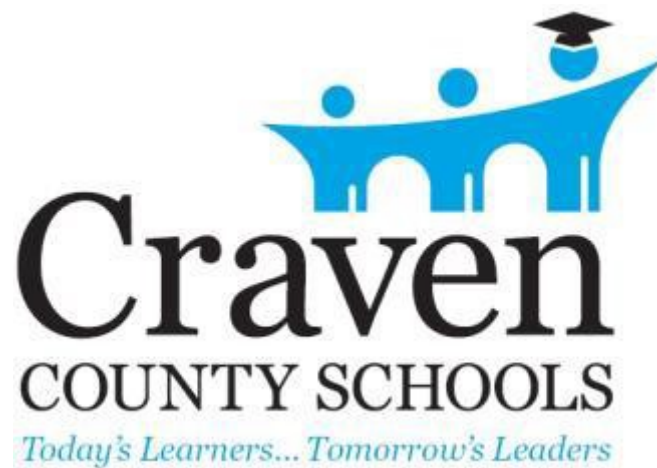


CRAVEN COUNTY BOARD OF EDUCATION

NEW BERN, NORTH CAROLINA



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2025**

CRAVEN COUNTY
BOARD OF EDUCATION

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED
June 30, 2025

NEW BERN, NORTH CAROLINA

Prepared by the Finance Department

CRAVEN COUNTY BOARD OF EDUCATION
TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	i
Board Members and Principal Officers	viii
Organizational Chart	ix
Certificate of Excellence in Financial Reporting – ASBO	x

FINANCIAL SECTION

<u>Exhibit</u>	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government – wide Financial Statements:	
1 Statement of Net Position	12
2 Statement of Activities.....	13
Fund Financial Statements:	
3 Balance Sheet – Governmental Funds	14
3 Reconciliation of the Balance Sheet to the Statement of Net Position	15
4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	16
5 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17
6 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds	18
7 Statement of Net Position – Proprietary Funds.....	22
8 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	23
9 Statement of Cash Flows – Proprietary Funds	24
10 Statement of Fiduciary Net Position	26
11 Statement of Changes in Fiduciary Net Position	27
Notes to the Basic Financial Statements	28
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System	55
Schedule of Board Contributions – Teachers' and State Employees' Retirement System	56
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund	57
Schedule of Board Contributions – Retiree Health Benefit Fund	58
Schedule of the Board's Proportionate Share of the Net OPEB Liability (Asset) – Disability Income Plan of North Carolina	59
Schedule of Board Contributions – Disability Income Plan of North Carolina	60

CRAVEN COUNTY BOARD OF EDUCATION
TABLE OF CONTENTS (continued)

Combining and Individual Fund Statements and Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	61
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Capital Outlay Fund	63
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) School Food Service Fund	64

STATISTICAL SECTION

	<u>Page No.</u>
Statistical Section (Unaudited)	65
Financial Trends	
Government-wide – Net Position (Deficit) by Component	66
Government-wide – Net Position by Component for Craven County, NC	67
Government-wide – Expenses, Program Revenues, and Net (Expense) Revenue.....	68
Government-wide – General Revenues and Total Change in Net Position (Deficit)....	69
Government-wide – Expenses, Program Revenues, and Net (Expense) Revenue for Craven County, NC	70
Government-wide – General Revenues and Total Change in Net Position (Deficit) for Craven County, NC	71
Governmental Funds – Fund Balances	72
Governmental Funds – Fund Balances for Craven County, NC	73
Governmental Funds – Changes in Fund Balances	74
Governmental Funds – Changes in Fund Balances for Craven County, NC	75
Governmental Funds – Revenues by Source	76
Governmental Funds – Expenditures by Function per Pupil and in Total	77
Outstanding Debt	78
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property for Craven County, NC	79
Direct and Overlapping Property Tax Rates for Craven County, NC	80
Principal Property Tax Payers for Craven County, NC	81
Property Tax Levies and Collections for Craven County, NC	82
Debt Capacity	
Ratio of Outstanding Debt by Type for Craven County, NC	83
Direct and Overlapping Governmental Activities Debt	84
Ratio of Net General Bonded Debt Outstanding for Craven County, NC	85
NC Legal Debt Margin Information for Craven County, NC	86
Demographics and Economic Information	
Pupils in Membership by Ethnic Origin and Sex	87
Personnel Summary	88
Teacher Salaries	89
Demographic and Economic Statistics for Craven County, NC	90
Principal Employers for Craven County, NC	91
Full-time Equivalent County Government Employees by Function for Craven County, NC	92

CRAVEN COUNTY BOARD OF EDUCATION
TABLE OF CONTENTS (continued)

Operating Information	
Operating Statistics	93
Operating Indicators by Function for Craven County, NC	94
Capital Assets Information	95
Capital Asset Statistics by Function for Craven County, NC	96

COMPLIANCE SECTION

Page No.

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 <i>Government Auditing Standards</i>	97
Report on compliance with requirements applicable to each major federal program and internal control over compliance; in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	99
Report on compliance with requirements applicable to each major state program and internal control over compliance; in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act	101
Schedule of findings and questioned costs	103
Summary schedule of prior audit findings	105
Schedule of expenditures of federal and State awards	106



Introductory Section



Board of Education

O. LEE KIRKMAN, *Chairman* • AMY E. DAVIS, *Vice-Chairman*

JENNIFER J. DACEY • DARLENE GIBBS • LAUREN R. KITZINGER • PATTI L. MASON • LORI G. SPIECE

RICHARD L. STOUT, JR., *Interim Superintendent*

Letter of Transmittal

December 1, 2025

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

The Comprehensive Annual Financial Report of the Craven County Board of Education for the fiscal year ended June 30, 2025, 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 fairly reflects the financial position and results of the operations of the Board and may help the reader better understand the 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 2024-2025 had 15 elementary schools, 5 middle schools, 5 high schools, and Craven Virtual Academy with an average daily membership (ADM) of 11,838 students. The system employed a total of 1,729 personnel, with licensed personnel comprising 54% 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 that will enable students to graduate with a high school diploma and up to two years of college credit toward a bachelor's or associate 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. This school is designed to target those students with extreme behavior 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 who 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-1950s 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 the 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 amount of funds is maintained consistently 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 acknowledges that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs 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 requires 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 is 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. Anderson Smith & Wike PLLC, 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 an area of approximately 712 square miles. Craven County's population in 2024 came in at 102,391. The county tax rate for FY24/25 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 2025, our system received \$49,480.

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 personnel, 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 \$1.4 million from the Department of Education for Impact Aid directly related to Cherry Point in fiscal year 2025. The Department of Defense remains the largest employer in terms of number of employees, with a count of 5,324 civilian employees; Carolina East Health Systems is second with 3,095 employees, and third is Craven County Schools with 1,729 employees. The annual average unemployment rate for Craven County is 4.1%, which increased from 3.6% 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 2024-2025 provided licensed teachers with a bachelor's degree and a starting annual salary of \$41,000 and will cap at the top of the scale at \$62,660. The schedule for principal salaries is a range from \$77,792 to \$116,687. 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 3% salary increase. It is important to note that there was yet again a decrease in the final average daily membership this past year, from 12,265 to 11,838.

As most of the Federal and State funding is 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 its 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 its 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 is eligible for this funding since Craven County includes within its 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 by the 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 the sharing of data on our educators and potential future leaders for our system. A 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

Craven County Schools provides a supportive, empowering, and academically rich learning environment that inspires and engages students, staff, families, and community to build a better tomorrow.

MISSION

Craven County Schools will be **THE** choice for students, staff, families, and communities as we prepare each and every learner to reach their fullest potential.

CORE VALUES

- ☐ Student-Centered Focus
- ☐ Trust and Empathy
- ☐ Integrity
- ☐ Respect for Individuals
- ☐ Acknowledgement of Achievement

BELIEFS

- ☐ Management By Fact
- ☐ Continuous Improvement
- ☐ Fiscal Responsibility
- ☐ Agility to Adapt
- ☐ Emphasis on Teaching and Learning
- ☐ Data-Driven Decision Making
- ☐ Family and Community Engagement
- ☐ Professional Expectations
- ☐ Transparent and Open Communications

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 comprehensive annual 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 2023 with the exception of FY 2009. The 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, Anderson Smith & Wike PLLC, 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,

Richard Stout
Interim Superintendent

Heidi Daly
Finance Officer

CRAVEN COUNTY BOARD OF EDUCATION

LIST OF PRINCIPAL OFFICIALS

BOARD OF EDUCATION MEMBERS

Lee Kirkman, Chair

Amy Davis, Vice Chair

Jennifer Dacey

Patti Mason

Darlene Gibbs

Lauren Kitzinger

Lori Spiece

SUPERINTENDENT OF SCHOOLS

Dr. Stuart Blount, Interim Superintendent

SENIOR ADMINISTRATION

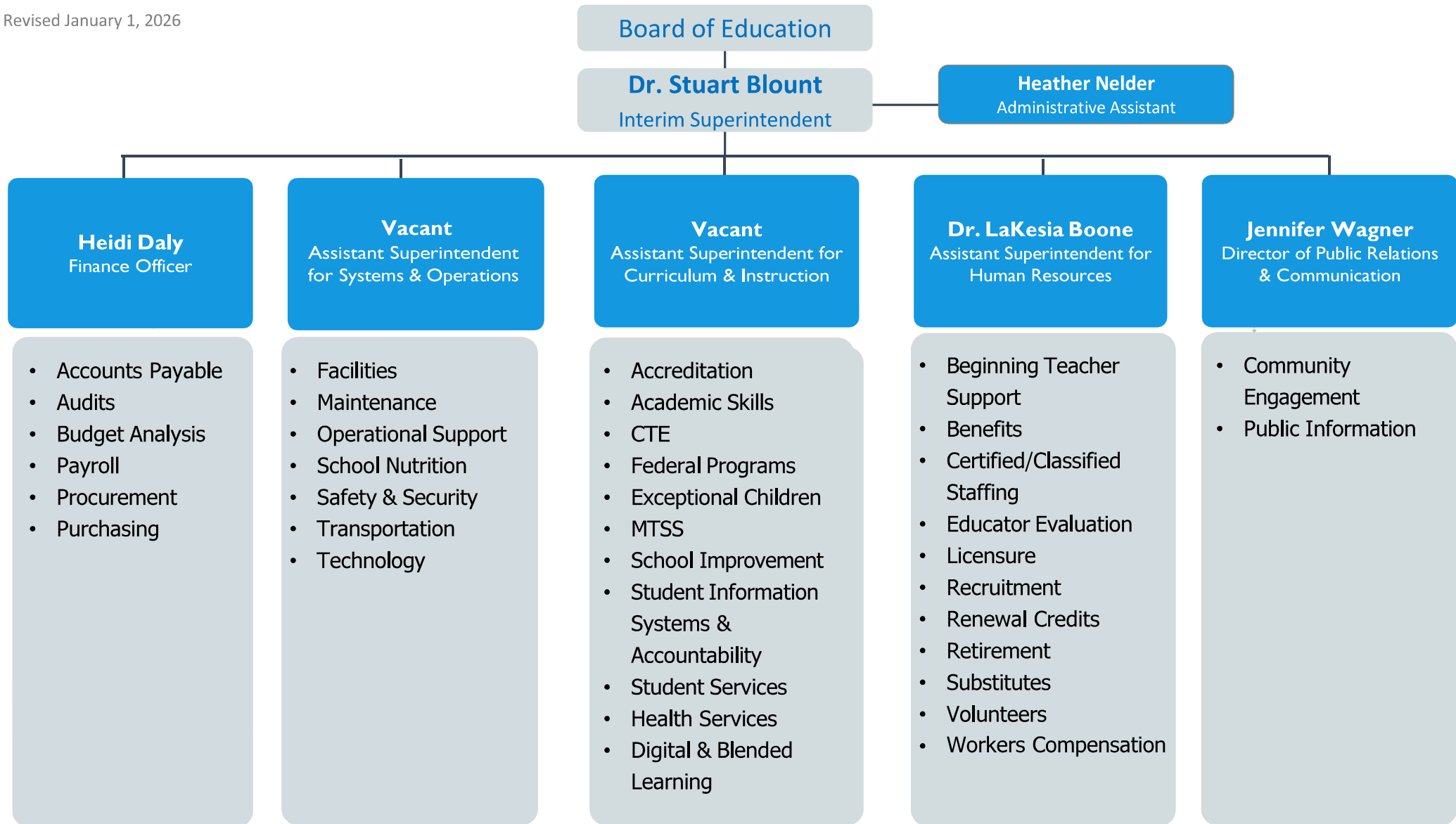
Heidi Daly, Finance Officer

VACANT, Assistant Superintendent for Systems & Operations

VACANT, Assistant Superintendent for Curriculum & Instruction

Dr. LaKesia Boone, Assistant Superintendent for Human Resources

Jennifer Wagner, Director of Public Relations & Communication





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, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Financial Section



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Craven County Board of Education, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Craven County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Craven County Board of Education, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Local Current Expense 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 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 Craven County Board of Education 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.

Change in Accounting Principle

As described in Note 5 to the financial statements, the Board adopted the provisions of GASB Statement No. 101, Compensated Absences, as of July 1, 2024. Our opinion is not modified with respect to this matter.

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 Craven County Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 Craven County Board of Education'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 Craven County Board of Education'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 Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB liability and the Schedules of Board Contributions on pages 55 through 60, 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 Craven County Board of Education's basic financial statements. The accompanying individual fund budgetary schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 fund budgetary schedules, other schedules, and schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025, on our consideration of the Craven County Board of Education'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 Craven County Board of Education'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 Craven County Board of Education's internal control over financial reporting and compliance.

Other Information

Management is responsible for the other information included in the annual 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.

Anderson Smith & Wike PLLC

December 4, 2025
West End, North Carolina
(910) 603-0508

Craven County Board of Education Management's Discussion and Analysis

This section of the Craven County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2025. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- As discussed in Note 5 to the financial statements, effective July 1, 2024, the Board implemented accounting and financial reporting requirements of GASB Statement 101, Compensated Absences. The statement required the Board to begin recording liabilities for employee sick leave balances that are more likely than not to be used. As a result of implementation of this statement, the Board's governmental and business-type activities net position, as previously reported at June 30, 2024, was reduced by \$14.0 million and \$330,000, respectively.
- For the fiscal year ended June 30, 2025, the Board's total government-wide net position (not including the decrease in net position due to the GASB 101 restatement) decreased by \$7.6 million. Governmental activities net position decreased by \$7.3 million, and business-type activities net position decreased by \$365,000.
- For the fiscal year ended June 30, 2025, the Board's governmental fund balance decreased \$7.0 million to \$16.4 million.
- The Board's average daily membership (ADM) for the fiscal year ended June 30, 2025 was 11,838 students, a decrease of 540 students over the 2024 ADM of 12,378.

Overview of the Financial Statements

The audited financial statements of the Craven County Board of Education consist of five components. They are as follows:

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary schedules for governmental and enterprise 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 and the statement of activities. The statement of net position 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, deferred inflows of resources and obligations to creditors. 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.

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 funds are presented on the full accrual basis of accounting.

CRAVEN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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 includes all of the Board's assets and liabilities. 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 and how it has changed. Net position is the difference between the Board's assets and liabilities. This is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position 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.

Craven County Board of Education 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

**CRAVEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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 Craven County Board of Education has one proprietary fund - an enterprise fund – the School Food Service Fund.

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

Total liabilities and deferred inflows exceed assets and deferred outflows by \$78.2million as of June 30, 2025 as compared to liabilities and deferred inflows exceeding assets and deferred outflows by \$56.2 million as of June 30, 2024, a decrease of \$22.0 million. The largest component of net position is net investment in capital assets of \$78.9 million. As previously discussed, this decrease is primarily due to the implementation of GASB Statement 101 during the year, which had the effect of reducing beginning of year total primary government net position, as previously reported at June 30, 2024, by \$14.4 million.

Following is a summary of the Statement of Net Position as of June 30, 2025 and 2024:

**CRAVEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 1
Condensed Statement of Net Position
As of June 30, 2025 and 2024**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24
Current assets	\$ 17,968,549	\$ 24,387,539	\$ 4,975,614	\$ 5,058,722	\$ 22,944,163	\$ 29,446,261
Capital assets	78,291,083	80,752,317	942,047	1,089,010	79,233,130	81,841,327
Total assets	96,259,632	105,139,856	5,917,661	6,147,732	102,177,293	111,287,588
Deferred outflows of resources	70,081,792	65,802,796	1,940,129	1,790,060	72,021,921	67,592,856
Current liabilities	6,047,576	5,169,253	194,677	124,643	6,242,253	5,293,896
Long-term liabilities	214,635,524	188,390,000	5,807,706	4,991,545	220,443,230	193,381,545
Total liabilities	220,683,100	193,559,253	6,002,383	5,116,188	226,685,483	198,675,441
Deferred inflows of resources	25,037,181	35,461,174	693,123	964,665	25,730,304	36,425,839
Net investment in capital assets	77,987,597	80,067,978	942,047	1,089,010	78,929,644	81,156,988
Restricted net position	4,447,883	5,358,482	5,038	-	4,452,921	5,358,482
Unrestricted net position (deficit)	(161,814,337)	(143,504,235)	215,199	767,929	(161,599,138)	(142,736,306)
Total net position (deficit)	\$ (79,378,857)	\$ (58,077,775)	\$ 1,162,284	\$ 1,856,939	\$ (78,216,573)	\$ (56,220,836)

Net position is an indicator of the fiscal health of the Board. Net of the \$14.0 million reduction in beginning of year net position for implementation of GASB 101, the net position of the Board's governmental activities decreased \$7.3 million during the year, from \$(58.1) million at June 30, 2024 to \$(79.4) million at June 30, 2025, indicating an decline in the financial condition of the Board. Restricted net position decreased by \$911,000 as a result of a decrease in fund balance in restricted programs in the Other Local Current Expense fund. Unrestricted net position decreased \$18.3 million compared to the prior year as a result of the implementation of GASB 101 and decreases in the General and Other Local Current Expense fund balance as expenditures exceeded County appropriations and other revenue sources. Net investment in capital assets decreased \$2.1 million due to an excess of depreciation expense over capital additions for the year. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

Net of a reduction of \$330,000 to beginning of year net position for implementation of GASB 101, the net position of the Board's business-type activities decreased \$365,000 from \$1.9 million at June 30, 2024 to \$1.2 million at June 30, 2025. The decrease is a result of the net loss generated by our school food service operations during the 2025 fiscal year largely due to decreasing participation, although revenues decreased from the previous years as participation decreased. The decrease in the meals served resulted in lower food costs, the business-type activities also recognized a decrease in pension and OPEB expenses of \$516,000 resulting in the lower net loss in the current fiscal year. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

**CRAVEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/25	6/30/24	6/30/25	6/30/24	6/30/25	6/30/24
Revenues:						
Program revenues:						
Charges for services	\$ 3,467,308	\$ 3,681,777	\$ 739,881	\$ 778,256	\$ 4,207,189	\$ 4,460,033
Operating grants and contributions	114,435,973	124,779,623	8,056,363	8,687,357	122,492,336	133,466,980
Capital grants and contributions	2,180,409	1,254,475	-	-	2,180,409	1,254,475
General revenues:						
County appropriations	25,468,530	23,605,232	-	-	25,468,530	23,605,232
State and federal appropriations	2,855,721	2,054,508	-	-	2,855,721	2,054,508
Other revenues	2,575,469	2,092,667	129,079	111,276	2,704,548	2,203,943
Total revenues	<u>150,983,410</u>	<u>157,468,282</u>	<u>8,925,323</u>	<u>9,576,889</u>	<u>159,908,733</u>	<u>167,045,171</u>
Expenses:						
Governmental activities:						
Instructional services	121,933,805	115,226,924	-	-	121,933,805	115,226,924
System-wide support services	34,033,895	38,531,983	-	-	34,033,895	38,531,983
Ancillary services	412,881	162,370	-	-	412,881	162,370
Payments to other governments	1,312,901	548,998	-	-	1,312,901	548,998
Interest on long-term debt	30,656	21,001	-	-	30,656	21,001
Unallocated depreciation	469,265	187,671	-	-	469,265	187,671
Business-type activities:						
School food service	-	-	9,349,198	11,309,179	9,349,198	11,309,179
Total expenses	<u>158,193,403</u>	<u>154,678,947</u>	<u>9,349,198</u>	<u>11,309,179</u>	<u>167,542,601</u>	<u>165,988,126</u>
Transfers in (out)	<u>(58,960)</u>	<u>(56,830)</u>	<u>58,960</u>	<u>56,830</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(7,268,953)</u>	<u>2,732,505</u>	<u>(364,915)</u>	<u>(1,675,460)</u>	<u>(7,633,868)</u>	<u>1,057,045</u>
Beginning net position (deficit) as previously reported	(58,077,775)	(59,154,749)	1,856,939	3,532,399	(56,220,836)	(55,622,350)
Change in accounting principle (Note 5)	<u>(14,032,129)</u>	<u>(1,655,531)</u>	<u>(329,740)</u>	<u>-</u>	<u>(14,361,869)</u>	<u>(1,655,531)</u>
Beginning net position (deficit), as restated	<u>(72,109,904)</u>	<u>(60,810,280)</u>	<u>1,527,199</u>	<u>3,532,399</u>	<u>(70,582,705)</u>	<u>(57,277,881)</u>
Ending net position (deficit)	<u>\$ (79,378,857)</u>	<u>\$ (58,077,775)</u>	<u>\$ 1,162,284</u>	<u>\$ 1,856,939</u>	<u>\$ (78,216,573)</u>	<u>\$ (56,220,836)</u>

Craven County Board of Education Management's Discussion and Analysis

Total governmental activities generated revenues of \$151.0 million while expenses in this category totaled \$158.2 million for the year ended June 30, 2025, resulting in a decrease in net position of \$7.3 million (including transfers out to business-type activities of \$59,000). Comparatively, revenues were \$157.5 million, expenses totaled \$154.7 million for the year ended June 30, 2024, resulting in an increase in net position of \$2.7 million. In comparing the two years, revenues decreased \$6.5 million, or 4.1%, and expenses increased by \$3.5 million, or 2.3%. The overall increase in expenses is largely attributable to the increase in pension and OPEB expenses of \$4.7 million. The Board also recognized increases in expenditures across the General, State Public School and Other Local Current Expense funds.

The Board's primary sources of revenues were funding from the State of North Carolina, Craven County, and the United States Government, which respectively comprised 69.0%, 16.8% and 8.4% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 77.1% of our total expenses during the most recent fiscal year. Of the remaining 22.9% of our total expenses, 21.5% was attributable to system-wide support services.

Our business-type activities generated revenues of \$8.9 million, while expenses in this category totaled \$9.3 million for the year ended June 30, 2025. For the year, net position decreased by \$365,000 (including transfers in of \$59,000). Comparatively, revenues were \$9.6 million, expenses were \$11.3 million for the year ended June 30, 2024, resulting in a decrease in net position of \$1.7 million. In comparing the two years, revenues decreased by \$652,000 and expenses decreased by \$2.0 million. The decrease in revenues and expenses is the result of decreases in participation. The Board recognized fewer meals served, which resulted in lower food costs while implementing a concerted effort to reduce salaries and benefits.

Financial Analysis of the Board's Funds

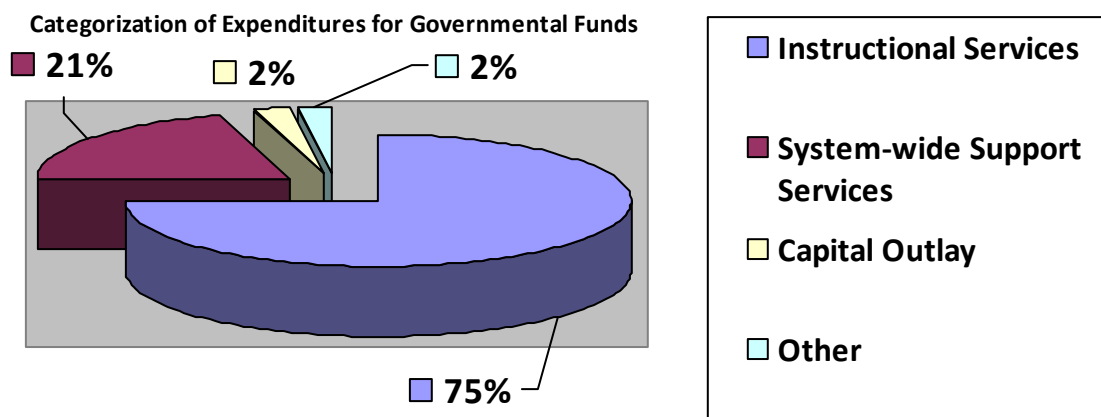
Governmental Funds: The focus of Craven County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$16.4 million at June 30, 2025, a decrease of \$7.0 million from the amount reported at June 30, 2024. The Individual Schools fund reported an increase in fund balance for the year of \$127,000 due to a decrease in co-curricular expenditures. The General, Other Local Current Expense and Capital Outlay funds recognized decreases in fund balance of \$6.1 million, \$869,000 and \$84,000 respectively. The General and Other Local Current Expense funds recognized increases in expenditures as expenditures previously paid out of the Federal Grants fund were funded locally as the COVID-19 funds received by the Board expired. The Capital Outlay fund recognized increases in State Needs Based Lottery revenues and expenditures as the Board is at the beginning stages of large expansion at Tucker Creek.

Overall, total governmental fund revenues decreased by \$6.5 million and other financing sources decreased by \$4.4 million while total expenditures decreased by \$6.5 million from the prior year. The decrease in expenditures is primarily attributable to decreases in the Federal Grants funds as the Education Stabilization funds received has declined due to expiring programs. The \$15.0 million decrease in Federal Grants fund expenditures was offset partially offset by increases in General, State Public School and Other Local Current Expense fund expenditures as State Public School fund allotments increased and the local funds funded many of the programs previously paid with federal funds.

CRAVEN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

Proprietary Fund: The Board's business-type fund, the School Food Service Fund, reported a decrease in net position of \$365,000 for the fiscal year ended June 30, 2025 compared to a decrease of \$1.7 million for the same 2024 period. See the section above titled *Financial Analysis of the Board as a Whole* for a detailed discussion of the significant changes in revenues and expenses.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments. The Board's General Fund reported a decrease in fund balance for the year ended June 30, 2025 of \$5.6 million (including the decrease in reserve for inventories), compared to a decrease of \$5.2 million in 2024. Revenues increased by \$1.0 million due to increased appropriations from the County. Expenditures increased by \$1.4 million from the prior year, as a result of the expiration of the COVID-19 federal funds and an increase in salaries and benefits. The Board was able to keep expenditures below budget and not use all of the \$9.4 million fund balance appropriated in the current year, however the General fund balance has depleted to \$7.0 million from \$17.8 million as of June 30, 2023.

Capital Assets

Total primary government capital assets were \$79.2 million at June 30, 2025 compared to \$81.8 million at June 30, 2024, a decrease of 2.8%. The decrease is attributable to an excess of depreciation expense over capital additions for the year, as renovations to HVAC systems funded by COVID-19 Education Stabilization funds came to an end in the previous year. The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2025 and 2024. More detailed information about the Board's capital assets is contained in note 2 to the financial statements.

**CRAVEN COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 3
Summary of Capital Assets
As of June 30, 2025 and 2024**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/25</u>	<u>6/30/24</u>	<u>6/30/25</u>	<u>6/30/24</u>
Land	\$ 3,074,671	\$ 3,074,671	\$ -	\$ -	\$ 3,074,671	\$ 3,074,671
Construction in progress	1,323,426	3,892,054	-	-	1,323,426	3,892,054
Buildings and improvements	65,448,831	68,737,236			65,448,831	68,737,236
Equipment and furniture	5,115,203	1,095,936	942,047	1,089,010	6,057,250	2,184,946
Right-to-use lease assets	80,000	329,452	-	-	80,000	329,452
Right-to-use subscriptions	-	65,778	-	-	-	65,778
Vehicles	3,248,952	3,557,190	-	-	3,248,952	3,557,190
Total	<u>\$ 78,291,083</u>	<u>\$ 80,752,317</u>	<u>\$ 942,047</u>	<u>\$ 1,089,010</u>	<u>\$ 79,233,130</u>	<u>\$ 81,841,327</u>

Debt Outstanding

During the year, the Board's long-term debt decreased from \$5.0 million at June 30, 2024 to \$3.5 million at June 30, 2025. 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. More detailed information about the Board's outstanding debt is contained in note 2 to the financial statements.

Economic Factors

The Economy of Craven County remains centered around construction, manufacturing retail sales and education. The County is easily accessible by major highways from I40 and Asheville, the County hopes that with continued highway improvements new industry will look to the County for development. County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects the school district. The following factors have affected the economic outlook of Craven County:

- Craven County's 2025 population estimation of approximately 105,000 is comparable to the 2020 census of 100,300.
- The unadjusted unemployment rate in Craven County at June 30, 2025 was 3.8%, while the State and national rates were 3.7% and 4.1%, respectively.

Requests for Information

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

Heidi Daly, Finance Officer
Craven County Board of Education
3600 Trent Road
New Bern, NC 28562

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2025

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 17,670,625	\$ 4,067,940	\$ 21,738,565
Due from other governments	5,215	160,704	165,919
Receivables	135,935	1,689	137,624
Internal balances	(378,788)	378,788	-
Net OPEB asset	132,597	3,671	136,268
Inventories	402,965	362,822	765,787
Capital assets:			
Right to use assets, net of amortization	80,000	-	80,000
Land and construction in progress	4,398,097	-	4,398,097
Other capital assets, net of depreciation	73,812,986	942,047	74,755,033
Total capital assets	<u>78,291,083</u>	<u>942,047</u>	<u>79,233,130</u>
 Total assets	<u>96,259,632</u>	<u>5,917,661</u>	<u>102,177,293</u>
 Deferred Outflows of Resources	<u>70,081,792</u>	<u>1,940,129</u>	<u>72,021,921</u>
 Liabilities			
Bank overdraft	53,984	-	53,984
Accounts payable and accrued expenses	1,350,177	1,609	1,351,786
Unearned revenue	10,000	88,235	98,235
Long-term liabilities:			
Due within one year	4,633,415	104,833	4,738,248
Due in more than one year	18,473,319	377,201	18,850,520
Net pension liability	68,081,095	1,884,740	69,965,835
Net OPEB liability	<u>128,081,110</u>	<u>3,545,765</u>	<u>131,626,875</u>
 Total liabilities	<u>220,683,100</u>	<u>6,002,383</u>	<u>226,685,483</u>
 Deferred inflows of resources	<u>25,037,181</u>	<u>693,123</u>	<u>25,730,304</u>
 Net position			
Net investment in capital assets	77,987,597	942,047	78,929,644
Restricted for:			
Stabilization by State statute	311,427	-	311,427
School capital outlay	954,980	-	954,980
Instructional services	1,806,861	-	1,806,861
Individual schools activities	1,192,692	-	1,192,692
DIPNC OPEB plan	181,923	5,038	186,961
Unrestricted (deficit)	<u>(161,814,337)</u>	<u>215,199</u>	<u>(161,599,138)</u>
 Total net position (deficit)	<u>\$ (79,378,857)</u>	<u>\$ 1,162,284</u>	<u>\$ (78,216,573)</u>

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

CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2025

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		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 69,712,749	\$ -	\$ 59,335,167	\$ -	\$ (10,377,582)	\$ -	\$ (10,377,582)
Special populations	19,237,194	-	19,785,907	-	548,713	-	548,713
Alternative programs	7,866,625	-	8,558,310	-	691,685	-	691,685
School leadership	9,501,034	-	5,783,140	-	(3,717,894)	-	(3,717,894)
Co-curricular	3,657,167	2,712,129	-	-	(945,038)	-	(945,038)
School-based support	11,959,036	-	7,636,672	-	(4,322,364)	-	(4,322,364)
System-wide support services:							
Support and development	3,176,605	-	1,270,741	-	(1,905,864)	-	(1,905,864)
Special population support and development	1,314,070	-	1,015,463	-	(298,607)	-	(298,607)
Alternative programs and services support and development	719,518	-	203,833	-	(515,685)	-	(515,685)
Technology support	2,045,347	-	62,142	-	(1,983,205)	-	(1,983,205)
Operational support	20,797,914	-	8,628,904	2,180,409	(9,988,601)	-	(9,988,601)
Financial and human resource services	2,641,633	755,179	849,585	-	(1,036,869)	-	(1,036,869)
Accountability	189,698	-	108,387	-	(81,311)	-	(81,311)
System-wide pupil support	484,257	-	118,922	-	(365,335)	-	(365,335)
Policy, leadership and public relations	2,664,853	-	383,433	-	(2,281,420)	-	(2,281,420)
Ancillary services	412,881	-	378,788	-	(34,093)	-	(34,093)
Non-programmed charges	1,312,901	-	316,579	-	(996,322)	-	(996,322)
Interest on long-term debt	30,656	-	-	-	(30,656)	-	(30,656)
Unallocated depreciation expense**	469,265	-	-	-	(469,265)	-	(469,265)
Total governmental activities	158,193,403	3,467,308	114,435,973	2,180,409	(38,109,713)	-	(38,109,713)
Business-type activities:							
School food service	9,349,198	739,881	8,056,363	-	-	(552,954)	(552,954)
Total primary government	\$ 167,542,601	\$ 4,207,189	\$ 122,492,336	\$ 2,180,409	(38,109,713)	(552,954)	(38,662,667)
General revenues:							
Unrestricted county and city appropriations - operating					23,284,991	-	23,284,991
Unrestricted county appropriations - capital					2,183,539	-	2,183,539
Unrestricted State appropriations - operating					2,855,721	-	2,855,721
Investment earnings, unrestricted					616,300	118,344	734,644
Miscellaneous, unrestricted					1,959,169	10,735	1,969,904
Transfers					(58,960)	58,960	-
Total general revenues					30,840,760	188,039	31,028,799
Change in net position					(7,268,953)	(364,915)	(7,633,868)
Net position (deficit) - beginning, as previously reported					(58,077,775)	1,856,939	(56,220,836)
Change in accounting principle (Note 5)					(14,032,129)	(329,740)	(14,361,869)
Net position (deficit) - beginning, as restated					(72,109,904)	1,527,199	(70,582,705)
Net position (deficit) - ending					\$ (79,378,857)	\$ 1,162,284	\$ (78,216,573)

**This amount excludes the depreciation that is included in the direct expenses of the various programs.

FUND FINANCIAL STATEMENTS

CRAVEN COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

Exhibit 3

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Local Current Expense	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 7,728,370	\$ -	\$ -	\$ 7,788,510	\$ 961,053	\$ 1,192,692	\$ 17,670,625
Due from other governments	1,288	-	-	-	3,927	-	5,215
Accounts receivable	19,424	-	-	116,511	-	-	135,935
Due from other funds	-	53,984	-	-	-	-	53,984
Inventories	402,965	-	-	-	-	-	402,965
Total assets	<u>\$ 8,152,047</u>	<u>\$ 53,984</u>	<u>\$ -</u>	<u>\$ 7,905,021</u>	<u>\$ 964,980</u>	<u>\$ 1,192,692</u>	<u>\$ 18,268,724</u>
Liabilities and fund balances							
Liabilities:							
Bank overdraft	\$ -	\$ 53,984	\$ -	\$ -	\$ -	\$ -	\$ 53,984
Accounts payable and accrued liabilities	1,195,218	-	-	154,959	-	-	1,350,177
Due to other funds	432,772	-	-	-	-	-	432,772
Unearned revenue	-	-	-	-	10,000	-	10,000
Total liabilities	<u>1,627,990</u>	<u>53,984</u>	<u>-</u>	<u>154,959</u>	<u>10,000</u>	<u>-</u>	<u>1,846,933</u>
Fund balances:							
Nonspendable:							
Inventories	402,965	-	-	-	-	-	402,965
Restricted:							
Stabilization by State statute	194,916	-	-	116,511	-	-	311,427
School capital outlay	-	-	-	-	954,980	-	954,980
Instructional services	-	-	-	1,806,861	-	-	1,806,861
Individual schools	-	-	-	-	-	1,192,692	1,192,692
Assigned:							
Subsequent year's expenditures	5,280,996	-	-	2,024,929	-	-	7,305,925
Other restricted programs	-	-	-	3,801,761	-	-	3,801,761
Unassigned	645,180	-	-	-	-	-	645,180
Total fund balances	<u>6,524,057</u>	<u>-</u>	<u>-</u>	<u>7,750,062</u>	<u>954,980</u>	<u>1,192,692</u>	<u>16,421,791</u>
Total liabilities and fund balances	<u>\$ 8,152,047</u>	<u>\$ 53,984</u>	<u>\$ -</u>	<u>\$ 7,905,021</u>	<u>\$ 964,980</u>	<u>\$ 1,192,692</u>	<u>\$ 18,268,724</u>

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

CRAVEN COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2025

Exhibit 3 (continued)

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balance (All Governmental Funds)	16,421,791
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	78,211,083
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	80,000
Net OPEB asset	132,597
Deferred outflows of resources related to pensions	31,406,972
Deferred outflows of resources related to OPEB	38,674,820
Some liabilities, including those for compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(23,106,734)
Net pension liability	(68,081,095)
Net OPEB liability	(128,081,110)
Deferred inflows of resources related to pensions	(1,335,737)
Deferred inflows of resources related to OPEB	<u>(23,701,444)</u>
Net position (deficit) of governmental activities	<u>\$ (79,378,857)</u>

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

Craven County Board of Education
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Local Current Expense	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 100,522,439	\$ -	\$ 1,990,025	\$ 2,180,409	\$ -	\$ 104,692,873
Craven County							
Local current expense	23,284,991	-	-	-	-	-	23,284,991
Other	-	-	-	-	2,183,539	-	2,183,539
U.S. Government	-	-	10,114,154	2,601,473	-	-	12,715,627
Other	861,822	-	-	5,202,298	-	2,712,129	8,776,249
Total revenues	24,146,813	100,522,439	10,114,154	9,793,796	4,363,948	2,712,129	151,653,279
Expenditures:							
Current:							
Instructional services:							
Regular instructional	6,576,721	58,578,298	562,915	1,001,579	-	-	66,719,513
Special populations	202,375	15,044,962	2,868,929	1,208,107	-	-	19,324,373
Alternative programs	595,432	985,030	3,702,702	2,619,055	-	-	7,902,219
School leadership	3,758,597	5,783,140	-	426	-	-	9,542,163
Co-curricular	1,050,469	-	-	41,203	-	2,585,031	3,676,703
School-based support	2,818,693	8,098,271	510,759	586,840	-	-	12,014,563
System-wide support services:							
Support and development	1,749,065	1,292,559	148,165	-	-	-	3,189,789
Special population support and development	925	254,869	760,594	303,621	-	-	1,320,009
Alternative programs and services support and development	304,197	-	203,833	214,742	-	-	722,772
Technology support	560,604	881,412	-	296,376	-	-	1,738,392
Operational support	6,472,422	7,966,507	603,437	4,311,178	-	-	19,353,544
Financial and human resource services	1,933,559	588,901	436,241	42,799	-	-	3,001,500
Accountability	82,105	108,387	-	-	-	-	190,492
System-wide pupil support	367,469	118,922	-	-	-	-	486,391
Policy, leadership and public relations	2,291,291	383,433	-	3,560	-	-	2,678,284
Ancillary services	213	378,788	-	33,730	-	-	412,731
Non-programmed charges	1,312,901	-	316,579	-	-	-	1,629,480
Debt service:							
Principal retirement	190,899	-	-	-	1,430,025	-	1,620,924
Interest and fees	4,972	-	-	-	25,684	-	30,656
Capital outlay	-	-	-	-	3,152,852	-	3,152,852
Total expenditures	30,272,909	100,463,479	10,114,154	10,663,216	4,608,561	2,585,031	158,707,350
Revenues over (under) expenditures	(6,126,096)	58,960	-	(869,420)	(244,613)	127,098	(7,054,071)
Other financing sources (uses):							
Transfers from (to) other funds	-	(58,960)	-	-	-	-	(58,960)
Installment purchase obligations issued	-	-	-	-	160,206	-	160,206
Total other financing sources (uses)	-	(58,960)	-	-	160,206	-	101,246
Net change in fund balance	(6,126,096)	-	-	(869,420)	(84,407)	127,098	(6,952,825)
Fund balances:							
Beginning of year	12,657,963	-	-	8,619,482	1,039,387	1,065,594	23,382,426
Change in reserve for inventories	(7,810)	-	-	-	-	-	(7,810)
End of year	\$ 6,524,057	\$ -	\$ -	\$ 7,750,062	\$ 954,980	\$ 1,192,692	\$ 16,421,791

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

CRAVEN COUNTY BOARD OF EDUCATION
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, 2025

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ (6,952,825)
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Change in fund balance due to change in reserve for inventory	(7,810)
---	---------

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.	(2,146,004)
--	-------------

Governmental funds report right to use leased assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the life of the lease and reported as amortization expense. This is the amount by which amortization exceeded capitalized right to use leased asset expenditures in the current period.	(315,230)
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	13,644,200
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Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	5,785,986
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	38,967

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,460,718
--	-----------

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.	
Pension (expense) benefit	(18,112,531)
OPEB (expense) benefit	(1,509,458)
Compensated absences	<u>845,034</u>

Total changes in net position of governmental activities	<u>\$ (7,268,953)</u>
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The notes to the basic financial statements are an integral part of this statement.

CRAVEN COUNTY BOARD OF EDUCATION
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, 2025

Exhibit 6

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Craven County	23,279,069	23,279,069	23,284,991	5,922
U.S. Government	-	-	-	-
Other	650,687	654,687	861,822	207,135
Total revenues	23,929,756	23,933,756	24,146,813	213,057
Expenditures:				
Current:				
Instructional services	17,476,766	16,919,567	15,002,287	1,917,280
System-wide support services	14,447,880	14,906,174	13,761,637	1,144,537
Ancillary services	35,843	7,071	213	6,858
Nonprogrammed charges	605,000	1,312,901	1,312,901	-
Debt service				
Principal retirement	190,899	190,899	190,899	-
Interest and fees	4,972	4,972	4,972	-
	195,871	195,871	195,871	-
Total expenditures	32,761,360	33,341,584	30,272,909	3,068,675
Excess (deficiency) of revenues over expenditures	(8,831,604)	(9,407,828)	(6,126,096)	3,281,732
Other financing sources:				
Transfers from other funds	-	-	-	-
Fund balance appropriated	8,831,604	9,407,828	-	(9,407,828)
Net change in fund balance	\$ -	\$ -	(6,126,096)	\$ (6,126,096)
Fund balances:				
Beginning of year			12,657,963	
Change in reserve for inventories			(7,810)	
End of year			\$ 6,524,057	

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

Exhibit 6 (continued)

CRAVEN COUNTY BOARD OF EDUCATION
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, 2025

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 98,750,494	\$ 102,614,096	\$ 100,522,439	\$ (2,091,657)
Craven County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	98,750,494	102,614,096	100,522,439	(2,091,657)
Expenditures:				
Current:				
Instructional services	86,104,358	89,915,055	88,489,701	1,425,354
System-wide support services	12,569,747	12,243,908	11,594,990	648,918
Ancillary services	-	378,788	378,788	-
Nonprogrammed charges	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	98,674,105	102,537,751	100,463,479	2,074,272
Excess (deficiency) of revenues over expenditures	76,389	76,345	58,960	(17,385)
Other financing uses:				
Transfers to other funds	(76,389)	(76,345)	(58,960)	17,385
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			\$ -	

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

Exhibit 6 (continued)

CRAVEN COUNTY BOARD OF EDUCATION
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, 2025

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Craven County	-	-	-	-
U.S. Government	8,616,477	11,315,567	10,114,154	(1,201,413)
Other	-	-	-	-
Total revenues	8,616,477	11,315,567	10,114,154	(1,201,413)
Expenditures:				
Current:				
Instructional services	6,958,623	8,662,132	7,645,305	1,016,827
System-wide support services	1,464,273	2,326,092	2,152,270	173,822
Ancillary services	-	-	-	-
Nonprogrammed charges	193,581	327,343	316,579	10,764
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total expenditures	8,616,477	11,315,567	10,114,154	1,201,413
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			\$ -	

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

Exhibit 6 (continued)

CRAVEN COUNTY BOARD OF EDUCATION
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, 2025

	Other Local Current Expense			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 1,194,338	\$ 2,143,912	\$ 1,990,025	\$ (153,887)
Craven County	-	-	-	-
U.S. Government	2,134,500	2,609,043	2,601,473	(7,570)
Other	2,130,228	5,245,424	5,202,298	(43,126)
Total revenues	5,459,066	9,998,379	9,793,796	(204,583)
Expenditures:				
Current:				
Instructional services	3,964,476	7,389,030	5,457,210	1,931,820
System-wide support services	4,453,102	5,659,891	5,172,276	487,615
Ancillary services	179,161	186,036	33,730	152,306
Nonprogrammed charges	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
	-	-	-	-
Total expenditures	8,596,739	13,234,957	10,663,216	2,571,741
Excess (deficiency) of revenues over expenditures	(3,137,673)	(3,236,578)	(869,420)	2,367,158
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	3,137,673	3,236,578	-	(3,236,578)
Net change in fund balance	\$ -	\$ -	(869,420)	\$ (869,420)
Fund balances:				
Beginning of year			8,619,482	
Change in reserve for inventories			-	
End of year			\$ 7,750,062	

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

CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2025

Exhibit 7

	Enterprise Major Fund School Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,067,940
Due from other governments	160,704
Receivables	1,689
Due from other funds	378,788
Inventories	362,822
Total current assets	<u>4,971,943</u>
Noncurrent assets:	
Net OPEB asset	3,671
Capital assets:	
Furniture, equipment and vehicles, net	942,047
Total noncurrent assets	<u>945,718</u>
Total assets	<u>5,917,661</u>
Deferred Outflows of Resources	<u>1,940,129</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	1,609
Compensated absences	104,833
Unearned revenue	88,235
Total current liabilities	<u>194,677</u>
Noncurrent liabilities:	
Net pension liability	1,884,740
Net OPEB liability	3,545,765
Compensated absences	377,201
Total noncurrent liabilities	<u>5,807,706</u>
Total liabilities	<u>6,002,383</u>
Deferred Inflows of Resources	<u>693,123</u>
Net position	
Investment in capital assets	942,047
Restricted for DIPNC OPEB plan	5,038
Unrestricted	215,199
Total net position	<u>\$ 1,162,284</u>

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

CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2025

Exhibit 8

	Enterprise Major Fund School Food Service
Operating revenues:	
Food sales	\$ 739,881
Operating expenses:	
Food cost:	
Purchase of food	3,348,173
Donated commodities	573,110
Salaries and benefits	4,670,748
Indirect costs	353,290
Materials and supplies	59,575
Repairs and maintenance	51,068
Depreciation	176,521
Non-capitalized equipment	3,427
Contracted services	58,144
Other	55,142
Total operating expenses	9,349,198
Operating loss	(8,609,317)
Nonoperating revenues:	
Federal reimbursements	7,466,055
Federal commodities	573,110
State reimbursements	17,198
Interest earned	118,344
Other	10,735
Total nonoperating revenues	8,185,442
Loss before transfers and contributions	(423,875)
Transfers from other funds	58,960
Change in net position	(364,915)
Net position, beginning, as previously reported	1,856,939
Change in accounting principle (Note 5)	(329,740)
Net position, beginning of year, as restated	1,527,199
Net position, end of year	\$ 1,162,284

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

CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2025

Exhibit 9

	Enterprise Major Fund School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 804,520
Cash paid for goods and services	(3,930,449)
Cash paid to employees for services	(4,520,918)
Net cash used by operating activities	<u>(7,646,847)</u>
Cash flows from noncapital financing activities:	
Due to other funds	(12,819)
Due from other funds	(378,788)
Federal and State reimbursements	7,586,764
Contributions and donations	10,735
Net cash provided by noncapital activities	<u>7,205,892</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(29,558)</u>
Cash flows from investing activities:	
Interest earned on investments	<u>118,344</u>
Net decrease in cash and cash equivalents	(352,169)
Cash and cash equivalents, beginning of year	<u>4,420,109</u>
Cash and cash equivalents, end of year	<u>\$ 4,067,940</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (8,609,317)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	176,521
Donated commodities	573,110
Salaries paid by special revenue fund	58,960
Changes in assets and liabilities:	
Decrease in accounts receivable	23,480
Increase in OPEB asset	(3,671)
Increase in inventories	(774)
Decrease in accounts payable and accrued liabilities	(856)
Decrease in pension liability	(233,914)
Increase in OPEB liability	735,871
Increase in deferred outflows	(150,069)
Decrease in deferred inflows	(271,542)
Increase in unearned revenue	41,159
Increase in compensated absences payable	14,195
Total adjustments	<u>962,470</u>
Net cash used by operating activities	<u>\$ (7,646,847)</u>

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

CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2025

Exhibit 9 (continued)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$573,110 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

The State Public School Fund paid salaries and benefits of \$58,960 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

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

**CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2025**

Exhibit 10

	Private Purpose Trust Fund
Assets	
Cash and cash equivalents	<u>\$ 1,131,638</u>
Net position	
Assets held in trust for private purpose	<u>\$ 1,131,638</u>

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

CRAVEN COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2025

Exhibit 11

	Private Purpose Trust Fund
Additions:	
Contributions	\$ -
Interest	51,033
Total additions	<u>51,033</u>
Deductions:	
Scholarship payments	<u>-</u>
Change in net position	51,033
Beginning net position	<u>1,080,605</u>
Ending net position	<u><u>\$ 1,131,638</u></u>

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

Craven County Board of Education
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Craven County Board of Education 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 Craven County Board of Education (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. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. 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, including its fiduciary fund. 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. All expenses are considered to be operating expenses.

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 accounted for in another fund.

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 includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

Other Local Current Expense Fund. The Other Local Current Expense Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten programs and special programs.

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 Craven County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds 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.

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 qualifying as other than short-term 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 is 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.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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 private purpose trust fund and the individual schools special revenue fund, 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 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 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. The STIF 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 amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. The NCCMT Government Portfolio's securities are measured at amortized cost, which is the NCCMT's share price. The STIF securities (as valued under level 2 of the fair value hierarchy) are reported at cost and maintain a constant \$1 per share value. Investments valued under level 2 of the fair value hierarchy are valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

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

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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 classified as 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 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 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. Certain items acquired before July 1, 1995 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

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 those assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal 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 of the start of the lease term, plus ancillary charges necessary to place the lease asset into service.

Right-to-use subscription-based information technology assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the information technology subscription vendor at the start of the subscription term.

Craven 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 tax paid for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Item</u>	<u>Years</u>
Buildings and improvements	20-50
Equipment and furniture	3-10
Vehicles	6
Computer equipment	3

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

Depreciation for buildings and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as “unallocated depreciation” on the Statement of Activities. Land and construction in progress are not depreciated.

5. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position 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 position that applies to a future period and so will not be recognized as expense or expenditure until then. The Board has two items that meet this criterion - a pension related deferral and contributions made to the pension plan in the current fiscal year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has one item that meet this criterion – pension 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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The Board follows the State’s policy for vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements on a FIFO basis. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. An estimate has been made based on prior years’ records of the current portion of compensated absences.

Vacation Leave - Employees may accumulate up to thirty (30) days of earned but unused vacation leave with such leave being fully vested when earned and eligible for payment at the employee’s current pay rate upon separation from employment.

Sick Leave - 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. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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.

Fund Balances

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 instructional services – grant and other revenues restricted for expenditure for various instructional services, as allowable by the funding source.

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 of Education intends to use for specific purposes. The assignment of fund balance is governed by NC General Statutes. The Board of Education is authorized to approve appropriations of fund balance in accordance with restrictions established by NC General Statutes.

Other Restricted 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. The Board of Education approves the appropriation.

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 amount, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

The Board does not have a formal fund balance policy. Therefore, the unassigned fund balance in the General Fund is available for appropriation.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

The Board does not have a formal revenue spending policy. However, it is the Board's practice to use resources in the following hierarchy: bond proceeds, State funds, federal 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, 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 of Education.

9. Reconciliation of Government-wide and Fund Financial Statements

a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(95,800,648) 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 at historical cost on government-wide statement in governmental activities column)	\$ 186,303,873
Less accumulated depreciation and amortization	<u>(108,092,790)</u>
Net capital assets	<u>78,211,083</u>
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the funds (total right to use leased assets at historical cost on government-wide statement in governmental activities column)	1,912,692
Less accumulated amortization	<u>(1,832,692)</u>
Right to use leased assets, net	<u>80,000</u>
Net OPEB Asset	132,597
Pension related deferred outflows of resources	31,406,972
OPEB related deferred outflows of resources	38,674,820
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:	
Installment financing	(3,423,977)
Lease liability	(80,244)
Compensated absences	(19,602,513)
Net pension liability	(68,081,095)
Net OPEB liability	(128,081,110)
Deferred inflows of resources related to pensions	(1,335,737)
Deferred inflows of resources related to OPEB	<u>(23,701,444)</u>
Total adjustment	<u>\$ (95,800,648)</u>

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances 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 of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(316,128) as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,286,328
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	(4,432,332)
Amortization expense for intangible capital assets, the allocation of those assets over their useful lives, that is recorded in the statement of activities but not in the fund statements	(315,230)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(160,206)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	1,620,924
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	13,644,200
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	5,785,986
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
OPEB nonemployer contributions	38,967
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) benefit	(18,112,531)
OPEB (expense) benefit	(1,509,458)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	845,034
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(7,810)
Total adjustment	<u>\$ (316,128)</u>

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

10. Defined Benefit Pension Plan and OPEB Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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.

NOTE 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 non-interest 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, 2025, the Board had deposits with banks and savings and loans with a carrying amount of \$5,417,650. The bank balances with the financial institutions and the State Treasurer were \$601,704 and \$6,085,245, respectively. Of these balances, \$1,274,706 was covered by federal depository insurance and \$5,412,243 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2025, the Board had \$24,924 invested with the North Carolina Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Board had \$17,427,629 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 2.1 years at June 30, 2025. The Board has no policy for managing interest rate risk, concentration risk or credit risk. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

3. Accounts Receivable

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

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (432,722)	\$ 1,288	\$ 19,424	\$ (412,010)
Other governmental activities	<u>53,984</u>	<u>3,927</u>	<u>116,511</u>	<u>174,422</u>
Total governmental activities	<u>\$ (378,738)</u>	<u>\$ 5,215</u>	<u>\$ 135,935</u>	<u>\$ (237,588)</u>
Business-type activities:				
School Food Service Fund	<u>\$ 378,738</u>	<u>\$ 160,704</u>	<u>\$ 1,689</u>	<u>\$ 541,131</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 1,288	Fines and Forfeitures due from Towns
Capital Outlay Fund	<u>3,927</u>	Due from DHHS
Total	<u>\$ 5,215</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 160,704</u>	Federal grant funds

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 3,074,671	\$ -	\$ -	\$ 3,074,671
Construction in progress	3,892,054	1,578,824	4,147,452	1,323,426
Total capital assets not being depreciated	6,966,725	1,578,824	4,147,452	4,398,097
Capital assets being depreciated/amortized:				
Buildings and improvements	140,375,545	-	-	140,375,545
Improvements to land and buildings	13,078,272	-	-	13,078,272
Equipment and furniture	5,327,361	4,488,532	-	9,815,893
Right-to-use leased equipment	1,477,244	-	-	1,477,244
Right-to-use subscription assets	435,448	-	-	435,448
Vehicles	18,485,728	366,424	51,597	18,800,555
Total capital assets being depreciated	179,179,598	4,854,956	51,597	183,982,957
Less accumulated depreciation/amortization for:				
Buildings and improvements	82,514,318	2,493,096	-	85,007,414
Improvements to land and buildings	2,202,263	795,309	-	2,997,572
Equipment and furniture	4,231,425	469,265	-	4,700,690
Right-to-use leased equipment	1,147,792	249,452	-	1,397,244
Right-to-use subscription assets	369,670	65,778	-	435,448
Vehicles	14,928,538	674,662	51,597	15,551,603
Total accumulated depreciation	105,394,006	4,747,562	51,597	110,089,971
Total capital assets being depreciated, net	73,785,592			73,892,986
Governmental activity capital assets, net	\$ 80,752,317			\$ 78,291,083
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment, furniture and vehicles	\$ 6,970,963	\$ 29,558	\$ 3,295	\$ 6,997,226
Less accumulated depreciation for:				
Equipment, furniture and vehicles	5,881,953	176,521	3,295	6,055,179
School Food Service capital assets, net	\$ 1,089,010			\$ 942,047

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

Depreciation/amortization was charged to governmental functions as follows:

Instructional services	\$ 3,288,405
System-wide support services	989,892
Unallocated depreciation	<u>469,265</u>
Total	<u>\$ 4,747,562</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 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 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.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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 for the year ended June 30, 2025 was 16.79% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$14,021,923 for the year ended June 30, 2025.

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.

At June 30, 2025, the Board reported a liability of \$69,965,835 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The 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, 2024 and 2023, the Board's proportion was .47221% and .47985%, respectively.

For the year ended June 30, 2025, the Board recognized pension expense of \$18,630,063. At June 30, 2025, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,305,137	\$ 206,828
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	11,537,035	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	412,341	1,165,888
Board contributions subsequent to the measurement date	14,021,923	-
Total	<u>\$ 32,276,436</u>	<u>\$ 1,372,716</u>

\$14,021,923 reported 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 ended June 30, 2026. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

Year ended June 30:

2026	\$ 5,109,087
2027	13,306,036
2028	(298,371)
2029	(1,234,955)
2030	-
Thereafter	-
Total	<u>\$ 16,881,797</u>

Actuarial Assumptions. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset liability and investment policy study for the North Carolina Retirement Systems, including 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 rates used to measure the total pension liability reported at June 30, 2025 and 2024 was 6.50% for both years. 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 6.50 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability	\$ 128,344,567	\$ 69,965,835	\$ 21,824,016

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 in 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

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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.

RHBF's benefit and contribution provisions are established by Chapter 135, 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. For the year ended June 30, 2025, the Board contributed 6.99% of covered payroll, which amounted to \$5,837,596 for the

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$10.3 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$40,046.

At June 30, 2025, the Board reported a liability of \$131,626,875 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024 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, 2024 and 2023, the Board's proportion was .38699% and .39775%, respectively.

\$5,837,596 reported 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, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2026	\$	(3,202,102)
2027		479,544
2028		6,644,572
2029		5,577,594
2030		-
Thereafter		-
Total	\$	<u>9,499,608</u>

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

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-10.00%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy 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 rates used to measure the total OPEB liability for the RHBF at June 30, 2025 and 2024 were 3.93% and 3.65%, respectively. 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 3.93% was used as the discount rate used to measure the total OPEB liability. The 3.93% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2024.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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 District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.93 percent) or 1-percentage point higher (4.93 percent) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability	\$ 156,601,916	\$ 131,626,875	\$ 111,574,100

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 District's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.50%, Pharmacy - 6.00- 11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 108,648,535	\$ 131,626,875	\$ 161,379,349

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.

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

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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 5 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.

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, 2025, employers made a statutory contribution of 0.13% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$108,568 for the year ended June 30, 2025.

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.

At June 30, 2025, the Board reported an asset of \$136,268 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2024 and 2023, the Board's proportion was .41386% and .42170%, respectively.

\$108,568 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2026	\$	(55,983)
2027		(38,362)
2028		17,665
2029		11,665
2030		7,140
Thereafter		-
Total	\$	<u>(57,875)</u>

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

Inflation	2.50%
Salary increases	3.25%-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB asset	\$ 121,505	\$ 136,268	\$ 151,783

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2023 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, 2024. 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.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2024. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2024 is 1.2%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2025:

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB Expense (Benefit)	\$ 1,537,761	\$ 69,820	\$ 1,607,581
OPEB Liability (Asset)	131,626,875	(136,268)	131,490,607
Proportionate share of the net OPEB liability (asset)	0.38699%	0.41386%	
Deferred Outflows of Resources			
Differences between expected and actual experience	1,072,836	54,936	1,127,772
Changes of assumptions	31,701,126	2,032	31,703,158
Net difference between projected and actual earnings on plan investments	564,043	106,979	671,022
Changes in proportion and differences between Board contributions and proportionate share of contributions	286,314	11,055	297,369
Board contributions subsequent to the measurement date	<u>5,837,596</u>	<u>108,568</u>	<u>5,946,164</u>
Total Deferred Outflows of Resources	<u>39,461,915</u>	<u>283,570</u>	<u>39,745,485</u>
Deferred Inflows of Resources			
Differences between Expected and actual experience	-	156,737	156,737
Changes of assumptions	17,161,457	63,486	17,224,943
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>6,963,254</u>	<u>12,654</u>	<u>6,975,908</u>
Total Deferred Inflows of Resources	<u>24,124,711</u>	<u>232,877</u>	<u>24,357,588</u>

2. Accounts Payable

Accounts payable as of June 30, 2025 are as follows:

	<u>Vendors</u>
Governmental activities:	
General Fund	\$ 1,195,218
Other governmental activities	<u>154,959</u>
Total governmental activities	<u>\$ 1,350,177</u>
Business-type activities:	
School Food Service Fund	<u>\$ 1,609</u>

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

3. Unearned Revenues

The balance in unearned revenues at year-end is composed of the following:

Governmental activities:

Earnest money (Capital Outlay Fund)	\$ 10,000
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Business-type activities:

Prepayments of meals (School Food Service Fund)	\$ 88,235
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4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,432,909	\$ 363,565
Changes of assumptions	31,703,158	17,224,943
Net difference between projected and actual earnings on pension plan investments	12,208,057	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	709,710	8,141,796
Board contributions subsequent to the measurement date	19,968,087	-
Total	<u>\$ 72,021,921</u>	<u>\$ 25,730,304</u>

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, and workers' compensation coverage up to the statutory limits for employees to the extent they are paid from federal and local funds. The State of North Carolina provides workers' compensation coverage for employees to the extent they are paid from State funds. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$3,150,000 each. 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 also participates in the State Public Education Property 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. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, 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 December 31, 2024 and Aetna thereafter. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays the majority of the 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 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. Long-Term Obligations

a. Direct Placement 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, 2024 and June 30, 2025, the Board entered into installment purchase contracts for \$286,280, and \$160,206 respectively, to finance the purchase of school buses. The financing contracts require principle-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 January 1, 2024 and requires four annual payments of \$1,105,548 with an interest rate of 1.8%.

The future minimum payments of the direct placement installment purchases as of June 30, 2025 are as follows:

<u>Year Ending June 30:</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2026	\$ 1,159,557	\$ 57,613	\$ 1,217,170
2027	1,178,420	38,750	1,217,170
2028	1,086,000	19,548	1,105,548
2029	-	-	-
Totals	<u>\$ 3,423,977</u>	<u>\$ 115,911</u>	<u>\$ 3,539,888</u>

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

b. Leases

The Board has entered into three lease agreements to lease certain equipment. 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 future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 are as follows:

Year Ending June 30:	Principal Payments	Interest Payments	Total
2026	\$ 80,244	\$ 1,207	\$ 81,451
2027	-	-	-
Totals	<u>\$ 80,244</u>	<u>\$ 1,207</u>	<u>\$ 81,451</u>

d. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2025:

	July 1, 2024 (As restated)	Increases	Decreases	June 30, 2025	Current Portion
Governmental activities:					
Direct placement					
installment purchases	\$ 4,693,796	\$ 160,206	\$ 1,430,025	\$ 3,423,977	\$ 1,159,557
Lease liabilities	271,143	-	190,899	80,244	80,244
Net pension liability	77,881,856	-	9,800,761	68,081,095	-
Net OPEB liability	103,291,927	24,789,183	-	128,081,110	-
Compensated absences	20,447,547	-	845,034	19,602,513	3,393,614
Total	<u>\$ 206,586,269</u>	<u>\$ 24,949,389</u>	<u>\$ 12,266,719</u>	<u>\$ 219,268,939</u>	<u>\$ 4,633,415</u>
Business-type activities:					
Net pension liability	\$ 2,118,654	\$ -	\$ 233,914	\$ 1,884,740	\$ -
Net OPEB liability	2,809,894	735,871	-	3,545,765	-
Compensated absences	467,839	14,195	-	482,034	104,833
Total	<u>\$ 5,396,387</u>	<u>\$ 750,066</u>	<u>\$ 233,914</u>	<u>\$ 5,912,539</u>	<u>\$ 104,833</u>

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases are typically liquidated by the Capital Outlay Fund.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

C. Interfund Balances and Activity

1. Interfund balances

The composition of interfund balances as of June 30, 2025 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
State Public School Fund	General Fund	\$ 53,984
School Food Service Fund	General Fund	\$ 378,788

The amounts above represents a bank overdraft payable and a refund of food costs, respectively. The amount is expected to be paid prior to June 30, 2026.

2. Transfers to/from other Funds

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

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 58,960</u>
--	------------------

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

Net investment in capital assets presented in Exhibit 1 is calculated as follows:

Total governmental activities capital assets	\$ 78,291,083
Less:	
Lease liabilities	(80,244)
Installment purchase obligations for school buses	<u>(223,242)</u>
Net investment in capital assets, governmental activities	<u>\$ 77,987,597</u>

1. 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.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

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	\$ 6,524,057
Less:	
Inventories	(402,965)
Stabilization by State statute	(194,916)
Appropriated Fund Balance in the 2025-2026 budget	<u>(5,280,996)</u>
Remaining fund balance	<u>\$ 645,180</u>

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances outstanding at June 30, 2025 are as follows:

	<u>Encumbrances</u>
General Fund	<u>\$ 174,204</u>

NOTE 3 – OTHER LOCAL CURRENT EXPENSE – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2025 in the Other Local Current Expense Fund consists of the following:

Medicaid reimbursement program	\$ 1,872,016
Interest earned on investments	616,300
Indirect costs allocated	669,869
Insurance proceeds	38,438
Tuition and fees	725,512
Other reimbursements and refund	818,989
Contributions and donations	349
Rental of school property	29,667
Private grants and programs	191,587
Other	<u>239,571</u>
Total other revenues	<u>\$ 5,202,298</u>

NOTE 4 - 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 moneys.

CRAVEN COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2025

NOTE 5 – ACCOUNTING CHANGES

Change in Accounting Principle

Effective July 1, 2024, the Board implemented accounting and financial reporting requirements of GASB Statement 101, Compensated Absences. The statement requires that governments recognize liabilities for sick leave that is attributable to services the employee has rendered, that accumulates and is more likely than not to be used. See the table below for the effects on Board's net position as a result of the adoption of this statement.

Adjustments to and Restatements of Beginning Balances

During the fiscal year ended June 30, 2025, implementation of GASB Statement 101 resulted in restatements of beginning net position and fund net position, as follows:

	Reporting Units Affected by Restatements of Beginning Balances		
	Proprietary Fund	Government-Wide	
	School Food Service	Governmental Activities	Business-Type Activities
June 30, 2024 net position (deficit), as previously reported	\$ 1,856,939	\$ (58,077,775)	\$ 1,856,939
Change in accounting principle	<u>(329,740)</u>	<u>(14,032,129)</u>	<u>(329,740)</u>
June 30, 2024 net position (deficit), as restated	<u>\$ 1,527,199</u>	<u>\$ (72,109,904)</u>	<u>\$ 1,527,199</u>

NOTE 6 – SUBSEQUENT EVENTS

The Board has evaluated subsequent events through December 4, 2025 (the issuance date of the financial statements) and has determined that there were no subsequent events to recognize or disclose in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Board's 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 Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund

Schedule of Board Contributions
Retiree Health Benefit Fund

Schedule of the Board's Proportionate Share of the Net OPEB Liability (Asset)
Disability Income Plan of North Carolina

Schedule of Board Contributions
Disability Income Plan of North Carolina

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE 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***

	2025	2024	2023	2022	2021
Board's proportion of the net pension liability (asset)	0.47221%	0.47985%	0.47836%	0.45600%	0.47800%
Board's proportionate share of the net pension liability (asset)	\$ 69,965,835	\$ 80,000,510	\$ 70,999,330	\$ 21,366,240	\$ 57,795,441
Board's covered payroll	\$ 83,023,798	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	84.27%	98.79%	89.02%	29.32%	78.73%
Plan fiduciary net position as a percentage of the total pension liability	85.35%	82.97%	84.14%	94.86%	85.98%
	2020	2019	2018	2017	2016
Board's proportion of the net pension liability (asset)	0.48900%	4.77000%	0.48000%	0.50700%	0.50900%
Board's proportionate share of the net pension liability (asset)	\$ 50,653,989	\$ 47,484,571	\$ 38,068,654	\$ 46,628,868	\$ 18,744,391
Board's covered payroll	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621	\$ 71,220,667
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	67.54%	66.74%	55.38%	67.36%	26.32%
Plan fiduciary net position as a percentage of the total pension liability	87.56%	87.61%	89.51%	87.32%	94.64%

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

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 14,021,923	\$ 14,637,067	\$ 13,845,121	\$ 12,831,160	\$ 10,803,761
Contributions in relation to the contractually required contribution	<u>14,021,923</u>	<u>14,637,067</u>	<u>13,845,121</u>	<u>12,831,160</u>	<u>10,803,761</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 83,513,536	\$ 83,023,798	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228
Contributions as a percentage of covered payroll	16.79%	17.63%	17.38%	16.38%	14.78%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 9,419,253	\$ 9,129,262	\$ 7,555,448	\$ 6,747,114	\$ 6,294,442
Contributions in relation to the contractually required contribution	<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>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621
Contributions as a percentage of covered payroll	12.97%	12.29%	10.78%	9.98%	9.15%

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
LAST NINE FISCAL YEARS***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Board's proportion of the net OPEB liability/asset	0.38699%	0.39775%	0.40830%	0.40700%	0.42400%
Board's proportionate share of the net OPEB liability (asset)	\$ 131,626,875	\$ 105,989,666	\$ 96,957,952	\$ 125,667,667	\$ 117,726,341
Board's covered payroll	\$ 83,023,798	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	158.54%	130.88%	121.72%	172.43%	160.38%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	9.79%	10.73%	10.58%	7.72%	6.92%
		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability/asset		0.42500%	0.42100%	0.43800%	0.44100%
Board's proportionate share of the net OPEB liability (asset)		\$ 134,562,825	\$ 119,895,257	\$ 143,473,565	\$ 191,972,313
Board's covered payroll		\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll		179.42%	168.52%	208.73%	277.34%
Plan fiduciary net position as a percentage of the total OPEB liability/asset		4.40%	4.40%	3.52%	2.41%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only nine years of data presented.

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST NINE FISCAL YEARS**

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 5,837,596	\$ 5,927,888	\$ 5,488,658	\$ 5,024,694	\$ 4,882,891
Contributions in relation to the contractually required contribution	<u>5,837,596</u>	<u>5,927,888</u>	<u>5,488,658</u>	<u>5,024,694</u>	<u>4,882,891</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 83,513,536	\$ 83,023,798	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228
Contributions as a percentage of covered payroll	6.99%	7.14%	6.89%	6.29%	6.68%

	2020	2019	2018	2017
Contractually required contribution	\$ 4,698,733	\$ 4,657,483	\$ 4,240,302	\$ 3,928,750
Contributions in relation to the contractually required contribution	<u>4,698,733</u>	<u>4,657,483</u>	<u>4,240,302</u>	<u>3,928,750</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552
Contributions as a percentage of covered payroll	6.47%	6.27%	6.05%	5.81%

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only nine years of data presented.

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST NINE FISCAL YEARS***

	2025	2024	2023	2022	2021
Board's proportion of the net OPEB liability/asset	0.41386%	0.42170%	0.42239%	0.40600%	0.42200%
Board's proportionate share of the net OPEB liability (asset)	\$ (136,268)	\$ 112,155	\$ 125,653	\$ (66,285)	\$ (207,412)
Board's covered payroll	\$ 83,023,798	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228	\$ 73,405,641
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-0.16%	0.14%	0.16%	0.09%	0.28%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	114.99%	90.61%	90.34%	105.18%	115.57%
		2020	2019	2018	2017
Board's proportion of the net OPEB liability/asset		0.43600%	0.42400%	0.42400%	0.45300%
Board's proportionate share of the net OPEB liability (asset)		\$ (187,953)	\$ (128,916)	\$ (259,436)	\$ (281,369)
Board's covered payroll		\$ 74,997,110	\$ 71,146,052	\$ 68,735,552	\$ 69,219,621
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll		0.25%	0.18%	0.38%	0.41%
Plan fiduciary net position as a percentage of the total OPEB liability/asset		113.00%	108.47%	116.23%	116.06%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only nine years of data presented.

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST NINE FISCAL YEARS**

	2025	2024	2023	2022	2021
Contractually required contribution	\$ 108,568	\$ 91,326	\$ 79,661	\$ 71,354	\$ 65,787
Contributions in relation to the contractually required contribution	<u>108,568</u>	<u>91,326</u>	<u>79,661</u>	<u>71,354</u>	<u>65,787</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 83,513,536	\$ 83,023,798	\$ 80,981,676	\$ 79,758,287	\$ 72,881,228
Contributions as a percentage of covered payroll	0.13%	0.11%	0.10%	0.09%	0.09%

	2020	2019	2018	2017
Contractually required contribution	\$ 72,623	\$ 103,995	\$ 98,123	\$ 256,876
Contributions in relation to the contractually required contribution	<u>72,623</u>	<u>103,995</u>	<u>98,123</u>	<u>256,876</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 73,405,641	\$ 74,997,110	\$ 71,146,052	\$ 68,735,552
Contributions as a percentage of covered payroll	0.10%	0.14%	0.14%	0.38%

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only nine years of data presented.



Supplementary Information
General Fund

CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Craven County:			
County appropriation	\$ 23,279,069	\$ 23,284,991	\$ 5,922
Other:			
Fines and forfeitures	650,000	807,548	157,548
Miscellaneous	4,687	54,274	49,587
Total other	654,687	861,822	207,135
Total revenues	23,933,756	24,146,813	213,057
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	6,576,721	-
Special populations	-	202,375	-
Alternative programs	-	595,432	-
School leadership	-	3,758,597	-
Co-curricular	-	1,050,469	-
School-based support	-	2,818,693	-
Total instructional services	16,919,567	15,002,287	1,917,280
System-wide support services:			
Support and development	-	1,749,065	-
Special population support and development	-	925	-
Alternative programs and services			
support and development	-	304,197	-
Technology support	-	560,604	-
Operational support	-	6,472,422	-
Financial and human resource services	-	1,933,559	-
Accountability	-	82,105	-
System-wide pupil support	-	367,469	-
Policy, leadership and public relations	-	2,291,291	-
Total system-wide support services	14,906,174	13,761,637	1,144,537

CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended June 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures: (Continued)			
Current:			
Ancillary services:			
Community	<u>7,071</u>	<u>213</u>	<u>6,858</u>
Nonprogrammed charges:			
Payments to other governments	<u>1,312,901</u>	<u>1,312,901</u>	<u>-</u>
Debt service:			
Principal retirement	<u>190,899</u>	<u>190,899</u>	<u>-</u>
Interest and fees	<u>4,972</u>	<u>4,972</u>	<u>-</u>
Total debt service	<u>195,871</u>	<u>195,871</u>	<u>-</u>
Total expenditures	<u>33,341,584</u>	<u>30,272,909</u>	<u>3,068,675</u>
Excess (deficiency) of revenues over expenditures	(9,407,828)	(6,126,096)	3,281,732
Fund balance appropriated	<u>9,407,828</u>	<u>-</u>	<u>(9,407,828)</u>
Net change in fund balance	<u>\$ -</u>	(6,126,096)	<u>\$ (6,126,096)</u>
Fund balance:			
Beginning of year		12,657,963	
Increase in reserve for inventories		<u>(7,810)</u>	
End of year		<u>\$ 6,524,057</u>	



Supplementary Information
Capital Outlay Fund

CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	\$ 580,248	\$ 580,248	\$ -
Public School Capital Fund - Needs Based Lottery	1,250,000	1,250,000	-
State Buses Appropriation	<u>350,161</u>	<u>350,161</u>	<u>-</u>
Total State of North Carolina	<u>2,180,409</u>	<u>2,180,409</u>	<u>-</u>
Craven County:			
County Appropriations	<u>2,293,539</u>	<u>2,183,539</u>	<u>(110,000)</u>
Total revenues	<u>4,473,948</u>	<u>4,363,948</u>	<u>(110,000)</u>
Expenditures:			
Debt service:			
Principal retirement	1,430,025	1,430,025	-
Interest and fees	<u>25,684</u>	<u>25,684</u>	<u>-</u>
Total debt service	<u>1,455,709</u>	<u>1,455,709</u>	<u>-</u>
Capital outlay:			
Tucker Creek expansion	-	1,324,326	-
Other real property and buildings	<u>-</u>	<u>367,806</u>	<u>-</u>
Total real property and buildings	<u>1,805,306</u>	<u>1,692,132</u>	<u>113,174</u>
Furnishings and equipment	<u>1,932,017</u>	<u>1,225,502</u>	<u>706,515</u>
Buses and motor vehicles	<u>1,880,392</u>	<u>235,218</u>	<u>1,645,174</u>
Total capital outlay	<u>5,617,715</u>	<u>3,152,852</u>	<u>2,464,863</u>
Total expenditures	<u>7,073,424</u>	<u>4,608,561</u>	<u>2,464,863</u>
Excess (deficiency) of revenues over expenditures	(2,599,476)	(244,613)	2,354,863
Other financing sources:			
Installment purchase obligations issued	1,678,430	160,206	(1,518,224)
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>1,678,430</u>	<u>160,206</u>	<u>(1,518,224)</u>
Fund balance appropriated	<u>921,046</u>	<u>-</u>	<u>(921,046)</u>
Net change in fund balance	<u>\$ -</u>	<u>(84,407)</u>	<u>\$ (84,407)</u>
Fund balance:			
Beginning of year		<u>1,039,387</u>	
End of year		<u>\$ 954,980</u>	



Supplementary Information
Enterprise Fund

CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2025

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	\$ 873,568	\$ 739,881	\$ (133,687)
Operating expenditures:			
Business support services:			
Purchase of food	-	3,348,947	-
Donated commodities	-	573,110	-
Salaries and benefits	-	4,579,878	-
Indirect costs	-	353,290	-
Materials and supplies	-	59,575	-
Repairs and maintenance	-	51,068	-
Non-capitalized equipment	-	3,427	-
Contracted services	-	58,144	-
Other	-	55,142	-
Capital outlay	-	29,558	-
Total operating expenditures	10,715,371	9,112,139	1,603,232
Operating loss	(9,841,803)	(8,372,258)	1,469,545
Nonoperating revenues:			
Federal reimbursements	6,951,804	7,466,055	514,251
Federal commodities	533,567	573,110	39,543
State reimbursements	18,750	17,198	(1,552)
Interest earned	12,500	118,344	105,844
Contributions and Donations	6,154	10,735	4,581
Total nonoperating revenues	7,522,775	8,185,442	662,667
Revenues over (under) expenditures before other financing sources	(2,319,028)	(186,816)	2,132,212
Other financing sources:			
Transfers from other funds	-	58,960	58,960
Fund balance appropriated	2,319,028	-	(2,319,028)
Net change in fund balance	\$ -	(127,856)	\$ (127,856)
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(176,521)	
Net OPEB asset		3,671	
Net pension liability		233,914	
Net OPEB liability		(735,871)	
Deferred outflows		150,069	
Deferred inflows		271,542	
Equipment purchases		29,558	
Increase in compensated absences payable		(14,195)	
Increase in inventories		774	
Change in net position (full accrual)		\$ (364,915)	



Statistical Section

STATISTICAL SECTION (Unaudited)

The Statistical Section of the District's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

Sections

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

Revenue Capacity

Since the District's local revenues are primarily provided by Craven County, these schedules on the county's revenue sources are relevant to an understanding of Craven County's most significant local revenue source, the property tax.

Debt Capacity

Since the District has no tax-levying or debt-issuing authority, the County of Craven provides significant funding to the school system. Selected fiscal data from the County of Craven has been included to help the reader better understand the school system and its financial operations.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Governmental activities</u>										
Net investment in capital assets	\$ 77,987,597	\$ 80,067,978	\$ 77,609,120	\$ 67,304,864	\$ 69,530,550	\$ 72,194,599	\$ 75,240,225	\$ 78,096,960	\$ 80,470,279	\$ 82,629,268
Restricted	4,447,883	5,358,482	4,328,619	4,867,283	2,891,833	2,311,288	2,372,643	2,463,948	4,089,163	1,748,079
Unrestricted	(161,814,337)	(143,504,235)	(141,092,488)	(161,474,726)	(185,927,756)	(195,204,896)	(196,867,281)	(202,402,543)	(16,174,218)	(16,126,195)
Total net position (deficit)	<u>\$ (79,378,857)</u>	<u>\$ (58,077,775)</u>	<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>Business-type activities</u>										
Net investment in capital assets	\$ 942,047	\$ 1,089,010	\$ 1,167,711	\$ 1,150,135	\$ 1,148,134	\$ 1,229,487	\$ 1,315,053	\$ 1,464,509	\$ 1,734,439	\$ 2,007,864
Restricted	5,038	-	-	1,554	5,051	4,594	3,131	11,237	-	-
Unrestricted	215,199	767,929	2,364,688	2,020,184	(202,919)	(446,453)	(1,525,437)	(1,703,103)	3,033,414	3,267,947
Total net position (deficit)	<u>\$ 1,162,284</u>	<u>\$ 1,856,939</u>	<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>Total primary government</u>										
Net investment in capital assets	\$ 78,929,644	\$ 81,156,988	\$ 78,776,831	\$ 68,454,999	\$ 70,678,684	\$ 73,424,086	\$ 76,555,278	\$ 79,561,469	\$ 82,204,718	\$ 84,637,132
Restricted	4,452,921	5,358,482	4,328,619	4,868,837	2,896,884	2,315,882	2,375,774	2,475,185	4,089,163	1,748,079
Unrestricted	(161,599,138)	(142,736,306)	(138,727,800)	(159,454,542)	(186,130,675)	(195,651,349)	(198,392,718)	(204,105,646)	(13,140,804)	(12,858,248)
Total net position (deficit)	<u>\$ (78,216,573)</u>	<u>\$ (56,220,836)</u>	<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>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Governmental activities</u>										
Net investment in capital assets	\$ 94,640,920	\$ 77,062,330	\$ 66,633,600	\$ 53,172,950	\$ 53,731,048	\$ 48,698,804	\$ 47,005,992	\$ 44,781,813	\$ 42,035,851	\$ 41,106,523
Restricted	51,502,075	46,050,288	34,553,842	31,832,175	29,446,747	25,134,861	15,448,708	10,796,574	11,522,651	12,286,432
Unrestricted	<u>\$ 34,868,896</u>	<u>45,370,663</u>	<u>34,366,940</u>	<u>28,047,649</u>	<u>9,433,620</u>	<u>1,260,991</u>	<u>3,642,078</u>	<u>1,530,331</u>	<u>4,940,354</u>	<u>(1,596,184)</u>
Total net position (deficit)	<u>\$ 181,011,891</u>	<u>\$ 168,483,281</u>	<u>\$ 135,554,382</u>	<u>\$ 113,052,774</u>	<u>\$ 92,611,415</u>	<u>\$ 75,094,656</u>	<u>\$ 66,096,778</u>	<u>\$ 57,108,718</u>	<u>\$ 58,498,856</u>	<u>\$ 51,796,771</u>
<u>Business-type activities</u>										
Net investment in capital assets	\$ 35,995,924	\$ 34,221,913	\$ 31,144,244	\$ 26,257,735	\$ 26,347,589	\$ 26,448,945	\$ 26,919,877	\$ 27,637,466	\$ 27,475,458	\$ 26,133,140
Unrestricted	<u>10,167,114</u>	<u>12,473,870</u>	<u>12,887,853</u>	<u>13,783,379</u>	<u>13,029,798</u>	<u>12,894,970</u>	<u>12,692,737</u>	<u>12,101,314</u>	<u>11,911,171</u>	<u>11,950,188</u>
Total net position (deficit)	<u>\$ 46,163,038</u>	<u>\$ 46,695,783</u>	<u>\$ 44,032,097</u>	<u>\$ 40,041,114</u>	<u>\$ 39,377,387</u>	<u>\$ 39,343,915</u>	<u>\$ 39,612,614</u>	<u>\$ 39,738,780</u>	<u>\$ 39,386,629</u>	<u>\$ 38,083,328</u>
<u>Total primary government</u>										
Net investment in capital assets	\$ 130,636,844	\$ 111,284,243	\$ 97,777,844	\$ 79,430,685	\$ 80,078,637	\$ 75,147,749	\$ 73,925,869	\$ 72,419,279	\$ 69,511,309	\$ 67,239,663
Restricted	51,502,075	46,050,288	34,553,842	31,832,175	29,446,747	25,134,861	15,448,708	10,796,574	11,522,651	12,286,432
Unrestricted	<u>45,036,010</u>	<u>57,844,533</u>	<u>47,254,793</u>	<u>41,831,028</u>	<u>22,463,418</u>	<u>14,155,961</u>	<u>16,334,815</u>	<u>13,631,645</u>	<u>16,851,525</u>	<u>10,354,004</u>
Total net position (deficit)	<u>\$ 227,174,929</u>	<u>\$ 215,179,064</u>	<u>\$ 179,586,479</u>	<u>\$ 153,093,888</u>	<u>\$ 131,988,802</u>	<u>\$ 114,438,571</u>	<u>\$ 105,709,392</u>	<u>\$ 96,847,498</u>	<u>\$ 97,885,485</u>	<u>\$ 89,880,099</u>

Source: Craven County, Finance Department

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Functions/Programs										
Expenses										
Governmental activities										
Instructional programs	\$ 121,933,805	\$ 115,226,924	\$ 98,777,553	\$ 98,430,514	\$ 100,038,656	\$ 98,712,443	\$ 96,322,859	\$ 100,957,478	\$ 94,217,033	\$ 88,297,103
Supporting services	34,033,895	38,531,983	29,300,075	28,417,270	26,828,062	26,992,121	30,108,645	24,488,205	21,970,529	21,259,473
Ancillary services	412,881	162,370	200,439	547,031	711,073	831,929	726,799	240,360	245,612	278,005
Non-programmed charges	1,312,901	548,998	394,520	498,146	608,215	461,080	440,666	597,677	338,416	294,805
Interest on long-term debt	30,656	21,001	63,098	44,805	-	-	-	-	-	-
Unallocated depreciation/amortization	469,265	187,671	2,879,046	3,738,761	3,322,005	3,050,708	3,319,648	3,540,884	3,317,895	3,155,378
Total governmental activities	158,193,403	154,678,947	131,614,731	131,676,527	131,508,011	130,048,281	130,918,617	129,824,604	120,089,485	113,284,764
Business-type activities										
School food services	9,349,198	11,309,179	9,250,652	8,350,348	6,972,235	8,539,697	6,653,096	7,094,143	7,161,120	7,357,105
Total business-type activities	9,349,198	11,309,179	9,250,652	8,350,348	6,972,235	8,539,697	6,653,096	7,094,143	7,161,120	7,357,105
Total board of education expenses	\$ 167,542,601	\$ 165,988,126	\$ 140,865,383	\$ 140,026,875	\$ 138,480,246	\$ 138,587,978	\$ 137,571,713	\$ 136,918,747	\$ 127,250,605	\$ 120,641,869
Program Revenues										
Governmental activities										
Charges for services										
Instructional programs	\$ 2,712,129	\$ 2,873,980	\$ 2,624,921	\$ 2,045,695	\$ 989,004	\$ 2,544,691	\$ 2,937,012	\$ 3,083,562	\$ 3,143,322	\$ 3,372,377
Supporting services	755,179	807,797	24,463	18,618	8,481	21,913	44,752	401,733	339,539	644,424
Operating grants and contributions										
Instructional programs	101,099,196	102,452,278	95,858,551	95,858,551	88,619,059	82,369,867	83,593,958	81,289,315	78,839,012	78,007,328
Supporting services	12,641,410	21,968,830	31,832,727	25,045,782	15,398,952	13,494,558	12,322,355	10,398,512	9,758,952	8,097,682
Ancillary services	378,788	-	84,345	379,866	488,537	561,997	518,464	56,224	68,096	53,960
Non-programmed charges	316,579	358,515	577,171	493,613	182,977	215,308	251,110	151,881	126,684	2,089
Interest on long-term debt	-	-	22,653	16,325	-	-	-	-	-	-
Capital grants and contributions										
Supporting services	2,180,409	1,254,475	1,377,640	994,285	1,129,519	789,335	1,002,609	1,101,722	1,160,786	554,886
Total governmental activities										
program revenues	120,083,690	129,715,875	132,402,471	124,852,735	106,816,529	99,997,669	100,670,260	96,482,949	93,436,391	90,732,746
Business-type activities										
Charges for services										
School food services	739,881	778,256	996,417	274,703	31,727	839,960	855,347	1,342,329	1,283,273	1,433,104
Operating grants and contributions										
School food services	8,056,363	8,687,357	8,497,451	10,227,111	6,950,790	8,397,116	5,704,246	4,900,670	5,247,089	5,013,316
Total business-type activities										
program revenues	8,796,244	9,465,613	9,493,868	10,501,814	6,982,517	9,237,076	6,559,593	6,242,999	6,530,362	6,446,420
Total board of education program revenues	\$ 128,879,934	\$ 139,181,488	\$ 141,896,339	\$ 135,354,549	\$ 113,799,046	\$ 109,234,745	\$ 107,229,853	\$ 102,725,948	\$ 99,966,753	\$ 97,179,166
Net (expense) revenue										
Governmental activities	\$ (38,109,713)	\$ (24,963,072)	\$ 787,740	\$ (6,823,792)	\$ (24,691,482)	\$ (30,050,612)	\$ (30,248,357)	\$ (33,341,655)	\$ (26,653,094)	\$ (22,552,018)
Business-type activities	(552,954)	(1,843,566)	243,216	2,151,466	10,282	697,379	(93,503)	(851,144)	(630,758)	(910,685)
Total board of education net (expense) revenue	\$ (38,662,667)	\$ (26,806,638)	\$ 1,030,956	\$ (4,672,326)	\$ (24,681,200)	\$ (29,353,233)	\$ (30,341,860)	\$ (34,192,799)	\$ (27,283,852)	\$ (23,462,703)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (expense) revenue										
Governmental activities	\$ (38,109,713)	\$ (24,963,072)	\$ 787,740	\$ (6,823,792)	\$ (24,691,482)	\$ (30,050,612)	\$ (30,248,357)	\$ (33,341,655)	\$ (26,653,094)	\$ (22,552,018)
Business-type activities	(552,954)	(1,843,566)	243,216	2,151,466	10,282	697,379	(93,503)	(851,144)	(630,758)	(910,685)
Total board of education net (expense) revenue	<u>\$ (38,662,667)</u>	<u>\$ (26,806,638)</u>	<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>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Unrestricted county appropriation - operating	\$ 23,284,991	\$ 22,004,991	\$ 22,004,991	\$ 22,068,879	\$ 22,021,335	\$ 22,022,229	\$ 21,211,289	\$ 20,930,469	\$ 21,828,486	\$ 20,785,208
Unrestricted county appropriation - capital	2,183,539	1,600,241	2,002,453	2,084,557	1,871,772	2,202,924	1,728,959	1,958,056	1,095,180	1,146,375
Unrestricted state and federal appropriation - operating	2,855,721	2,054,508	3,069,775	2,712,259	3,459,096	3,296,749	2,485,251	2,244,811	2,969,902	2,688,410
Unrestricted state appropriation - capital	-	-	-	-	-	-	6,133,418	-	-	-
Interest earnings - unrestricted	616,300	528,998	288,136	14,675	27,726	114,904	114,658	82,859	40,752	19,733
Miscellaneous - unrestricted	1,959,169	1,563,669	1,200,880	1,177,316	1,358,957	1,085,836	1,162,004	1,206,089	902,484	1,074,840
Insurance proceeds	-	-	76,586	60,000	1,176,939	69,418	-	-	-	-
State OPEB contribution - non-capital	-	-	717,269	741,296	1,969,293	-	-	-	-	-
Transfers	(58,960)	(56,830)	-	-	-	(186,044)	-	(56,224)	(49,638)	(48,468)
Total governmental activities	<u>30,840,760</u>	<u>27,695,577</u>	<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>Business-type activities</u>										
Unrestricted state and federal appropriation - capital	-	-	-	-	77,570	17,615	-	-	-	-
Interest earnings - unrestricted	118,344	104,542	47,104	3,972	12,387	44,008	41,362	34,038	32,707	19,023
Miscellaneous - unrestricted	10,735	6,734	50,471	47,333	15,043	49,835	72,245	19,725	40,455	35,929
State OPEB contribution - non-capital	-	-	19,735	18,836	47,356	-	-	-	-	-
Transfers	58,960	56,830	-	-	-	186,044	-	56,224	49,638	48,468
Total business-type activities	<u>188,039</u>	<u>168,106</u>	<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>
Total board of education	<u>\$ 31,028,799</u>	<u>\$ 27,863,683</u>	<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>
Change in net position (deficit)										
Governmental activities	\$ (7,268,953)	\$ 2,732,505	\$ 30,147,830	\$ 22,035,190	\$ 7,193,636	\$ (1,444,596)	\$ 2,587,222	\$ (6,975,595)	\$ 134,072	\$ 3,114,080
Business-type activities	(364,915)	(1,675,460)	360,526	2,221,607	162,638	994,881	20,104	(741,157)	(507,958)	(807,265)
Total changes in net position (deficit)	<u>\$ (7,633,868)</u>	<u>\$ 1,057,045</u>	<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>

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Functions/Programs										
Expenses										
<u>Governmental activities</u>										
General government	\$ 16,975,025	\$ 16,956,802	\$ 18,237,517	\$ 15,288,066	\$ 14,737,395	\$ 13,026,648	\$ 17,072,762	\$ 11,077,893	\$ 9,925,453	\$ 10,086,514
Public safety	34,833,131	33,773,575	31,157,647	29,899,762	29,041,862	23,546,188	23,323,223	21,947,336	20,980,588	19,458,091
Social services	27,103,867	25,982,081	25,188,055	21,770,369	21,217,884	19,946,669	21,170,095	19,157,572	22,760,861	22,231,898
Economic and physical development	4,772,981	5,534,912	4,954,213	4,596,491	4,701,754	4,150,209	3,786,002	2,958,118	4,389,590	4,349,446
Environmental protection	8,802,106	9,055,929	8,138,308	7,389,226	7,259,522	8,048,976	6,370,235	4,950,380	4,608,929	4,998,475
Health	14,512,986	14,266,579	12,778,206	11,099,143	11,306,997	10,605,442	10,508,893	9,404,146	8,626,160	8,338,343
Cultural and recreation	4,837,686	2,280,749	3,813,906	3,242,162	2,700,856	2,871,967	3,346,603	2,675,892	2,535,497	2,403,064
Education	33,710,054	30,560,310	31,821,071	29,422,557	28,777,523	28,571,621	27,166,990	27,018,838	27,005,640	26,313,562
Interest on long term debt	641,857	713,378	902,565	1,119,654	1,256,730	1,347,956	1,152,829	1,550,637	1,803,760	2,105,628
Total governmental activities	<u>146,189,693</u>	<u>139,124,315</u>	<u>136,991,488</u>	<u>123,827,430</u>	<u>121,000,523</u>	<u>112,115,676</u>	<u>113,897,632</u>	<u>100,740,812</u>	<u>102,636,478</u>	<u>100,285,021</u>
<u>Business-type activities</u>										
Water	5,542,193	5,188,684	5,021,897	4,313,497	4,201,885	4,089,249	4,090,859	3,338,714	2,667,016	2,489,876
Total primary government expenses	<u>\$ 151,731,886</u>	<u>\$ 144,312,999</u>	<u>\$ 142,013,385</u>	<u>\$ 128,140,927</u>	<u>\$ 125,202,408</u>	<u>\$ 116,204,925</u>	<u>\$ 117,988,491</u>	<u>\$ 104,079,526</u>	<u>\$ 105,303,494</u>	<u>\$ 102,774,897</u>
Program Revenues										
<u>Governmental activities</u>										
<u>Charges for services</u>										
General government	\$ 3,335,833	\$ 3,158,447	\$ 2,272,274	\$ 2,274,794	\$ 1,978,362	\$ 1,380,174	\$ 3,139,033	\$ 3,836,181	\$ 4,141,074	\$ 3,170,663
Public safety	4,034,462	3,858,894	3,690,874	3,463,365	3,544,044	3,438,127	4,996,889	3,057,836	3,316,974	3,190,889
Social services	785,555	773,616	643,149	546,446	409,522	760,964	2,520,085	595,252	559,026	630,752
Economic and physical development	68,624	60,677	61,765	57,193	50,225	51,230	216,037	1,159,464	1,101,404	1,052,562
Environmental protection	4,598,196	3,945,572	3,962,168	3,871,355	3,934,623	3,749,983	2,956,075	2,670,966	2,405,043	2,432,969
Health	6,041,977	6,363,794	5,104,214	4,863,155	5,223,450	4,813,630	5,360,985	5,663,594	5,463,003	5,652,030
Cultural and recreation	993,400	1,021,470	1,004,815	676,270	235,893	371,788	324,505	59,372	61,401	66,145
<u>Operating grants and contributions:</u>										
General government	6,737,053	5,802,819	19,907,811	6,622,662	10,241,514	6,671,023	3,894,897	1,929,566	2,166,871	2,122,023
Public safety	2,842,132	2,665,172	2,005,871	3,999,066	3,738,942	1,155,417	1,762,796	489,762	678,254	651,546
Social services	14,403,996	13,474,551	15,430,915	13,533,733	12,910,778	12,240,723	11,973,191	11,768,753	15,321,889	15,798,488
Economic and physical development	3,968,009	2,520,697	44,718	172,298	1,598,984	657,792	656,696	630,177	1,346,255	1,252,208
Environmental protection	570,538	279,540	138,542	153,260	159,586	227,652	149,568	202,131	158,668	158,994
Health	6,918,841	5,726,661	6,640,060	6,474,842	7,656,387	4,336,161	3,896,287	2,858,004	2,378,208	2,185,702
Cultural and recreation	86,448	93,806	86,500	165,500	63,819	22,000	42,000	-	313,000	563,280
Education	-	-	-	1,965,721	-	-	-	944,400	-	-
<u>Capital grants and contributions:</u>										
General government	-	3,733,998	590,426	675,576	-	-	-	-	-	-
Social services	627,302	134,684	27,985	756	209,441	154,899	154,529	138,417	-	120,012
Economic and physical development	-	-	4,675,295	646,406	-	-	-	515,000	-	-
Education	2,954,428	1,563,395	1,648,160	880,500	1,219,700	1,029,300	981,500	-	842,910	1,083,080
Total governmental activities	<u>58,966,794</u>	<u>55,177,793</u>	<u>67,935,542</u>	<u>51,042,898</u>	<u>53,175,270</u>	<u>41,060,863</u>	<u>43,025,073</u>	<u>36,518,875</u>	<u>40,253,980</u>	<u>40,131,343</u>
<u>Business-type activities:</u>										
Charge for services - Water	\$ 5,109,581	\$ 4,878,611	\$ 4,363,172	\$ 4,464,707	\$ 4,290,039	\$ 3,788,451	\$ 3,849,791	\$ 3,945,311	\$ 3,936,307	\$ 3,803,643
Capital grants and contributions - Water	-	750,884	-	-	62,864	-	-	-	-	-
Total business-type activities	<u>5,109,581</u>	<u>5,629,495</u>	<u>4,363,172</u>	<u>4,464,707</u>	<u>4,352,903</u>	<u>3,788,451</u>	<u>3,849,791</u>	<u>3,945,311</u>	<u>3,936,307</u>	<u>3,803,643</u>
Total primary government program revenues	<u>\$ 64,076,375</u>	<u>\$ 60,807,288</u>	<u>\$ 72,298,714</u>	<u>\$ 55,507,605</u>	<u>\$ 57,528,173</u>	<u>\$ 44,849,314</u>	<u>\$ 46,874,864</u>	<u>\$ 40,464,186</u>	<u>\$ 44,190,287</u>	<u>\$ 43,934,986</u>
Net (expense) revenue										
Governmental activities	\$ (87,222,899)	\$ (83,946,522)	\$ (69,055,946)	\$ (72,784,532)	\$ (67,825,253)	\$ (71,054,813)	\$ (70,872,559)	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)
Business-type activities	(432,612)	440,811	(658,725)	151,210	151,018	(300,798)	(241,068)	606,597	1,269,291	1,313,767
Total primary government net (expense) revenue	<u>\$ (87,655,511)</u>	<u>\$ (83,505,711)</u>	<u>\$ (69,714,671)</u>	<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>

Source: Craven County Finance Department

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (expense) revenue										
Governmental activities	\$ (87,222,899)	\$ (83,946,522)	\$ (69,055,946)	\$ (72,784,532)	\$ (67,825,253)	\$ (71,054,813)	\$ (70,872,559)	\$ (64,221,937)	\$ (62,382,498)	\$ (60,153,678)
Business-type activities	(432,612)	440,811	(658,725)	151,210	151,018	(300,798)	(241,068)	606,597	1,269,291	1,313,767
Total primary government net (expense) revenue	<u>\$ (87,655,511)</u>	<u>\$ (83,505,711)</u>	<u>\$ (69,714,671)</u>	<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>
General revenues and other changes in net position										
<u>Governmental activities</u>										
Property taxes	\$ 67,659,817	\$ 66,835,217	\$ 61,606,085	\$ 59,946,931	\$ 57,394,807	\$ 55,119,160	\$ 54,063,292	\$ 52,594,856	\$ 51,783,504	\$ 49,058,073
Local option sales tax	27,417,524	27,677,519	27,170,396	25,160,570	22,920,189	19,828,653	19,290,881	16,897,507	16,097,112	15,112,475
Other taxes and licenses	4,353,621	4,067,771	4,286,567	4,698,756	3,455,991	2,817,033	1,758,121	1,075,286	1,077,699	1,065,391
Investment earnings	4,125,895	4,788,726	2,357,868	(63,708)	12,964	879,774	1,091,545	634,968	305,406	154,860
Miscellaneous	1,103,346	1,387,586	660,934	3,978,747	1,347,390	1,278,071	3,526,780	454,249	564,447	471,964
Transfers	191,134	(2,005,161)	(4,524,295)	(495,406)	130,000	130,000	130,000	313,222	130,000	105,000
Total governmental activities	<u>104,851,337</u>	<u>102,751,658</u>	<u>91,557,555</u>	<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>
Business-type activities:										
Investment earnings	258,610	217,714	125,413	17,111	12,454	101,051	135,443	58,652	23,151	19,192
Miscellaneous	-	-	-	-	-	61,048	109,459	112,402	140,859	449,015
Transfers	(191,134)	2,005,161	4,524,295	495,406	(130,000)	(130,000)	(130,000)	(313,222)	(130,000)	(105,000)
Total business-type activities	<u>67,476</u>	<u>2,222,875</u>	<u>4,649,708</u>	<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>
Total primary government	<u>\$ 104,918,813</u>	<u>\$ 104,974,533</u>	<u>\$ 96,207,263</u>	<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>Change in Net Position</u>										
Governmental activities	\$ 17,628,438	\$ 18,805,136	\$ 22,501,609	\$ 20,441,358	\$ 17,436,088	\$ 8,997,878	\$ 8,988,060	\$ 7,748,151	\$ 7,575,670	\$ 5,814,085
Business-type activities	(365,136)	2,663,686	3,990,983	663,727	33,472	(268,699)	(126,166)	464,429	1,303,301	1,676,974
Total primary government	<u>\$ 17,263,302</u>	<u>\$ 21,468,822</u>	<u>\$ 26,492,592</u>	<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>

Source: Craven County Finance Department

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2015
General Fund										
Nondisposable	\$ 402,965	\$ 410,775	\$ 387,825	\$ 430,950	\$ 510,659	\$ 228,778	\$ 219,463	\$ 168,899	\$ 204,773	\$ 278,684
Restricted	194,916	46,994	941,039	1,195,379	829,872	498,572	477,157	226,818	2,196,530	214,920
Assigned	5,280,996	8,831,604	5,549,992	2,032,864	1,458,770	1,716,370	546,075	780,025	900,615	945,045
Unassigned	645,180	3,368,590	10,960,739	13,690,668	9,217,206	5,985,191	5,464,110	6,371,977	4,348,280	2,398,392
Total General Fund	<u>\$ 6,524,057</u>	<u>\$ 12,657,963</u>	<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>
All Other Governmental Funds										
Restricted										
Individual Schools Fund	\$ 1,192,692	\$ 1,065,594	\$ 996,988	\$ 1,088,139	\$ 984,091	\$ 961,800	\$ 1,007,886	\$ 959,465	\$ 956,303	\$ 915,671
Other Local Current Expense Fund	1,923,372	3,206,507	1,280,219	1,466,160	121,079	145,498	295,320	-	-	-
Capital Outlay Fund	954,980	1,039,387	1,110,373	1,052,874	754,430	522,059	466,495	434,709	543,311	442,105
Assigned										
Other Local Current Expense Fund	5,826,690	5,412,975	4,661,459	4,189,884	4,571,851	3,710,702	3,024,155	3,406,376	2,648,432	2,296,401
Total Other Governmental Funds	<u>\$ 9,897,734</u>	<u>\$ 10,724,463</u>	<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>

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

General Fund	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Nonspendable										
Stabilization by state statute	\$ 1,767,559	\$ 56,205	\$ 28,093	\$ 33,891	\$ 21,711	\$ 73,681	\$ 40,680	\$ 34,582	\$ 82,500	\$ -
Leases	1,094	1,741	2,481	181	-	-	-	-	-	-
Restricted										
Stabilization by state statute	14,666,738	14,916,624	11,913,799	15,518,429	16,471,264	12,415,614	9,666,695	7,681,300	7,866,740	8,690,228
Public Safety	99,004	99,004	64,379	43,368	18,028	41,029	24,585	36,076	56,262	81,761
Assigned										
Subsequent year's expenditures	681,267	3,921	249,493	3,731	424,561	1,416,294	-	-	-	79,872
Unassigned	52,150,779	50,456,258	52,870,852	44,004,435	33,162,510	25,350,019	-	29,358,798	27,936,364	24,262,888
Total General Fund	\$ 69,366,441	\$ 65,533,753	\$ 65,129,097	\$ 59,604,035	\$ 50,098,074	\$ 39,296,637	\$ 9,731,960	\$ 37,110,756	\$ 35,941,866	\$ 33,114,749
All Other Governmental Funds										
Restricted										
Stabilization by state statute	\$ 23,565	\$ 11,664	\$ 33,862	\$ 5,757	\$ 2,490,112	\$ 163,893	\$ 350,349	\$ 246,658	\$ 350,482	\$ 1,102,191
General Government	1,027,050	3,336,729	4,113,310	1,425,806	941,549	2,107,453	913,772	527,388	-	-
Human Services	182,696	202,615	205,243	186,989	140,366	-	-	-	-	-
Opioid Settlement	4,283,627	3,302,452	-	-	-	-	-	-	-	-
Public Schools	2,632,378	2,534,065	2,367,542	2,457,840	4,836,189	1,874,198	1,518,914	431,771	160,891	448,646
Public Safety	3,910,679	3,129,066	3,355,681	2,742,889	2,204,704	6,171,089	1,328,278	1,188,720	1,463,892	759,385
Economic and Physical Development	24,553,952	18,385,939	12,286,464	9,451,097	2,361,658	2,361,585	1,646,115	1,212,049	1,541,884	1,204,220
Committed										
Capital projects	10,069,834	18,433,096	14,747,955	12,084,072	9,818,385	9,351,742	9,896,332	10,570,948	9,396,089	8,974,443
Unassigned	(192,479)	(249,675)	(43,637)	(37,504)	(2,680,122)	(378,722)	(240,400)	(149,490)	(136,611)	(47,561)
Total Other Governmental Funds	\$ 46,491,302	\$ 49,085,951	\$ 37,066,420	\$ 28,316,946	\$ 20,112,841	\$ 21,651,238	\$ 15,413,360	\$ 14,028,044	\$ 12,776,627	\$ 12,441,324

Source: Craven County Finance Department

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
U.S. Government	\$ 12,715,627	\$ 28,213,084	\$ 34,879,978	\$ 31,855,953	\$ 20,263,384	\$ 12,580,661	\$ 11,670,957	\$ 9,783,743	\$ 10,919,416	\$ 10,922,366
State of North Carolina	104,692,873	98,026,584	96,001,092	92,862,582	87,239,141	86,796,410	93,751,392	84,237,299	81,769,230	78,506,354
Craven County	25,468,530	23,605,232	24,007,444	24,153,436	23,893,107	24,225,153	22,940,248	22,888,525	22,923,666	21,931,583
Other local revenues	8,776,249	8,353,105	6,787,844	6,756,397	4,342,760	5,367,396	5,415,985	6,158,477	4,802,457	5,230,962
Total revenues	<u>151,653,279</u>	<u>158,198,005</u>	<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>
Expenditures										
Instructional programs	119,179,534	117,017,266	113,600,186	114,482,337	102,864,260	98,131,085	101,829,670	96,432,550	92,419,448	92,381,031
Support services	32,681,173	39,183,688	41,796,731	29,489,562	25,333,069	23,968,804	28,614,996	21,898,728	20,839,242	20,817,592
Ancillary services	412,731	168,065	233,315	604,568	729,506	828,180	758,190	227,098	239,229	283,963
Non-programmed charges	1,629,480	907,513	1,102,172	1,048,489	791,192	706,389	713,409	760,490	479,990	438,758
Debt service:										
Principal retirement	1,620,924	1,764,605	2,528,749	2,276,228	1,129,519	789,335	1,002,609	1,068,510	1,061,143	516,984
Interest and fees	30,656	21,001	63,098	44,805	-	-	-	-	-	-
Capital outlay	3,152,852	6,175,075	2,247,521	2,036,019	3,202,034	2,170,207	2,499,035	3,386,013	2,744,963	1,577,755
Total Expenditures	<u>158,707,350</u>	<u>165,237,213</u>	<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>
Excess of revenues over (under) expenditures	<u>(7,054,071)</u>	<u>(7,039,208)</u>	<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>
Other Financing Sources (Uses)										
Transfers from (to) other funds	(58,960)	(56,830)	-	-	-	(186,044)	-	(56,224)	(49,638)	(48,468)
Installment purchase obligations issued	160,206	4,566,880	507,669	862,578	1,176,939	-	741,155	1,311,594	1,725,910	580,589
Insurance proceeds	-	-	76,586	60,000	1,531,356	69,418	-	-	-	-
Lease/subscription liabilities issued	-	-	96,000	209,731	-	-	-	-	-	-
Total other financing sources (uses)	<u>101,246</u>	<u>4,510,050</u>	<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>
Change in reserve for inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,881</u>	<u>9,315</u>	<u>50,564</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (6,952,825)</u>	<u>\$ (2,529,158)</u>	<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>
Debt service as a percentage of noncapital expenditures	1.056%	1.128%	1.741%	1.564%	0.856%	0.625%	0.746%	0.888%	0.922%	0.452%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Taxes:										
Property	\$ 67,661,633	\$ 66,599,438	\$ 61,523,018	\$ 59,866,003	\$ 57,822,448	\$ 54,957,950	\$ 54,118,386	\$ 52,668,757	\$ 51,917,034	\$ 49,134,422
Sales	27,417,524	27,677,519	27,170,396	25,160,570	22,920,189	19,828,653	19,290,881	16,897,507	16,097,112	15,112,475
Other	2,569,194	2,396,376	2,415,605	2,249,242	1,597,678	1,605,717	1,758,121	1,075,286	1,077,699	1,065,391
Total taxes	97,648,351	96,673,333	91,109,019	87,275,815	82,340,315	76,392,320	75,167,388	70,641,550	69,091,845	65,312,288
Intergovernmental	40,615,087	38,585,146	51,728,139	35,827,492	38,121,915	26,494,967	23,511,297	19,476,210	23,209,055	23,935,338
Charges for Services	20,770,357	20,381,629	17,949,560	17,629,177	16,896,108	15,711,402	13,495,640	17,191,527	17,181,291	16,333,950
Interest	4,028,973	4,710,773	2,357,868	(63,708)	12,964	879,774	1,117,519	630,042	297,665	148,453
Miscellaneous	1,130,461	1,393,190	766,729	4,002,009	1,371,174	1,278,072	3,339,425	934,418	1,009,671	979,965
Total Revenues	164,193,229	161,744,071	163,911,315	144,670,785	138,742,476	120,756,535	116,631,269	108,873,747	110,789,527	106,709,994
Expenditures										
General Government	24,102,070	24,507,945	24,371,287	16,606,583	18,918,417	14,538,888	15,831,603	12,297,021	10,435,517	10,213,411
Public Safety	32,829,545	30,715,887	29,459,298	28,192,022	26,621,964	22,268,324	21,161,542	19,927,529	19,282,826	17,892,625
Environmental Protection	8,947,457	8,865,464	8,094,358	7,347,292	7,241,021	7,655,428	6,042,356	5,473,167	5,357,128	5,079,891
Economic Development	8,369,193	5,168,638	4,277,154	3,868,787	7,194,853	12,429,224	3,499,091	3,054,020	3,849,000	3,950,990
Health	14,238,089	13,039,606	12,381,451	10,534,453	10,616,068	10,312,247	9,437,637	9,009,776	8,235,214	8,379,656
Social Services (2)	32,512,265	27,440,764	25,660,561	20,841,760	19,937,154	19,120,635	19,023,190	19,118,866	22,309,579	22,305,810
Culture and Recreation	4,317,565	4,078,685	3,432,789	3,045,225	3,173,640	3,004,223	3,185,110	2,688,417	2,919,651	3,028,748
Education	33,710,054	30,560,310	31,821,071	29,422,557	28,777,523	28,571,621	27,166,990	27,018,838	27,005,640	26,108,710
Debt Service:										
Principal	3,814,281	3,891,114	5,218,100	6,286,945	6,400,150	5,914,300	6,845,855	7,021,300	6,891,300	6,816,300
Interest	320,416	392,081	501,661	638,514	776,440	809,936	953,550	1,157,728	1,471,252	1,720,571
Bond Issuance Cost	-	-	-	-	-	-	36,100	-	-	-
Total Expenditures	163,160,935	148,660,494	145,217,730	126,784,138	129,657,230	124,624,826	113,183,024	106,766,662	107,757,107	105,496,712
Excess of revenues over (under) expenditures	1,032,294	13,083,577	18,693,585	17,886,647	9,085,246	(3,868,291)	3,448,245	2,107,085	3,032,420	1,213,282
Other Financing Sources (Uses)										
Lease proceeds	64,609	279,584	155,246	385,949	-	-	-	-	-	-
Transfers in	15,951,609	17,428,974	27,889,773	15,459,219	7,794,375	10,752,856	7,503,106	9,122,508	7,855,332	6,425,300
Transfers out	(15,810,475)	(19,484,135)	(32,464,068)	(16,004,625)	(7,714,375)	(10,652,079)	(7,413,106)	(8,809,286)	(7,725,332)	(6,320,300)
Bonds issued	-	-	-	-	-	-	8,335,000.00	-	-	-
Refunding bonds issued	-	-	-	-	-	-	(8,296,656.00)	-	-	-
Proceeds from installment note/COPS	-	-	-	-	-	10,000,000.00	-	-	-	-
Total other financing sources (uses)	205,743	(1,775,577)	(4,419,049)	(159,457)	80,000	10,100,777	128,344	313,222	130,000	105,000
Net change in fund balances	\$ 1,238,037	\$ 11,308,000	\$ 14,274,536	\$ 17,727,190	\$ 9,165,246	\$ 6,232,486	\$ 3,576,589	\$ 2,420,307	\$ 3,162,420	\$ 1,318,282
Debt service as a percentage of noncapital expenditures	2.93%	3.25%	4.38%	5.65%	6.02%	6.03%	7.11%	8.02%	7.98%	8.28%

Source: Craven County Finance Department

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
2025	104,692,873	25,468,530	12,715,627	6,064,120	\$ 148,941,150
2024	98,026,584	23,605,232	28,213,084	5,479,125	155,324,025
2023	96,001,092	24,007,444	34,879,978	4,742,149	159,630,663
2022	92,862,582	24,153,436	31,855,953	5,767,393	154,639,364
2021	87,239,141	23,893,107	20,263,384	1,405,748	132,801,380
2020	86,796,410	24,225,153	12,580,661	2,295,149	125,897,373
2019	93,751,392	22,940,248	11,670,957	1,675,119	130,037,716
2018	84,237,299	22,888,525	9,783,743	1,872,302	118,781,869
2017	81,769,230	22,923,666	10,919,416	1,825,262	117,437,574
2016	78,506,354	21,931,583	10,922,366	1,661,949	113,022,252

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
2025	11,838	10,300 121,933,805	2,875 34,033,895	35 412,881	111 1,312,901	389 4,608,561	790 9,349,198	42 499,921	14,542 172,151,162
2024	12,378	9,474 115,226,924	3,168 38,531,983	13 162,370	45 548,998	618 7,519,455	930 11,309,179	17 208,672	17,497 216,632,277
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	12,762 156,717,406
2022	12,280	8,178 102,051,079	2,401 25,333,069	49 604,568	85 1,048,489	166 2,036,019	680 8,350,348	189 2,321,033	11,236 140,208,634
2021	12,478	7,312 95,811,438	1,829 23,968,804	58 729,506	63 791,192	257 3,202,034	559 6,972,235	91 1,129,519	10,135 132,814,050
2020	13,104	7,445 99,235,452	2,147 28,614,996	57 758,190	54 706,389	166 2,170,207	652 8,539,697	60 789,335	10,464 139,479,787
2019	13,329	6,856 93,683,774	1,603 21,898,728	17 227,098	56 760,490	187 2,499,035	499 6,656,096	75 1,002,609	9,376 128,118,756
2018	13,665	6,470 89,670,672	1,504 20,839,242	17 239,229	35 479,990	248 3,386,013	519 7,094,143	78 1,068,510	8,816 122,196,359
2017	13,860	6,402 89,659,680	1,487 20,817,592	20 283,963	31 438,758	198 2,744,963	517 7,161,120	77 1,061,143	8,616 120,651,837
2016	14,004	6,533 90,523,497	1,553 21,518,556	21 289,286	28 385,175	113 1,577,755	525 7,357,105	37 516,984	8,813 122,116,452

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
2025	\$ 3,423,977	\$ 80,244	\$ -	\$ 3,504,221	\$ 296
2024	4,693,796	271,143	17,024	2,162,664	178
2023	1,465,875	679,765	-	3,748,296	175
2022	2,673,266	1,075,030	-	1,066,019	303
2021	1,066,019	-	-	664,182	87
2020	664,182	-	-	1,453,517	53
2019	1,453,517	-	-	1,714,971	111
2018	1,714,971	-	-	1,471,887	129
2017	1,471,887	-	-	807,120	108
2016	807,120	-	-	743,515	58

Source: Craven County Schools Finance Office

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 no 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)					
2025	\$ 8,767,584,662	\$ 2,579,488,670	\$ 72,268,850	\$ 159,174,675	\$ 2,745,997,820	\$ 256,806,667	\$ 14,581,321,344	0.4448	\$ 17,897,779,973
2024 (5)	8,615,989,137	2,517,865,678	64,803,380	162,072,728	2,560,602,961	242,618,048	14,163,951,932	0.4448	17,385,481,689
2023	5,788,240,270	2,263,456,720	49,402,300	134,191,573	2,075,979,231	194,660,292	10,505,930,386	0.5600	13,665,362,105
2022	5,481,813,881	2,242,623,400	48,809,700	135,172,223	2,148,572,925	187,139,127	10,244,131,256	0.5600	13,324,832,539
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

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.

(5) Reassessment was performed on January 1, 2023, and was the basis for fiscal year 2024 taxes. The next reassessment will occur on January 1, 2028.

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									
	2025	2024 (1)	2023	2022	2021	2020	2019	2018	2017	2016
Craven County	\$.4448	\$.4448	\$.5600	\$.5600	\$.5494	\$.5494	\$.5394	\$.5394	\$.5394	\$.4675
<u>Municipality Rates:</u>										
Bridgeton	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000	.5000
Cove City	.3600	.2200	.2700	.2700	.2700	.2700	.2700	.2678	.2678	.2500
Dover	.3300	.3100	.2900	.2900	.3500	.3500	.3500	.3500	.3500	.3000
Havelock	.7100	.6800	.5900	.5900	.5900	.5900	.5900	.5900	.5900	.5100
New Bern	.3900	.3800	.4822	.4822	.4822	.4822	.4600	.4600	.4600	.4100
River Bend	.2400	.2400	.2600	.2600	.2600	.2600	.2400	.2900	.3105	.2650
Trent Woods	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700
Vanceboro	.4000	.4000	.5300	.5300	.5300	.5300	.5300	.5300	.5300	.4600
<u>Fire Districts:</u>										
Rhems	.0250	.0250	.0350	.0350	.0400	.0400	.0400	.0457	.0457	.0389
Township #1	.0200	.0200	.0250	.0250	.0269	.0269	.0269	.0269	.0269	.0250
Tri Community	.0375	.0375	.0500	.0500	.0555	.0555	.0555	.0555	.0658	.0527
Little Swift Creek	.0500	.0500	.0650	.0650	.0650	.0650	.0700	.0700	.0700	.0549
Township #3	.0650	.0650	.0900	.0900	.0900	.0900	.0861	.0861	.0861	.0774
Township #5	.0541	.0541	.0653	.0653	.0653	.0653	.0653	.0653	.0653	.0553
Township #6	.0380	.0380	.0450	.0450	.0500	.0500	.0500	.0586	.0586	.0520
Township #7	.0200	.0200	.0250	.0250	.0250	.0250	.0250	.0272	.0216	.0190
West New Bern	.0281	.0281	.0375	.0375	.0391	.0391	.0391	.0457	.0391	.0349
Township #9	.0425	.0425	.0600	.0600	.0746	.0746	.0746	.0746	.0746	.0682
Sandy Point	.0375	.0375	.0500	.0500	.0672	.0672	.0672	.0672	.0672	.0527

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

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 2025			Fiscal Year 2016		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BSH Home Appliances Corp	Home appliance manufacturer	\$ 220,213,897	1	1.51%	\$ 104,666,438	2	1.04%
International Paper Company	Wood pulp manufacturer	211,756,939	2	1.45%	-	-	-
Duke Energy Progress Inc.	Electric utility	130,699,789	3	0.90%	53,769,337	4	0.54%
Weyerhaeuser Company	Real estate investment trust	100,092,316	4	0.69%	59,404,810	3	0.59%
Piedmont Natural Gas	Gas utility	39,748,785	5	0.27%	-	-	-
Wal-Mart Real Estate Business Trust	Real estate development	37,087,671	6	0.25%	26,953,630	9	0.27%
New Bern Apartments LLC	Real estate development	34,573,368	7	0.24%	-	-	-
Craven Wood Energy LTD	Electricity manufacturer	29,038,822	8	0.20%	18,357,026	7	0.18%
Atlantic Marine Corps Communities, LLC	Real estate development	28,699,346	9	0.20%	32,606,200	5	0.33%
Trader Construction Company	General Construction	27,105,138	10	0.19%	-	-	-
Weyerhaeuser NR Company	Wood pulp manufacturer	-	-	-	202,253,942	1	2.02%
Carolina Telephone & Telegraph Co.	Communications utility	-	-	-	27,007,004	6	0.27%
New Bern Riverfront Development LLC	Real estate development	-	-	-	24,890,230	8	0.25%
Wyndam Vacation Resorts Inc	Real estate development	-	-	-	16,008,110	10	0.16%
Totals		<u>\$ 859,016,071</u>		<u>5.89%</u>	<u>\$ 565,916,727</u>		<u>5.65%</u>

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

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

Notes: Debt amounts shown include deferred premiums on debt but do not include pension obligations, OPEB, or compensated absences.

(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
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025

Governmental Unit ⁽¹⁾	Debt Outstanding ⁽²⁾	Estimated Percentage Applicable	Amount Applicable to Primary Government
Craven County Schools			
Installment Purchases	\$ 3,423,977	100.00%	\$ 3,423,977
Lesae Obligation	80,244	100.00%	80,244
Direct Debt Total	3,504,221		3,504,221
Craven County	22,003,088	100.00%	22,003,088
Overlapping Debt Total	22,003,088		22,003,088
Total Direct and Overlapping Debt	\$ 25,507,309		\$ 25,507,309

Notes:

(1) Overlapping governments are those that coincide, at least in part, with geographic boundaries within the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Craven County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) Total outstanding Governmental activities debt is provided by each governmental unit.

Sources: Craven County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2025,
and Craven County, North Carolina, Annual Financial Report for the year ended June 30, 2025.

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			
2025	*	*	*	0.00%	0.00%	-
2024	*	*	*	0.00%	0.00%	-
2023	*	*	*	0.00%	0.00%	-
2022	1,365,892	1,365,892	-	0.00%	0.00%	-
2021	3,729,683	3,729,683	-	0.00%	0.00%	-
2020	6,146,474	2,201,532	3,944,942	0.80%	0.04%	39
2019	8,614,265	1,210,957	7,403,308	0.17%	0.07%	73
2018	11,109,056	401,190	10,707,866	0.25%	0.11%	105
2017	13,808,847	155,992	13,652,855	0.31%	0.15%	134
2016	16,448,638	448,646	15,999,992	0.38%	0.18%	157

* 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)

	2025	2023	2022	2021	2020	2019	2018	2017	2016	2015
Assessed Value of Property	\$14,581,321	\$ 14,163,952	\$ 10,505,930	\$ 10,244,131	\$ 9,993,634	\$ 9,596,740	\$ 9,540,578	\$ 9,320,966	\$ 9,205,215	\$ 10,023,729
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,166,506	1,133,116	840,474	819,531	799,491	767,739	763,246	745,677	736,417	801,898
Amount of Debt Applicable to Limit										
Gross debt	22,003	26,590	31,191	36,925	44,058	51,427	48,310	56,066	64,056	70,590
Less: Amount available for repayment of bonds	-	-	-	1,366	3,730	2,202	1,211	401	156	449
Debt outstanding for water and sewer purposes	9,707	10,596	11,486	12,375	13,264	14,153	15,042	15,931	16,820	16,280
Total net debt applicable to limit	12,296	15,994	19,705	23,184	27,064	35,072	32,057	39,734	47,080	53,861
Legal Debt Margin	<u>\$ 1,154,210</u>	<u>\$ 1,117,122</u>	<u>\$ 820,769</u>	<u>\$ 796,347</u>	<u>\$ 772,427</u>	<u>\$ 732,667</u>	<u>\$ 731,189</u>	<u>\$ 705,943</u>	<u>\$ 689,337</u>	<u>\$ 748,037</u>
Total net debt applicable to the limit as a percentage of debt limit	1.05%	1.41%	2.34%	2.83%	3.39%	4.57%	4.20%	5.33%	6.39%	6.72%

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	
2025	8	13	294	262	976	869	1,543	1,422	2,788	2,639	567	568	11,949
2024	13	15	292	266	923	844	1,590	1,494	2,956	2,773	612	632	12,410
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	13,995
2017	15	16	335	309	692	724	2,043	1,935	3,714	3,448	372	392	14,102
2016	18	21	287	304	654	703	2,098	2,000	3,777	3,524	338	378	13,857

Source: FY 2016-2025 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
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			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic			Sex			Race / Ethnic		
	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	Total	M	F	W	B	O
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	Total	M	F	W	B	O
2025	25	9	16	18	7	-	57	14	43	37	19	1	711	142	569	581	104	26	133	8	125	112	18	3	190	15	175	94	89	7	188	74	114	113	63	12	1,304	262	1,042	955	300	49
2024	29	7	22	19	10	-	57	14	43	39	18	-	783	155	628	645	119	19	147	10	137	122	23	2	233	14	219	117	103	13	182	55	127	130	436	9	1,431	255	1,176	1,072	709	43
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	0	750	163	587	628	104	7	88	7	81	74	11	2	74	5	69	48	25	0	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

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>
2025	\$ 41,000	\$ 68,260	\$ 54,630
2024	39,000	67,200	48,890
2023	37,000	65,880	47,460
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

* 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)
2025	102,391	5,951,003	58,120	11,838	3.8%	16,373
2024	102,391	5,951,003	58,120	12,378	4.0%	15,955
2023	104,372	5,480,226	54,327	12,570	3.7%	14,074
2022	103,193	5,414,079	53,991	12,353	4.7%	15,808
2021	102,568	4,979,472	49,475	12,542	6.7%	13,647
2020	101,181	4,677,441	46,130	13,113	4.1%	14,063
2019	101,167	4,437,303	43,458	13,584	4.2%	15,602
2018	101,809	4,269,091	41,748	13,778	4.7%	8,942
2017	101,863	4,224,542	41,265	14,002	5.3%	9,688
2016	101,875	4,178,133	40,702	14,120	6.1%	8,918

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

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

Notes: (1) Excludes 6,832 active military personnel based in Craven County. It includes civilian employment at the Fleet Readiness Center East, Naval Health Clinic, 2nd MAW, and MCAS Cherry Point.

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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government	118	100	92	86	96	84	80	78	78	77
Public safety	202	188	189	176	186	178	184	164	162	157
Social services	220	185	194	180	194	192	215	207	204	195
Economic and physical development	11	10	9	10	10	9	21	20	23	23
Environmental protection	32	28	35	31	34	28	32	30	28	29
Health	112	96	98	101	102	101	105	98	99	93
Transportation	20	28	28	17	16	17.00	-	-	-	-
Cultural and recreation	18	16	26	22	23	25	14	9	13	13
Water/sewer (business activity)	21	17	19	17	17	16	18	18	15	14
Total	<u>754</u>	<u>668</u>	<u>690</u>	<u>640</u>	<u>678</u>	<u>650</u>	<u>669</u>	<u>624</u>	<u>622</u>	<u>601</u>

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⁾
2025	11,838	-4.36%	\$ 172,151,162	14,542	na	26	2,457	5,822	1,370,460
2024	12,378	-1.53%	216,632,277	17,501	na	26	6,662	6,101	1,506,989
2023	12,570	2.36%	156,717,406	12,468	na	26	7,533	5,915	1,559,230
2022	12,280	-1.59%	140,208,634	11,418	na	26	6,154	5,725	1,408,762
2021	12,478	-4.78%	132,814,050	10,644	na	25	6,777	5,208	785,831
2020	13,104	-1.69%	128,118,756	9,777	na	25	5,747	7,083	1,172,996
2019	13,329	-3.83%	122,196,359	9,168	na	25	8,158	8,455	1,756,186
2018	13,860	0.00%	120,651,837	8,705	na	25	8,322	7,210	1,681,106
2017	13,860	-1.03%	122,116,452	8,811	na	25	7,741	8,457	2,521,153
2016	14,004	1.06%	118,053,388	8,430	na	25	7,775	8,455	1,756,186

Source:

- 1 FY 2016 - 2025 Craven County Board of Education Transportation Department
FY 2016 - 2025 NCDPI Statistical Profile
- 2 Craven County Board of Education Child Nutrition Department
- 3 FY 2016 - 2025 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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Public Safety</u>										
Fire/Rescue calls to County E911 (A)	12,789	12,242	10,957	11,176	10,364	9,774	10,212	9,483	9,823	9,453
Average daily population in jail (B)	314	308	306	326	297	304	306	287	275	276
<u>Health Services (C)</u>										
Food and lodging inspections	1,326	1,428	1,421	1,215	1,027	788	1,471	1,190	1,374	1,299
Visits to health department	24,112	28,534	27,806	25,453	26,073	26,900	28,151	27,262	29,298	30,014
<u>Transportation Services (D)</u>										
Number of miles driven (1)	627,979	651,120	525,727	486,584	446,095	527,137	588,401	594,277	599,621	673,929
Number of trips provided (1)	57,708	63,491	55,602	46,117	42,239	55,027	63,144	64,167	69,359	74,346
<u>Tax/Real Estate Services (E)</u>										
Deed transfers processed	5,255	4,904	5,191	6,624	5,930	4,859	4,815	4,484	4,567	4,136
Number of real estate parcels	60,391	59,955	59,829	59,285	58,434	58,385	57,952	57,571	57,438	57,354
Number of tax bills generated	71,236	71,237	71,545	71,815	74,057	68,488	67,813	67,425	67,398	67,034
<u>Economic and Physical Development</u>										
County tourism revenues (1)(2) (F)	183	180	171	160	115	155	149	142	137	131
Economic impact of convention center (2) (G)	3.2	4.6	3.1	2.1	0.1	1.0	2.0	9.0	9.0	9.0
Number of registered voters (H)	79,555	78,988	59,091	69,206	69,206	72,995	67,487	68,827	66,615	69,459
Number of enplanements at airport (I)	75,087	61,797	75,108	76,539	56,709	87,335	112,889	116,647	111,962	111,909
Number of service connections (J)	15,404	14,732	14,857	14,462	14,331	14,119	13,949	14,678	14,064	13,693

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, 2025

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	11,838

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Public Safety (A)</u>										
Correction facility rated capacities	314	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	4
Boat ramps operated	0	0	0	0	0	0	0	0	0	0
<u>Water Service (C)</u>										
Miles of water main	685	676	665	658	657	655	650	668	668	668
Number of elevated water tanks (1)	9	9	9	9	9	9	9	9	9	9
Number of system wells	18	18	18	18	18	18	18	10	10	10
Water Treatment Plant	1	1	1	1	1	1	1	1	0	0
<u>Transportation Services (D)</u>										
Number of CARTS vehicles	29	29	29	29	29	29	32	32	32	32
<u>Economic and Physical Development</u>										
Convention center	1	1	1	1	1	1	1	1	1	1
Number of remaining acres in Industrial Park (E)	62	87	*	111	135	142	142	161	161	161
<u>Airport (F)</u>										
Number of runways	2	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



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Craven County Board of Education, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprises the Craven County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated December 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Craven County Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Anderson Smith & Wike PLLC

*December 4, 2025
West End, North Carolina*



INDEPENDENT AUDITORS' REPORT

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Craven County Board of Education, North Carolina's 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 the Board's major federal programs for the year ended June 30, 2025. The Craven County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Craven County Board of Education 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, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Craven County Board of Education 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 reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Craven County Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Craven County Board of Education'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 Craven County Board of Education'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 Craven County Board of Education'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 Craven County Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Craven County Board of Education'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 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Craven County Board of Education'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 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.

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.

Anderson Smith & Wike PLLC

December 4, 2025
West End, North Carolina



INDEPENDENT AUDITORS' REPORT

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Craven County Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2025. The Craven County Board of Education'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 Craven County Board of Education 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, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Craven County Board of Education 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 reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Craven County Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Craven County Board of Education'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 Craven County Board of Education'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 Craven County Board of Education'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 Craven County Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Craven County Board of Education'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 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Craven County Board of Education'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 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.

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.

Anderson Smith & Wike PLLC

December 4, 2025
West End, North Carolina

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Identified for Reporting*

Noncompliance material to financial statements noted *No*

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Identified for Reporting*

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)? *No*

Identification of major federal programs:

AL Numbers	Names of Federal Program or Cluster
	Special Education Cluster:
84.027	Grants to States – IDEA, part B (611)
84.027	Special Needs Targeted Assistance
84.173	Preschool Program – IDEA, Part B (619)
84.173	Preschool Targeted Assistance
84.425	COVID-19 – Education Stabilization Fund

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

Auditee qualified as low-risk auditee? *Yes*

**CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2025**

Section I - Summary of Auditors' Results (Continued)
State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses None Identified for Reporting

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

No

Identification of major State programs:

Program Name

State Public School Fund

Dollar threshold used to distinguish between Major State Programs

\$ 500,000

Auditee qualified as low-risk auditee?

Yes

Section II - Financial Statement Findings

No findings were noted that are required to be reported under *Government Auditing Standards*.

Section III - 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.

Section IV - State Award Findings and Questioned Costs

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

***CRAVEN COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2025***

There were no audit findings reported in the prior year.

Craven County Board of Education
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2025

Page 1 of 4

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
Passed-through the N.C. Department of Agriculture:			
Child Nutrition Cluster:			
Non-Cash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 573,110
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	2,405,829
National School Lunch Program	10.555	PRC 035	4,435,074
After School Snack Program	10.555	PRC 035	29,802
Summer Food Service Program for Children	10.559	PRC 035	344,325
Fresh Fruit and Vegetable Grant	10.582	PRC 035	251,025
Cash Assistance Subtotal			7,466,055
Total Child Nutrition Cluster			8,039,165
Total U.S. Department of Agriculture			8,039,165
<u>U.S. Department of Education</u>			
Office of Postsecondary Education:			
Direct Programs:			
Impact Aid	84.041	PRC 391	1,442,403
Passed-through the N.C. Department of Public Instruction:			
Title I, Part A of ESEA			
Grants to Local Educational Agencies	84.010	PRC 050 & 115	4,028,514
Supporting Effective Instruction	84.367	PRC 103	498,449
Language Acquisition Grant	84.365	PRC 104	71,712
Language Acquisition Grant - Significant Increase	84.365	PRC 111	2,751
Student Support and Academic Enrichment	84.424	PRC 108	343,165
Special Education Cluster:			
Grants to States - IDEA, Part B (611)	84.027	PRC 060	3,783,465
Special Needs Targeted Assistance	84.027	PRC 118	22,808
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	102,961
Preschool Targeted Assistance	84.173	PRC 119	6,722
Total Special Education Cluster			3,915,956

CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2025

Page 2 of 4

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Title VI-B, Education of the Handicapped	84.323	PRC 082	<u>9,898</u>
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	<u>268,787</u>
Education Stabilization Fund: ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	802,891
COVID-19 - ESSER III - Summer Career Accel. Programs	84.425U	PRC 188	131,844
COVID-19 - ESSER III - Cyberbullying & Suicide Preventic	84.425U	PRC 192	25,237
COVID-19 - ESSER III - District and School Turnaround	84.425U	PRC 195	6,281
COVID-19 - ESSER III - School Psychologists Grant	84.425U	PRC 204	<u>8,669</u>
Total COVID-19 - Education Stabilization Fund	84.425		<u>974,922</u>
Total U.S. Department of Education			<u>11,556,557</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
DoD Impact Aid for Military Connected School Districts	12.558	PRC 345	501,925
ROTC	12.000	PRC 301	<u>236,230</u>
Total U.S. Department of Defense			<u>738,155</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program:			
Headstart	93.600	PRC 309	201,300
Office of Refugee Resettlement			
Passed-through East Carolina Interfaith Refugee Ministry			
Refugee School Impact Grant	93.576	PRC 375	<u>219,615</u>
Total U.S. Department of Health and Human Services			<u>420,915</u>
Total Federal Assistance			<u>20,754,792</u>

Craven County Board of Education
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2025

Page 3 of 4

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
State Grants:			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	95,176,838
Career and Technical Education:			
State Months of Employment		PRC 013	4,413,695
Program Support Funds		PRC 014	469,819
Driver Training		PRC 012	274,065
School Technology Fund		PRC 015	188,022
K-12 Athletic Facilities Grant		PRC 440	98,904
Passed-through Craven County:			
Public School Capital Building Fund - Needs Based Lottery			1,250,000
Public School Capital Building Fund - Repairs and Renovations			580,248
Cash Assistance Subtotal			102,451,591
Non-Cash Assistance:			
State Buses Appropriation		PRC 120	350,161
Total N.C. Department of Public Instruction			102,801,752
<u>N.C. Department of Agriculture</u>			
State Reduced Breakfast Program			6,286
State Reduced Lunch Program			10,912
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
Smart Start			327,906
NC Pre-Kindergarten Program		PRC 413	1,563,215
Total NC Department of Health and Human Services			1,891,121
Total State Assistance			104,710,071
Total Federal and State Assistance			\$ 125,464,863

CRAVEN COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2025

Page 4 of 4

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 Craven County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Craven County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Craven County Schools.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Craven County Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.