,320)
Net OPEB liability	(94,926,507)
Deferred inflows of resources related to pensions	(2,309,226)
Deferred inflows of resources related to OPEB	<u>(49,583,687)</u>
	<u>(224,254,496)</u>
Total adjustment	<u><u>\$ (85,043,383)</u></u>

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position (deficit) of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$29,362,989 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 12,671,113
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(4,260,814)
New debt and leases issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities	(603,669)
Principal payments on leases and installment purchases are recorded as a use of funds on the fund statements but affect only the statement of net position (deficit) in the government-wide statements	2,528,749
Contributions to the pension plan in the current fiscal year not included in the Statement of Activities	13,474,389
Contributions to the OPEB plans in the current fiscal year not included in the Statement of Activities	5,419,291
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(43,125)
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Pension expense	(14,160,756)
Loss on disposal of capital assets	(31,123)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
State OPEB contribution	717,269
Net OPEB benefit	12,582,025
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	1,069,640
Total adjustment	<u>\$ 29,362,989</u>

G. *Defined Benefit Pension Plans and OPEB Plans*

For purposes of measuring the net pension and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

2. *Detail Notes on all Funds*

A. *Assets*

(1) Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for 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 Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2023, the Board had deposits with banks and savings and loans with a carrying amount of \$14,876,154 and with the State Treasurer of \$0. The bank balances with the financial institutions and the State Treasurer were \$16,694,225 and \$1,029,537, respectively. Of these balances, \$314,578 was covered by federal depository insurance and \$17,409,184 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

(2) Investments

At June 30, 2023, the Board had \$16,684,940 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is classified as a Level 2 fair value investment.

Interest Rate Risk. The Board of Education does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The STIF had a weighted average maturity of 0.7 years as of June 30, 2023.

Credit Risk. The STIF is unrated and is authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries and agencies, and money market instruments. The Board has no policy on credit risk.

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

(3) Receivables

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

	<u>Due from (to) Other Funds</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 184,809	\$ 232,046	\$ 4,508	\$ 421,363
Other governmental activities	<u>(1,335)</u>	<u>1,378,732</u>	<u>-</u>	<u>1,377,397</u>
Total governmental activities	<u>\$ 183,474</u>	<u>\$ 1,610,778</u>	<u>\$ 4,508</u>	<u>\$ 1,798,760</u>
Business-type activities:				
School Food Service Fund	<u>\$ (183,474)</u>	<u>\$ 258,126</u>	<u>\$ -</u>	<u>\$ 74,652</u>

Internal balances consist of administrative costs due to the General Fund from the Other Local Current Expense Fund and the School Food Service Fund.

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 116,681	Miscellaneous revenue from local governments
General Fund	115,365	Sales tax refund
State Public School Fund	2,029	Sales tax refund
Federal Grants Fund	128,052	Sales tax refund
Capital Outlay Fund	26,881	Sales tax refund
Other Local Current Expense Fund	<u>1,221,770</u>	Federal and state reimbursements
Total governmental activities	<u>\$ 1,610,778</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 258,126</u>	USDA reimbursements

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

(4) Capital Assets

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

	Beginning Balances, as Restated	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated/amortized:					
Land	\$ 3,074,671	\$ -	\$ -	\$ -	\$ 3,074,671
Construction in progress	-	7,457,316	-	-	7,457,316
Total capital assets not being depreciated/amortized	<u>3,074,671</u>	<u>7,457,316</u>	<u>-</u>	<u>-</u>	<u>10,531,987</u>
Capital assets being depreciated/amortized:					
Buildings	136,261,098	4,114,447	-	-	140,375,545
Improvements	3,147,408	-	-	-	3,147,408
Equipment and furniture	7,665,058	269,741	135,413	-	7,799,386
Leased equipment	1,267,513	-	-	-	1,267,513
Right-to-use lease assets	209,731	-	-	-	209,731
Right-to-use subscription assets	339,448	96,000	-	-	435,448
Vehicles	17,422,074	733,609	224,841	-	17,930,842
Total capital assets being depreciated and amortized	<u>166,312,330</u>	<u>5,213,797</u>	<u>360,254</u>	<u>-</u>	<u>171,165,873</u>
Less accumulated depreciation/amortization for:					
Buildings	77,600,975	2,418,573	-	-	80,019,548
Improvements	1,751,778	133,253	-	-	1,885,031
Equipment and furniture	4,799,352	221,592	104,290	-	4,916,654
Leased equipment	357,253	331,939	-	-	689,192
Right-to-use lease assets	64,084	69,910	-	-	133,994
Right-to-use subscription assets	-	184,835	-	-	184,835
Vehicles	13,420,951	900,712	224,841	-	14,096,822
Total accumulated depreciation and amortization	<u>97,994,393</u>	<u>4,260,814</u>	<u>329,131</u>	<u>-</u>	<u>101,926,076</u>
Total capital assets being depreciated and amortized, net	<u>68,317,937</u>				<u>69,239,797</u>
Governmental activity capital assets, net	<u>\$ 71,392,608</u>				<u>\$ 79,771,784</u>
Business-type activities:					
School Food Service Fund:					
Capital assets being depreciated:					
Equipment, furniture, and vehicles	\$ 6,598,015	\$ 253,586	\$ 18,215	\$ -	\$ 6,833,386
Less accumulated depreciation					
Equipment, furniture, and vehicles	<u>5,447,880</u>	<u>229,439</u>	<u>11,644</u>	<u>-</u>	<u>5,665,675</u>
Business-type activities capital assets, net	<u>\$ 1,150,135</u>				<u>\$ 1,167,711</u>

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

Depreciation/amortization was charged to governmental functions as follows:

Unallocated depreciation/amortization	\$ 2,879,046
Regular instruction services	586,684
Operational support services	<u>795,084</u>
	<u>\$ 4,260,814</u>

(5) Construction and Other Significant Commitments

The Board has active construction projects as of June 30, 2023. These projects are for construction of HVAC projects for five schools. At year-end, the Board's commitment with the contractors for these projects are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
West Craven High School	\$ 165,000	\$ 55,000
Havelock High School	165,000	55,000
JT Barber Elementary School	3,185,205	969,795
Graham A Barden Elementary School	2,878,891	419,110
Tucker Creek Middle School	<u>1,063,220</u>	<u>4,398,942</u>
	<u>\$ 7,457,316</u>	<u>\$ 5,897,847</u>

B. Liabilities

(1) Pension Plan and Other Postemployment Obligations

(a) **Teachers' and State Employees' Retirement System**

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a

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return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate was 17.38 percent of covered payroll from July 1, 2022 to June 30, 2023. These actuarially determined contribution rates were determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned during the year. Contributions to the pension plan from the Board were \$13,845,121 for the year ended June 30, 2023.

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

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

At June 30, 2023, the Board reported a liability of \$70,999,330 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.478% and 0.456%, respectively.

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For the year ended June 30, 2023, the Board recognized pension expense of \$14,550,374. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 309,135	\$ 967,732
Changes of assumptions	5,601,576	-
Net difference between projected and actual earnings on pension plan investments	23,319,026	-
Changes in proportions and differences between Board contributions and proportionate share of contributions	1,237,023	1,342,710
Board contributions subsequent to the measurement date	<u>13,845,121</u>	<u>-</u>
Total	<u>\$ 44,311,881</u>	<u>\$ 2,310,442</u>

The Board reported \$13,845,121 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	
2024	\$ 7,227,020
2025	6,881,402
2026	2,869,413
2027	<u>11,178,483</u>
	<u>\$ 28,156,318</u>

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

Inflation	2.5%
Salary increases	3.25 % to 8.05%, including inflation and productivity factor
Investment rate of return	6.5%, 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 assumptions used for the December 31, 2021 actuarial valuation are based on the experience study prepared as of December 31, 2020 and adopted by the Board of Trustees on January 28, 2022. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation protection	6.0%	2.7%
Totals	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. 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 Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Board's proportionate share of the net pension liability	\$125,530,432	\$ 70,999,330	\$ 25,988,266

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 (ACFR) for the state of North Carolina.

(b) Other Postemployment Benefits

1. Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the state, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members - eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the state of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits provided. Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

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

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RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. The Board's contractually required contribution rate was 6.89 percent of covered payroll from July 1, 2022 to June 30, 2023. Board contributions to the plan were \$5,488,658 for the year ended June 30, 2023. During the year ended June 30, 2023, the North Carolina State Health Plan ("SHP") contributed \$475.2 million to the Retiree Health Benefit Fund. In accordance with GASB, the Board recognized revenue of \$737,004 as a result of this non-employer contribution.

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

At June 30, 2023, the Board reported a liability of \$96,957,952 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.408% and 0.407%, respectively.

The Board reported \$5,488,658 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	\$ 14,296,229
2025	8,839,685
2026	10,326,280
2027	<u>6,447,622</u>
	<u>\$ 39,909,816</u>

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

Inflation	2.5%
Salary increases based on service	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	6.5%
Healthcare cost trend rates:	
Medical	5.0% to 6.0%
Prescription drug	5.0% to 9.5%
Administrative costs	3.0%
Post-Retirement Mortality Rates	Pub-2010 Health Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 2.16% at June 30, 2023. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-Year General Obligation Index as of June 30, 2022.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1 percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Board's proportionate share of the net OPEB liability	\$114,205,296	\$96,957,952	\$82,871,553

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease Medical - 5.5%, Pharmacy - 6.25%, Administrative - 2.0%	Healthcare Trend Rates Medical - 6.5%, Pharmacy - 7.25%, Administrative - 3.0%	1% Increase Medical - 7.5%, Pharmacy - 8.25%, Administrative - 4.0%
Board's proportionate share of the net OPEB liability	\$79,811,904	\$96,957,952	\$119,121,668

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

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2. Disability Benefits

Plan description. Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the state, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members - eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members - eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the state of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing five years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from the TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under the Teachers' and State Employees' Retirement System or the University Employees' Optional Retirement Program.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

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Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the state fiscal year. For the fiscal year ended June 30, 2023, employers made a statutory contribution of 0.1% of covered payroll, which was equal to the actuarially required contribution. Board contributions to the plan were \$79,661 for the year ended June 30, 2023.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

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

At June 30, 2023, the Board reported a liability of \$125,653 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.422% and 0.406%, respectively.

The Board reported \$79,661 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2024	\$ 64,242
2025	73,391
2026	52,723
2027	40,562
2028	7,848
Thereafter	<u>18,132</u>
	<u>\$ 256,898</u>

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

Inflation	2.5%
Salary increases	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.0 percent) or 1 percentage point higher (4.0 percent) than the current discount rate:

	1% Decrease (2.0%)	Discount Rate (3.0%)	1% Increase (4.0%)
Board's proportionate share of the net OPEB liability	\$ 154,726	\$ 125,653	\$ 96,508

Common actuarial assumptions for both OPEB plans. The net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The net OPEB liability was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Totals	100.0%	

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Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

Following is information related to the proportionate share and OPEB expense:

	RHBF	DIPNC	Total
OPEB (benefit) expense	\$ (13,105,421)	\$ 177,046	\$ (12,928,375)
OPEB liability	\$ 97,083,605	\$ 125,653	\$ 97,209,258
State OPEB contribution	\$ (737,004)	\$ -	\$ (737,004)
Proportionate share of the net OPEB liability (asset)	0.408%	0.422%	
Deferred outflows of resources			
Differences between expected and actual experience	\$ 941,333	\$ 140,846	\$ 1,082,179
Changes of assumptions	7,762,744	8,076	7,770,820
Net difference between projected and actual earnings on pension plan investments	839,614	132,901	972,515
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,189,866	15,959	1,205,825
Employer contributions subsequent to the measurement date	5,488,658	79,661	5,568,319
Total	<u>\$ 16,222,215</u>	<u>\$ 377,443</u>	<u>\$ 16,599,658</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 268,293	\$ -	\$ 268,293
Changes of assumptions	44,127,847	23,278	44,151,125
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,247,234	17,608	6,264,842
Total	<u>\$ 50,643,374</u>	<u>\$ 40,886</u>	<u>\$ 50,684,260</u>

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(2) Payables

Payables as of June 30, 2023 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Totals</u>
Governmental activities:			
General	\$ 190,337	\$ 637,958	\$ 828,295
Other governmental	<u>1,090</u>	<u>-</u>	<u>1,090</u>
Total governmental activities	<u>\$ 191,427</u>	<u>\$ 637,958</u>	<u>\$ 829,385</u>
Business-type activities:			
School Food Service	<u>\$ 4,637</u>	<u>\$ 1,056</u>	<u>\$ 5,693</u>

(3) Unearned Revenue

The balance in unearned revenue at year end is composed of the following elements:

Governmental activities	
Grants not yet earned (Other Local Current Expense Fund)	\$ <u>114,491</u>
Business-type activities	
Prepayment of meals	\$ <u>52,512</u>

(4) Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources at year end is composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience (Pension and OPEB)	\$ 1,391,315	\$ 1,236,025
Changes of assumptions (Pension and OPEB)	13,372,396	44,151,125
Difference between projected and actual earnings on plan investments (Pension and OPEB)	24,291,541	-
Change in proportion and differences between employer contributions and proportionate share of contributions (Pension and OPEB)	2,442,848	7,607,552
Board contributions subsequent to the measurement date (Pension and OPEB)	19,413,440	-
Unavailable sales tax refund receivables	-	266,937
State Public School Fund inventories	<u>-</u>	<u>530,927</u>
Totals	<u>\$ 60,911,540</u>	<u>\$ 53,792,566</u>

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

(5) Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Board maintains workers' compensation coverage through Key Risk up to the statutory limits for employees to the extent they are paid from Federal and local funds. The State of North Carolina also provides workers' compensation for employees to the extent they are paid from State funds. The Trust has an annual aggregate limit for general liability of \$3,150,000, and \$3,150,000 for errors and omissions claims. Included in this coverage is COVID-19 Defense Coverage for any COVID-19 litigation. The Trust is reinsured through commercial companies for losses in excess of \$500,000 per claim for errors and omissions and general liability coverage, and for losses in excess of \$500,000 per claim for workers' compensation coverage. The school system has also acquired cyber insurance to reduce our cyber risk.

The Board carries automobile insurance through the Trust at the following levels/limits: Automobile and Physical Damage \$1,000,000 for Combined Single Limit BI & PD and Uninsured/Underinsured Motorists, each, Auto Medical Payments \$2,000 per person and Garage Liability for \$1,000,000 for Combined Single Limit BI & PD and Garage keepers for \$125,000.

The Board also pays premiums to participate in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all-risk" perils contract. Buildings and contents are insured on a replacement cost basis. Loss or damage to insured property resulting from terrorism is also insured up to \$5 million. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Earthquake and Business Interruption and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$100,000.

The Board carries flood insurance on four locations: Oaks Road Elementary, Bridgeton Elementary, West Craven Middle, and West Craven High schools in the amount of \$500,000 each.

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

(6) Contingent Liabilities

At June 30, 2023, the Board was a defendant to various lawsuits. In the opinion of the Board's management and the Board's attorneys, the ultimate effect of these legal matters will not have a material adverse effect on the Board's financial position.

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

(7) Long-Term Obligations

(a) Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The state has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement by Banc of America Public Capital Corp at total payments less than the purchase price. During the fiscal years ended June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023, the Board entered into installment purchase contracts for \$1,050,636, \$480,720, \$862,578, and 507,669 respectively, to finance the purchase of school buses. The financing contracts require principal-only payments, due at the beginning of each contract year.

As authorized in state law [G.S. 115C-528(a)], the Board entered into an installment purchase contract to finance the purchase of computers. The contract was executed on October 1, 2020 and requires four annual payments of \$889,889 with an interest rate of 1.55%.

The future minimum payments due under these installment purchase contracts as of June 30, 2023 were as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 408,622	\$ 14,644	\$ 423,266
2025	190,899	4,972	195,871
2026	80,244	1,207	81,451
	<u>\$ 679,765</u>	<u>\$ 20,823</u>	<u>\$ 700,588</u>

(b) Leases

The Board has entered into four lease agreements to lease certain equipment and building space. 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.

The agreements to lease equipment were executed before July 1, 2021, have noncancellable periods of 60 months, and require monthly or quarterly payments in accordance with the respective contract. There are no variable payment components of the leases. The lease liabilities from leased equipment are measured at a discount rate of 3%, which was the Board's estimated incremental borrowing rate for this equipment at the date of adoption.

The agreement to lease building space was executed on August 18, 2021, has a noncancellable period of 36 months, and requires payments monthly. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 2%, which was the Board's estimated incremental borrowing rate for this lease upon lease execution.

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 408,622	\$ 14,644	\$ 423,266
2025	190,899	4,972	195,871
2026	80,245	1,207	81,452
	<u>\$ 679,766</u>	<u>\$ 20,823</u>	<u>\$ 700,589</u>

(b) Subscription liabilities

The Board entered into three subscription-based technology arrangements. The subscription-based technology arrangements qualify as other than short-term arrangements under GASB 96 and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception.

Two of the agreements were executed before July 1, 2022, with terms of 24 to 36 months, and require annual payments in accordance with the respective contract. There are no variable payment components of the subscription-based technology arrangements. The subscription liabilities were measured using a discount rate of 5.50%. One of the arrangements was executed on March 1, 2023, with a term of 16 months, and required one upfront payment in accordance with the contract. There are no variable payment components of the subscription-based technology arrangements. The subscription liability was measured using a discount rate of 5.50%.

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	\$ 17,024	\$ 936	\$ 17,960
	<u>\$ 17,024</u>	<u>\$ 936</u>	<u>\$ 17,960</u>

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

(d) Long-Term Obligations Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2023:

	Beginning Balances, as Restated	Increases	Decreases	Ending Balances	Current Portion
Governmental activities:					
Direct borrowing installment purchases	\$ 2,673,266	\$ 507,669	\$ 1,715,060	\$ 1,465,875	\$ 1,338,953
Lease liabilities	1,075,030	-	395,265	679,765	408,622
Subscription liabilities	339,448	96,000	418,424	17,024	17,024
Net pension liability	20,960,260	48,304,060	-	69,264,320	-
Net OPEB liability	122,745,212	-	27,818,705	94,926,507	-
Compensated absences	7,077,732	5,183,159	6,252,799	6,008,092	3,885,219
Total	<u>\$ 154,870,948</u>	<u>\$ 54,090,888</u>	<u>\$ 36,600,253</u>	<u>\$ 172,361,583</u>	<u>\$ 5,649,818</u>
Business-type activities:					
Net pension liability	\$ 405,980	\$ 1,329,030	\$ -	\$ 1,735,010	\$ -
Net OPEB liability	2,922,455	-	765,357	2,157,098	-
Compensated absences	150,423	159,259	183,316	126,366	100,694
Total	<u>\$ 3,478,858</u>	<u>\$ 1,488,289</u>	<u>\$ 948,673</u>	<u>\$ 4,018,474</u>	<u>\$ 100,694</u>

Compensated absences, net pension liability, and net OPEB liability for governmental activities are typically liquidated by the State Public School Fund.

(8) Interfund Activity

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

	Amount
From the Individual School Fund to the Other Local Current Expense Fund for reimbursement for individual school activity costs	\$ 449,753

C. Fund Balance

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

Restrictions for the stabilization by state statute is required by the North Carolina General Statutes. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". The formula is "appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.

Board of Education of Craven County Schools
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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	\$ 17,839,595
Less:	
Inventories	387,825
Stabilization by State Statute	941,039
Subsequent year's expenditures	<u>5,549,992</u>
Remaining fund balance - General Fund	<u>\$ 10,960,739</u>

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

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Other Local Current Expense</u>
Encumbrances	\$ 519,676	\$ 480,476	\$ 58,449

3. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

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

4. Change in Accounting Principle

Effective July 1, 2022, the Board implemented the accounting and financial reporting requirements of GASB Statement 96, Subscription-Based Information Technology Arrangements. This statement establishes a model for accounting of subscription-based information technology arrangements based on the principle that such arrangements are financings of the right to use an underlying subscription asset. Under this statement, a user of a subscription-based information technology arrangement is required to recognize a subscription liability and an intangible subscription asset. As of July 1, 2022, the Board recognized right-of-use subscription assets of \$339,448 and subscription liabilities of \$339,448. There was no effect to net position as a result of the adoption of this statement.

Required Supplementary Information

This section contains additional information required by generally accepted accounting principles.

- Schedule of the Proportionate Share of the Net Pension Liability - Teachers' and State Employees' Retirement System
- Schedule of Board Contributions - Teachers' and State Employees' Retirement System
- Schedule of the Proportionate Share of the Net OPEB Liability - Retiree Health Benefit Fund
- Schedule of Board Contributions - Retiree Health Benefit Fund
- Schedule of the Proportionate Share of the Net OPEB Asset (Liability) - Disability Income Plan of North Carolina
- Schedule of Board Contributions - Disability Income Plan of North Carolina

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System
Last Ten Fiscal Years

Schedule 1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability	0.478%	0.456%	0.478%	0.489%	0.477%	0.480%	0.507%	0.509%	0.510%	0.513%
Board's proportionate share of the net pension liability	\$ 70,999,330	\$ 21,366,240	\$ 57,795,441	\$ 50,653,989	\$ 47,484,571	\$ 38,068,654	\$ 46,628,868	\$ 18,744,391	\$ 5,978,526	\$ 31,156,470
Board's covered payroll	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621	\$ 71,220,667	\$ 68,526,753	\$ 70,847,529
Board's proportionate share of the net pension liability as a percentage of its covered payroll	89.02%	29.32%	78.73%	67.54%	66.74%	55.38%	67.36%	26.32%	8.72%	43.98%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	94.86%	92.01%	91.89%	89.51%	87.32%	94.64%	98.24%	90.60%	90.60%

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

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Teachers' and State Employees' Retirement System
Last Ten Fiscal Years

Schedule 2

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 13,845,121	\$ 12,831,160	\$ 10,803,761	\$ 9,419,253	\$ 9,129,262	\$ 7,555,448	\$ 6,747,114	\$ 6,294,442	\$ 6,482,021	\$ 5,866,848
Contributions in relation to the										
contractually required contribution	<u>13,845,121</u>	<u>12,831,160</u>	<u>10,803,761</u>	<u>9,419,253</u>	<u>9,129,262</u>	<u>7,555,448</u>	<u>6,747,114</u>	<u>6,294,442</u>	<u>6,482,021</u>	<u>5,866,848</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621	\$ 71,220,667	\$ 68,526,753
Contributions as a percentage of covered payroll	17.10%	16.09%	14.82%	12.83%	12.17%	10.62%	9.82%	9.09%	9.10%	8.56%

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund
Last Seven Fiscal Years*

Schedule 3

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability	0.408%	0.407%	0.424%	0.425%	0.421%	0.438%	44.100%
Board's proportionate share of the net OPEB liability	\$ 97,083,605	\$ 125,667,667	\$ 117,726,341	\$ 134,562,825	\$ 119,895,257	\$ 143,473,565	\$ 191,972,313
Board's covered payroll	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	121.72%	172.43%	160.38%	179.42%	168.52%	208.73%	277.34%
Plan fiduciary net position as a percentage of the total OPEB liability	10.58%	7.72%	4.40%	3.52%	3.52%	2.41%	2.41%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Retiree Health Benefit Fund
Last Seven Fiscal Years*

Schedule 4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 5,488,658	\$ 5,024,694	\$ 4,882,891	\$ 4,698,733	\$ 4,657,483	\$ 4,240,302	\$ 3,928,750
Contributions in relation to the contractually required contribution	<u>5,488,658</u>	<u>5,024,694</u>	<u>4,882,891</u>	<u>4,698,733</u>	<u>4,657,483</u>	<u>4,240,302</u>	<u>3,928,750</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552
Contributions as a percentage of covered payroll	6.78%	6.30%	6.70%	6.40%	6.21%	5.96%	5.72%

* Ten years of data not yet available

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Asset (Liability)
Disability Income Plan of North Carolina
Last Seven Fiscal Years*

Schedule 5

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset (liability)	0.422%	0.406%	0.422%	0.436%	0.424%	0.424%	0.453%
Board's proportionate share of the net OPEB asset (liability)	\$ (125,653)	\$ 66,285	\$ 207,412	\$ 187,953	\$ 128,916	\$ 259,436	\$ 281,369
Board's covered payroll	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621
Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	-0.16%	0.09%	0.28%	0.25%	0.18%	0.38%	0.41%
Plan fiduciary net position as a percentage of							
the net OPEB asset (liability)	90.34%	105.18%	116.47%	116.37%	116.23%	116.06%	117.06%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
 Ten years of data not available.

Board of Education of Craven County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Disability Income Plan of North Carolina
Last Seven Fiscal Years*

Schedule 6

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 79,661	\$ 71,354	\$ 65,787	\$ 72,623	\$ 103,995	\$ 98,123	\$ 256,876
Contributions in relation to the contractually required contribution	<u>79,661</u>	<u>71,354</u>	<u>65,787</u>	<u>72,623</u>	<u>103,995</u>	<u>98,123</u>	<u>256,876</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552
Contributions as a percentage of covered payroll	0.10%	0.09%	0.09%	0.10%	0.14%	0.14%	0.37%

* Ten years of data not yet available

Individual Fund Statements and Schedules

Board of Education of Craven County Schools
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Capital Outlay Fund
For the Fiscal Year Ended June 30, 2023

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	\$ 525,323	\$ 525,323	-
State appropriations - buses	-	852,317	852,317
	<u>525,323</u>	<u>1,377,640</u>	<u>852,317</u>
Craven County:			
Appropriations - operating	2,002,454	2,002,453	(1)
Other:			
Miscellaneous revenues	-	30,977	30,977
Total revenues	<u>2,527,777</u>	<u>3,411,070</u>	<u>883,293</u>
Expenditures:			
Capital outlay:			
Furniture and equipment		1,643,852	
Buses and motor vehicles		507,669	
Total capital outlay	<u>3,202,718</u>	<u>2,151,521</u>	<u>1,051,197</u>
Debt service:			
Principal		1,715,060	
Interest		27,146	
Total debt service	<u>1,742,206</u>	<u>1,742,206</u>	<u>-</u>
Total expenditures	<u>4,944,924</u>	<u>3,893,727</u>	<u>1,051,197</u>
Revenues under expenditures	<u>(2,417,147)</u>	<u>(482,657)</u>	<u>1,934,490</u>
Other financing sources:			
Installment purchase obligations issued	1,474,467	507,669	(966,798)
Insurance proceeds	-	32,487	32,487
Total other financing sources	<u>1,474,467</u>	<u>540,156</u>	<u>(934,311)</u>
Fund balance appropriated	<u>942,680</u>	<u>-</u>	<u>(942,680)</u>
Net change in fund balance	<u>\$ -</u>	<u>57,499</u>	<u>\$ 57,499</u>
Fund balance:			
Beginning of year		<u>1,052,874</u>	
End of year		<u>\$ 1,110,373</u>	

Board of Education of Craven County Schools
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
School Food Service Fund
For the Fiscal Year Ended June 30, 2023

Schedule 8

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	\$ 753,000	\$ 996,417	\$ 243,417
Operating expenditures:			
Business support services:			
Purchase of food		3,800,918	
Donated commodities		676,146	
Salaries and benefits		4,262,080	
Indirect costs		349,196	
Materials and supplies		309,340	
Repairs and maintenance		112,546	
Contracted services		50,259	
Other		61,843	
Capital outlay		253,586	
Total operating expenditures	10,648,153	9,875,914	772,239
Operating loss	(9,895,153)	(8,879,497)	1,015,656
Nonoperating revenues:			
Federal reimbursements	6,706,755	7,807,495	1,100,740
State reimbursements	-	13,810	13,810
Federal commodities	521,103	676,146	155,043
Interest earned	8,000	47,104	39,104
Proceeds on sale of capital assets	10,000	1,826	(8,174)
Other local revenues	35,000	55,216	20,216
Total nonoperating revenues	7,280,858	8,601,597	1,320,739
Excess of revenues over (under) expenditures before fund balance appropriation	(2,614,295)	(277,900)	2,336,395
Fund balance appropriated	2,614,295	-	(2,614,295)
Excess revenues and other sources over expenditures	\$ -	(277,900)	\$ (277,900)
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(229,439)	
Capital outlay		253,586	
Proceeds from sale of capital assets		(1,826)	
Loss on sale of capital assets		(4,745)	
State OPEB contribution		19,735	
Change in inventories		90,998	
Change in net OPEB asset		(1,554)	
Change in deferred outflows of resources		574,801	
Change in net pension liability		(1,329,030)	
Change in net OPEB liability		765,357	
Change in compensated absences payable		24,057	
Change in deferred inflows of resources		476,486	
Change in net position (full accrual)		\$ 360,526	



Statistical Section

STATISTICAL SECTION (UNAUDITED)

This section of the Board's Annual Comprehensive Financial Report presents detailed information for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the Board's financial position and well-being has changed over time.

Revenue Capacity

As the Board's revenues are derived primarily from property taxes assessed by Craven County, these schedules contain information to help the reader assess the underlying financial sources of revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. State law prohibits the Board of Education from issuing debt.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment in which the Board's financial activities are conducted.

Operating Information

These schedules contain staffing, key operating statistics, and capital asset data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.

Board of Education of Craven County Schools
Government-Wide - Net Position (Deficit) by Component
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Governmental activities</u>										
Net investment in capital assets	\$ 77,609,120	\$ 67,304,864	\$ 69,530,550	\$ 72,194,599	\$ 75,240,225	\$ 78,096,960	\$ 80,470,279	\$ 82,629,268	\$ 85,290,617	\$ 87,852,153
Restricted	4,328,619	4,867,283	2,891,833	2,311,288	2,372,643	2,463,948	4,089,163	1,748,079	1,630,750	1,940,884
Unrestricted	(141,092,488)	(161,474,726)	(185,927,756)	(195,204,896)	(196,867,281)	(202,402,543)	(16,174,218)	(16,126,195)	(21,784,295)	(178,046)
Total net position (deficit)	<u>\$ (59,154,749)</u>	<u>\$ (89,302,579)</u>	<u>\$ (113,505,373)</u>	<u>\$ (120,699,009)</u>	<u>\$ (119,254,413)</u>	<u>\$ (121,841,635)</u>	<u>\$ 68,385,224</u>	<u>\$ 68,251,152</u>	<u>\$ 65,137,072</u>	<u>\$ 89,614,991</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 1,167,711	\$ 1,150,135	\$ 1,148,134	\$ 1,229,487	\$ 1,315,053	\$ 1,464,509	\$ 1,734,439	\$ 2,007,864	\$ 1,888,726	\$ 2,136,367
Restricted	-	1,554	5,051	4,594	3,131	11,237	-	-	-	-
Unrestricted	2,364,688	2,020,184	(202,919)	(446,453)	(1,525,437)	(1,703,103)	3,033,414	3,267,947	4,194,350	5,148,306
Total net position (deficit)	<u>\$ 3,532,399</u>	<u>\$ 3,171,873</u>	<u>\$ 950,266</u>	<u>\$ 787,628</u>	<u>\$ (207,253)</u>	<u>\$ (227,357)</u>	<u>\$ 4,767,853</u>	<u>\$ 5,275,811</u>	<u>\$ 6,083,076</u>	<u>\$ 7,284,673</u>
<u>Total primary government</u>										
Net investment in capital assets	\$ 78,776,831	\$ 68,454,999	\$ 70,678,684	\$ 73,424,086	\$ 76,555,278	\$ 79,561,469	\$ 82,204,718	\$ 84,637,132	\$ 87,179,343	\$ 89,988,520
Restricted	4,328,619	4,868,837	2,896,884	2,315,882	2,375,774	2,475,185	4,089,163	1,748,079	1,630,750	1,940,884
Unrestricted	(138,727,800)	(159,454,542)	(186,130,675)	(195,651,349)	(198,392,718)	(204,105,646)	(13,140,804)	(12,858,248)	(17,589,945)	4,970,260
Total net position (deficit)	<u>\$ (55,622,350)</u>	<u>\$ (86,130,706)</u>	<u>\$ (112,555,107)</u>	<u>\$ (119,911,381)</u>	<u>\$ (119,461,666)</u>	<u>\$ (122,068,992)</u>	<u>\$ 73,153,077</u>	<u>\$ 73,526,963</u>	<u>\$ 71,220,148</u>	<u>\$ 96,899,664</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Governmental activities</u>										
Net investment in capital assets	*	\$ 53,172,950	\$ 53,731,048	\$ 48,698,804	\$ 47,005,992	\$ 44,781,813	\$ 42,035,851	\$ 41,106,523	\$ 40,687,026	\$ 40,967,813
Restricted	*	31,832,175	29,463,870	25,134,861	15,448,708	10,796,574	11,522,651	12,286,432	9,704,162	9,303,705
Unrestricted	*	28,047,649	9,433,620	1,260,991	3,642,078	1,530,331	4,940,354	(1,596,184)	(4,408,602)	(8,377,381)
Total net position (deficit)	*	\$ 113,052,774	\$ 92,628,538	\$ 75,094,656	\$ 66,096,778	\$ 57,108,718	\$ 58,498,856	\$ 51,796,771	\$ 45,982,586	\$ 41,894,137
<u>Business-type activities</u>										
Net investment in capital assets	*	\$ 26,257,735	\$ 26,347,589	\$ 26,448,945	\$ 26,919,877	\$ 27,637,466	\$ 27,475,458	\$ 25,089,385	\$ 21,306,317	\$ 16,038,577
Unrestricted	*	13,783,379	13,029,798	12,894,970	12,692,737	12,101,314	11,911,171	12,993,943	15,100,037	18,993,230
Total net position (deficit)	*	\$ 40,041,114	\$ 39,377,387	\$ 39,343,915	\$ 39,612,614	\$ 39,738,780	\$ 39,386,629	\$ 38,083,328	\$ 36,406,354	\$ 35,031,807
<u>Total primary government</u>										
Net investment in capital assets	*	\$ 79,430,685	\$ 80,078,637	\$ 75,147,749	\$ 73,925,869	\$ 72,419,279	\$ 69,511,309	\$ 66,195,908	\$ 61,993,343	\$ 57,006,390
Restricted	*	31,832,175	29,463,870	25,134,861	15,448,708	10,796,574	11,522,651	12,286,432	9,704,162	9,303,705
Unrestricted	*	41,831,028	22,463,418	14,155,961	16,334,815	13,631,645	16,851,525	11,397,759	10,691,435	10,615,849
Total net position (deficit)	*	\$ 153,093,888	\$ 132,005,925	\$ 114,438,571	\$ 105,709,392	\$ 96,847,498	\$ 97,885,485	\$ 89,880,099	\$ 82,388,940	\$ 76,925,944

Source: Craven County, Finance Department

* Information not available

Board of Education of Craven County Schools
Government-Wide - Expenses, Program Revenues, and Net (Expense) Revenue
Last Ten Fiscal Years

<u>Functions/Programs</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses										
<u>Governmental activities</u>										
Instructional programs	\$ 98,777,553	\$ 98,430,514	\$ 100,038,656	\$ 98,712,443	\$ 96,322,859	\$ 100,957,478	\$ 94,217,033	\$ 88,297,103	\$ 89,793,446	\$ 92,641,563
Supporting services	29,300,075	28,417,270	26,828,062	26,992,121	30,108,645	24,488,205	21,970,529	21,259,473	21,658,797	20,930,092
Ancillary services	200,439	547,031	711,073	831,929	726,799	240,360	245,612	278,005	277,187	280,351
Non-programmed charges	394,520	498,146	608,215	461,080	440,666	597,677	338,416	294,805	217,738	160,397
Interest on long-term debt	63,098	44,805	-	-	-	-	-	-	-	-
Unallocated depreciation/amortization	2,879,046	3,738,761	3,322,005	3,050,708	3,319,648	3,540,884	3,317,895	3,155,378	3,017,660	3,006,750
Total governmental activities	<u>131,614,731</u>	<u>131,676,527</u>	<u>131,508,011</u>	<u>130,048,281</u>	<u>130,918,617</u>	<u>129,824,604</u>	<u>120,089,485</u>	<u>113,284,764</u>	<u>114,964,828</u>	<u>117,019,153</u>
<u>Business-type activities</u>										
School food services	<u>9,250,652</u>	<u>8,350,348</u>	<u>6,972,235</u>	<u>8,539,697</u>	<u>6,653,096</u>	<u>7,094,143</u>	<u>7,161,120</u>	<u>7,357,105</u>	<u>7,123,622</u>	<u>7,029,338</u>
Total business-type activities	<u>9,250,652</u>	<u>8,350,348</u>	<u>6,972,235</u>	<u>8,539,697</u>	<u>6,653,096</u>	<u>7,094,143</u>	<u>7,161,120</u>	<u>7,357,105</u>	<u>7,123,622</u>	<u>7,029,338</u>
Total board of education expenses	<u>\$ 140,865,383</u>	<u>\$ 140,026,875</u>	<u>\$ 138,480,246</u>	<u>\$ 138,587,978</u>	<u>\$ 137,571,713</u>	<u>\$ 136,918,747</u>	<u>\$ 127,250,605</u>	<u>\$ 120,641,869</u>	<u>\$ 122,088,450</u>	<u>\$ 124,048,491</u>
Program Revenues										
<u>Governmental activities</u>										
Charges for services										
Instructional programs	\$ 2,624,921	\$ 2,045,695	\$ 989,004	\$ 2,544,691	\$ 2,937,012	\$ 3,083,562	\$ 3,143,322	\$ 3,372,377	\$ 3,252,473	\$ 21,777
Supporting services	24,463	18,618	8,481	21,913	44,752	401,733	339,539	644,424	677,605	33,815
Operating grants and contributions										
Instructional programs	95,858,551	95,858,551	88,619,059	82,369,867	83,593,958	81,289,315	78,839,012	78,007,328	78,726,217	79,030,224
Supporting services	31,832,727	25,045,782	15,398,952	13,494,558	12,322,355	10,398,512	9,758,952	8,097,682	8,618,328	10,922,661
Ancillary services	84,345	379,866	488,537	561,997	518,464	56,224	68,096	53,960	52,277	96,167
Non-programmed charges	577,171	493,613	182,977	215,308	251,110	151,881	126,684	2,089	-	145,336
Interest on long-term debt	22,653	16,325	-	-	-	-	-	-	-	-
Capital grants and contributions										
Supporting services	1,377,640	994,285	1,129,519	789,335	1,002,609	1,101,722	1,160,786	554,886	-	301,352
Total governmental activities	<u>132,402,471</u>	<u>124,852,735</u>	<u>106,816,529</u>	<u>99,997,669</u>	<u>100,670,260</u>	<u>96,482,949</u>	<u>93,436,391</u>	<u>90,732,746</u>	<u>91,326,900</u>	<u>90,551,332</u>
<u>Business-type activities</u>										
Charges for services										
School food services	996,417	274,703	31,727	839,960	855,347	1,342,329	1,283,273	1,433,104	1,499,509	1,833,741
Operating grants and contributions										
School food services	8,497,451	10,227,111	6,950,790	8,397,116	5,704,246	4,900,670	5,247,089	5,013,316	4,874,098	4,948,898
Total business-type activities	<u>9,493,868</u>	<u>10,501,814</u>	<u>6,982,517</u>	<u>9,237,076</u>	<u>6,559,593</u>	<u>6,242,999</u>	<u>6,530,362</u>	<u>6,446,420</u>	<u>6,373,607</u>	<u>6,782,639</u>
Total board of education program revenues	<u>\$ 141,896,339</u>	<u>\$ 135,354,549</u>	<u>\$ 113,799,046</u>	<u>\$ 109,234,745</u>	<u>\$ 107,229,853</u>	<u>\$ 102,725,948</u>	<u>\$ 99,966,753</u>	<u>\$ 97,179,166</u>	<u>\$ 97,700,507</u>	<u>\$ 97,333,971</u>
Net (expense) revenue										
Governmental activities	\$ 787,740	\$ (6,823,792)	\$ (24,691,482)	\$ (30,050,612)	\$ (30,248,357)	\$ (33,341,655)	\$ (26,653,094)	\$ (22,552,018)	\$ (23,637,928)	\$ (26,467,821)
Business-type activities	<u>243,216</u>	<u>2,151,466</u>	<u>10,282</u>	<u>697,379</u>	<u>(93,503)</u>	<u>(851,144)</u>	<u>(630,758)</u>	<u>(910,685)</u>	<u>(750,015)</u>	<u>(246,699)</u>
Total board of education net (expense) revenue	<u>\$ 1,030,956</u>	<u>\$ (4,672,326)</u>	<u>\$ (24,681,200)</u>	<u>\$ (29,353,233)</u>	<u>\$ (30,341,860)</u>	<u>\$ (34,192,799)</u>	<u>\$ (27,283,852)</u>	<u>\$ (23,462,703)</u>	<u>\$ (24,387,943)</u>	<u>\$ (26,714,520)</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (expense) revenue										
Governmental activities	\$ 787,740	\$ (6,823,792)	\$ (24,691,482)	\$ (30,050,612)	\$ (30,248,357)	\$ (33,341,655)	\$ (26,653,094)	\$ (22,552,018)	\$ (23,637,928)	\$ (26,467,821)
Business-type activities	243,216	2,151,466	10,282	697,379	(93,503)	(851,144)	(630,758)	(910,685)	(750,015)	(246,699)
Total board of education net (expense) revenue	<u>\$ 1,030,956</u>	<u>\$ (4,672,326)</u>	<u>\$ (24,681,200)</u>	<u>\$ (29,353,233)</u>	<u>\$ (30,341,860)</u>	<u>\$ (34,192,799)</u>	<u>\$ (27,283,852)</u>	<u>\$ (23,462,703)</u>	<u>\$ (24,387,943)</u>	<u>\$ (26,714,520)</u>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Unrestricted county appropriation - operating	\$ 22,004,991	\$ 22,068,879	\$ 22,021,335	\$ 22,022,229	\$ 21,211,289	\$ 20,930,469	\$ 21,828,486	\$ 20,785,208	\$ 19,720,431	\$ 19,067,949
Unrestricted county appropriation - capital	2,002,453	2,084,557	1,871,772	2,202,924	1,728,959	1,958,056	1,095,180	1,146,375	700,000	779,487
Unrestricted state and federal appropriation - operating	3,069,775	2,712,259	3,459,096	3,296,749	2,485,251	2,244,811	2,969,902	2,688,410	2,635,742	2,114,861
Unrestricted state appropriation - capital	-	-	-	-	6,133,418	-	-	-	-	-
Interest earnings - unrestricted	288,136	14,675	27,726	114,904	114,658	82,859	40,752	19,733	19,077	19,173
Miscellaneous - unrestricted	1,200,880	1,177,316	1,358,957	1,085,836	1,162,004	1,206,089	902,484	1,074,840	884,401	936,805
Insurance proceeds	76,586	60,000	1,176,939	69,418	-	-	-	-	-	-
State OPEB contribution - non-capital	717,269	741,296	1,969,293	-	-	-	-	-	-	-
Transfers	-	-	-	(186,044)	-	(56,224)	(49,638)	(48,468)	(46,312)	(45,431)
Total governmental activities	<u>29,360,090</u>	<u>28,858,982</u>	<u>31,885,118</u>	<u>28,606,016</u>	<u>32,835,579</u>	<u>26,366,060</u>	<u>26,787,166</u>	<u>25,666,098</u>	<u>23,913,339</u>	<u>22,872,844</u>
<u>Business-type activities</u>										
Unrestricted state and federal appropriation - capital	-	-	77,570	17,615	-	-	-	-	-	-
Interest earnings - unrestricted	47,104	3,972	12,387	44,008	41,362	34,038	32,707	19,023	15,915	14,513
Miscellaneous - unrestricted	50,471	47,333	15,043	49,835	72,245	19,725	40,455	35,929	22,482	8,719
State OPEB contribution - non-capital	19,735	18,836	47,356	-	-	-	-	-	-	-
Transfers	-	-	-	186,044	-	56,224	49,638	48,468	46,312	45,431
Total business-type activities	<u>117,310</u>	<u>70,141</u>	<u>152,356</u>	<u>297,502</u>	<u>113,607</u>	<u>109,987</u>	<u>122,800</u>	<u>103,420</u>	<u>84,709</u>	<u>68,663</u>
Total board of education	<u>\$ 29,477,400</u>	<u>\$ 28,929,123</u>	<u>\$ 32,037,474</u>	<u>\$ 28,903,518</u>	<u>\$ 32,949,186</u>	<u>\$ 26,476,047</u>	<u>\$ 26,909,966</u>	<u>\$ 25,769,518</u>	<u>\$ 23,998,048</u>	<u>\$ 22,941,507</u>
Change in net position (deficit)										
Governmental activities	\$ 30,147,830	\$ 22,035,190	\$ 7,193,636	\$ (1,444,596)	\$ 2,587,222	\$ (6,975,595)	\$ 134,072	\$ 3,114,080	\$ 275,411	\$ (3,594,977)
Business-type activities	<u>360,526</u>	<u>2,221,607</u>	<u>162,638</u>	<u>994,881</u>	<u>20,104</u>	<u>(741,157)</u>	<u>(507,958)</u>	<u>(807,265)</u>	<u>(665,306)</u>	<u>(178,036)</u>
Total changes in net position (deficit)	<u>\$ 30,508,356</u>	<u>\$ 24,256,797</u>	<u>\$ 7,356,274</u>	<u>\$ (449,715)</u>	<u>\$ 2,607,326</u>	<u>\$ (7,716,752)</u>	<u>\$ (373,886)</u>	<u>\$ 2,306,815</u>	<u>\$ (389,895)</u>	<u>\$ (3,773,013)</u>

Board of Education of Craven County Schools
Government-Wide - Expenses, Program Revenues, and Net (Expense) Revenue for Craven County, NC
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Functions/Programs										
Expenses										
Governmental activities										
General government	*	\$ 15,288,066	\$ 14,737,395	\$ 13,026,648	\$ 17,072,762	\$ 11,077,893	\$ 9,925,453	\$ 10,086,514	\$ 9,219,322	\$ 9,529,776
Public safety	*	29,899,762	29,041,862	23,546,188	23,323,223	21,947,336	20,980,588	19,458,091	18,505,550	18,273,896
Social services	*	21,770,369	21,217,884	19,946,669	21,170,095	19,157,572	22,760,861	22,231,898	21,913,659	22,078,158
Economic and physical development	*	4,596,491	4,701,754	4,150,209	3,786,002	2,958,118	4,389,590	4,349,446	4,035,005	3,244,680
Environmental protection	*	7,389,226	7,259,522	8,048,976	6,370,235	4,950,380	4,608,929	4,998,475	5,121,002	5,200,967
Health	*	11,099,143	11,306,997	10,605,442	10,508,893	9,404,146	8,626,160	8,338,343	7,784,851	8,495,912
Cultural and recreation	*	3,242,162	2,700,856	2,871,967	3,346,603	2,675,892	2,535,497	2,403,064	2,289,270	2,435,885
Education	*	29,422,557	28,777,523	28,571,621	27,166,990	27,018,838	27,005,640	26,313,562	24,559,787	23,691,968
Interest on long term debt	*	1,119,654	1,256,730	1,347,956	1,152,829	1,550,637	1,803,760	2,105,628	2,360,526	2,617,304
Total governmental activities	*	123,827,430	121,000,523	112,115,676	113,897,632	100,740,812	102,636,478	100,285,021	95,788,972	95,568,546
Business-type activities										
Water	*	4,313,497	4,201,885	4,089,249	4,090,859	3,338,714	2,667,016	2,489,876	2,510,634	2,559,429
Total primary government expenses	*	128,140,927	125,202,408	116,204,925	117,988,491	104,079,526	105,303,494	102,774,897	98,299,606	98,127,975
Program Revenues										
Governmental activities										
Charges for services										
General government	*	\$ 2,274,794	\$ 1,978,362	\$ 1,380,174	\$ 3,139,033	\$ 3,836,181	\$ 4,141,074	\$ 3,170,663	\$ 3,493,235	\$ 2,194,205
Public safety	*	3,463,365	3,544,044	3,438,127	4,996,889	3,057,836	3,316,974	3,190,889	2,947,087	2,584,019
Social services	*	546,446	409,522	760,964	2,520,085	595,252	559,026	630,752	572,655	597,505
Economic and physical development	*	57,193	50,225	51,230	216,037	1,159,464	1,101,404	1,052,562	925,772	1,244,763
Environmental protection	*	3,871,355	3,934,623	3,749,983	2,956,075	2,670,966	2,405,043	2,432,969	2,428,100	2,417,794
Health	*	4,863,155	5,223,450	4,813,630	5,360,985	5,663,594	5,463,003	5,652,030	3,866,147	5,003,765
Cultural and recreation	*	676,270	235,893	371,788	324,505	59,372	61,401	66,145	69,062	89,512
Operating grants and contributions:										
General government	*	6,622,662	10,241,514	6,671,023	3,894,897	1,929,566	2,166,871	2,122,023	2,306,404	2,337,535
Public safety	*	3,999,066	3,738,942	1,155,417	1,762,796	489,762	678,254	651,546	430,833	645,226
Social services	*	13,533,733	12,910,778	12,240,723	11,973,191	11,768,753	15,321,889	15,798,488	16,040,514	14,917,957
Economic and physical development	*	172,298	1,598,984	657,792	656,696	630,177	1,346,255	1,252,208	1,453,613	-
Environmental protection	*	153,260	159,586	227,652	149,588	202,131	158,668	158,994	196,894	253,420
Health	*	6,474,842	7,656,387	4,336,161	3,896,287	2,858,004	2,378,208	2,185,702	1,556,948	1,645,752
Cultural and recreation	*	165,500	63,819	22,000	42,000	-	313,000	563,280	61,000	51,500
Education	*	1,965,721	-	-	-	944,400	-	-	-	-
Capital grants and contributions:										
General government	*	675,576	-	-	-	-	-	-	-	-
Social services	*	756	209,441	154,899	154,529	138,417	-	120,012	181,004	255,086
Economic and physical development	*	646,406	-	-	-	515,000	-	-	-	204,085
Cultural and recreation	*	-	-	-	-	-	-	-	-	-
Education	*	880,500	1,219,700	1,029,300	981,500	-	842,910	1,083,080	926,810	1,030,840
Total governmental activities	*	51,042,898	53,175,270	41,060,863	43,025,073	36,518,875	40,253,980	40,131,343	37,456,078	35,472,964
Business-type activities:										
Charge for services - Water	*	\$ 4,464,707	\$ 4,290,039	\$ 3,788,451	\$ 3,849,791	\$ 3,945,311	\$ 3,936,307	\$ 3,803,643	\$ 3,809,820	\$ 3,828,806
Capital grants and contributions - Water	*	-	62,864	-	-	-	-	-	-	-
Total business-type activities	*	4,464,707	4,352,903	3,788,451	3,849,791	3,945,311	3,936,307	3,803,643	3,809,820	3,828,806
Total primary government program revenues	*	\$ 55,507,605	\$ 57,528,173	\$ 44,849,314	\$ 46,874,864	\$ 40,464,186	\$ 44,190,287	\$ 43,934,986	\$ 41,265,898	\$ 39,301,770
Net (expense) revenue										
Governmental activities	*	\$ (72,784,532)	\$ (67,825,253)	\$ (71,054,813)	\$ (70,872,559)	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)	\$ (58,332,894)	\$ (60,095,582)
Business-type activities	*	151,210	151,018	(300,798)	(241,068)	606,597	1,269,291	1,313,767	1,299,186	1,269,377
Total primary government net (expense) revenue	*	\$ (72,633,322)	\$ (67,674,235)	\$ (71,355,611)	\$ (71,113,627)	\$ (63,615,340)	\$ (61,113,207)	\$ (58,839,911)	\$ (57,033,708)	\$ (58,826,205)

Source: Craven County Finance Department

* Information not available

Board of Education of Craven County Schools
Government-Wide - General Revenues and Total Change in Net Position for Craven County, NC
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (expense) revenue										
Governmental activities	*	\$ (72,784,532)	\$ (67,825,253)	\$ (71,054,813)	\$ (70,872,559)	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)	\$ (58,332,894)	\$ (60,095,582)
Business-type activities	*	151,210	151,018	(300,798)	(241,068)	606,597	1,269,291	1,313,767	1,299,186	1,269,377
Total primary government net (expense) revenue	*	<u>\$ (72,633,322)</u>	<u>\$ (67,674,235)</u>	<u>\$ (71,355,611)</u>	<u>\$ (71,113,627)</u>	<u>\$ (63,615,340)</u>	<u>\$ (61,113,207)</u>	<u>\$ (58,839,911)</u>	<u>\$ (57,033,708)</u>	<u>\$ (58,826,205)</u>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Property taxes	*	\$ 59,946,931	\$ 57,394,807	\$ 55,119,160	\$ 54,063,292	\$ 52,594,856	\$ 51,783,504	\$ 49,058,073	\$ 48,065,864	\$ 48,512,236
Local option sales tax	*	25,160,570	22,920,189	19,828,653	19,290,881	16,897,507	16,097,112	15,112,475	14,532,240	13,394,720
Other taxes and licenses	*	4,698,756	3,455,991	2,817,033	1,758,121	1,075,286	1,077,699	1,065,391	934,214	862,997
Investment earnings	*	(63,708)	12,964	879,774	1,091,545	634,968	305,406	154,860	163,783	156,285
Miscellaneous	*	3,978,747	1,347,390	1,278,071	3,526,780	454,249	564,447	471,964	658,262	1,006,261
Special Item	*	-	130,000	130,000	130,000	-	-	-	850,000	1,516,317
Transfers	*	(495,406)	-	-	-	313,222	130,000	105,000	105,000	83,240
Total governmental activities	*	<u>93,225,890</u>	<u>85,261,341</u>	<u>80,052,691</u>	<u>79,860,619</u>	<u>71,970,088</u>	<u>69,958,168</u>	<u>65,967,763</u>	<u>65,309,363</u>	<u>65,532,056</u>
Business-type activities:										
Investment earnings	*	17,111	12,454	101,051	135,443	58,652	23,151	19,192	42,829	57,122
Miscellaneous	*	-	-	61,048	109,459	112,402	140,859	449,015	204,818	107,772
Transfers	*	495,406	(130,000)	(130,000)	(130,000)	(313,222)	(130,000)	(105,000)	(105,000)	(83,240)
Total business-type activities	*	<u>512,517</u>	<u>(117,546)</u>	<u>32,099</u>	<u>114,902</u>	<u>(142,168)</u>	<u>34,010</u>	<u>363,207</u>	<u>142,647</u>	<u>81,654</u>
Total primary government	*	<u>\$ 93,738,407</u>	<u>\$ 85,143,795</u>	<u>\$ 80,084,790</u>	<u>\$ 79,975,521</u>	<u>\$ 71,827,920</u>	<u>\$ 69,992,178</u>	<u>\$ 66,330,970</u>	<u>\$ 65,452,010</u>	<u>\$ 65,613,710</u>
<u>Change in Net Position</u>										
Governmental activities	*	\$ 20,441,358	\$ 17,436,088	\$ 8,997,878	\$ 8,988,060	\$ 7,748,151	\$ 7,575,670	\$ 5,814,085	\$ 6,976,469	\$ 5,436,474
Business-type activities	*	663,727	33,472	(268,699)	(126,166)	464,429	1,303,301	1,676,974	1,441,833	1,351,031
Total primary government	*	<u>\$ 21,105,085</u>	<u>\$ 17,469,560</u>	<u>\$ 8,729,179</u>	<u>\$ 8,861,894</u>	<u>\$ 8,212,580</u>	<u>\$ 8,878,971</u>	<u>\$ 7,491,059</u>	<u>\$ 8,418,302</u>	<u>\$ 6,787,505</u>

Source: Craven County Finance Department

* Information not available

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 387,825	\$ 430,950	\$ 510,659	\$ 228,778	\$ 219,463	\$ 168,899	\$ 204,773	\$ 278,684	\$ 363,880	\$ 387,531
Restricted	941,039	1,195,379	829,872	498,572	477,157	226,818	2,196,530	214,920	271,482	184,244
Assigned	5,549,992	2,032,864	1,458,770	1,716,370	546,075	780,025	900,615	945,045	1,500,000	2,344,398
Unassigned	10,960,739	13,690,668	9,217,206	5,985,191	5,464,110	6,371,977	4,348,280	2,398,392	456,181	1,019,239
Total General Fund	<u>\$ 17,839,595</u>	<u>\$ 17,349,861</u>	<u>\$ 12,016,507</u>	<u>\$ 8,428,911</u>	<u>\$ 6,706,805</u>	<u>\$ 7,547,719</u>	<u>\$ 7,650,198</u>	<u>\$ 3,837,041</u>	<u>\$ 2,591,543</u>	<u>\$ 3,935,412</u>
All Other Governmental Funds										
Restricted										
Individual Schools Fund	\$ 996,988	\$ 1,088,139	\$ 984,091	\$ 961,800	\$ 1,007,886	\$ 959,465	\$ 956,303	\$ 915,671	\$ 847,212	\$ 1,052,024
Other Local Current Expense Fund	1,280,219	1,466,160	121,079	145,498	295,320	-	-	-	-	2,547,694
Capital Outlay Fund	1,110,373	1,052,874	754,430	522,059	466,495	434,709	543,311	442,105	285,648	169,853
Assigned										
Other Local Current Expense Fund	4,661,459	4,189,884	4,571,851	3,710,702	3,024,155	3,406,376	2,648,432	2,296,401	2,659,512	1,922,468
Total Other Governmental Funds	<u>\$ 8,049,039</u>	<u>\$ 7,797,057</u>	<u>\$ 6,431,451</u>	<u>\$ 5,340,059</u>	<u>\$ 4,793,856</u>	<u>\$ 4,800,550</u>	<u>\$ 4,148,046</u>	<u>\$ 3,654,177</u>	<u>\$ 3,792,372</u>	<u>\$ 5,692,039</u>

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

General Fund	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Nonspendable										
Stabilization by state statute	*	\$ 33,891	\$ 21,711	\$ 73,681	\$ 40,680	\$ 34,582	\$ 82,500	\$ -	\$ -	\$ -
Leases		181	-	-	-	-	-	-	-	-
Restricted										
Stabilization by state statute	*	15,518,429	16,471,264	12,415,614	9,666,695	7,681,300	7,866,740	8,690,228	6,619,013	5,866,674
Register of Deeds		-		41,029	-	-	-	-	-	3,030
Public Safety	*	43,368	18,028	-	24,585	36,076	56,262	81,761	89,738	104,005
Assigned										
Subsequent year's expenditures	*	3,731	424,561	1,416,294	-	-	-	79,872	131,509	186,332
Unassigned	*	44,004,435	33,162,510	25,350,019	-	29,358,798	27,936,364	24,262,888	25,565,252	25,743,810
Total General Fund	*	\$ 59,604,035	\$ 50,098,074	\$ 39,296,637	\$ 9,731,960	\$ 37,110,756	\$ 35,941,866	\$ 33,114,749	\$ 32,405,512	\$ 31,903,851
All Other Governmental Funds										
Restricted										
Stabilization by state statute	*	\$ 5,757	\$ 2,490,112	\$ 163,893	\$ 350,349	\$ 246,658	\$ 350,482	\$ 1,102,191	\$ 183,592	\$ 161,598
General Government	*	1,425,806	941,549	2,107,453	913,772	527,388	-	-	-	-
Human Services	*	186,989	140,366	-	-	-	-	-	-	-
Public Schools	*	2,457,840	4,836,189	1,874,198	1,518,914	431,771	160,891	448,646	647,407	1,097,060
Public Safety	*	2,742,889	2,204,704	6,171,089	1,328,278	1,188,720	1,463,892	759,385	567,449	595,537
Economic and Physical Development	*	9,451,097	2,361,658	2,361,585	1,646,115	1,212,049	1,541,884	1,204,220	1,596,963	1,475,800
Committed										
Capital projects	*	12,084,072	9,818,385	9,351,742	9,896,332	10,570,948	9,396,089	8,974,443	8,981,920	6,643,056
Unassigned	*	(37,504)	(2,680,122)	(378,722)	(240,400)	(149,490)	(136,611)	(47,561)	(145,052)	(268,169)
Total Other Governmental Funds	*	\$ 28,316,946	\$ 20,112,841	\$ 21,651,238	\$ 15,413,360	\$ 14,028,044	\$ 12,776,627	\$ 12,441,324	\$ 11,832,279	\$ 9,704,882

Source: Craven County Finance Department

* Information not available

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
U.S. Government	\$ 34,879,978	\$ 31,855,953	\$ 20,263,384	\$ 12,580,661	\$ 11,670,957	\$ 9,783,743	\$ 10,919,416	\$ 10,922,366	\$ 12,673,392	\$ 13,493,354
State of North Carolina	96,001,092	92,862,582	87,239,141	86,796,410	93,751,392	84,237,299	81,769,230	78,506,354	77,308,097	75,849,565
Craven County	24,007,444	24,153,436	23,893,107	24,225,153	22,940,248	22,888,525	22,923,666	21,931,583	20,420,431	19,847,436
Other local revenues	6,787,844	6,756,397	4,342,760	5,367,396	5,415,985	6,158,477	4,802,457	5,230,962	5,052,068	4,777,889
Total revenues	<u>161,676,358</u>	<u>155,628,368</u>	<u>135,738,392</u>	<u>128,969,620</u>	<u>133,778,582</u>	<u>123,068,044</u>	<u>120,414,769</u>	<u>116,591,265</u>	<u>115,453,988</u>	<u>113,968,244</u>
Expenditures										
Instructional programs	113,600,186	114,482,337	102,864,260	98,131,085	101,829,670	96,432,550	92,419,448	92,381,031	93,418,470	92,084,673
Support services	41,796,731	29,489,562	25,333,069	23,968,804	28,614,996	21,898,728	20,839,242	20,817,592	21,518,556	20,769,531
Ancillary services	233,315	604,568	729,506	828,180	758,190	227,098	239,229	283,963	289,286	280,351
Non-programmed charges	1,102,172	1,048,489	791,192	706,389	713,409	760,490	479,990	438,758	385,175	320,491
Debt service	2,591,847	2,321,033	1,129,519	789,335	1,002,609	1,068,510	1,061,143	516,984	520,429	104,886
Capital outlay	2,247,521	2,036,019	3,202,034	2,170,207	2,499,035	3,386,013	2,744,963	1,577,755	1,755,887	1,210,944
Total Expenditures	<u>161,571,772</u>	<u>149,982,008</u>	<u>134,049,580</u>	<u>126,594,000</u>	<u>135,417,909</u>	<u>123,773,389</u>	<u>117,784,015</u>	<u>116,016,083</u>	<u>117,887,803</u>	<u>114,770,876</u>
Excess of revenues over (under) expenditures	<u>104,586</u>	<u>5,646,360</u>	<u>1,688,812</u>	<u>2,375,620</u>	<u>(1,639,327)</u>	<u>(705,345)</u>	<u>2,630,754</u>	<u>575,182</u>	<u>(2,433,815)</u>	<u>(802,632)</u>
Other Financing Sources (Uses)										
Transfers from (to) other funds	-	-	-	(186,044)	-	(56,224)	(49,638)	(48,468)	(46,312)	(45,431)
Installment purchase obligations issued	507,669	862,578	1,176,939	-	741,155	1,311,594	1,725,910	580,589	1,159,059	-
Insurance proceeds	76,586	60,000	1,531,356	69,418	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Lease/subscription liabilities issued	96,000	209,731	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>680,255</u>	<u>1,132,309</u>	<u>2,708,295</u>	<u>(116,626)</u>	<u>741,155</u>	<u>1,255,370</u>	<u>1,676,272</u>	<u>532,121</u>	<u>1,112,747</u>	<u>(45,431)</u>
Change in reserve for inventories	<u>-</u>	<u>-</u>	<u>281,881</u>	<u>9,315</u>	<u>50,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 784,841</u>	<u>\$ 6,778,669</u>	<u>\$ 4,678,988</u>	<u>\$ 2,268,309</u>	<u>\$ (847,608)</u>	<u>\$ 550,025</u>	<u>\$ 4,307,026</u>	<u>\$ 1,107,303</u>	<u>\$ (1,321,068)</u>	<u>\$ (848,063)</u>
Debt service as a percentage of noncapital expenditures	1.741%	1.564%	0.856%	0.625%	0.746%	0.888%	0.922%	0.452%	0.448%	0.092%

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes:										
Property	*	\$59,866,003	\$ 57,822,448	\$ 54,957,950	\$54,118,386	\$52,668,757	\$51,917,034	\$49,134,422	\$48,452,331	\$ 48,823,450
Sales	*	25,160,570	22,920,189	19,828,653	19,290,881	16,897,507	16,097,112	15,112,475	14,532,240	13,394,720
Other	*	2,249,242	1,597,678	1,605,717	1,758,121	1,075,286	1,077,699	1,065,391	934,214	862,997
Total taxes	*	87,275,815	82,340,315	76,392,320	75,167,388	70,641,550	69,091,845	65,312,288	63,918,785	63,081,167
Intergovernmental	*	35,827,492	38,121,915	26,494,967	23,511,297	19,476,210	23,209,055	23,935,338	23,154,019	21,341,401
Charges for Services	*	17,629,177	16,896,108	15,711,402	13,495,640	17,191,527	17,181,291	16,333,950	14,617,799	14,490,392
Interest	*	(63,708)	12,964	879,774	1,117,519	630,042	297,665	148,453	150,404	142,116
Miscellaneous	*	4,002,009	1,371,174	1,278,072	3,339,425	934,418	1,009,671	979,965	2,278,429	1,432,328
Total Revenues	*	144,670,785	138,742,476	120,756,535	116,631,269	108,873,747	110,789,527	106,709,994	104,119,436	100,487,404
Expenditures										
General Government	*	16,606,583	18,918,417	14,538,888	15,831,603	12,297,021	10,435,517	10,213,411	9,948,357	9,446,475
Public Safety	*	28,192,022	26,621,964	22,268,324	21,161,542	19,927,529	19,282,826	17,892,625	17,185,318	18,056,044
Environmental Protection	*	7,347,292	7,241,021	7,655,428	6,042,356	5,473,167	5,357,128	5,079,891	5,140,583	5,121,996
Economic Development	*	3,868,787	7,194,853	12,429,224	3,499,091	3,054,020	3,849,000	3,950,990	3,612,837	2,764,612
Health	*	10,534,453	10,616,068	10,312,247	9,437,637	9,009,776	8,235,214	8,379,656	7,644,382	8,200,004
Social Services (2)	*	20,841,760	19,937,154	19,120,635	19,023,190	19,118,866	22,309,579	22,305,810	22,355,542	22,150,591
Culture and Recreation	*	3,045,225	3,173,640	3,004,223	3,185,110	2,688,417	2,919,651	3,028,748	2,341,104	2,314,351
Education	*	29,422,557	28,777,523	28,571,621	27,166,990	27,018,838	27,005,640	26,108,710	24,559,787	23,691,968
Debt Service:										
Principal	*	6,286,945	6,400,150	5,914,300	6,845,855	7,021,300	6,891,300	6,816,300	6,831,446	6,832,806
Interest	*	638,514	776,440	809,936	953,550	1,157,728	1,471,252	1,720,571	1,976,022	2,232,885
Bond Issuance Cost	*	-	-	-	36,100	-	-	-	-	-
Total Expenditures	*	126,784,138	129,657,230	124,624,826	113,183,024	106,766,662	107,757,107	105,496,712	101,595,378	100,811,732
Excess of revenues over (under) expenditures	*	17,886,647	9,085,246	(3,868,291)	3,448,245	2,107,085	3,032,420	1,213,282	2,524,058	(324,328)
Other Financing Sources (Uses)										
Lease proceeds		385,949	-	-	-	-	-	-	-	-
Transfers in	*	15,459,219	7,794,375	10,752,856	7,503,106	9,122,508	7,855,332	6,425,300	7,619,608	8,702,882
Transfers out	*	(16,004,625)	(7,714,375)	(10,652,079)	(7,413,106)	(8,809,286)	(7,725,332)	(6,320,300)	(7,514,608)	(8,619,642)
Special Item	*	-	-	-	-	-	-	-	-	1,516,317
Bonds issued	*	-	-	-	8,335,000	-	-	-	-	-
Refunding bonds issued	*	-	-	-	(8,296,656)	-	-	-	-	-
Payment to refunding escrow agent	*	-	-	-	-	-	-	-	-	-
Proceeds from capital lease	*	-	-	-	-	-	-	-	-	-
Proceeds from installment note/COPS	*	-	-	10,000,000	-	-	-	-	-	-
Total other financing sources (uses)	*	(159,457)	80,000	10,100,777	128,344	313,222	130,000	105,000	105,000	1,599,557
Net change in fund balances	*	\$ 17,727,190	\$ 9,165,246	\$ 6,232,486	\$ 3,576,589	\$ 2,420,307	\$ 3,162,420	\$ 1,318,282	\$ 2,629,058	\$ 1,275,229
Debt service as a percentage of noncapital expenditures	*	5.65%	6.02%	6.03%	7.11%	8.02%	7.98%	8.28%	8.84%	9.28%

Source: Craven County Finance Department

* Information not available

Board of Education of Craven County Schools
Governmental Funds - Revenues by Sources ⁽¹⁾
Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30	STATE	COUNTY	FEDERAL	OTHER	TOTAL
2023	96,001,092	24,007,444	34,879,978	4,162,923	\$ 159,051,437
2022	92,862,582	24,153,436	31,855,953	4,710,702	153,582,673
2021	87,239,141	23,893,107	20,263,384	3,353,756	134,749,388
2020	86,796,410	24,225,153	12,580,661	2,430,384	126,032,608
2019	93,751,392	22,940,248	11,670,957	2,343,738	130,706,335
2018	84,237,299	22,888,525	9,783,743	1,675,119	118,584,686
2017	81,769,230	22,923,666	10,919,416	1,872,302	117,484,614
2016	78,506,354	21,931,583	10,922,366	1,825,262	113,185,565
2015	77,308,097	20,420,431	12,673,392	1,661,949	112,063,869
2014	75,849,565	19,847,436	13,493,354	1,628,935	110,819,290

Notes:

1. Excludes Individual Schools Funds

Board of Education of Craven County Schools
Expenditures by Function Per Pupil and in Total⁽¹⁾
Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30	FINAL ADM ⁽²⁾	INSTRUCTIONAL PROGRAMS	SUPPORTING SERVICES	ANCILLARY SERVICES	NON- PROGRAMMED CHARGES	CAPITAL OUTLAY	CHILD NUTRITION	DEBT SERVICE	TOTAL
2023	12,381	12,875 159,410,039	3,376 41,796,731	19 233,315	89 1,102,172	182 2,247,521	747 9,250,652	209 2,591,847	17,497 216,632,277
2022	12,280	9,191 112,867,387	2,401 29,489,562	49 604,568	85 1,048,489	166 2,036,019	680 8,350,348	189 2,321,033	12,762 156,717,406
2021	12,478	8,178 102,051,079	2,030 25,333,069	58 729,506	63 791,192	257 3,202,034	559 6,972,235	91 1,129,519	11,236 140,208,634
2020	13,104	7,312 95,811,438	1,829 23,968,804	63 828,180	54 706,389	166 2,170,207	652 8,539,697	60 789,335	10,135 132,814,050
2019	13,329	7,445 99,235,452	2,147 28,614,996	57 758,190	54 713,409	187 2,499,035	499 6,656,096	75 1,002,609	10,464 139,479,787
2018	13,665	6,856 93,683,774	1,603 21,898,728	17 227,098	56 760,490	248 3,386,013	519 7,094,143	78 1,068,510	9,376 128,118,756
2017	13,860	6,470 89,670,672	1,504 20,839,242	17 239,229	35 479,990	198 2,744,963	517 7,161,120	77 1,061,143	8,816 122,196,359
2016	14,004	6,402 89,659,680	1,487 20,817,592	20 283,963	31 438,758	113 1,577,755	525 7,357,105	37 516,984	8,616 120,651,837
2015	13,857	6,533 90,523,497	1,553 21,518,556	21 289,286	28 385,175	127 1,755,887	514 7,123,622	38 520,429	8,813 122,116,452
2014	14,131	6,328 89,426,847	1,470 20,769,531	20 280,351	23 320,491	86 1,210,944	497 7,029,338	7 104,886	8,431 119,142,388

Notes:

1. Excludes individual schools

2. ADM = Average Daily Membership (Final) - The total number of school days within a given term or school year that a student's name is on the current roll of a class, regardless of his/her being present or absent, is the "number of days in membership" for that student. The sum of the "number of days in membership" for all students divided by the number of school days in that term yields ADM. The final average daily membership is the total days in membership for all students over the school year divided by the number of days school was in session. Source: NCDPI web.

Board of Education of Craven County Schools
Outstanding Debt
Last Ten Fiscal Years

	Installment Purchases	Lease Obligations	Subscription Obligations	Total	Per Student
2023	\$ 1,465,875	\$ 679,765	\$ 17,024	\$ 2,162,664	\$ 175
2022	2,673,266	1,075,030	-	3,748,296	305
2021	1,066,019	-	-	1,066,019	85
2020	664,182	-	-	664,182	51
2019	1,453,517	-	-	1,453,517	109
2018	1,714,971	-	-	1,714,971	126
2017	1,471,887	-	-	1,471,887	106
2016	807,120	-	-	807,120	58
2015	743,515	-	-	743,515	54
2014	*	-	-	*	*

Source: Craven County Schools Finance Office

* Information not available

Note: Periods prior to 2022 have not been restated for the adoption of Governmental Accounting Standards Board Statement No. 87, Leases. Also, periods prior to 2023 have not been restated for the adoption of Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements.

Board of Education of Craven County Schools
Assessed Value and Actual Value of Taxable Property for Craven County, NC
Last Ten Fiscal Years

Fiscal Year	Real Property				Personal Property	Public Service Companies (2)	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)
	Residential Property	Commercial Property	Industrial Property	Present-use Value (1)					
2023	*	*	*	*	*	*	*	*	*
2022	\$ 5,515,649,371	\$ 2,242,623,400	\$ 48,809,700	\$ 135,172,223	\$ 2,136,735,024	\$ 187,139,127	\$ 10,266,128,845	0.5600	\$ 13,353,445,428
2021	5,486,948,016	2,127,480,453	48,312,340	132,953,939	2,028,190,175	169,749,363	9,993,634,286	0.5494	11,301,180,918
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
2019	5,327,228,030	2,108,571,090	43,578,000	133,240,033	1,761,612,228	166,348,703	9,540,578,084	0.5394	10,039,543,391
2018	5,466,479,591	1,860,735,378	43,165,400	133,196,948	1,655,323,746	162,065,213	9,320,966,276	0.5394	9,563,889,058
2017	5,206,928,087	2,030,255,403	42,342,930	131,599,087	1,638,861,659	155,227,537	9,205,214,703	0.5394	9,298,196,670
2016	5,947,385,914	2,178,573,186	46,564,923	141,917,615	1,553,771,682	155,515,544	10,023,728,864	0.4675	9,087,696,160
2015	5,902,879,610	2,162,096,295	46,574,740	139,682,484	1,522,563,337	130,349,522	9,904,145,988	0.4675	8,753,885,441
2014	5,863,934,499	2,154,674,323	46,723,660	134,530,824	1,667,107,995	138,720,822	10,005,692,123	0.4675	8,853,027,892

Notes:

(1) Present use value property is agricultural, horticultural and forestland for which the owner has applied or the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.

(2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

(3) Per \$100 of value.

(4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place in the calendar year ending during the fiscal year.

* Information not available

Source: Craven County Finance Department

Board of Education of Craven County Schools
Direct and Overlapping Property Tax Rates for Craven County, NC
Last Ten Fiscal Years

	Year Taxes Are Payable										
	2023	2022	2021	2020	2019	2018	2017 (1)	2016	2015	2014	
Craven County	\$.4448	\$.5600	\$.5494	\$.5494	\$.5394	\$.5394	\$.5394	\$.4675	\$.4675	\$.4675	
<u>Municipality Rates:</u>											
Bridgeton	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	
Cove City	.2200	.2700	.2700	.2700	.2700	.2678	.2678	.2500	.1500	.1500	
Dover	.3100	.2900	.3500	.3500	.3500	.3500	.3500	.3000	.3000	.3000	
Havelock	.6800	.5900	.5900	.5900	.5900	.5900	.5900	.5100	.4850	.4650	
New Bern	.3800	.4822	.4822	.4822	.4600	.4600	.4600	.4100	.4100	.4100	
River Bend	.2400	.2600	.2600	.2600	.2400	.2900	.3105	.2650	.2650	.2650	
Trent Woods	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	
Vanceboro	.4000	.5300	.5300	.5300	.5300	.5300	.5300	.4600	.4600	.4600	
<u>Fire Districts:</u>											
Rhems	.0250	.0350	.0400	.0400	.0400	.0457	.0457	.0389	.0389	.0389	
Township #1	.0200	.0250	.0269	.0269	.0269	.0269	.0269	.0250	.0250	.0250	
Tri Community	.0375	.0500	.0555	.0555	.0555	.0555	.0658	.0527	.0377	.0277	
Little Swift Creek	.0500	.0650	.0650	.0650	.0700	.0700	.0700	.0549	.0549	.0549	
Township #3	.0650	.0900	.0900	.0900	.0861	.0861	.0861	.0774	.0624	.0624	
Township #5	.0541	.0653	.0653	.0653	.0653	.0653	.0653	.0553	.0453	.0453	
Township #6	.0380	.0450	.0500	.0500	.0500	.0586	.0586	.0520	.0480	.0480	
Township #7	.0200	.0250	.0250	.0250	.0250	.0272	.0216	.0190	.0177	.0177	
West New Bern	.0281	.0375	.0391	.0391	.0391	.0457	.0391	.0349	.0324	.0324	
Township #9	.0425	.0600	.0746	.0746	.0746	.0746	.0746	.0682	.0682	.0582	
Sandy Point	.0375	.0500	.0672	.0672	.0672	.0672	.0672	.0527	.0377	.0352	

Note: (1) Real property was revalued on January 1, 2016

Source: Craven County Finance Department

Board of Education of Craven County Schools
Principal Property Tax Payers for Craven County, NC
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2023			Fiscal Year 2014		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Weyerhaeuser NR Company	Wood pulp manufacturer	*	*	*	\$ 187,118,871	1	1.87%
BSH Home Appliances Corp	Home appliance manufacturer	*	*	*	63,872,711	2	0.64%
Weyerhaeuser Company	Real estate investment trust	*	*	*	62,555,420	3	0.63%
Duke Energy Progress Inc.	Electric utility	*	*	*	50,237,052	4	0.50%
Carolina Telephone and Telegraph	Communications utility	*	*	*	34,928,917	5	0.35%
Atlantic Marine Corps Communities LLC	Real estate development	*	*	*	32,918,627	6	0.33%
Hatteras Yachts	Yacht builder	*	*	*	25,759,674	7	0.26%
New Bern Riverfront Development LLC	Real estate development	*	*	*	25,099,239	8	0.25%
Wal-Mart Real Estate Business Trust	Real estate development	*	*	*	23,725,040	9	0.24%
Wyndham Vacation Resorts Inc.	Wood pulp manufacturer	*	*	*	22,227,790	10	0.22%
Totals		*		*	\$ 528,443,341		5.43%

Source: Craven County Tax Department

Board of Education of Craven County Schools
Property Tax Levies and Collections for Craven County, NC
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2023	*	*	*	*	*	*	*	*
2022	57,025,239	396,164	57,421,403	56,829,343	98.97%	*	*	*
2021	54,749,539	272,681	55,022,220	54,599,304	99.23%	*	*	*
2020	52,499,119	271,764	52,770,883	52,162,736	98.85%	*	*	*
2019	51,207,256	357,778	51,565,034	51,213,187	99.32%	*	*	*
2018	50,133,887	208,230	50,342,117	50,013,650	99.35%	*	*	*
2017	49,281,078	264,724	49,545,802	49,229,371	99.36%	*	*	*
2016	46,661,088	287,113	46,948,201	46,591,996	99.24%	*	*	*
2015	46,074,580	354,529	46,429,109	46,059,154	99.20%	*	*	*
2014	46,405,671	423,380	46,829,051	46,266,555	98.80%	*	*	*

Source: Craven County Finance Department

Board of Education of Craven County Schools
Ratios of Outstanding Debt by Type for Craven County, NC
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Per Capita ⁽¹⁾	Percentage of Personal Income ⁽¹⁾
	General Obligation Bonds	Installment Loans	Capital Leases	General Obligation Bonds	Installment Loans			
2023	*	*	*	*	*	*	*	*
2022	\$ 1,365,892	\$ 23,184,999	\$ -	\$ -	\$ 12,374,589	\$ 36,925,480	*	*
2021	3,729,683	27,064,999	-	-	13,263,653	44,058,335	440	0.89%
2020	6,146,474	31,128,149	-	-	14,152,717	51,427,340	512	1.08%
2019	8,614,265	24,654,450	-	-	15,041,781	48,310,496	478	1.08%
2018	11,109,056	29,025,750	-	-	15,930,845	56,065,651	551	1.29%
2017	13,808,847	33,427,050	-	-	16,819,909	64,055,806	629	1.48%
2016	16,448,638	37,862,267	-	-	16,279,594	70,590,499	693	1.68%
2015	19,059,987	42,252,485	-	5,000	5,601,369	66,918,841	656	1.62%
2014	21,711,331	46,597,703	20,146	25,000	3,735,899	72,090,079	698	1.76%

* Information not available

Notes:

(1) See "Demographic and Economic Statistics for Craven County, NC" for personal income and population data.

These ratios are calculated using personal income and population for the calendar year ended during the fiscal year.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Ratios of Net General Bonded Debt Outstanding for Craven County, NC
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income ⁽¹⁾	Percentage of Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽¹⁾
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
2023	*	*	*	*	*	*
2022	\$ 1,365,892	\$ 1,365,892	\$ -	*	0.00%	-
2021	3,729,683	3,729,683	-	*	0.00%	-
2020	6,146,474	2,201,532	3,944,942	0.80%	0.04%	38
2019	8,614,265	1,210,957	7,403,308	0.17%	0.07%	72
2018	11,109,056	401,190	10,707,866	0.25%	0.11%	103
2017	13,808,847	155,992	13,652,855	0.31%	0.15%	132
2016	16,448,638	448,646	15,999,992	0.38%	0.18%	155
2015	19,064,987	647,407	18,417,580	0.45%	0.21%	178
2014	21,736,331	1,097,061	20,639,270	0.50%	0.23%	198

* Information not available.

Notes:

(1) See "Demographic and Economic Statistics for Craven County, NC" for personal income and population data.

These ratios are calculated using personal income and population for the calendar year ended during the fiscal year.

(2) See "Assessed Value and Actual Value of Taxable Property for Craven County, NC" for estimated actual taxable value data.

Source: Craven County Finance Department

Board of Education of Craven County Schools
NC Legal Debt Margin Information for Craven County, NC
Last Ten Fiscal Years
(dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assessed Value of Property	*	\$10,244,131	\$ 9,993,634	\$ 9,596,740	\$ 9,540,578	\$ 9,320,966	\$ 9,205,215	\$ 9,904,146	\$ 10,005,692	\$ 9,738,050
Debt Limit, 8% of Assessed Value (Statutory Limitation)	*	819,531	799,491	767,739	763,246	745,677	736,417	792,332	800,455	779,044
Amount of Debt Applicable to Limit	*									
Gross debt	*	36,925	44,058	51,228	48,310	56,066	64,056	66,919	72,090	78,213
Less: Amount available for repayment of bonds	*	1,366	3,730	2,202	7,403	1,211	156	647	1,105	377
Debt outstanding for water and sewer purposes	*	12,375	13,264	14,153	15,042	15,931	16,820	5,606	3,761	2,866
Revenue bonds	*	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	*	23,184	27,064	34,873	25,865	38,924	47,080	60,666	67,224	74,970
Legal Debt Margin	*	\$ 796,347	\$ 772,427	\$ 732,866	\$ 737,381	\$ 706,753	\$ 689,337	\$ 731,666	\$ 733,231	\$ 704,074
Total net debt applicable to the limit as a percentage of debt limit	*	2.83%	3.39%	4.54%	3.39%	5.22%	6.39%	7.66%	8.40%	9.62%

Note: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Board of Education of Craven County Schools
Pupils in Membership By Ethnic Origin And Sex⁽¹⁾
Last Ten Fiscal Years

YEAR ENDED JUNE 30	AMERICAN INDIAN		ASIAN		HISPANIC		BLACK		WHITE		MULTI-RACIAL		TOTALS
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
2023	9	9	243	224	812	745	1,400	1,323	2,628	2,472	526	556	10,947
2022	12	11	244	223	709	657	1,339	1,247	2,478	2,354	485	515	10,274
2021	15	14	327	280	822	759	1,819	1,657	3,112	2,977	516	523	12,821
2020	10	12	324	282	797	766	1,851	1,692	3,361	3,111	449	486	13,141
2019	15	12	330	289	800	788	1,888	1,811	3,442	3,182	531	517	13,605
2018	14	15	317	294	750	705	1,975	1,883	3,671	3,348	405	439	13,816
2017	15	16	335	309	692	724	2,043	1,935	3,714	3,448	372	392	13,995
2016	18	21	287	304	654	703	2,098	2,000	3,777	3,524	338	378	14,102
2015	18	21	269	284	604	673	2,069	1,977	3,726	3,472	351	393	13,857
2014	21	21	278	281	626	639	2,113	2,049	3,809	3,555	340	399	14,131

Source: FY 2014-2023 Craven County Board of Education Student Accountability Office

Notes:

(1) School membership reported by race/ethnic origin as of the end of the first school month which is the only month this data is collected. These figures should not be confused with average daily membership.

Board of Education of Craven County Schools

Dropouts by Grades And Reasons

Year Ended June 30 2023* 2022* 2021 2020 2019 2018 2017 2016 2015 2014

Grade										
07	*	*	*	-	3	1	-	-	-	0
08	*	*	*	-	3	3	1	2	-	1
09	*	*	13	31	26	27	21	25	36	34
10	*	*	15	16	33	33	35	30	30	33
11	*	*	24	16	18	18	31	28	30	19
12	*	*	7	11	18	18	21	15	15	9
TOTAL	*	*	59	74	101	100	109	100	111	96

Includes: ALL RACES ALL AGES
 BOTH GENDERS ALL REASONS

	FY 2022-2023							FY 2021-2022							FY 2020-2021							
	Grade							Grade							Grade							
	07	08	09	10	11	12	Total	07	08	09	10	11	12	Total	07	08	09	10	11	12	Total	
Academic problems	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	*	*	1
Attendance family	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Attendance personal	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Attendance	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	8	9	17	3	*	37
Attendance work	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Need to care for children	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Community college dropout	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	3	1	*	*	5
Discipline problem	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	*	*	1
Psychological or emotional	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	*	*	*	*	1
Health problems	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Unstable home environment	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Incarcerated in adult facility	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	1	*	2
Lack of student engagement	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	1	*	2
Long-term suspension	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Marriage/engagement	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Moved, school status unknown	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	*	*	1	*	2
Pregnancy	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	*	1
Runaway	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-
Choice of work over school	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	1	1	*	*	2
Unknown/other	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	2	2	1	*	*	5
	*	*	*	*	*	*	*	*	*	*	*	*	*	*	-	-	13	15	24	7	59	

* Information not available.

Source: NC Public Schools FY 2014 - FY 2023
 Craven County Schools' Student Service Office

Board of Education of Craven County Schools
Personnel Summary
For The Last Ten Years
(Full-Time Personnel Only)

YEAR ENDED	ADMINISTRATORS						PRINCIPALS/ ASSISTANT PRINCIPALS						TEACHERS						OTHER PROFESSIONALS						TEACHER ASSISTANTS						OTHER CLASSIFIED						TOTALS					
							SEX																																			
	Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic								
JUNE 30	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O	Total	M	F	W	B	O						
2023	30	7	23	20	10	-	57	14	43	39	18	-	788	152	636	639	118	21	101	9	92	80	17	4	230	15	215	112	99	20	253	92	161	160	79	14	1,459	289	1,170	1,050	341	59
2022	27	9	18	17	10	-	52	14	38	36	16	-	767	149	618	635	105	27	114	8	106	100	13	1	119	11	108	66	49	4	248	78	170	144	85	19	1,327	269	1,058	998	278	51
2021	24	8	16	17	7	-	53	12	41	38	15	-	687	147	540	593	94	23	84	8	76	74	9	1	122	11	111	65	57	5	185	69	116	121	52	12	1,155	255	900	908	234	41
2020	24	7	17	19	5	-	56	17	39	42	14	-	739	157	582	622	105	12	83	1	82	67	13	3	64	3	61	40	23	1	110	65	45	68	35	7	1,076	250	826	858	195	23
2019	22	6	16	16	6	-	54	17	37	40	14	-	750	163	587	628	104	7	88	7	81	74	11	2	74	5	69	48	25	-	189	70	119	127	53	9	1,177	268	909	933	213	18
2018	25	10	15	19	6	-	56	18	38	43	12	1	853	180	673	719	114	20	53	4	49	51	2	0	88	4	84	58	28	2	189	72	117	126	58	5	1,264	288	976	1,016	220	28
2017	25	12	13	19	6	-	32	7	25	24	7	1	835	172	663	722	95	18	114	17	97	98	14	2	125	5	120	81	43	1	210	79	131	146	55	9	1,341	292	1,049	1,090	220	31
2016	25	9	16	21	4	-	55	21	34	38	15	2	854	170	684	734	101	19	89	6	83	80	7	2	172	11	161	109	61	2	231	97	134	160	57	14	1,426	314	1,112	1,142	245	39
2015	26	10	16	21	5	-	55	18	37	35	18	2	904	162	742	784	102	18	91	4	87	83	7	1	215	17	198	136	74	5	234	78	156	173	48	13	1,525	289	1,236	1,232	254	39
2014	24	7	17	20	4	-	57	19	38	36	19	2	890	169	721	778	99	13	98	7	91	89	9	0	231	21	210	148	81	2	264	92	172	189	68	7	1,564	315	1,249	1,260	280	24

Source: Craven County Board of Education Human Resource Department

Board of Education of Craven County Schools
Teacher Salaries*
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
2023	\$ 39,000	\$ 67,220	\$ 48,890
2022	35,460	64,270	46,348
2021	35,000	63,440	49,222
2020	35,000	63,440	49,222
2019	35,000	64,700	49,850
2018	35,000	56,260	45,630
2017	35,000	63,850	49,425
2016	35,000	56,260	45,630
2015	33,000	62,260	47,630
2014	30,800	62,620	46,710

* Does not include benefits

Source: Craven County Board of Education Finance Office

Board of Education of Craven County Schools
Demographic and Economic Statistics for Craven County, NC
Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)	Number of Building Inspections Performed(5)
2023	*	*	*	12,499	*	*
2022	99,851	*	*	12,353	4.68%	15,075
2021	100,128	4,943,453	48,832	12,542	6.66%	13,436
2020	100,534	4,743,930	46,446	13,113	4.08%	14,063
2019	101,167	4,493,680	43,665	13,584	4.19%	15,602
2018	101,809	4,345,888	42,367	13,778	4.73%	8,941
2017	101,863	4,340,800	41,962	14,002	5.26%	9,688
2016	101,875	4,195,496	40,555	14,120	6.12%	8,918
2015	102,048	4,121,440	39,436	14,297	6.80%	7,538
2014	103,219	4,100,424	39,243	14,472	9.00%	7,811

* Information not available.

- Notes:
- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year (July 1)
 - (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are as of the end of the calendar year ended during the fiscal year.
 - (3) N.C. Department of Public Instruction, First Month Average Daily Membership.
 - (4) N. C. Employment Security Commission, Annual Average as of the end of the calendar year ended during the fiscal year.
 - (5) Total number of inspections performed by Craven County Inspections Department. Does not include inspections by municipalities.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Principal Employers for Craven County, NC
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Department of Defense	*	*	*	5,194	1	13.63%
CarolinaEast Health Systems	*	*	*	2,180	2	5.72%
Craven County Schools	*	*	*	1,961	3	5.14%
BSH Home Appliances	*	*	*	950	4	2.49%
State of North Carolina	*	*	*	923	5	2.42%
Wal-Mart	*	*	*	830	6	2.18%
Moen Incorporated	*	*	*	665	7	1.74%
Craven County	*	*	*	607	8	1.56%
City of New Bern	*	*	*	475	9	1.25%
Craven Community College	*	*	*	420	10	1.10%
	<u>*</u>		<u>*</u>	<u>14,205</u>		<u>37.23%</u>

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

Board of Education of Craven County Schools
Full-time Equivalent County Government Employees by Function for Craven County, NC
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government	*	86	96	84	80	78	78	77	78	80
Public safety	*	176	186	178	184	164	162	157	154	158
Social services	*	180	194	192	215	207	204	195	188	197
Economic and physical development	*	10	10	9	21	20	23	23	20	21
Environmental protection	*	31	34	28	32	30	28	29	31	30
Health	*	101	102	101	105	98	99	93	90	97
Transportation	*	17	16	17	-	-	-	-	-	-
Cultural and recreation	*	22	23	25	14	9	13	13	14	11
Water/sewer (business activity)	*	17	17	16	18	18	15	14	13	13
Total	*	640	678	650	669	624	622	601	588	607

Note: This table represents the number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this table the number of part time employees has been divided by 2.5 to arrive at the full time equivalents.

Source: Craven County Finance Department

Board of Education of Craven County Schools
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Final ADM	Percentage Difference in Final ADM	Operating Expenditures	Cost per Pupil	NC Per Pupil Total Expenditure Rank ⁽³⁾	Schools	Total Students Receiving Free or Reduced Meals ⁽²⁾	Transportation of Pupils - Public School Buses Number of Student Riders ⁽¹⁾	Transportation of Pupils - Public School Buses Number of Miles Transported ⁽¹⁾
2023	12,381	0.82%	\$ 216,632,277	17,497	na	26	7,533	5,915	1,559,230
2022	12,280	-1.59%	156,717,406	12,762	na	26	6,154	5,725	1,408,762
2021	12,478	-4.78%	140,208,634	11,236	na	25	6,777	5,208	785,831
2020	13,104	-1.69%	132,814,050	10,135	na	25	5,747	7,083	1,172,996
2019	13,329	-3.83%	139,479,787	10,464	na	25	8,158	8,455	1,756,186
2018	13,860	0.00%	128,118,756	9,376	na	25	8,322	7,210	1,681,106
2017	13,860	-1.03%	122,196,359	8,816	na	25	7,741	8,457	2,521,153
2016	14,004	1.06%	120,651,837	8,616	na	25	7,775	8,455	1,756,186
2015	13,857	-1.94%	122,116,452	8,813	na	25	7,796	8,607	1,797,032
2014	14,131	-3.09%	118,053,388	8,354	na	25	8,284	8,107	1,576,964

Source:

- 1 FY 2014 - 2023 Craven County Board of Education Transportation Department
FY 2014 - 2023 NCDPI Statistical Profile
- 2 Craven County Board of Education Child Nutrition Department
- 3 FY 2014 - 2023 NCDPI Statistical Profile - Child Nutrition Excluded

Board of Education of Craven County Schools
Operating Indicators by Function for Craven County, NC
Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Public Safety</u>										
Fire/Rescue calls to County E911 (A)	*	11,176	10,364	9,774	10,212	9,483	9,823	9,453	9,457	8,587
Average daily population in jail (B)	*	326	297	304	306	287	275	276	261	277
<u>Health Services (C)</u>										
Food and lodging inspections	*	1,215	1,027	788	1,471	1,190	1,374	1,299	1,312	1,322
Visits to health department	*	25,453	26,073	26,900	28,151	27,262	29,298	30,014	30,576	28,774
<u>Transportation Services (D)</u>										
Number of miles driven (1)	*	486,584	446,095	527,137	588,401	594,277	599,621	673,929	708,841	772,009
Number of trips provided (1)	*	46,117	42,239	55,027	63,144	64,167	69,359	74,346	86,927	91,554
<u>Tax/Real Estate Services (E)</u>										
Deed transfers processed	*	6,624	5,930	4,859	4,815	4,484	4,567	4,136	3,970	3,953
Number of real estate parcels	*	59,285	58,434	58,385	57,952	57,571	57,438	57,354	57,097	56,898
Number of tax bills generated	*	71,815	74,057	68,488	67,813	67,425	67,398	67,034	65,112	114,148
<u>Economic and Physical Development</u>										
County tourism revenues (1)(2) (F)	*	160	115	155	149	142	137	131	127	121
Economic impact of convention center (2) (G)	*	2.10	0.08	1	2	9	9	9	9	9
Number of registered voters (H)	*	69,206	69,206	72,995	67,487	68,827	66,615	69,459	66,478	69,455
Number of enplanements at airport (I)	*	76,539	56,709	87,335	112,889	116,647	111,962	111,909	114,373	128,157
Number of service connections (J)	*	14,462	14,331	14,119	13,949	14,678	14,064	13,693	13,495	13,459

Notes:

- (1) These amounts shown are for calendar year ending December 31 during the fiscal year.
(2) Amounts shown are millions of dollars
(3) Amounts shown are by calendar year, therefore the amount shown for the lastest year is only six months.
(4) Fiscal 2015 decrease due to DMV billing for motor vehicle property tax at time of registration renewal

Source of data: Craven County Finance Department

(A) Craven County Emergency Services
(B) Craven County Sheriff Department
(C) Craven County Health Department

(D) CARTS ((D) CARTS (Craven County Transportation)
(E) Craven C (E) Craven County Tax Department
(F) NC Depa (F) NC Department of Commerce

(G) Craven County Convention Center
(H) Craven County Elections Department
(I) Coastal Carolina Regional Airport
(J) Craven County Water Department

Board of Education of Craven County Schools
Capital Asset Information
June 30, 2023

Total Elementary Schools	Capacity	8,562
	Square Feet	1,079,288
Total Middle Schools	Capacity	3,926
	Square Feet	605,929
Total High Schools	Capacity	4,295
	Square Feet	594,282
Total All Schools	Capacity	16,783
	Square Feet	2,279,499
	# of Portables	40
	20th Day Membership	12,653

Administration Bldg
Maintenance-Main Bldg/Garage/Yards&Grounds Bldg
Bus Garage
Food Service

Notes:

1. Includes space currently leased to Head Start and a school no longer in use.

Board of Education of Craven County Schools
Capital Asset Statistics by Function for Craven County, NC
Last Ten Fiscal Years

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Public Safety (A)</u>										
Correction facility rated capacities	*	292	292	292	292	292	292	292	292	292
<u>Parks and Land Use (B)</u>										
Number of county parks	*	4	4	4	4	4	4	4	4	4
Boat ramps operated	*	0	0	0	0	0	0	0	2	2
<u>Water Service (C)</u>										
Miles of water main	*	658	657	655	650	668	668	668	668	668
Number of elevated water tanks (1)	*	9	9	9	9	9	9	9	9	9
Number of system wells	*	18	18	18	18	10	10	10	10	10
Water Treatment Plant	*	1	1	1	1	1	0	0	0	0
<u>Transportation Services (D)</u>										
Number of CARTS vehicles	*	29	29	29	32	32	32	32	32	32
<u>Economic and Physical Development</u>										
Convention center	*	1	1	1	1	1	1	1	1	1
Number of remaining acres in Industrial Park (E)	*	111	135	142	142	161	161	161	183	213
<u>Airport (F)</u>										
Number of runways	*	2	2	2	2	2	2	2	2	2

* Information not available.

Notes:

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

Source of data: Craven County Finance Department

(A) Craven County Sheriff Department

(B) Craven County Recreation Department

(C) Craven County Water Department

(D) CARTS (D) CARTS (Craven County Transportation)

(E) Craven (E) Craven County Finance Department

(F) Craven (F) Craven County Regional Airport



Compliance Section

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 Auditor's Report

Board of Education
Craven County Schools
New Bern, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Craven County Schools, North Carolina ("Board"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting ("internal control") 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 the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as described in the accompanying schedule of findings and questioned costs we identified a certain deficiency, item 2023-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's responses to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs and the corrective action plan. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

Purpose of this Report

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

FORVIS, LLP

High Point, North Carolina
October 31, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

Board of Education
Craven County Schools
New Bern, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Board of Education of Craven County Schools, North Carolina ("Board") compliance with the types of compliance requirements identified as subject to audit 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 Board's major federal programs for the year ended June 30, 2023. The Board'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 Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Board 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 each major federal program. Our audit does not provide a legal determination of the Board'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 Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board'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, the Uniform Guidance, and the State Single Audit Implementation Act 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 Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance, and the State Single Audit Implementation Act, 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 Board'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 Board'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 the Board'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 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.

FORVIS

Our consideration of internal control over compliance was for the limited purpose described in the “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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance 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 Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

FORVIS, LLP

**High Point, North Carolina
October 31, 2023**

Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditor's Report

Board of Education
Craven County Schools
New Bern, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Board of Education of Craven County Schools, North Carolina ("Board") compliance with the types of compliance requirements identified as subject to audit 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 Board's major state programs for the year ended June 30, 2023. The Board'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, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 the Board 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 each major state program. Our audit does not provide a legal determination of the Board'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 Board's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board'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, the Uniform Guidance, and the State Single Audit Implementation Act 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 Board's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, the Uniform Guidance, and the State Single Audit Implementation Act, 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 Board'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 Board'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 the Board'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 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.

FORVIS

Our consideration of internal control over compliance was for the limited purpose described in the 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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance 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 Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

**High Point, North Carolina
October 31, 2023**

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? X Yes No
- Significant deficiencies 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 weaknesses identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses Yes X None reported

Noncompliance material to federal awards Yes X No

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

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

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Names of Federal Program or Cluster</u>
84.010	Title 1
84.425	COVID-19 Education Stabilization Fund
84.041	Impact Aid

Dollar threshold used to distinguish between Type A and Type B Programs: \$1,298,567

Auditee qualified as low-risk auditee? X Yes No

State Awards

Internal control over major state programs:

- Material weaknesses identified? ☐ Yes ☒ No
- Significant deficiencies identified that are not considered to be material weaknesses ☐ Yes ☒ None reported

Noncompliance material to state awards ☐ Yes ☒ No

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act ☐ Yes ☒ No

Identification of major state programs:

Program Name

State Public School Fund

Career and Technical Education – State: Months of Employment

2. Financial Statement Findings

Finding 2023-001

Reconciliation and Proper Recording of Balance Sheet Accounts for School Food Service Fund

MATERIAL WEAKNESS

Criteria: Balance sheet accounts related to the school food service fund should be reconciled to underlying accounting records and subledgers on a regular basis.

Condition: Account reconciliations related to the school food service fund and proper procedures for certain balance sheet accounts related to accounts receivable, accounts payable, and deferred revenue were not being performed accurately resulting in an initial misstatement in the accounts at June 30, 2023.

Effect: Several audit adjustments were required to adjust the accounts referenced to actual at June 30, 2023.

Cause: The Board implemented a new school nutrition enterprise resource planning system which integrates with the Board's financial reporting system. Certain accounts were not mapped correctly in the integration causing erroneous balances to be created as transactions occurred and the Board did not have an appropriate closing process on a monthly or annual basis to correct the balance sheet accounts to actual.

Recommendation: The Balance sheet should also be examined on a periodic basis to ensure that accounts agree to their respective underlying records. The underlying records should also be investigated to ensure they are accurate.

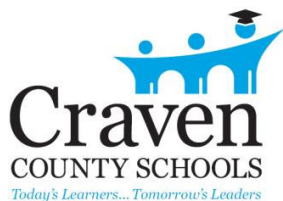
Views of responsible officials and planned corrective actions: Management agrees with this finding. Please refer to Schedule 10 for the Corrective Action Plan.

3. Federal Award Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

4. State Award Findings and Questioned Costs

No findings and questioned cost related to the audit of state awards aggregating \$25,000 or more were noted.



Board of Education

BRENT D. MANNING, *Chairman* • SCOTT A. MURPHY, *Vice Chairman*

NAOMI E. CLARK • JENNIFER J. DACEY • CARROLL G. IPOCK, II • LAUREN R. KITZINGER • KELLI S. MUSE

DR. WENDY A. MILLER, *Superintendent*

Board of Education of Craven County Schools Corrective Action Plan For the Fiscal Year Ended June 30, 2023

Schedule 10

Finding 2023-001

MATERIAL WEAKNESS

Name of contact person: Lauren Weyand, Child Nutrition Director

Corrective action: The School Nutrition Department has developed procedures for monthly reconciliation of all balance sheet accounts. Procedures include a reconciliation sheet by month to the monthly general ledger and trial balance. These sheets will be signed by the responsible staff member the school nutrition bookkeeper. The information will be drawn from the School Nutrition Point of Service Software at the school level.

In addition, the finance department will add a step to their internal audit process to review school nutrition sales while at the school for testing. The staff accountant will then compare the sales documented for that date at the school level with the amounts posted to sales by the school nutrition bookkeeper to verify that amounts are being recorded correctly. This will be a second level spot check to ensure amounts are being posted properly to revenues.

Proposed completion date: Immediately

Finding 2022-001

Status: Corrected

Board of Education of Craven County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2023

Schedule 11
Page 1 of 3

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
Federal Grants:				
<u>U.S. Department of Agriculture</u>				
School Nutrition Program				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities)				
Passed-through the N.C. Department of Public Instruction				
National School Lunch Program	10.555	PRC 035	\$ 676,146	\$ -
Cash Assistance				
Passed-through the N.C. Department of Public Instruction				
School Breakfast Program	10.553	PRC 035	2,486,221	-
National School Lunch Program	10.555	PRC 035	4,856,146	-
Summer Food Service Program for Children	10.559	PRC 050	226,082	-
Passed-through the N.C. Department of Health and Human Services				
Fresh Fruit and Vegetable Program	10.582	PRC 035	239,046	-
Total Cash Assistance			7,807,495	-
Total Child Nutrition Cluster			8,483,641	-
Total U.S. Department of Agriculture			8,483,641	-
<u>U.S. Department of Education</u>				
Cash Assistance				
Direct Programs				
Impact Aid (School Assistance in Federally Affected Areas)	84.041		1,336,894	-
Passed-through the N.C. Department of Public Instruction				
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	PRC 050	4,162,191	-
Special Education Cluster:				
Special Education - Grants to States (IDEA, Part B) -				
Education of the Handicapped	84.027	PRC 060	3,697,224	-
Special Needs Targeted Assistance	84.027	PRC 118	12,232	-
ARP 611 - Grants to States - ESSER III	84.027X	PRC 185	222,462	-
Special Education - Preschool Grants (IDEA Preschool) -				
Risk Pool Program	84.173	PRC 114	58,122	-
Preschool Targeted Assistance	84.173	PRC 119	25,326	-
Preschool Handicapped	84.173	PRC 049	127,217	-
ARP 619 - Grants to States - ESSER III	84.173X	PRC 186	69,458	-
Total Special Education Cluster			4,212,041	-
Career and Technical Education - Capacity Building Grant	84.048	PRC 017	247,170	-
English Language Acquisition Grant	84.365	PRC 104	82,709	-
Supporting Effective Instruction State Grants	84.367	PRC 103	683,162	-
Student Support and Academic Enrichment Program	84.424	PRC 108	512,683	-
State Personnel Development	84.323	PRC 082	18,491	-
COVID-19 Education Stabilization Fund				
ESSER I - K-12 Emergency Relief Fund	84.425D	PRC 163	1,223	-
ESSER I - Digital Curricula	84.425D	PRC 165	1,044	-
ESSER II - K-12 Emergency Relief Fund	84.425D	PRC 171	6,216,345	-
ESSER II - Learning Loss Funding	84.425D	PRC 176	70,753	-
ESSER II - Summer Career Accelerator Program	84.425D	PRC 177	165,953	-
ESSER II - Competency-based Assessment	84.425D	PRC 178	33,477	-
GEER I - Specialized Instructional Support for COVID-19 Response	84.425C	PRC 169	(293)	-
ESSER III - K-12 Emergency Relief Fund	84.425U	PRC 181	14,807,715	-
ESSER III - Summer Career Accelerator Program	84.425U	PRC 188	12,974	-
ESSER III - Math Enrichment Programs	84.425U	PRC 189	307,006	-
ESSER III - Cyberbullying & Suicide Prevention Grants	84.425U	PRC 192	31,465	-
ESSER III - District and School Turnaround Grants	84.425U	PRC 195	32,380	-
ESSER III - NBPTS Certification Fee Reimbursement Program	84.425U	PRC 198	1,979	-
ESSER III - School Psychologist Grant	84.425U	PRC 204	33,818	-
ESSER III - Driver Training	84.425U	PRC 205	3,408	-
Total COVID-19 Education Stabilization Fund	84.425		21,719,247	-
Total U.S. Department of Education			32,974,588	-

Board of Education of Craven County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2023

Schedule 11
Page 2 of 3

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal Expenditures	State Expenditures
<u>U.S. Department of Defense</u>				
Direct Programs:				
DoD Impact Aid for Military Connected School Districts	12.558	PRC 345	\$ 401,556	\$ -
ROTC	NONE	PRC 301	174,089	-
Total U.S. Department of Defense			575,645	-
<u>U.S. Department of Justice</u>				
Passed-through the U.S. Department of Justice				
Public Safety Partnership and Community Policing Grants	16.710	PRC 372	303,198	-
Total U.S. Department of Justice			303,198	-
<u>U.S. Department of Health and Human Services</u>				
Passed-through the N.C. Department of Health and Human Services				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	PRC 350, 352	659,257	-
Office of Refugee Resettlement				
Passed through East Carolina Interfaith Refugee Ministry:				
Refugee School Impact Grant	93.576	PRC 375	89,772	-
Total U.S. Department of Health and Human Services			749,029	-
<u>U. S. Department of Homeland Security</u>				
Passed-through N.C. Dept. of Public Safety:				
Division of Emergency Management				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		199,477	66,492
Total Federal Assistance			43,285,578	66,492
State Grants:				
Cash Assistance				
<u>N.C. Department of Public Instruction</u>				
State Public School Fund			-	87,027,601
Driver Training - SPSF		PRC 012	-	236,098
School Technology Fund - SPSF		PRC 015	-	124,518
Career and Technical Education				
- State Months of Employment		PRC 013	-	4,416,439
- Program Support Funds		PRC 014	-	465,314
State Capital Infrastructure Fund		PRC 440	-	14,967
Textbooks and Digital Resources		PRC 131	-	151,686
Passed through Craven County				
- Public School Building Capital Fund - Lottery Funds			-	349,872
Total N.C. Department of Public Instruction			-	92,786,495
<u>N.C. Department of Agriculture</u>				
State Kindergarten Breakfast Funds			-	13,810
<u>N.C. Department of Health and Human Services</u>				
Division of Child Development:				
NC Pre-Kindergarten Program			-	1,514,691
Smart Start			-	273,602
Total N.C. Department of Health and Human Services			-	1,788,293
Non-Cash Assistance				
<u>N.C. Department of Public Instruction</u>				
School Buses Appropriation		PRC 120	-	852,317
Total State Assistance			-	95,440,915
Total Federal and State Assistance			\$ 43,285,578	\$ 95,507,407

Notes to the Schedule of Expenditures of Federal and State Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Board of Education of Craven County Schools (Board) under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule of Expenditures of Federal and State Awards presents only a selected portion of the operations of the Board, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Board.

Note 2: Summary of Significant 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. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Non-Cash Assistance

Included in the amounts reported on the SEFSA, the Board received non-cash assistance in the form of food commodities and school buses. Non-cash items with a fair value of \$1,528,463 were received during the year ended June 30, 2023. These non-cash items received were included in the determination of federal and State awards expended for the year ended June 30, 2023.

Note 4: FEMA Disaster Grants - Public Assistance (Presidentially Declared Disasters)

The amounts reported on the SEFSA for the FEMA Disaster Grants - Public Assistance were incurred in a prior year and are included in the SEFSA for the year ended June 30, 2023 due to the timing of the approval of the Board's FEMA project worksheet.