

# **Carteret County, North Carolina**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024

Prepared by the Finance Department  
Dee Meshaw, Deputy County Manager



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# **Introductory Section**

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**Letter of Transmittal**

**List of Principal Officials**

**Organizational Chart**

**Map of Carteret County, North Carolina**

**GFOA Certificate of Achievement**

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# CARTERET COUNTY FINANCE

**Denise H. Meshaw, CPA**  
Deputy County Manager  
Finance Department



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February 14, 2025

To the Honorable Members of the Carteret County Board of Commissioners and Citizens of Carteret County:

State law requires that all general-purpose local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the County of Carteret (the "County") for the fiscal year ended June 30, 2024.

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

The County's financial statements have been audited by PBMares, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Annual Comprehensive Financial Report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the County**

Carteret County, incorporated in 1722, is a growing county located on the central coastline of North Carolina with approximately 70,000 residents living in or around municipalities and rural “Down East” maritime communities. Carteret County contains 526 square miles of land area and a coastline nearly 80 miles long. The County is bordered on the north by the Pamlico Sound and on the east and south by the Atlantic Ocean. Eleven municipalities are located within the County, with Morehead City being the largest. Beaufort, the third oldest town in North Carolina, serves as the County seat.

Carteret County has established itself as a premier vacation spot, with attractions such as Fort Macon State Park, North Carolina Aquarium, North Carolina Maritime Museum, and Cape Lookout National Seashore. The County has a commissioners/manager form of government. Districts elect the seven members of the Board and serve staggered terms. Policy-making and legislative authority are vested in the governing board. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the county’s manager and attorney. The County manager is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The County provides a full range of services including public safety, social services and health services, cultural and recreational activities, general administration, and other. The Board of County Commissioners also extends financial support to certain boards, agencies, and commissioners to assist their efforts in servicing citizens. Among these are the Carteret County Board of Education, Carteret Community College, and Trillium Health Resources.

The annual budget serves as the foundation for the County’s financial planning and control. All agencies of the County are required to submit requests for appropriation to the county manager’s office on or before the end of February each year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. law enforcement). The legal level for the General Fund budget is the department level, and all other funds legal level of control is the fund level. Regarding the General Fund, department heads may make transfers of appropriations within a department. The County manager may transfer amounts between objects of expenditures and revenues within a department without limitation. Amounts up to \$30,000 between departments of the same fund per occurrence may be transferred by the manager; however, amounts greater than \$30,000 per occurrence require Commission approval. In addition, amounts between funds require Commission approval. Contingency appropriation transfers require Commission approval except for the purpose of funding salary and benefits adjustments consistent with the Carteret County personal policy. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 39 as part of the basic financial statements for the governmental funds. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e. the special revenue funds and the capital projects funds). Annually adopted funds are as follows: General Fund, Occupancy Tax, Rescue Squad Fund, Fire District Fund, Emergency Telephone System, Salter Path District Fund, Water Tax District Funds, DSS Representative Payee Fund, Register of Deeds Trust Fund, County Capital Reserve, County Capital Improvements, County Facilities / Debt Reserve, School Special Project, County Capital Equipment Fund, and Water Fund. All other funds excluding fiduciary funds have been adopted as project length budgets and are listed as follows: School Bond Project Fund, American Rescue Plan Act (ARPA) Fund, Opioid Settlement Fund, Emergency Communication System Project, and State Capital Grants Project Fund.

## **Factors Affecting Financial Condition**

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

## **Local Economy**

The County economy continues to strengthen. Carteret County annual unemployment average was 3.26% compared to 3.43% in the prior fiscal year, and those rates are slightly lower than the state's average unemployment rate of 3.57%, and the national rate of 3.81%.

The tourism industry continues to perform well and illustrate strong growth with 2023 calendar year's tourism visitor spending \$732.29 million. Visitor spending in 2023 was 5.3% more than 2022, and the state average increase was 6.9%. The County ranks eleventh in the state for visitor spending. In addition, the county continues to be diverse with manufacturing, distribution, research, construction and marine trades.

## **Industrial Parks**

The Jarrett Bay Marine Industrial Park is approximately 175 acres north of Beaufort on the Intracoastal Waterway. The Park concentrates on the boat industry, and has rapidly evolved into one of the most comprehensive one stop service supply facilities on the east coast. Jarrett Bay Boatworks Inc. added an ultra-modern 30,000 square foot indoor heated repair facility that is designed to accommodate up to two 100 foot vessels side by side with a 55 foot clearance. This addition brings Jarrett Bay's building square footage to 125,000. The Park continues to expand with 98% of the land sold.

Crystal Coast Business Park is located off US Route 70 in Morehead City. The park is 58 acres with eleven parcels. Nine parcels have been sold. The County continues its efforts to recruit businesses to this park. Parcel sizes vary from approximately 2 acres to over 10 acres.

## **Morehead City State Port**

The Morehead City Port is one of the deepest ports on the east coast with a forty-five foot depth and only four miles from the Atlantic Ocean. The port handles both break bulk and bulk cargo and has break bulk tonnage capacity of 1,080,000 and tonnage capacity of 2,730,000. The Port is the second largest importer in the country for natural rubber. Commodities such as rubber, phosphate, fertilizer, metal products, wood chips, aircraft parts, and grain go through the port. The Morehead City Port will modernize and revitalize its barge berths. The project cost is approximately \$19 million, and the Port received an approximate \$15 million Port Infrastructure Development Program Grant. This project will extend berths life by approximately 50 years. In addition, this project will benefit Nutrien, the largest tenant by volume, which moves approximately 800,000 tons of cargo, by preventing the volume from transporting via highway and rail. This is anticipated to produce greater than \$60 million of benefits in avoided emissions, highway congestion, noise, and vessel congestion. The project is an 18 month project, and it is estimated to begin in 2026.

## **Marine Science**

The marine science agencies in Carteret County constitute one of the nation's largest and most diverse concentration of marine related expertise and activity. There are eight major marine science agencies as follows: Duke University Marine Lab, University of North Carolina Institute of Marine Science, North Carolina State University Center for Marine Science and Technology (CMAST), the National Oceanic and Atmospheric Administration (NOAA) Center for Coastal Fisheries and Habitat Research, Carteret Community College Aquaculture and Marine Trades, NC Aquarium at Pine Knoll Shores, NC Division of Coastal Management, and NC Division of Marine Fisheries. Carteret County's eight major marine science agencies account for a total economic impact in the county of \$83 million in economic activity, \$4 million in salary and investment income, and support the employment of 1,063 Carteret residents.

## **Retail**

Retail continues to perform well. Retailers in home improvements and lawn and gardening are performing well following the national trend at this time.

The following table lists the 10 largest employers in the County in 2024.

<b>Employer</b>	<b>Service</b>	<b>Employment Range</b>
Carteret County Public Schools	Education	1000+
Carteret General Hospital	Health Services	1000+
Carteret County	Government Service	500-999
Wal-Mart Associates Inc	Retail	250-499
Lowe's Home Improvements	Retail	250-499
Food Lion	Retail	250-499
Carteret Community College	Education	250-499
Bally Refrigerated Boxes Inc	Manufacturing	100-249
Lowe's Foods, Inc	Retail	100-249
Town of Morehead City	Government Service	100-249

Source: NC Commerce LEAD Division  
2024 Employees are full time

During the last ten years, the County's expenses have increased an average over 89%, due to growth, public demand for services, federal and state mandates, and capital needs. The largest areas of increase are public safety, education, and general government. These areas have increased 78.32% in public safety, 89.57% in education, and 117.05% in general government operating expenses. As a result of education funding, Carteret County Schools consistently ranks in the top fifteen school systems in local funding ranking in the state. Education funding also includes facility funding for maintenance and improvements. In public safety, funding increases have resulted in greater levels of services with first responders such as paramedics, the Sheriff's Department and 911 telephone system enhancements. The funding increases have provided resources for more staff and staff training, contracted services for detention services, as well as needed equipment. General government increases are due to increased operating cost in the tax department for increased positions, improved tax technology and real property appraisal expenses for revaluation. The Technology Department has increased due to increased staffing, improving technology for county departments, and cybersecurity. Cultural and recreation funding increase is 40.14% from 10 years ago. These increases are for recreational activity programs, library services, and senior services. In addition, the County continues to make investments and improvements in parks and water accesses.

During this same ten year period, revenues have remained stable with modest increases in fees and taxes. Most increased revenue growth has occurred naturally, and is not due to the Board of Commissioners levying taxes and fee increases. Fees and taxes are set annually to support the adopted budget's services and expenses. Intergovernmental revenue has increased approximately 223%. As programs have grown over the last ten years, operating grants have increased as well. Capital improvements intergovernmental has increased significantly from ten years ago. Intergovernmental revenue funds traditional human services programs, and the County has received several grants for waterway dredging and maintenance projects, water access projects, as well as public safety and public schools' capital improvements.

### **Long-Term Financial Planning**

The County's total operating budget for the fiscal year ending June 30, 2025 totals \$168,642,000 with a General Fund tax rate of \$.34 per \$100 of assessed value, based on a total valuation of \$17.45 billion. The County's assessed value growth is 1.58% or \$272 million more than the FY24 budgeted assessed values. For the County's operating budget for the fiscal year ending June 30, 2026, the County's 2025

real property revaluation will be implemented. Currently, the County does not have an estimated increase in assessed values. Based on its current assessed values, the County anticipates that the tax rate would need to be between \$.35 and \$.37 per \$100 of the current assessed value to maintain the current level of service.

The County may elect to use available fund balance for some capital projects and improvements, but such use will be within the constraints of the County's fund balance policy, which requires the County to maintain a 15% unassigned fund balance in the General Fund.

## **Major Initiatives**

The County has several initiatives for fiscal year 2025. On November 3, 2020, the voters approved \$42 million school referendum for public school building and facilities expansion and improvements. The County issued \$22 million general obligation bonds in June 2024 for these school improvements. This issuance completed issuing the \$42 million voter authorized amount. The debt service is budgeted in FY25. The FY25 budget continues to fund pay as you go capital and capital improvements for public schools, the community college, and county buildings and facilities.

Public safety, human services, cultural and recreational, and technology are continued Board priorities. The Sheriff's Division budget is increased for new positions and equipment. Human services funding is expanded in the areas of public health, social services, and mental health. The Board continues to provide funding for information technology, economic development, and parks and recreation increased demands and needs. The county continues its commitment to waterway dredging.

In fiscal year 2020, the County received upset bids in consideration for the sale of the County's Water System. Carolina Water was the highest bid received, \$9.5 million. During the Board of Commissioners' September 2021 meeting, the Commission voted to accept the bid and sell the system. On August 29, 2023, the NC Utility Commission approved the sale of the water system to Carolina Water System. The sale of this system closed December 15, 2023.

## **Award and Acknowledgements**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Carteret County for its Annual Comprehensive Financial Report for the year ended June 30, 2023. This was the twentieth consecutive year that Carteret County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our prior year and current reports continue to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended June 30, 2025. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

In summary, this Annual Comprehensive Financial Report provides a source of information to citizens, the Board of Commissions, other governmental agencies, and investors and creditors, all of whom rely upon it for decision making and the opportunity to learn more about Carteret County's financial condition.

Much appreciation is expressed to the Finance Department's staff and PBMares, LLP without whose dedicated assistance this report could not have been produced. Gratitude goes to the Board of Commissioners for their continued interest and support throughout the past year.

Sincerely,

*Dee Meshaw*

Dee H. Meshaw  
Deputy County Manager

# Carteret County, North Carolina

List of Principal Officials  
June 30, 2024

## Board of Commissioners

Jimmy Farrington  
Chairman  
Emerald Isle, North Carolina

Mark Mansfield  
Vice Chairman  
Morehead City, North Carolina

Bob Cavanaugh  
Morehead City, North Carolina

Chris Chadwick  
Stacy, North Carolina

David Quinn  
Bogue, North Carolina

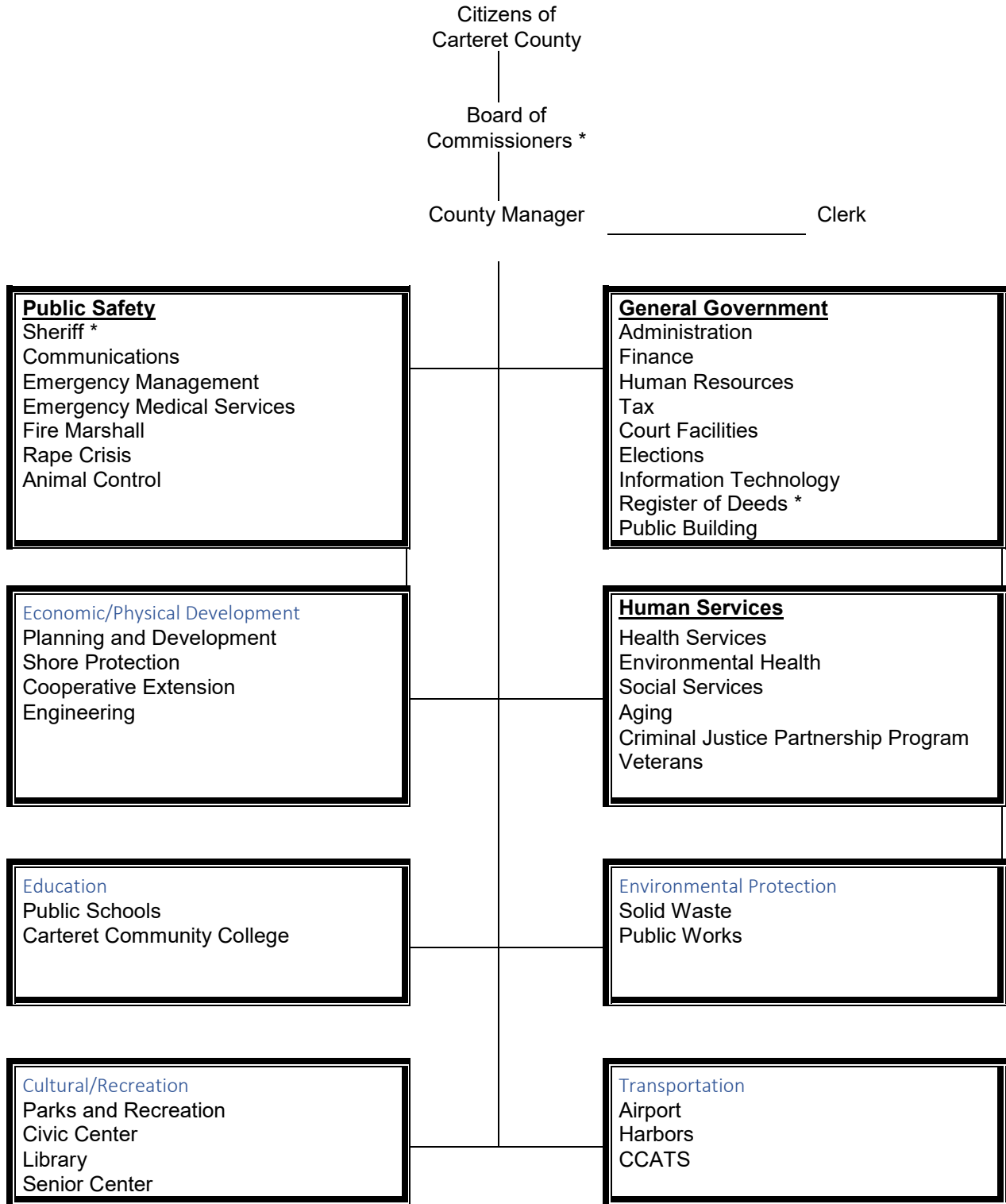
Chuck Shinn  
Newport, North Carolina

Ed Wheatly  
Beaufort, North Carolina

## County Officials

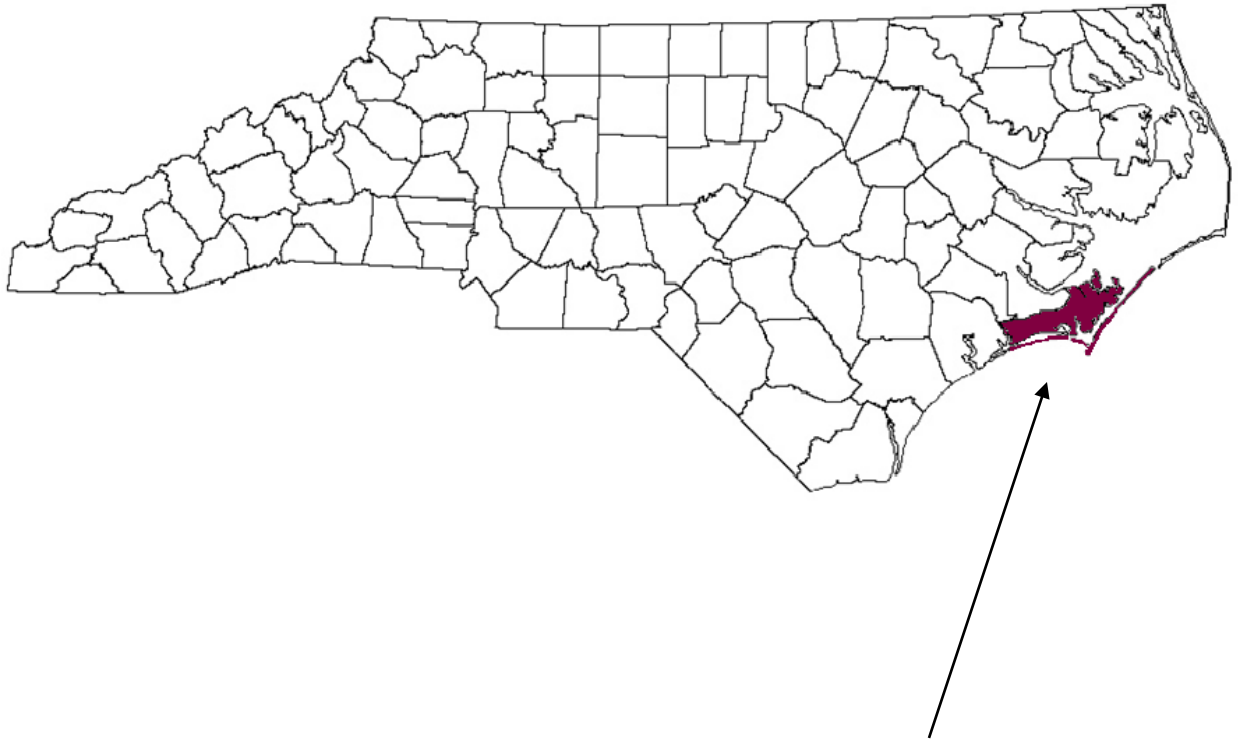
Tommy Burns	County Manager
Dee H. Meshaw	Deputy County Manager Finance Director
Eugene Foxworth	Assistant County Manager, General Services
Asa Buck III	Sheriff
Karen Hardesty	Register of Deeds
Dr. Randall Williams	Human Services Director
Stephen Rae	Emergency Management Director
Ray Hall	Information Technology Director
Jessica Taylor	Tax Administrator
Tina Purifoy	Parks and Recreation/ Civic Center Director

**Carteret County, North Carolina  
Organizational Chart**



\* Elected Officials

## Map of Carteret County, North Carolina



<b><u>Carteret County</u></b>	
Population	70,268
Area	526 sq. miles
Date Est.	1722
County Seat	Beaufort



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Carteret County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# **Financial Section**

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**Independent Auditor's Report**

**Management's Discussion and Analysis  
(Unaudited)**

**Basic Financial Statements**

**Notes to Financial Statements**

**Required Supplementary Information  
(Unaudited)**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Chairman and  
Members of the Board of Commissioners  
Carteret County, 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, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of Carteret County, North Carolina (the County) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of Carteret County, North Carolina as of and for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Carteret County Tourism Development Authority, Carteret County-Beaufort City Airport Authority, Carteret County Alcoholic Beverage Control (ABC) Board or Carteret County General Hospital Corporation, which collectively represent 100% of the assets, net position and revenues of the aggregate discretely presented component units of the County. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Carteret County Tourism Development Authority, Carteret County-Beaufort Airport Authority, Carteret County ABC Board and Carteret County General Hospital Corporation, is based solely on the reports of the other auditors.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of Carteret County ABC Board and Carteret County General Hospital Corporation were not audited in accordance with *Government Auditing Standards*.

## **Emphasis of Matter**

As discussed in Note 1 and Note 19, the financial statements as of June 30, 2024 have been restated due change within the reporting entity in accordance with GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62* and to correct an error. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly after.

## **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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 27, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Local Governmental Employees' Retirement System Schedules of Proportionate Share of the Net Pension Liability (Asset) and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedules of Proportionate Share of the Net Pension Liability (Asset) and County Contributions and the Other Postemployment Benefits Schedule of Changes in Total OPEB Liability, on pages 96 through 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The financial statements and schedules listed in the financial section of the table of contents as "other supplemental financial data," the Schedule of Expenditures of Federal and State Awards, as required by Title 2 US 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 in the compliance section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental financial data and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 GAAS and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, such information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **Other Information**

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2025 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose 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 County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*PBMares, LLP*

Morehead City, North Carolina  
February 14, 2025

## Carteret County, North Carolina

### Management's Discussion and Analysis (Unaudited) June 30, 2024

As management of the County, we offer readers of Carteret County's (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

#### Financial Highlights

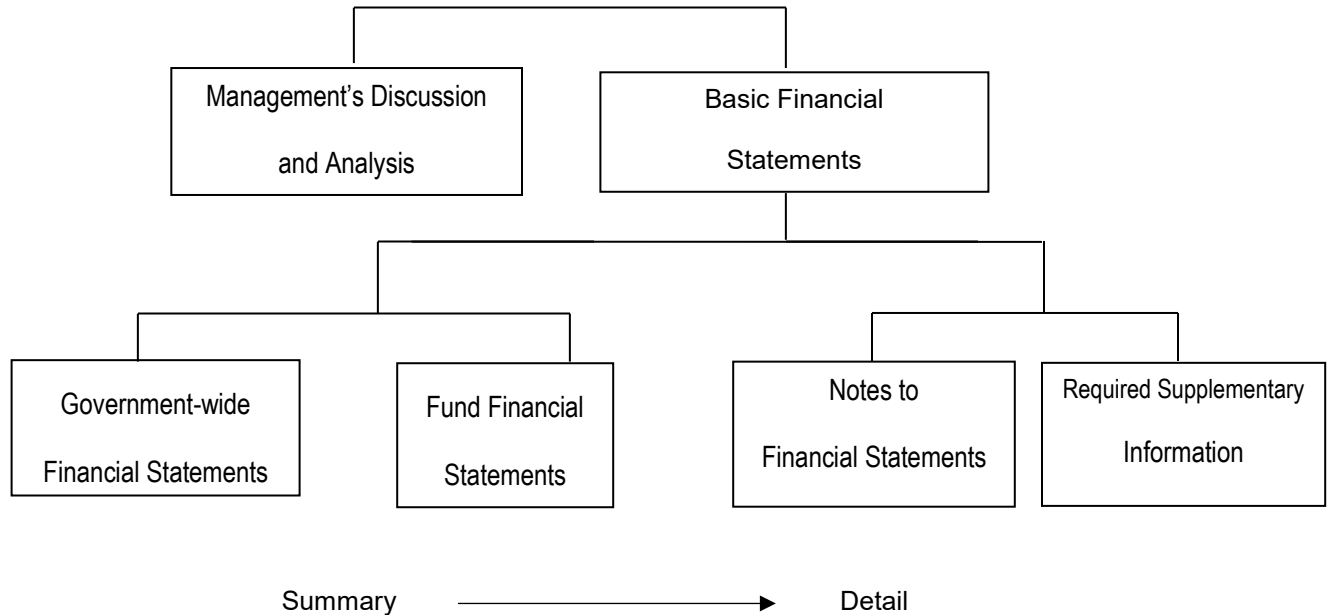
- The assets and deferred outflows of resources of Carteret County (primary government) were greater than its liabilities and deferred inflows of resources at the close of the fiscal year by \$160,907,058 (*net position*).
- The government's total net position increased by \$19,275,366. In the Opioid Settlement Fund, approximately \$12.2 million settlement funds revenue was recorded. The County established its Post Overdose Response Team Program (PORT) that will spend the Opioid Settlement Funds over the next 15 years, and as a result, net position increased. In addition, other increases in net position are due to sales tax revenues, property taxes, and investment earnings greater than anticipated by approximately \$8.6 million. In the governmental funds, more than \$12 million in funding was received and appropriated for projects and maintenance items that was not completed. In addition, operating expenses were less than expected.
- On December 15, 2023, the County sold its water system to Carolina Water System for \$9.5 million. As a result, the County realized a gain of \$3,799,914. All the remaining \$9,677,191 funds were transferred to a governmental capital project fund.
- At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$193,374,619, after a net increase in fund balance of \$36,264,479. Approximately 77.11 percent of this total amount or \$149,108,282 is restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$47,060,567 or 43.88 percent of total General Fund expenditures, excluding other financing uses, for the fiscal year.
- The County's total long-term debt (Figure 5) increased by \$23,253,607. The County issued \$22 million general obligation bonds, LGERS net pension liability increased approximately \$3.76 million, and the County retired debt principal that resulted in a net increase in long term debt. As a result of the County selling its water system, the USDA revenue bond (\$886,000) and direct placement installment purchase debt (\$420,000) were defeased.
- The County maintained its AA+ (Standard & Poor's and Fitch Ratings) and Aa1 (Moody's Investor Services) for the twelfth year.

#### Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



**Basic Financial Statements**

The first two statements in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short- and long-term information about the County's financial status.

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

The next section of the basic financial statements is the **notes**. The notes to financial statements explain in detail some of the data contained in those statements. Following the notes is the **required supplemental information**. This section contains funding information about the County's pension and other postemployment benefit plans.

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

**Government-Wide Financial Statements**

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

## Carteret County, North Carolina

### Management's Discussion and Analysis (Unaudited) June 30, 2024

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) discretely presented component units. The governmental activities include most of the County's basic services such as general administration, human services, education, public safety and public works. Property and other taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water services offered by the County. The final category is the component units. Although legally separate from the County, the ABC Board, Carteret General Hospital, Tourism Development Authority and the Airport are important to the County because the County exercises control over the Boards by appointing their members.

### Fund Financial Statements

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

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

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – The County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its water activity. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

## **Carteret County, North Carolina**

### **Management's Discussion and Analysis (Unaudited) June 30, 2024**

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County has two fiduciary funds which are custodial funds.

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

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its law enforcement employees and OPEB benefits to its employees.

### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$160,907,058 as of June 30, 2024. The County's net position increased by \$19,275,366 for the fiscal year ended June 30, 2024. Net position is reported in three categories: net investment in capital assets of \$28,145,603, restricted net position of \$98,658,901, and unrestricted net position of \$34,102,554.

The net investment in capital assets category is defined as the County's investment in County owned capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities.

Another category of net position is restricted net position. This represents resources that are subject to external restriction on how they may be used. The final category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligation to citizens and creditors. At June 30, 2024, the unrestricted net position of governmental activities reported \$34,102,554. Of the County's net position, \$98,658,901 represents resources that are subject to external restrictions on how they are to be used.

As with many counties in the State of North Carolina, the County's small unrestricted net position is due primarily to the portion of the County's outstanding debt incurred for the County Board of Education (the "school system") and Carteret Community College. Under North Carolina law, the County is responsible for providing capital funding for the school system and the community college. The County has chosen to meet its legal obligation to provide the school system capital funding by using a mixture of County funds, general obligation debt, and installment debt. The assets are funded by the County; however, the assets are owned and utilized by the school system and the community college, and are reported by those entities. The County, as the debt issuing government, acquires no capital assets; the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$54.20 million of the outstanding debt on the County's financial statements was related to assets included in the school system's financial statements. However, as the majority of this school system related debt is general obligation debt, it is collateralized by the full faith, credit, and taxing power of the County. Accordingly, the County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount, as may be necessary to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which they become due.

**Carteret County, North Carolina**

**Management’s Discussion and Analysis (Unaudited)**

**June 30, 2024**

**The County's Net Position**

**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 225,364,931	\$ 173,961,524	\$ -	\$ 2,795,009	\$ 225,364,931	\$ 176,756,533
Capital assets	30,516,769	28,199,142	-	5,050,047	30,516,769	33,249,189
<b>Total assets</b>	<b>255,881,700</b>	<b>202,160,666</b>	<b>-</b>	<b>7,845,056</b>	<b>255,881,700</b>	<b>210,005,722</b>
<b>Total deferred outflows of resources</b>	<b>15,523,793</b>	<b>14,347,131</b>	<b>-</b>	<b>145,276</b>	<b>15,523,793</b>	<b>14,492,407</b>
Long-term liabilities						
outstanding	91,336,246	66,487,147	-	1,595,492	91,336,246	68,082,639
Other liabilities	17,412,780	12,680,836	-	652,929	17,412,780	13,333,765
<b>Total liabilities</b>	<b>108,749,026</b>	<b>79,167,983</b>	<b>-</b>	<b>2,248,421</b>	<b>108,749,026</b>	<b>81,416,404</b>
<b>Total deferred inflows of resources</b>	<b>1,749,409</b>	<b>1,921,966</b>	<b>-</b>	<b>16,024</b>	<b>1,749,409</b>	<b>1,937,990</b>
Net position:						
Net investment in capital assets	28,145,603	25,713,332	-	3,744,047	28,145,603	29,457,379
Restricted	98,658,901	65,864,995	-	-	98,658,901	65,864,995
Unrestricted (deficit)	34,102,554	43,839,521	-	1,982,840	34,102,554	45,822,361
<b>Total net position</b>	<b>\$ 160,907,058</b>	<b>\$ 135,417,848</b>	<b>\$ -</b>	<b>\$ 5,726,887</b>	<b>\$ 160,907,058</b>	<b>\$ 141,144,735</b>

**Governmental activities:** Governmental activities increased the County's net position by \$25,002,253 from fiscal year 2024. Key elements that influenced the total unrestricted governmental net position are as follows:

- Continued diligence in the collection of property taxes by maintaining a high current year collection percentage of 98.17 percent.
- Sales tax revenue in FY24 increased from FY23, and impacted net position positively.
- Occupancy tax performed well, and resulted in additional funds accumulated for future beach nourishment projects.
- Investments continued to have strong performance, and investment earnings were \$8.13 million.
- In the Opioid Settlement Fund, approximately \$12.2 million settlement funds revenue was recorded. In compliance with the National Settlement Agreements, the County established its Post Overdose Response Team Program (PORT) that will spend the Opioid Settlement Funds over the next 15 years, and as a result, net position increased.
- Many expense categories were less than projected, such as general government, public safety, transportation, economic and physical development, human services, cultural and recreation, as well as contingency. Savings resulted from proactive monitoring, position vacancies, staff turnover, and capital improvements and maintenance projects were slower than anticipated.
- Transfer in from the Water Fund into the governmental activities was \$9,677,191. The transfer was the result of the County selling its water system to a private provider on December 15, 2023.

**Business-type activities:** Business-type activities decreased net position by \$5,726,887. As stated earlier, on December 15, 2023, the County sold its water system to a private provider for \$9.5 million. The County paid off the outstanding loan and revenue bond, and the sale resulted in a \$3,799,914 gain. The County transferred \$9,677,191 remaining funds to a governmental capital fund, and no longer manages or owns this business type activity.

**Carteret County, North Carolina**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2024**

**The County's Changes in Net Position**

**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 10,350,778	\$ 10,956,153	\$ 514,563	\$ 1,053,436	\$ 10,865,341	\$ 12,009,589
Operating grants and contributions	31,186,925	27,266,246	-	-	31,186,925	27,266,246
Capital grants and contributions	13,577,064	22,009,141	-	-	13,577,064	22,009,141
General revenues:						
Property taxes	70,237,367	66,524,024	-	-	70,237,367	66,524,024
Other taxes	40,904,759	39,419,918	-	-	40,904,759	39,419,918
Other	10,021,654	5,845,485	257,575	74,453	10,279,229	5,919,938
<b>Total revenues</b>	<b>176,278,547</b>	<b>172,020,967</b>	<b>772,138</b>	<b>1,127,889</b>	<b>177,050,685</b>	<b>173,148,856</b>
<b>Expenses:</b>						
General government	15,084,621	12,510,464	-	-	15,084,621	12,510,464
Public safety	35,512,528	30,967,089	-	-	35,512,528	30,967,089
Transportation	12,257,996	1,743,879	-	-	12,257,996	1,743,879
Economic and physical development	12,418,728	11,548,452	-	-	12,418,728	11,548,452
Environmental protection	3,894,018	5,235,489	-	-	3,894,018	5,235,489
Human services	23,071,710	22,037,398	-	-	23,071,710	22,037,398
Cultural and recreation	5,200,695	4,839,386	-	-	5,200,695	4,839,386
Education	52,069,175	49,563,483	-	-	52,069,175	49,563,483
Interest on long-term debt	1,444,014	693,375	-	-	1,444,014	693,375
Water	-	-	621,748	1,213,675	621,748	1,213,675
<b>Total expenses</b>	<b>160,953,485</b>	<b>139,139,015</b>	<b>621,748</b>	<b>1,213,675</b>	<b>161,575,233</b>	<b>140,352,690</b>
<b>Increase (decrease) in net position before transfers</b>	<b>15,325,062</b>	<b>32,881,952</b>	<b>150,390</b>	<b>(85,786)</b>	<b>15,475,452</b>	<b>32,796,166</b>
Gain on sale of water system assets	-	-	3,799,914	-	3,799,914	-
Transfers	9,677,191	-	(9,677,191)	-	-	-
<b>Increase (decrease) in net position</b>	<b>25,002,253</b>	<b>32,881,952</b>	<b>(5,726,887)</b>	<b>(85,786)</b>	<b>19,275,366</b>	<b>32,796,166</b>
Net position, beginning, previously reported	135,417,848	102,535,896	5,726,887	5,812,673	141,144,735	108,348,569
Error correction - Note 19	486,957	-	-	-	486,957	-
Net position, beginning, as restated	135,904,805	102,535,896	5,726,887	5,812,673	141,631,692	108,348,569
<b>Net position, June 30</b>	<b>\$ 160,907,058</b>	<b>\$ 135,417,848</b>	<b>\$ -</b>	<b>\$ 5,726,887</b>	<b>\$ 160,907,058</b>	<b>\$ 141,144,735</b>

## **Carteret County, North Carolina**

### **Management's Discussion and Analysis (Unaudited) June 30, 2024**

#### **Financial Analysis of the County's Funds**

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

**Governmental Funds:** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance in the General Fund was \$47,060,567, while total fund balance reached \$103,230,727. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The County currently has an unassigned fund balance of 43.88 percent of general fund expenditures, while total fund balance represents 96.26 percent of that same amount. The County's unassigned fund balance increased \$3,939,108. The increase in unassigned fund balance is due to revenues exceeding projections and expenditures less than projected. Ad valorem taxes had a positive impact on fund balance due to increased revenue collections, 2.60% increase in assessed values, and a one cent ad valorem rate increase. Ad valorem revenues were approximately \$59.98 million (\$1.25 million greater than projected). Investment earnings of approximately \$4.66 million were greater than anticipated due to increased rates of return. Sales tax revenue had a slight 1.3 percent increase from the prior year. Expenditures were less than anticipated. Maintenance and building improvements contracts were slower than anticipated. The County's approximate 20% staff turnover rate and difficulty in recruiting staff resulted in salary and benefits savings. Management's continued proactive emphasis on monitoring spending across departments to promote savings and efficiency contributed to a positive increase in fund balance.

At June 30, 2024, the governmental funds of the County reported a combined fund balance of \$193,374,619, a \$36,264,479 increase from last year. The discussion above regarding the General Fund unassigned fund balance increase is the basis for the increase in the governmental funds combined fund balance. An additional factor for combined governmental fund balance increasing is the County's commitment to save funds for future capital projects, unspent debt proceeds for public school construction projects, and the approximate \$9.67 million transfer from the Water Fund to a governmental fund due to selling the water system.

#### **General Fund Budgetary Highlights**

During fiscal year 2024, the County's financial picture was good. The County's real property assessed values increased approximately \$447.70 million or 2.60% from the previous year with total values of \$17.66 billion. The General Fund property tax rate was \$.34 per \$100 assessed valued, a one cent increase from the FY23 tax rate. General Fund revenues were more than budgeted by \$3.34 million. Revenues exceeded the budget in the following areas: ad valorem taxes \$1.25 million and investment earnings \$3.36 million. Revenues such as intergovernmental and permits and fees were under budget and by \$1.25 million. Register of Deeds fees underperformed, and intergovernmental revenues were underbudget due to human service program expenditures were not spent. As a result, the County finished the year in positive, sound financial condition.

The County revised the budget on several occasions. Generally, budget amendments fall into one of four categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; 3) increases in appropriations that become necessary to maintain services; and 4) to increase debt service for refunding existing debt. Total

## Carteret County, North Carolina

### Management's Discussion and Analysis (Unaudited) June 30, 2024

amendments to the General Fund increased estimated revenues by \$2,150,222 and expenditure appropriations by \$8,094,159. The appropriations increase was mostly due to maintenance and capital projects not completed in fiscal year 2023, as well as market salary adjustments for employees. Expenditures were increased in all functions of government.

The County's expenditures were less than the budgeted amount by approximately \$10.58 million, and most of the savings were in the human services programs of \$2.66 million, public safety programs of \$2.20 million, \$1.64 million general government, \$.84 million economic development, as well as a net savings of \$1.53 million in education, and \$1.71 million transportation, environmental protection, debt service, and culture and recreation.

**American Rescue Plan Act (ARPA) Fund.** This fund accounts for the federal funds allocated to the County through the American Rescue Plan Act of 2021. The County received \$13,859,186 federal funds in previous fiscal years. The County is utilizing \$10 million for lost revenue, and \$45,057 was transferred to General Fund for lost revenue during FY24. The Board of Commissioners approved \$3,624,320 to fund a portion of its communications system project, and transferred \$465,514 to that project fund during FY24.

**Opioid Settlement Fund.** This fund accounts for all activities related to the County's funds received from national settlements and other opioid lawsuits. At the end of the current fiscal year, the total fund balance was \$3,313,659, an increase of \$1,960,280 from the prior year's restated fund balance. The increase is due to the County receiving settlement distributions while implementing its Post Overdose Response Team (PORT) program.

**School Bond Projects Fund.** This fund accounts for the funding and construction of public school's bond projects. The primary funding sources are general obligation bonds. In FY24, The County issued \$22 million general obligations. In November 2020, the voters passed a \$42 million general obligation bond referendum. As a result of this issuance, all the \$42 million voter approved bonds are issued. In addition, approximately \$6.47 million NC Needs Based Lottery Funds were received and used for school construction. The projects include major building renovations and new construction. In FY24, expenditures were approximately \$16.23 million.

**Proprietary Funds.** The County's proprietary fund provides the same type of information found in the government-wide statements but in more detail. On December 15, 2023, the County sold its water system to a private provider for \$9.5 million. The system sale resulted in a \$3,799,914 million gain. The County paid off the existing revenue bond (\$886,000) and direct placement installment financing (\$420,000) prior to the sale. Net transfers to the governmental funds as a result of the sale were \$9,677,191. Total net position decreased \$5,726,887, to \$0. The system operated and provided services to customers for approximately 5.5 months.

#### Capital Asset and Debt Administration

**Capital assets:** The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024, totals \$30,516,769 (net of accumulated depreciation and amortization). These assets include land, buildings, automotive equipment, office and other equipment, water plant and lines, and right of use assets for leases and IT subscriptions.

Major capital asset transactions during the year include:

- Purchase vehicles in several departments
- Land for future development
- Emergency communications system project construction in progress
- Right of use information technology subscriptions

**Carteret County, North Carolina**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2024**

**The County's Capital Assets**

**Figure 4**

Additional information on the County's capital assets can be found in Note 5 of the basic financial statements.

	Carteret County's Capital Assets (net of depreciation / amortization)					
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 12,641,250	\$ 10,609,179	\$ -	\$ 222,608	\$ 12,641,250	\$ 10,831,787
Buildings	4,606,756	5,278,378	-	729,970	4,606,756	6,008,348
Water lines	-	-	-	4,097,472	-	4,097,472
Vehicles	2,977,612	2,950,665	-	(2)	2,977,612	2,950,663
Equipment	599,283	625,108	-	(1)	599,283	625,107
Other improvements	4,920,933	5,401,516	-	-	4,920,933	5,401,516
Leasehold improvements	786,327	915,849	-	-	786,327	915,849
Construction in progress	1,164,492	143,431	-	-	1,164,492	143,431
	<b>27,696,653</b>	<b>25,924,126</b>	<b>-</b>	<b>5,050,047</b>	<b>27,696,653</b>	<b>30,974,173</b>
Right of Use Assets						
Leased buildings	1,595,147	1,355,744	-	-	1,595,147	1,355,744
Leased equipment	4,636	15,573	-	-	4,636	15,573
IT subscriptions	1,220,333	903,699	-	-	1,220,333	903,699
	<b>2,820,116</b>	<b>2,275,016</b>	<b>-</b>	<b>-</b>	<b>2,820,116</b>	<b>2,275,016</b>
Total	<b>\$ 30,516,769</b>	<b>\$ 28,199,142</b>	<b>\$ -</b>	<b>\$ 5,050,047</b>	<b>\$ 30,516,769</b>	<b>\$ 33,249,189</b>

**General Obligation, Capital Leases and Installment Notes Payable**

**Long-Term Debt.** As of June 30, 2024, the County had total general obligation bonded debt outstanding of \$54,195,227, all of which is debt backed by the full faith and credit of the County. All other debt is covered by pledged collateral and is subject to appropriation. A summary of total long-term debt is shown in Figure 5.

**Carteret County, North Carolina**

**Management’s Discussion and Analysis (Unaudited)  
June 30, 2024**

**Figure 5**

Carteret County's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 49,080,000	\$ 30,825,000	\$ -	\$ -	\$ 49,080,000	\$ 30,825,000
Revenue bond	-	-	-	886,000	-	886,000
Bond premiums	5,115,227	3,339,394	-	-	5,115,227	3,339,394
Leases	1,724,061	1,429,179	-	-	1,724,061	1,429,179
IT subscriptions	647,105	627,583	-	-	647,105	627,583
Direct placement installment purchase	-	429,048	-	420,000	-	849,048
Compensated absences	2,161,827	1,950,376	-	4,119	2,161,827	1,954,495
Net pension liability (LGRS)	20,121,005	16,354,814	-	181,904	20,121,005	16,536,718
Total pension liability (LEOSSA)	2,485,989	2,054,784	-	-	2,485,989	2,054,784
Net OPEB obligation	10,001,032	9,476,969	-	103,469	10,001,032	9,580,438
<b>Total long-term debt</b>	<b>\$ 91,336,246</b>	<b>\$ 66,487,147</b>	<b>\$ -</b>	<b>\$ 1,595,492</b>	<b>\$ 91,336,246</b>	<b>\$ 68,082,639</b>

The County’s total debt increased \$23,253,607 during the past fiscal year. The net increase is due to issuing \$22 million general obligation bonds.

The County’s most recent bond ratings are shown below:

Moody’s Investor Services	Aa1
Standard & Poor’s	AA+
Fitch IBCA	AA+

These bond ratings are a clear indication of the sound financial condition of the County. This achievement is a primary factor in keeping interest costs low on the County’s outstanding debt. The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin at June 30, 2024, for the County is \$1,358,547,173. Additional information regarding the County’s long-term debt can be found in Note 9 of this report.

**Economic Factors and Next Year’s Budgets and Rates**

The following key economic indicators reflect the growth and prosperity of the County. On June 30, 2024, the unemployment rate for the County averaged 3.26%, slightly lower than 3.43% from the previous fiscal year. These rates are slightly lower than the state’s average unemployment rate of 3.57% for fiscal year 2023. The County is seeing modest residential and commercial development. In addition, the County is realizing increases in sales tax revenues. This growth in development combined with other revenue increases, has allowed the County to continue meeting its capital needs and demands for services with a one cent property tax increase in the fiscal year ending June 30, 2024. The County adopted an ad valorem tax rate of \$.34 cents per \$100 assessed value in fiscal year 2024.

In June 2023, when the County adopted its FY24 budget, the County was realizing positive growth in sales taxes, occupancy taxes, permits and fees (excluding Register of Deeds fees), as well as sales and services. In addition, unemployment rates remained low. The County continued its practice of conservative budgets for FY24 while balancing the needs of the County. The budget funded capital, large maintenance, and setting aside funds for future capital construction and improvements, and debt service. Revenue growth continued in FY24, and the County realized growth in sales taxes, fees, and occupancy taxes.

## **Carteret County, North Carolina**

### **Management's Discussion and Analysis (Unaudited) June 30, 2024**

#### **Budget Highlights for the Fiscal Year Ending June 30, 2025**

**Governmental Activities:** The County Board of Commissioners adopted a \$130.93 million general fund budget for fiscal year 2025, which represents a \$.61 million or .47% increase from the fiscal year 2024 amended budget. The net increase in the budget is primarily due to funding increases in education for public schools (5.4%) and the community college (8.0%), public safety (5.90%), environmental protection solid waste contracted services (18.0%), transportation programs (5.90%), and debt service (30.1%) for the \$22 million general obligation bonds issued June 2024. In addition, the budget funds meritorious performance increases for staff as well as cost of living adjustments. When compared to the FY24 amended budget, these funding increases are offset by the significant amount of FY24 budget amendments to fund FY23 uncompleted as well as emergency maintenance and improvement projects.

In the budget, the County's Board of Commissioners maintained the General Fund \$.34 cent ad valorem property tax rate per \$100 assessed valuation. Current year tax revenues are projected to generate \$58.29 million. Due to the small growth in FY24 sales tax revenue, the County did not budget an increase in FY25. Sales tax is budgeted to generate \$23.30 million. Investment earnings are budgeted \$3.90 million, a \$2.8 million increase from the FY24 budget. All revenues are budgeted conservatively, and sales and services and fees are budgeted with small growth from the previous fiscal year. The fiscal year 2025 General Fund budgets \$5.50 million fund balance appropriation. This amount of fund balance is primarily due to funding public school and community college capital, as well as county capital improvements and large building maintenance needs.

As in previous years, Education is the largest service area in terms of its portion of total expenditures. Capital and operating education expenditures total \$35.45 million or 27.07% of the fiscal year 2025 budget. This area includes funding for the public school system and the Carteret County Community College.

#### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Deputy County Manager, Finance, Carteret County, 210 Turner Street, Beaufort, NC 28516.

Carteret County, North Carolina

Statement of Net Position  
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 2,132,412	\$ -	\$ 2,132,412
Investments	147,917,846	-	147,917,846
Receivables (net)	32,002,259	-	32,002,259
Due from component unit	332,737	-	332,737
Inventories	-	-	-
Prepaid items	-	-	-
Restricted assets:			
Cash and cash equivalents	8,129,469	-	8,129,469
Investments	34,726,071	-	34,726,071
Net pension asset	124,137	-	124,137
Other assets	-	-	-
Capital assets:			
Land, improvements, and construction in progress	13,805,742	-	13,805,742
Other capital assets, net of depreciation	13,890,911	-	13,890,911
Right to use assets, net of amortization	2,820,116	-	2,820,116
<b>Total capital assets</b>	<b>30,516,769</b>	<b>-</b>	<b>30,516,769</b>
<b>Total assets</b>	<b>255,881,700</b>	<b>-</b>	<b>255,881,700</b>
<b>Deferred Outflows of Resources</b>	<b>15,523,793</b>	<b>-</b>	<b>15,523,793</b>
<b>Liabilities</b>			
Accounts payable and accrued expenses	13,744,384	-	13,744,384
Accrued interest payable	232,423	-	232,423
Due to primary government	-	-	-
Unearned revenue	3,435,973	-	3,435,973
Long-term liabilities:			
Due within one year	7,358,770	-	7,358,770
Due in more than one year	83,977,476	-	83,977,476
<b>Total long-term liabilities</b>	<b>91,336,246</b>	<b>-</b>	<b>91,336,246</b>
<b>Total liabilities</b>	<b>108,749,026</b>	<b>-</b>	<b>108,749,026</b>
<b>Deferred Inflows of Resources</b>	<b>1,749,409</b>	<b>-</b>	<b>1,749,409</b>
<b>Net Position</b>			
Net investment in capital assets	28,145,603	-	28,145,603
Restricted for:			
Public Safety	7,318,935	-	7,318,935
Economic Development	36,614,091	-	36,614,091
Cultural and Recreation	33,898	-	33,898
Register of Deeds	221,058	-	221,058
Register of Deeds' pension plan	124,137	-	124,137
Human Services	14,790,528	-	14,790,528
Stabilization by State Statute	12,020,530	-	12,020,530
Education	27,535,724	-	27,535,724
Other purposes	-	-	-
Unrestricted	34,102,554	-	34,102,554
<b>Total net position</b>	<b>\$ 160,907,058</b>	<b>\$ -</b>	<b>\$ 160,907,058</b>

See Notes to Financial Statements.

Component Units				
Carteret County Beaufort Airport Authority	Carteret County Tourism Development Authority	Carteret County General Hospital Corporation	Carteret County ABC Board	
\$ 394,784	\$ 2,703,550	\$ 58,865,679	\$ 2,660,358	
-	7,841,509	178,316,353	-	
63,312	1,950,639	41,644,068	-	
-	-	-	-	
-	-	5,499,687	2,758,616	
-	-	3,503,097	1,633	
418,900	-	3,824,925	-	
5,481,992	-	-	-	
-	-	-	-	
-	-	5,000	-	
3,447,172	-	4,306,741	2,387,208	
18,208,497	316,814	100,771,604	2,907,112	
-	-	9,876,978	161,374	
<u>21,655,669</u>	<u>316,814</u>	<u>114,955,323</u>	<u>5,455,694</u>	
<u>28,014,657</u>	<u>12,812,512</u>	<u>406,614,132</u>	<u>10,876,301</u>	
-	30,870	-	382,844	
44,368	311,832	26,129,828	2,614,850	
-	-	-	-	
-	-	-	332,737	
5,135,285	-	21,700,629	-	
-	8,222	3,224,483	118,330	
-	26,033	6,726,909	1,409,820	
-	34,255	9,951,392	1,528,150	
<u>5,179,653</u>	<u>346,087</u>	<u>57,781,849</u>	<u>4,475,737</u>	
-	-	-	1,319	
21,655,669	316,814	105,003,931	4,487,786	
-	-	-	660,305	
-	-	-	-	
-	-	-	-	
-	-	-	-	
63,312	1,950,639	-	-	
-	-	-	-	
-	-	10,119,063	719,178	
1,116,023	10,229,842	233,709,289	914,820	
<u>\$ 22,835,004</u>	<u>\$ 12,497,295</u>	<u>\$ 348,832,283</u>	<u>\$ 6,782,089</u>	

Carteret County, North Carolina

Statement of Activities  
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 15,084,621	\$ 2,226,591	\$ 2,000	\$ -
Public safety	35,512,528	1,513,671	1,178,530	5,000,000
Transportation	12,257,996	120,906	2,890,002	539,960
Economic and physical development	12,418,728	1,687,653	23,323	(37,740)
Environmental protection	3,894,018	3,581,579	214,200	250,000
Human services	23,071,710	771,182	26,467,232	-
Cultural and recreation	5,200,695	449,196	361,112	250,000
Education	52,069,175	-	35,200	7,574,844
Interest on long-term debt	1,444,014	-	15,326	-
<b>Total governmental activities</b>	<b>160,953,485</b>	<b>10,350,778</b>	<b>31,186,925</b>	<b>13,577,064</b>
Business-type activities:				
Water	621,748	514,563	-	-
<b>Total primary government</b>	<b>\$ 161,575,233</b>	<b>\$ 10,865,341</b>	<b>\$ 31,186,925</b>	<b>\$ 13,577,064</b>
Component units:				
Airport Authority	\$ 1,061,463	\$ 426,022	\$ -	\$ 1,149,868
Tourism Development Authority	5,624,152	7,113,578	160,000	-
Hospital	192,778,182	209,661,989	6,833,244	-
ABC Board	18,133,658	18,698,623	-	-
<b>Total component units</b>	<b>\$ 217,597,455</b>	<b>\$ 235,900,212</b>	<b>\$ 6,993,244</b>	<b>\$ 1,149,868</b>

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Occupancy tax

ABC local bottle tax

Unrestricted intergovernmental

Investment earnings, unrestricted

Other revenue, unrestricted

Total general revenues excluding transfers

Gain on sale of water system assets

Transfers

**Total general revenues and transfers**

**Change in net position**

Net position, beginning as previously reported

Error correction - Note 19

Net position, beginning as restated

Net position, ending

See Notes to Financial Statements.

**Net (Expense) Revenue and Changes in Net Position**

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Carteret County			
			Carteret County Beaufort Airport Authority	Tourism Development Authority	Carteret County General Hospital Corporation	Carteret County ABC Board
\$ (12,856,030)	\$ -	\$ (12,856,030)				
(27,820,327)	-	(27,820,327)				
(8,707,128)	-	(8,707,128)				
(10,745,492)	-	(10,745,492)				
151,761	-	151,761				
4,166,704	-	4,166,704				
(4,140,387)	-	(4,140,387)				
(44,459,131)	-	(44,459,131)				
(1,428,688)	-	(1,428,688)				
(105,838,718)	-	(105,838,718)				
-	(107,185)	(107,185)				
(105,838,718)	(107,185)	(105,945,903)				
			\$ 514,427	\$ -	\$ -	\$ -
			-	1,649,426	-	-
			-	-	23,717,051	-
			-	-	-	564,965
			514,427	1,649,426	23,717,051	564,965
70,237,367	-	70,237,367	-	-	-	-
26,471,331	-	26,471,331	-	-	-	-
14,379,331	-	14,379,331	-	-	-	-
54,097	-	54,097	-	-	-	-
1,707,275	-	1,707,275	-	-	-	-
8,132,728	257,575	8,390,303	284,262	402,762	3,383,438	-
181,651	-	181,651	20,085	-	-	7,500
121,163,780	257,575	121,421,355	304,347	402,762	3,383,438	7,500
-	3,799,914	3,799,914	-	-	-	-
9,677,191	(9,677,191)	-	-	-	-	-
130,840,971	(5,619,702)	125,221,269	304,347	402,762	3,383,438	7,500
25,002,253	(5,726,887)	19,275,366	818,774	2,052,188	27,100,489	572,465
135,417,848	5,726,887	141,144,735	22,016,230	10,445,107	321,731,794	6,209,624
486,957	-	486,957	-	-	-	-
135,904,805	5,726,887	141,631,692	22,016,230	10,445,107	321,731,794	6,209,624
\$ 160,907,058	\$ -	\$ 160,907,058	\$ 22,835,004	\$ 12,497,295	\$ 348,832,283	\$ 6,782,089

Carteret County, North Carolina

**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	Major Funds		
	General Fund	American Rescue Plan Act Fund	Opioid Settlement Fund
<b>Assets</b>			
Cash and investments	\$ 94,699,612	\$ -	\$ -
Receivables, net	14,153,767	-	10,688,178
Restricted cash and investments	741,181	3,455,994	2,473,298
Due from other funds	843,590	-	-
Due from component unit	332,737	-	-
<b>Total assets</b>	<b>\$ 110,770,887</b>	<b>\$ 3,455,994</b>	<b>\$ 13,161,476</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 4,194,190	\$ -	\$ 24,320
Due to other funds	-	-	-
Unearned revenue	36,406	3,393,673	-
<b>Total liabilities</b>	<b>4,230,596</b>	<b>3,393,673</b>	<b>24,320</b>
Deferred Inflows of Resources	3,309,564	-	9,823,497
Fund balances:			
Restricted:			
Register of deeds	221,058	-	-
Recreation districts	33,898	-	-
Beach nourishment	34,720,887	-	-
Stabilization by state statute	12,020,530	-	-
Sheriff's fund	486,651	-	-
Health and mental health services programs	1,439,356	62,321	3,313,659
Public safety	-	-	-
Economic development	887,948	-	-
School capital	-	-	-
County capital	-	-	-
Committed:			
Tax revaluation	719,832	-	-
Community college capital	-	-	-
School capital	-	-	-
Assigned:			
Subsequent year's expenditures	5,500,000	-	-
County library	140,000	-	-
County capital	-	-	-
Unassigned	47,060,567	-	-
<b>Total fund balances</b>	<b>103,230,727</b>	<b>62,321</b>	<b>3,313,659</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 110,770,887</b>	<b>\$ 3,455,994</b>	<b>\$ 13,161,476</b>

See Notes to Financial Statements.

School Bond Project Fund	Total Non-Major Funds	Total Governmental Funds
\$ -	\$ 55,350,646	\$ 150,050,258
-	6,292,477	31,134,422
30,651,144	5,533,923	42,855,540
-	-	843,590
-	-	332,737
\$ 30,651,144	\$ 67,177,046	\$ 225,216,547

\$ 3,115,420	\$ 6,410,454	\$ 13,744,384
-	843,590	843,590
-	5,894	3,435,973
3,115,420	7,259,938	18,023,947
-	684,920	13,817,981

-	-	221,058
-	-	33,898
-	-	34,720,887
-	-	12,020,530
-	-	486,651
-	151,695	4,967,031
-	6,826,390	6,826,390
-	2,955,896	3,843,844
27,535,724	-	27,535,724
-	10,389,320	10,389,320
-	-	719,832
-	200,000	200,000
-	592,921	592,921
-	-	5,500,000
-	-	140,000
-	40,910,196	40,910,196
-	(2,794,230)	44,266,337
27,535,724	59,232,188	193,374,619
\$ 30,651,144	\$ 67,177,046	\$ 225,216,547

**Carteret County, North Carolina**

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
June 30, 2024**

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

Total fund balances for governmental funds	<b>\$ 193,374,619</b>
Capital assets used in governmental activities are not current financial resources and, therefore are not reported in the funds	<b>30,516,769</b>
Net pension asset	<b>124,137</b>
Deferred outflows of resources related to pensions are not reported in the fund statements	<b>13,356,512</b>
Deferred outflows of resources related to OPEB are not reported in the fund statements	<b>1,708,714</b>
Deferred outflows of resources related to advance refunding bond issue	<b>458,567</b>
Deferred inflows of resources in the fund statements for taxes and special assessments, and Opioid receivable	<b>13,817,981</b>
Deferred inflows of resources related to pensions	<b>(390,605)</b>
Deferred inflows of resources related to OPEB	<b>(1,358,804)</b>
Accrued interest receivable not included in the fund statements	<b>867,837</b>
Accrued interest payable on long-term debt is not a current financial obligation and, therefore, is not in the funds	<b>(232,423)</b>
Long-term liabilities, including bonds payable, are not due and payable in the current period; therefore are not reported in the funds	<b><u>(91,336,246)</u></b>
<b>Net position of governmental activities</b>	<b><u>\$ 160,907,058</u></b>

See Notes to Financial Statements.



Carteret County, North Carolina

Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds  
Year Ended June 30, 2024

	Major Funds		
	General Fund	American Rescue Plan Act Fund	Opioid Settlement Fund (Formerly Non-Major)
<b>Revenues</b>			
Ad valorem taxes	\$ 59,982,260	\$ -	\$ -
Other taxes	22,904,081	-	-
Permits and fees	4,783,326	-	-
Intergovernmental	17,900,788	1,451	(942,191)
Sales and services	5,816,644	-	-
Interest	4,663,472	122,128	84,948
Other revenue	263,248	-	3,314,896
<b>Total revenues</b>	<b>116,313,819</b>	<b>123,579</b>	<b>2,457,653</b>
<b>Expenditures</b>			
Current:			
General government	12,472,692	-	-
Public safety	19,439,555	-	-
Transportation	1,442,337	-	-
Environmental protection	5,038,714	-	-
Economic and physical development	3,264,958	-	-
Human services	20,777,521	(338,485)	497,373
Culture and recreation	4,714,975	-	-
Education	31,469,345	-	-
Capital outlay	2,295,797	-	-
Debt service:			
Principal retirement	5,031,525	-	-
Interest and fees	1,299,513	-	-
Issuance costs	-	-	-
<b>Total expenditures</b>	<b>107,246,932</b>	<b>(338,485)</b>	<b>497,373</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>9,066,887</b>	<b>462,064</b>	<b>1,960,280</b>
<b>Other financing sources (uses)</b>			
Debt issuance	-	-	-
Bond premium	-	-	-
Transfers in	7,562,426	-	-
Transfers out	(6,443,480)	(510,571)	-
IT Subscription agreements	725,432	-	-
<b>Total other financing sources (uses)</b>	<b>1,844,378</b>	<b>(510,571)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>10,911,265</b>	<b>(48,507)</b>	<b>1,960,280</b>
Fund balances			
Beginning, as previously reported	92,319,462	110,828	-
Adjustment - change to reporting entity	-	-	866,422
Error correction - (Note 19)	-	-	486,957
Beginning, as restated	92,319,462	110,828	1,353,379
Ending	<b>\$ 103,230,727</b>	<b>\$ 62,321</b>	<b>\$ 3,313,659</b>

See Notes to Financial Statements.

School Bond Project Fund	Occupancy Tax Fund (Formerly Major)	Total Non-Major Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,935,211	\$ 69,917,471
-	-	18,000,678	40,904,759
-	-	67,512	4,850,838
6,583,921	-	9,338,638	32,882,607
-	-	-	5,816,644
575,111	-	2,687,069	8,132,728
-	-	175,000	3,753,144
<b>7,159,032</b>	<b>-</b>	<b>40,204,108</b>	<b>166,258,191</b>
-	-	67,512	12,540,204
-	-	13,544,628	32,984,183
-	-	-	1,442,337
-	-	-	5,038,714
-	-	7,113,560	10,378,518
-	-	753,253	21,689,662
-	-	-	4,714,975
-	-	-	31,469,345
<b>16,045,175</b>	<b>-</b>	<b>19,405,779</b>	<b>37,746,751</b>
-	-	-	5,031,525
-	-	-	1,299,513
<b>186,556</b>	<b>-</b>	<b>-</b>	<b>186,556</b>
<b>16,231,731</b>	<b>-</b>	<b>40,884,732</b>	<b>164,522,283</b>
<b>(9,072,699)</b>	<b>-</b>	<b>(680,624)</b>	<b>1,735,908</b>
<b>22,000,000</b>	<b>-</b>	<b>-</b>	<b>22,000,000</b>
<b>2,125,948</b>	<b>-</b>	<b>-</b>	<b>2,125,948</b>
-	-	25,427,688	32,990,114
-	-	(16,358,872)	(23,312,923)
-	-	-	725,432
<b>24,125,948</b>	<b>-</b>	<b>9,068,816</b>	<b>34,528,571</b>
<b>15,053,249</b>	<b>-</b>	<b>8,388,192</b>	<b>36,264,479</b>
<b>12,482,475</b>	<b>16,371</b>	<b>51,694,047</b>	<b>156,623,183</b>
-	(16,371)	(850,051)	-
-	-	-	486,957
<b>12,482,475</b>	<b>-</b>	<b>50,843,996</b>	<b>157,110,140</b>
<b>\$ 27,535,724</b>	<b>\$ -</b>	<b>\$ 59,232,188</b>	<b>\$193,374,619</b>

**Carteret County, North Carolina**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities - Governmental Funds  
Year Ended June 30, 2024**

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

Net changes in fund balances - total governmental funds	<b>\$ 36,264,479</b>
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 capital outlays exceeded capital depreciation in the current period.	<b>1,884,379</b>
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, retirements, and donations) is a decrease to net income.	<b>(13,201)</b>
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	<b>3,766,188</b>
OPEB benefit payments and administration cost in the current fiscal year are not included in the Statement of Activities	<b>295,910</b>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	<b>10,033,557</b>
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 bond premiums and other 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	<b>(27,229,059)</b>
<b>Total changes in net position of governmental activities</b>	<b><u>\$ 25,002,253</u></b>

See Notes to Financial Statements.

Carteret County, North Carolina

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund  
Year Ended June 30, 2024

	General Fund			Variance With Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Ad valorem taxes	\$ 58,735,000	\$ 58,735,000	\$ 59,982,260	\$ 1,247,260
Other taxes	23,356,000	23,356,000	22,904,081	(451,919)
Permits and fees	4,803,800	5,192,100	4,783,326	(408,774)
Intergovernmental	17,566,570	18,737,137	17,900,788	(836,349)
Sales and services	5,489,300	5,706,800	5,816,644	109,844
Interest	750,000	1,100,000	4,663,472	3,563,472
Other revenue	125,610	149,465	263,248	113,783
<b>Total revenues</b>	<b>110,826,280</b>	<b>112,976,502</b>	<b>116,313,819</b>	<b>3,337,317</b>
<b>Expenditures</b>				
Current:				
General government	12,369,435	14,613,811	12,976,308	1,637,503
Public safety	21,322,390	22,082,265	19,879,864	2,202,401
Transportation	2,086,140	2,495,365	1,681,545	813,820
Environmental protection	5,010,325	5,361,148	5,051,364	309,784
Economic and physical development	4,127,040	4,316,066	3,472,771	843,295
Human services	22,480,515	24,278,373	21,620,404	2,657,969
Culture and recreation	4,948,455	5,227,346	4,764,293	463,053
Education	31,381,000	32,997,535	31,469,345	1,528,190
Debt service:				
Principal retirement	4,407,700	5,018,400	5,031,525	(13,125)
Interest and fees	1,595,000	1,431,850	1,299,513	132,337
<b>Total expenditures</b>	<b>109,728,000</b>	<b>117,822,159</b>	<b>107,246,932</b>	<b>10,575,227</b>
<b>Revenues over (under) expenditures</b>	<b>1,098,280</b>	<b>(4,845,657)</b>	<b>9,066,887</b>	<b>13,912,544</b>
<b>Other financing sources (uses)</b>				
Transfers in	7,750,000	8,474,700	7,562,426	(912,274)
Transfers out	(6,305,500)	(6,443,524)	(6,443,480)	44
IT subscription agreement	-	705,000	725,432	20,432
Contingency reserves	(7,197,500)	(6,054,365)	-	6,054,365
Appropriated fund balance	4,654,720	8,163,846	-	(8,163,846)
<b>Total other financing sources (uses)</b>	<b>(1,098,280)</b>	<b>4,845,657</b>	<b>1,844,378</b>	<b>(3,001,279)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>10,911,265</b>	<b>\$ 10,911,265</b>
<b>Fund balances</b>				
Beginning			92,319,462	
Ending			<u>\$ 103,230,727</u>	

See Notes to Financial Statements.

**Carteret County, North Carolina**

**Statement of Fund Net Position - Proprietary Fund  
June 30, 2024**

	<b>Water Fund</b>
<b>Assets</b>	
<b>Total assets</b>	<b>\$ -</b>
<b>Liabilities</b>	
<b>Total liabilities</b>	<b>-</b>
<b>Net Position</b>	
<b>Total net position</b>	<b>\$ -</b>

See Notes to Financial Statements.

Carteret County, North Carolina

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund  
Year Ended June 30, 2024

	Water Fund
Operating revenues	
Charges for services	\$ 514,563
<b>Total operating revenues</b>	<b>514,563</b>
Operating expenses	
Water plant operations	437,517
Depreciation	171,950
<b>Total operating expenses</b>	<b>609,467</b>
<b>Operating loss</b>	<b>(94,904)</b>
<b>Nonoperating revenues (expenses)</b>	
Interest revenue	257,575
Gain on sale of system assets	3,799,914
Interest expense	(12,281)
<b>Total nonoperating revenues (expenses)</b>	<b>4,045,208</b>
<b>Income before contributions and transfers</b>	<b>3,950,304</b>
<b>Transfers in (out)</b>	
Transfers in	8,648
Transfers out	(9,685,839)
<b>Total transfers in (out)</b>	<b>(9,677,191)</b>
<b>Change in net position</b>	<b>(5,726,887)</b>
Total net position	
Beginning	5,726,887
Ending	\$ -

See Notes to Financial Statements.

**Carteret County, North Carolina**

**Statement of Cash Flows - Proprietary Fund  
Year Ended June 30, 2024**

	<b>Water Fund</b>
Cash flows from operating activities	
Cash received from customers	\$ 621,149
Cash paid for goods and services	(425,070)
Cash paid to employees for services	(220,757)
Customer deposits refunded	(126,285)
<b>Net cash used in operating activities</b>	<b>(150,963)</b>
Cash flows from noncapital financing	
Transfers in	8,648
Transfers out	(9,685,839)
<b>Net cash used in noncapital financing</b>	<b>(9,677,191)</b>
Cash flows from capital and related financing activities	
Principal paid on installment debt	(1,306,000)
Interest paid on installment debt	(15,855)
Capital grant recapture	(821,989)
Proceeds sale of capital assets	9,025,000
<b>Net cash provided in capital and related financing activities</b>	<b>6,881,156</b>
Cash flows provided by investing activities	
Interest on investments	257,575
<b>Net decrease in cash and cash equivalents</b>	<b>(2,689,423)</b>
Cash and cash equivalents:	
Beginning	2,689,423
Ending	\$ -

(Continued)

**Carteret County, North Carolina**

**Statement of Cash Flows - Proprietary Fund (Continued)**  
**Year Ended June 30, 2024**

	<b>Water Fund</b>
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (94,904)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	171,950
Changes in assets, liabilities, and deferred outflows and inflows of resources:	
Decrease in accounts receivable	106,586
Decrease in accounts payable and accrued liabilities	(48,070)
Decrease in customer deposits	(126,285)
Decrease in accrued vacation pay	(4,119)
Decrease in deferred outflows of resources - pensions	126,571
Decrease in deferred outflows of resources - OPEB	18,705
Decrease in net pension liability	(181,904)
Decrease in total OPEB liability	(103,469)
Decrease in deferred inflows of resources - pensions	(1,355)
Decrease in deferred inflows of resources - OPEB	(14,669)
<b>Net cash used in operating activities</b>	<b>\$ (150,963)</b>

See Notes to Financial Statements.

Carteret County, North Carolina

Statement of Fiduciary Net Position - Fiduciary Funds  
June 30, 2024

	<u>Custodial Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 188,065
Taxes receivable for other governments, net	<u>758,120</u>
<b>Total assets</b>	<u><u>\$ 946,185</u></u>
<b>Liabilities</b>	
Due to other governments	<u>188,037</u>
	<u>188,037</u>
<b>Net Position</b>	
Restricted for individuals, organizations and other governments	<u>758,148</u>
<b>Total net position</b>	<u><u>\$ 758,148</u></u>

See Notes to Financial Statements.

**Carteret County, North Carolina**

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Funds**

**Year Ended June 30, 2024**

	<b>Custodial Funds</b>
<b>Additions</b>	
Ad valorem taxes collected for other governments	\$ 16,702,004
Collections on behalf of inmates	324,618
Total Additions	<u>17,026,622</u>
<b>Deductions</b>	
Tax distributions to other governments	16,506,520
Payments on behalf of inmates	318,868
Total Deductions	<u>16,825,388</u>
Net increase in fiduciary net position	<u>201,234</u>
Net position, beginning	<u>556,914</u>
Net position, ending	<u>\$ 758,148</u>

See Notes to Financial Statements.



# Notes to Financial Statements

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These notes are intended to communicate information necessary for a fair presentation of financial position and changes in financial position that are not readily apparent from or cannot be included in the financial statements themselves. The notes supplement the financial statements, are an integral part thereof, and are intended to be read in conjunction with the financial statements.

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## **Carteret County, North Carolina**

### **Notes to Financial Statements**

#### **1. Nature of Operations, Reporting Entity, and Summary of Significant Accounting Policies**

##### **Nature of operations**

Carteret County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under General Statute 153A-10. The County is located on the coast of North Carolina, with its seat of government in the Town of Beaufort. The County is responsible for providing a full range of governmental services, including police and fire protection to residents in unincorporated areas of the County, health and social services, recreational programs, and operational and capital funding support for the public school system.

##### **Reporting entity**

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

**Carteret County – Beaufort Airport Authority (“Airport”):** The Airport is an entity created by resolution of the Carteret County Board of Commissioners for the purpose of management and maintenance of the airport located in Carteret County. The County appoints a majority of the Airport board members. The Airport also receives a majority of its revenue from County sources. The Airport has a June 30 year-end.

**Carteret County Tourism Development Authority (“TDA”):** The TDA is an entity created by resolution of the Carteret County Board of Commissioners for the purpose of management of the promotion and development of tourism in Carteret County. The TDA Board is governed by a board appointed by the County Commissioners. If any TDA member misses three consecutive meetings, the Authority may notify the nominating agency and the agency can recommend the member be replaced. The County does not have authority to designate management of the TDA. The TDA receives substantially all its revenue from an occupancy tax implemented, and revocable, by the County Commissioners and has a June 30 year-end.

**Carteret County General Hospital Corporation (“Hospital”):** The Hospital is a public hospital operated by a nonprofit corporation, providing healthcare to residents of Carteret County. The Hospital leases its existing facilities and all future improvements from the County. The County appoints the Hospital's governing board and can remove board members at will. The Hospital must receive approval from the County Commissioners before issuing debt. The Hospital has a September 30 year-end.

**Carteret County Alcoholic Beverage Control Board (“ABC Board”):** The ABC Board is governed by a board appointed by the County Commissioners. The ABC Board is required by State statute to distribute surpluses to the General Fund of the County. The ABC Board has a June 30 year-end.

Complete financial statements for the individual component units may be obtained at the administrative offices of those entities.

- Carteret County – Beaufort Airport Authority, 180 Airport Road, Beaufort, NC 28516
- Carteret County Tourism Development Authority, 3409 Arendell Street, Morehead City, NC 28557
- Carteret County General Hospital Corporation, 3500 Arendell Street, Morehead City, NC 28557
- Carteret County ABC Board, 410 Live Oak Street, Beaufort, NC 28516

## **Carteret County, North Carolina**

### **Notes to Financial Statements**

**Carteret County Industrial Facility and Pollution Control Financing Authority (“Authority”):** The Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board of commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances of its own; therefore, it is not presented in the financial statements. The Authority does not issue separate financial statements.

The following corporation is included as a blended component unit:

**County of Carteret Public Facilities Financing Corporation (“Corporation”):** The Corporation is a nonprofit corporation. The Corporation was organized and shall be operated exclusively for the purpose of providing debt financing for the County and, to fulfill various statutory obligations involving but not limited to, purchase and sale, construction and/or lease of real estate and improvements, facilities, and equipment. The Corporation has a three-member board of directors who are established through the bylaws of the Articles of Incorporation and will consist of the County Manager, Deputy Clerk to the Board, and Chair of the County Commissioners. The County has entered into Construction and Repayment Contracts with the Corporation. The Corporation’s assets, fund balance, revenue and expenditures have been included in the County Capital Improvements Fund as of and for the year ended June 30, 2015 and subsequent years.

### **Summary of significant accounting policies**

The basic financial statements of Carteret County, North Carolina have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government’s accounting policies are described below.

### **Basis of presentation**

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

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

**Fund financial statements:** The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component unit. 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 non-major funds, as applicable.

## **Carteret County, North Carolina**

### **Notes to Financial Statements**

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

The County reports the following major governmental funds:

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

*Opioid Settlement Fund:* This special revenue fund accounts for funds to be used for opioid remediation activities per the National Opioid Settlement Agreement.

*American Recue Plan Act (ARPA) Fund:* This special revenue fund accounts for the transactions related to the American Rescue Plan Funds.

*School Bond Project Fund:* This capital project fund is used to account for financial resources to be used for various construction projects which include building expansions and extensive renovations to public schools.

The County reports the following major enterprise fund:

*Water Fund:* This fund is used to account for the operations of the County's water system.

The County reports the following fiduciary fund types:

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

The County reports the following non-major funds. The County maintains fifteen non-major funds.

*Special Revenue Funds:* Non-major special revenue funds are as follows: Emergency Telephone System Fund, Rescue Squad Fund, Fire District Fund, Water Tax District Fund, Salter Path District Fund, Deed of Trust Fund, Representative Payee Fund, and Occupancy Tax Fund.

*Capital Project Funds:* Non-major capital project funds are as follows: County Capital Reserve Fund, County Capital Improvements Fund, County Facilities/ Debt Reserve Fund, School Special Projects Fund, County Capital Equipment Fund, State Capital Grants Fund, and Communications System Project Fund are reported as capital project funds.

### **Measurement focus and basis of accounting**

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

## Carteret County, North Carolina

### Notes to Financial Statements

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

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

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

**Governmental fund financial statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases and IT subscriptions are reported as other financing sources.

The County recognizes assets of non-exchange transactions in the period when the underlying transaction occurs, when an enforceable legal claim has arisen, or when all eligibility requirements are met. Revenues are recognized, on the modified accrual basis, when they are measurable and available. Non-exchange transactions occur when one government provides (or receives) value to (from) another party without receiving (or giving) equal or nearly equal value in return. State shared revenues, sales tax, property taxes, federal grants funding federal mandates, and most donations are examples of non-exchange transactions.

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

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Expenditure-driven grants

## **Carteret County, North Carolina**

### **Notes to Financial Statements**

are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied, subject to availability.

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

**Budgets and budgetary accounting:** The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted on the modified accrual basis for the general fund, the special revenue funds (excluding the American Rescue Act Fund and the Opioid Settlement Fund), the capital projects funds (excluding the State Capital Grants Projects Fund, the School Bond Project Fund, and the Communications System Projects Fund) and the Water Operating Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for those capital projects funds and special revenue funds which do not adopt annual budgets and water construction projects. In accordance with the Local Government Budget and Fiscal Control Act, the County follows these procedures in establishing the budgetary data reflected in the financial report:

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

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

Under State statute, actual expenditures cannot exceed budgetary appropriations at the level at which the budget ordinance is formally approved. The County's budget ordinance authorizes expenditures by department total for the general fund and the special revenue funds, and at the fund level for the capital projects funds. All budgets are fixed in nature. The County Manager is authorized to approve transfers between departments not to exceed \$30,000. Transfers between departments that exceed \$30,000 or any transfers between funds require Board approval. For internal management purposes, the budgets are detailed by line item within each department and entered into the accounting records. Comparisons of actual expenditures to budget are made on an ongoing basis.

### **Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Net Position/Fund Balance**

**Deposits and investments:** All deposits of the County, the Hospital, ABC Board, the TDA, and the Airport are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Hospital, the ABC Board, the TDA, and the Airport may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County, the Hospital, the ABC Board, the TDA, and the Airport may establish time deposit accounts, such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

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

## Carteret County, North Carolina

### Notes to Financial Statements

commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust Government Portfolio ("NCCMT").

The majority of the County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost, which approximate fair value. The NC Capital Management Trust is authorized by G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

**Cash and cash equivalents:** The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments of the Water Enterprise Fund in the pool are essentially demand deposits and are considered cash and cash equivalents for purposes of reporting cash flows. Investment earnings are allocated to all funds based on the cash balance outstanding at the end of each quarter. The County's component units consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

**Restricted cash and investments:** Certain proceeds of debt issuances are classified as restricted cash and cash equivalents and investments because their use is limited by applicable debt instruments. Additional restricted cash includes rescue and fire districts' cash balances that are completely restricted for rescue and fire district use in the future, compensating cash balance, which offsets fees associated with the County's banking account, as well as other miscellaneous restricted accounts. Money in Tax Revaluation Fund is classified as restricted because its use is restricted per North Carolina General Statute 153A-150. The amount of opioid settlement is restricted for use for specific purposes (i.e. opioid remediation). Accordingly, the asset from the settlement that remains on hand are reported as restricted cash and investments.

**Ad valorem taxes receivable:** Ad valorem taxes receivable are not recognized as revenue in the governmental fund financial statements because they are not considered to be both "measurable and available". The receivable amount is reduced by an allowance for doubtful accounts equal to the percent of the original levy, which has normally been written off based on past experience. An amount equal to the net taxes receivable that was not recognized as revenue is shown as a deferred inflow.

The property tax calendar for Carteret County, North Carolina according to North Carolina general statutes 105-347 and 159-13(a) is as follows:

Levy date	July 1
Due date (lien date)	September 1
Past due date	January 6

The taxes for the current fiscal year are generally based on January 1, 2023 assessed values.

**Allowances for doubtful accounts:** All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. The Opioid Settlement Fund is reporting a receivable for the first time in fiscal year 2024. The County has determined, in the absence of reliable information relating to collectability, that no allowance be recorded this year. The County will monitor and reevaluate annually.

**Capital assets:** Capital assets of the County are not capitalized in the governmental fund used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and capitalized and reported in the government-wide financial statements as capital assets of governmental activities. Capital assets are capitalized in proprietary fund financial statements and in business-type activities of the government-wide financial statements. Purchased or constructed

## Carteret County, North Carolina

### Notes to Financial Statements

capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The County has no significant amount of public domain or infrastructure capital assets. Minimum capitalization costs are as follows: buildings, improvements, and infrastructure, \$100,000; furniture and equipment, \$10,000; and vehicles, \$10,000. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend assets' lives are not capitalized.

The County holds title to certain Carteret County Board of Education ("Board of Education") properties, which have not been included in capital assets. 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 of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Board of Education. Revenues and expenditures related to these construction projects are reflected in governmental funds financial statements of Carteret County during construction.

Capital assets of the Hospital, the ABC Board, the Airport, and the TDA are recorded at original cost at the time of acquisition. Capital assets donated to these entities for operations are recorded at the estimated fair value at the date of donation or acquisition value after July 1, 2015. Any interest incurred during the construction phase of the capital assets of the Hospital or the ABC Board is reflected in the capitalized value of the asset constructed. The County owns legal title to all Hospital facilities and improvements under a lease agreement, which allows the Hospital unrestricted use of those facilities. The County's policy is to report these assets in the Hospital component unit.

Capital assets of the County, Hospital, and the ABC Board are depreciated (expensed) over their estimated useful lives on a straight-line basis as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	5 - 40 years
Furniture and equipment	3 - 20 years
Improvements other than building	5 - 20 years

Capital assets of the TDA are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements	25 years
Furniture and equipment	10 -15 years
Vehicles	6 years
Computer equipment	3 years

The Airport's capital assets are depreciated using the straight-line method over the following estimated useful lives: buildings and improvements and infrastructure, 30 years; furniture and equipment, 10 years; vehicles, 7 years; and computer equipment and software, 5 years.

## Carteret County, North Carolina

### Notes to Financial Statements

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

The County has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at any amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

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

**Deferred outflows/inflows of resources:** In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion- a deferred charge on an advance refunding, pension and OPEB related deferrals, including amounts for contributions made to pension plans in the current fiscal year. In addition to liabilities, the statement of net position and balance sheet can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets or fund balance that applies to future periods and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category – prepaid taxes, property taxes and special assessments receivable, and other pension, and OPEB related deferrals. In addition, certain unavailable revenues related to opioid settlement receivables are reported as Deferred Inflow of Resources, but only in the balance sheet of the governmental funds.

**Compensated absences:** The vacation policies of the County, the Hospital, the TDA, and the ABC Board provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary fund financial statements, the TDA, the Hospital, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned and are accounted for on a last-in, first-out ("LIFO") basis, assuming that employees are taking time as it is earned.

The sick leave policies of the County, the Airport, the TDA, the Hospital, and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. In accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**Long-term obligations:** In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

## Carteret County, North Carolina

### Notes to Financial Statements

In the governmental fund financial statements, the face amount of debt issued is reported as other financing source and is not considered a fund liability.

In accordance with GASB Statement No. 23, as amended by GASB Statement No. 63, an unamortized charge, the difference between the reacquisition price and the net carrying amount of old debt on refunding of debt, is deferred and amortized to interest expense using the proportionate-to-stated-interest method in governmental activities. The unamortized charge is reported as a deferred outflow of resources.

**Bond premiums:** In the government-wide and proprietary fund financial statements, bond premiums are amortized over the life of the bonds using the proportionate-to stated-interest method. Long-term debt is reported inclusive of the applicable bond premium. In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums received on debt issuances are reported as other financing sources.

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

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

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

The County received \$1,994,981 as part of this settlement in Fiscal Year 2024. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

**Reimbursements for Pandemic-related Expenditures:** In FY21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$13,859,205 of fiscal recovery funds to be paid in installments. The first installment of \$6,747,158 was received in June 2021. The second installment was received in June 2022, and \$364,871 was received in fiscal year 2024. County staff and the Board of Commissioners have elected to use \$10,000,000 for revenue replacement in fiscal years 2022 and 2023. Revenue replacement was transferred to the General Fund. In fiscal year 2024, the Board of Commissioners elected to use \$3,642,320 for the County's communication system project.

### Net position/fund balances:

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

## Carteret County, North Carolina

### Notes to Financial Statements

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

**Restricted Fund Balance** – This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law. The following are the County's restricted fund balances as of June 30, 2024:

- Restricted for Register of Deeds — portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.
- Restricted for Recreation Districts — represents amounts restricted for specific recreation purposes.
- Restricted for Beach Nourishment — represents amount reserved for beach nourishment. Restricted for Beach Nourishment includes the amount of accounts receivable at June 30, 2024. This is done due to the great reliance of this restricted amount by the Board of Commissioners and the Beach Commission.
- Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted governmental funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by laws through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet. Restricted for Stabilization by State Statute does not include the accounts receivable amount for beach nourishment. Instead, that receivable amount is included in the restricted for beach nourishment. The purpose for that is due to the reliance of the Board of Commissioners and the Beach Commission on the Restricted for Beach Nourishment balance.
- Restricted for Sheriff's fund – represents amounts restricted for expenditures relating to special drug programs and concealed weapons programs.
- Restricted for Health and mental health services programs – represents amounts restricted to expenditures in specific health and mental health programs, and a portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.
- Restricted for Public Safety – portion of fund balance that is restricted by revenue source for expenditures relating to the Emergency Telephone System Fund, fire protection expenditures and rescue protection expenditures.
- Restricted for Economic Development – portion of fund balance that can only be used for economic development purposes derived from Industrial Park lot sales and proceeds from the former Eastern Region.
- Restricted for School capital – portion of fund balance that is restricted by issuance of bond proceeds for School capital.
- Restricted for County capital – portion of fund balance that is restricted by revenue source for County capital.

## Carteret County, North Carolina

### Notes to Financial Statements

**Committed Fund Balance** – portion of fund balance that can only be used for specific purpose imposed by majority vote of Carteret County’s Board of Commissioners (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the Board of Commissioners. This action is accomplished by a formal motion and approval vote by a majority of the Board of Commissioners. The following are the County’s committed fund balances as of June 30, 2024:

- Committed for Tax Revaluation – a portion of fund balance that can only be used for Tax Revaluation.
- Committed for Community College Capital – portion of fund balance that can only be used for community college capital projects.
- Committed for School Capital – portion of fund balance that can only be used for school capital projects.

**Assigned Fund Balance** - portion of fund balance that the Carteret County governing board has budgeted. The governing board (County Board of Commissioners) and management have authority to assign amounts to a specific purpose. The following are the County’s assigned fund balances as of June 30, 2024:

- Subsequent year’s expenditures — portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation.
- County capital – portion of fund balance that has been budgeted by the board for future County capital improvements.
- County library – portion of fund balance that has been assigned for County library capital.

**Unassigned Fund Balance** - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

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

Carteret County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that requires the County to maintain a 15% unassigned fund balance in the General Fund. The General Fund is the only governmental fund where it is appropriate to report a positive unassigned fund balance amount.

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

**Carteret County, North Carolina**

**Notes to Financial Statements**

**Reconciliation of Government-wide and Fund Financial Statements**

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

The governmental fund balance sheet includes 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 (\$32,467,561) consists of several elements as follows:

<b>Description</b>	<b>Amount</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	<b>\$ 80,086,503</b>
Less accumulated depreciation and amortization	<b>49,569,734</b>
<b>Net capital assets</b>	<b>30,516,769</b>
Net pension asset	<b>124,137</b>
Deferred outflows of resources related to pensions are not reported in the fund statements	<b>13,356,512</b>
Deferred outflows of resources related to OPEB are not reported in the fund statements	<b>1,708,714</b>
Deferred charges related to advance refunding bond issued - included on government-wide statement of net position but are not a current financial resources	<b>458,567</b>
Accrued interest receivable	<b>867,837</b>
Deferred inflows of resources reported in the fund statements but not in the government-wide statements	<b>13,817,981</b>
Deferred inflows of resources related pensions	<b>(390,605)</b>
Deferred inflows of resources related to OPEB	<b>(1,358,804)</b>
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:	
Bonds, leases, subscriptions and installment financing	<b>(51,451,166)</b>
Premiums on refundings	<b>(5,115,227)</b>
Accrued interest payable	<b>(232,423)</b>
Compensated absences	<b>(2,161,827)</b>
Accrued postemployment and retirement obligations	<b>(32,608,026)</b>
<b>Long-term liabilities</b>	<b>(91,568,669)</b>
<b>Total adjustment</b>	<b>\$ (32,467,561)</b>

**Carteret County, North Carolina**

**Notes to Financial Statements**

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$11,266,226) as follows:

<b>Description</b>	<b>Amount</b>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 5,346,529
Depreciation and amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(3,462,150)
Net loss on donated and disposed capital assets not recorded in the fund statements	(13,201)
General obligation debt issued (including bond premium), includes leases and IT subscriptions	(24,851,380)
Principal payments on debt owed are recorded as an use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	5,031,525
Bond premiums and other similar items, are amortized in the government-wide statements but not in the fund statements because they do not use current resources.	138,847
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	3,766,188
OPEB benefit payments and administrative cost made in the current fiscal year are not included in the Statement of Activities	295,910
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:	
Compensated absences	(211,451)
OPEB expense	(838,933)
County's portion of collective pension expense	(6,400,875)
Increase in interest payable on long-term debt at June 30, 2024	(96,792)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Decrease in deferred inflows of resources - taxes, special assessment, and opioid settlement as of June 30, 2024	9,836,796
Increase in accrued interest on taxes receivable for year ended June 30, 2024	196,761
<b>Total adjustment</b>	<b>\$ (11,262,226)</b>

## **Carteret County, North Carolina**

### **Notes to Financial Statements**

#### **2. Effect of component units with differing fiscal year ends**

A disparity in fiscal year between the primary government and one of its component units may affect how balances and activity are reported between them. The Hospital, a component unit of the County, has a fiscal year end September 30, 2023. This fiscal year end is nine months prior to the County's fiscal year end June 30, 2024. As a result of the September 30, 2023 year end, the Hospital was not required to implement GASB Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62. The County has implemented GASB Statement 100 as required. There are no items that qualify under GASB Statement 100 between the Hospital and the County.

#### **3. Cash and Investments**

Cash on hand: The County had \$2,680 in petty cash on hand at June 30, 2024.

Deposits:

All deposits of the County and its component units are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the units' agents in the units' name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the units, these deposits are considered to be held by their agents in the entities' name. The amount of the pledged collateral is based on an approved averaging method for 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 units or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the units under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability and minimum capitalization for each depository that collateralizes public deposits under the Pooling Method. The County and its component units do not have formal policies regarding custodial credit risk for deposits and rely on the State Treasurer to monitor those financial institutions. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2024, the County's unrestricted and restricted deposits, excluding petty cash and custodial fund deposits had a carrying amount of \$10,259,201 and a bank balance of \$11,896,860. Of the bank balance, \$250,000 was covered by federal depository insurance and \$11,646,860 was covered by collateral held under the Pooling Method.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consisted of the following as of June 30, 2024:

## Carteret County, North Carolina

### Notes to Financial Statements

#### Governmental Activities

General Fund	Unexpended revaluation funds	\$ 719,832
General Fund	Unexpended capital funds	21,349
American Rescue Plan Act Fund	Unexpended ARPA funds	55,994
Opioid Settlement Fund	Unexpended opioid settlement funds	73,298
School Bond Project Fund	Unexpended general obligation bond proceeds	1,725,073

#### Non-major Funds

Rescue Squad Fund	Unexpended rescue taxing districts funds	1,446,474
Fire District Fund	Unexpended fire taxing districts funds	2,787,449
County Capital Improvements Fund	Unexpended dredging project funds	1,300,000
		<u>\$ 8,129,469</u>

At June 30, 2024, the County's custodial fund deposits had a carrying amount of \$188,065 and a bank balance of \$200,825. None of the bank balance was covered by federal depository insurance. All the bank balance was covered by collateral held under the Pooling Method.

#### Investments:

At June 30, 2024, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than	
			1 Year	1-5 Years
Commercial Paper	Fair Value - Level 2	\$ 15,006,376	\$ 15,006,376	\$ -
US Government Agencies	Fair Value - Level 2	22,185,071	6,882,730	15,302,341
NC Capital Management Trust-Government Portfolio*	Fair Value - Level 1	145,452,470	145,452,470	N/A
<b>Total</b>		<u>\$ 182,643,917</u>	<u>\$ 167,341,576</u>	<u>\$ 15,302,341</u>

\*Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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

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

**Interest rate risk.** As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than twenty years.

**Credit risk.** The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits

## Carteret County, North Carolina

### Notes to Financial Statements

investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County has no formal policy on managing credit risk. As of June 30, 2024, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's and AAA-mf by Moody's Investor Service. The County's investments in US Government Agencies (Federal Home Loan Bank, Federal National Mortgage Association and Federal Farm Credit Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

**Concentration of credit risk.** The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's investments are in Commercial Paper, \$15,006,376 (8.22%). It is the County's intention to hold these investments until maturity. The County has no formal policy on concentration of credit risk.

At June 30, 2024, the County had restricted investments in the governmental activities of \$34,726,071, and are as follows: \$28,926,071 unspent general obligation bond proceeds in the School Bond Project Fund, \$2,400,000 unexpended settlement proceeds in the Opioid Settlement Fund, and \$3,400,000 unexpended American Rescue Plan Act funds.

#### 4. Receivables

Receivables at the government-wide level are comprised of the following major categories as of June 30, 2024:

	Governmental Activities	Business-Type Activity, Water	Total
Receivables:			
Interest	\$ 867,837	\$ -	\$ 867,837
Taxes	3,264,270	-	3,264,270
Accounts	11,511,149	-	11,511,149
Intergovernmental	13,321,994	-	13,321,994
Other	2,825,068	-	2,825,068
Special assessment	268,612	-	268,612
<b>Gross receivables</b>	<b>32,058,930</b>	-	<b>32,058,930</b>
Less allowance for uncollectibles	(56,671)	-	(56,671)
<b>Net total receivables</b>	<b>\$ 32,002,259</b>	\$ -	<b>\$ 32,002,259</b>

**Carteret County, North Carolina**

**Notes to Financial Statements**

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

Year Levied	Tax	Interest	Total
2021	\$ 351,904	\$ 115,249	\$ 467,153
2022	349,549	82,997	432,546
2023	350,452	67,462	417,914
2024	331,548	17,406	348,954
<b>Total</b>	<b>\$ 1,383,453</b>	<b>\$ 283,114</b>	<b>\$ 1,666,567</b>

**Carteret County, North Carolina**

**Notes to Financial Statements**

**5. Capital Assets**

The following is a summary of changes in the County's capital assets during the fiscal year ended June 30, 2024:

	Capital Assets July 1, 2023	Additions	Retirements	Adjustments and Transfers	Capital Assets June 30, 2024
Governmental activities:					
Capital assets, not being depreciated:					
Land, airport	\$ 169,549	\$ -	\$ -	\$ -	\$ 169,549
Land, other	10,439,630	2,032,071	-	-	12,471,701
Construction in progress	143,431	1,021,061	-	-	1,164,492
<b>Total capital assets not being depreciated</b>	<b>10,752,610</b>	<b>3,053,132</b>	<b>-</b>	<b>-</b>	<b>13,805,742</b>
Capital assets, being depreciated:					
Buildings	28,499,423	-	-	-	28,499,423
Vehicles	8,618,758	966,173	(420,114)	-	9,164,817
Equipment	6,562,014	250,292	(63,614)	-	6,748,692
Airport facilities	1,524,747	-	-	-	1,524,747
Other improvements	13,823,577	-	-	-	13,823,577
Leasehold improvements	2,590,428	-	-	-	2,590,428
<b>Total capital assets being depreciated</b>	<b>61,618,947</b>	<b>1,216,465</b>	<b>(483,728)</b>	<b>-</b>	<b>62,351,684</b>
Less accumulated depreciation for:					
Buildings	23,221,045	671,622	-	-	23,892,667
Vehicles	5,668,093	939,226	(420,114)	-	6,187,205
Equipment	5,936,906	276,117	(63,614)	-	6,149,409
Airport facilities	1,524,747	-	-	-	1,524,747
Other improvements	8,422,061	480,583	-	-	8,902,644
Leasehold improvements	1,674,579	129,522	-	-	1,804,101
<b>Total accumulated depreciation</b>	<b>46,447,431</b>	<b>\$ 2,497,070</b>	<b>\$ (483,728)</b>	<b>\$ -</b>	<b>48,460,773</b>
<b>Total capital assets, being depreciated, net</b>	<b>15,171,516</b>				<b>13,890,911</b>
Capital assets, being amortized:					
Right to use assets:					
Leased buildings	\$ 1,591,670	\$ -	\$ (49,436)	\$ 471,309	2,013,543
Leased equipment	54,827	-	(31,552)	(324)	22,951
IT subscriptions	1,469,833	1,095,432	(672,682)	-	1,892,583
<b>Total right to use assets</b>	<b>3,116,330</b>	<b>1,095,432</b>	<b>(753,670)</b>	<b>470,985</b>	<b>3,929,077</b>
Less accumulated amortization for:					
Leased buildings	235,926	175,669	(49,436)	56,237	418,396
Leased equipment	39,254	10,613	(31,552)	-	18,315
IT subscriptions	566,134	778,798	(672,682)	-	672,250
<b>Total accumulated amortization</b>	<b>841,314</b>	<b>965,080</b>	<b>(753,670)</b>	<b>56,237</b>	<b>1,108,961</b>
<b>Total right to use assets, net</b>	<b>2,275,016</b>				<b>2,820,116</b>
<b>Governmental activity capital assets, net</b>	<b>\$ 28,199,142</b>				<b>\$ 30,516,769</b>

**Carteret County, North Carolina**

**Notes to Financial Statements**

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

Governmental activities:	
General government	\$ 1,057,013
Public Safety	1,074,601
Transportation	180,603
Economic & Physical Development	131,198
Human Services	252,844
Culture & Recreation	696,999
Environmental Protection	68,892
<b>Total depreciation / amortization expense - governmental activities</b>	<b><u>\$ 3,462,150</u></b>

	Capital Assets July 1, 2023	Additions	Retirements	Adjustments and Transfers	Capital Assets June 30, 2024
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 222,608	\$ -	\$ (222,608)	\$ -	\$ -
<b>Total capital assets, not being depreciated</b>	<u>222,608</u>	<u>-</u>	<u>(222,608)</u>	<u>-</u>	<u>-</u>
Capital assets, being depreciated:					
Buildings	2,119,264	-	(2,119,264)	-	-
Infrastructure	9,618,564	-	(9,618,564)	-	-
Vehicles	60,755	-	(60,755)	-	-
Equipment	159,478	-	(159,478)	-	-
<b>Total capital assets, being depreciated</b>	<u>11,958,061</u>	<u>-</u>	<u>(11,958,061)</u>	<u>-</u>	<u>-</u>
Less accumulated depreciation for:					
Buildings	1,389,294	35,321	(1,424,615.00)	-	-
Infrastructure	5,521,092	136,629	(5,657,721.00)	-	-
Vehicles	60,757	-	(60,757)	-	-
Equipment	159,479	-	(159,479)	-	-
<b>Total accumulated depreciation</b>	<u>7,130,622</u>	<u>\$ 171,950</u>	<u>\$ (7,302,572)</u>	<u>\$ -</u>	<u>-</u>
<b>Total capital assets, being depreciated, net</b>	<u>4,827,439</u>				<u>-</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 5,050,047</u>				<u>\$ -</u>

The above depreciation was charged to water activities and the Water Fund.

Discretely presented component unit information

Legal title to the Hospital's capital assets, except equipment purchased by the Hospital from unrestricted funds, is held by Carteret County. The facilities are leased to the Hospital for an annual rent of \$1. In the event of dissolution of the Hospital or its failure to function as a Hospital or to operate as required in the lease, all of its monies, properties and assets shall revert to Carteret County.

**Carteret County, North Carolina**

**Notes to Financial Statements**

**6. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses (including liabilities to be paid from restricted assets) at the government-wide level at June 30, 2024, were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Total</b>
Governmental activities:			
General	\$ 2,323,919	\$ 1,870,271	\$ 4,194,190
Opioid Settlement	24,320	-	24,320
School Bond Projects	3,115,420	-	3,115,420
Other governmental	6,396,833	13,621	6,410,454
<b>Total governmental activities (1)</b>	<b>\$ 11,860,492</b>	<b>\$ 1,883,892</b>	<b>\$ 13,744,384</b>

(1) Includes amounts in liabilities to be paid from restricted assets.

**Carteret County, North Carolina**

**Notes to Financial Statements**

**7. Deferred Outflows and Inflows of Resources**

The amount of deferred outflows of resources on the government-wide statements and the balance in deferred inflows of resources on the fund statements and government-wide statements at year-end is composed of the following elements:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Deferred outflows/inflows of resources on the government-wide statements:</b>		
Charges on refunding of debt	\$ 458,567	\$ -
Difference between expected and actual experience		
Pensions	2,529,809	122,952
OPEB	60,049	322,513
Pensions - difference between projected and actual investment earnings	5,448,317	-
Changes in assumptions		
Pensions	1,092,751	267,653
OPEB	1,352,755	1,036,291
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	519,447	-
Contributions to plans in fiscal year 2024		
Pensions	3,766,188	-
OPEB	295,910	-
<b>Total</b>	<b>\$ 15,523,793</b>	<b>\$ 1,749,409</b>

**Deferred outflows / inflows of resources on the fund statements:**

Taxes receivable, net (General)	\$ -	\$ 2,522,679
Taxes receivable, net (Special Revenue)	-	684,920
Solid waste fees receivable (General)	-	518,273
Special assessments (General)	-	268,612
Opioid settlement receivable	-	9,823,497
<b>Total</b>	<b>\$ -</b>	<b>\$ 13,817,981</b>

## **Carteret County, North Carolina**

### **Notes to Financial Statements**

#### **8. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency. Through these pools, the County obtains property coverage equal to the replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence. The pools also provide \$1,000,000 in Cyber Event Coverage per loss occurrence. The County has the option to purchase higher liability and cyber limits. Auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation coverage up to the statutory limits are provided by the pools. All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of a \$500,000, up to \$2 million limit for liability coverage and limits above the \$2 million are provided by private reinsurers. For Cyber, the pool retains the first \$250,000 per loss occurrence. Single occurrence losses in excess of \$750,000 for workers' compensation are provided by a combination of the captive and a private reinsurer.

The County carries flood insurance for properties located in the AE zone. For health and dental insurance, the County is insured through a commercial carrier.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial crime coverage with a \$250,000 occurrence limit. The director of finance is individually bonded for \$1,000,000, and tax collector is individually bonded \$50,000. The remaining employees that have access to funds are bonded under a \$250,000 blanket bond.

**Carteret County, North Carolina**

**Notes to Financial Statements**

**9. Long-Term Obligations**

The County issues general obligation bonds to provide funds for the acquisition and construction of capital facilities for general government activities and for the construction of Board of Education and Community College properties, which are not recorded as capital assets by the County as disclosed in Note 1. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County and are serviced by the General Fund. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement. The County's general obligation bonds payable at June 30, 2024, are comprised of the following individual issues:

\$12,700,000 - 2013 Refunding of 2006 School bonds due on October 1 and April 1 in varying installments through April 1, 2026; interest at varying rates ranging from 4.00% to 5.00%	<b>\$ 2,475,000</b>
\$12,250,000 - 2015 Refunding of 2007 School bond due on October 1 and April 1 in varying installments through April 1, 2027; interest rate at 2.13%	<b>2,845,000</b>
\$4,600,000 - 2015 School bonds, due on November 1 and May 1 in varying installments through November 1, 2035; interest at interest rates ranging from 3.00% to 5.00%	<b>2,760,000</b>
\$20,000,000 - 2023 School bonds, due on November 1 and May 1 in varying installments through May 1, 2043; interest at interest rates ranging from 4.00% to 5.00%	<b>19,000,000</b>
\$22,000,000 - 2024 School bonds, due on November 1 and May 1 in varying installments through May 1, 2044; interest at interest rates ranging from 4.00% to 5.00%	<b>22,000,000</b>
	<b><u>\$ 49,080,000</u></b>

Year Ending June 30,	Principal	Interest
2025	\$ 4,820,000	\$ 2,087,619
2026	4,705,000	2,045,470
2027	2,785,000	1,857,279
2028	2,330,000	1,733,388
2029	2,330,000	1,628,388
2030 – 2034	11,650,000	6,411,687
2035 – 2039	10,960,000	3,644,231
2040 – 2044	9,500,000	1,101,000
	<b><u>\$ 49,080,000</u></b>	<b><u>\$ 20,509,062</u></b>

**Carteret County, North Carolina**

**Notes to Financial Statements**

Leases

The County has entered into agreements to lease certain equipment and buildings. 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.

As a result of the leases, the County has recorded a right to use asset with a net book value of \$2,036,494 at June 30, 2024. The right to use asset is discussed in more detail in the right to use asset section of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30,	Principal	Interest
2025	\$ 119,950	\$ 66,489
2026	118,508	61,862
2027	103,655	57,432
2028	98,937	53,461
2029	104,383	49,421
2030-2034	603,962	179,400
2035-2039	574,666	45,133
	<u>\$ 1,724,061</u>	<u>\$ 513,198</u>

## Carteret County, North Carolina

### Notes to Financial Statements

#### Subscriptions

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement establishes a single model for subscription accounting based on the principle that subscriptions are financings for the right to use an underlying asset. Under this Statement, the County is required to recognize a subscription liability and an intangible right-to-use subscription asset.

As of June 30, 2024, the County has several active subscriptions. The subscriptions have payments that range from \$955 to \$259,371 and interest rates that range from 1.71% to 2.71%. The liability balance at June 30, 2024 is \$647,105. The combined value for the right to use asset, as of June 30, 2024 is \$1,892,583 with an accumulated amortization of \$672,250. The future minimum subscription obligations and the net present value of these minimum subscriptions payments as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest
2025	\$ 431,160	\$ 13,997
2026	148,797	5,078
2027	33,182	1,589
2028	33,966	804
	<u>\$ 647,105</u>	<u>\$ 21,468</u>

#### Advance Refundings:

On April 25, 2013, the County issued \$12,700,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$13,400,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The current balance outstanding is \$2,475,000.

On March 12, 2015, the County issued \$12,250,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$11,300,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The current balance outstanding is \$2,845,000.

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, none relates to assets for which the County holds title. No restricted cash relates to this debt amount.

**Carteret County, North Carolina**

**Notes to Financial Statements**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2024:

	Beginning Balance June 30, 2023	Additions	Retirements	Adjsutments	Ending Balance June 30, 2024	Due Within One Year
Governmental activities:						
Bonds/certificates payable:						
General obligation bonds	\$ 30,825,000	\$ 22,000,000	\$ 3,745,000	\$ -	\$ 49,080,000	\$ 4,820,000
Bond premiums	3,339,394	2,125,948	350,115	-	5,115,227	-
<b>Total bonds payable</b>	<b>34,164,394</b>	<b>24,125,948</b>	<b>4,095,115</b>	<b>-</b>	<b>54,195,227</b>	<b>4,820,000</b>
Leases	1,429,179	-	151,567	446,449	1,724,061	119,950
Direct placement installment purchase	429,048	-	429,048	-	-	-
Subscription agreements	627,583	725,432	705,910	-	647,105	431,160
Compensated absences	1,950,376	1,980,354	1,768,903	-	2,161,827	1,576,473
Net pension liability (LGERS)	16,354,814	3,766,191	-	-	20,121,005	-
Total pension liability (LEOSSA)	2,054,784	431,205	-	-	2,485,989	108,434
Total OPEB liability	9,476,969	524,063	-	-	10,001,032	302,753
<b>Governmental activity         long-term liabilities</b>	<b>\$ 66,487,147</b>	<b>\$ 31,553,193</b>	<b>\$ 7,150,543</b>	<b>\$ 446,449</b>	<b>\$ 91,336,246</b>	<b>\$ 7,358,770</b>
Business-type activities:						
Revenue Bond from direct placement	\$ 886,000	\$ -	\$ 886,000	\$ -	\$ -	\$ -
Direct placement installment purchase	420,000	-	420,000	-	-	-
Compensated absences	4,119	-	4,119	-	-	-
Net pension liability (LGERS)	181,904	-	181,904	-	-	-
Total OPEB liability	103,469	-	103,469	-	-	-
<b>Business-type activity         long-term liabilities</b>	<b>\$ 1,595,492</b>	<b>\$ -</b>	<b>\$ 1,595,492</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Separation allowance pension obligations and net OPEB liability for governmental activities typically have been liquidated in the General Fund and are funded on a "pay-as-you-go" basis and "as they come due", respectively.

Compensated absences for governmental activities typically have been liquidated in the General Fund and are accounted for on a Last-In, First-Out ("LIFO") basis, assuming that employees are taking leave as it is earned.

At June 30, 2024, Carteret County had a legal debt margin of \$1,358,547,173.

**Carteret County, North Carolina**

**Notes to Financial Statements**

Net investment in capital assets.

Net investment in capital assets calculation for the year ended June 30, 2024 is as follows:

	Governmental activities
Capital assets	\$ 80,086,503
Less accumulated depreciation / amortization	<u>49,569,734</u>
Net capital assets	30,516,769
Total debt, gross	56,566,393
Less school debt for assets the county does not hold title	<u>54,195,227</u>
Total capital debt	<u>2,371,166</u>
Net investment in capital assets	<u><u>\$ 28,145,603</u></u>

## Carteret County, North Carolina

### Notes to Financial Statements

#### 10. Retirement Systems

##### A. North Carolina Local Governmental Employees' Retirement System

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

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

LGERS 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.

**Contributions:** Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2024, was 13.90% of compensation for law enforcement officers and 12.85% for general employees and fire fighters, 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 County were \$3,699,509 for the year ended June 30, 2024.

**Carteret County, North Carolina**

**Notes to Financial Statements**

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

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

At June 30, 2024, the County reported a liability of \$20,121,005 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, the County's proportion was .304% (measured as of June 30, 2023), which was an increase of .011% from its proportion as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$6,025,329. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,242,076	\$ 48,268
Changes of assumptions	855,027	-
Net difference between projected and actual earnings on pension plan investments	5,385,262	-
Changes in proportion and differences between County contributions and proportionate share of contributions	508,083	-
County contributions subsequent to the measurement date	3,699,509	-
Total	<u>\$ 12,689,957</u>	<u>\$ 48,268</u>

\$3,699,509 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Years ending June 30:</b>	
2025	\$ 3,309,645
2026	1,720,410
2027	3,684,406
2028	227,719
2029	-
Thereafter	-
	<u>\$ 8,942,180</u>

## Carteret County, North Carolina

### Notes to Financial Statements

**Actuarial Assumptions:** The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 percent - 8.25 percent
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality rates based on the Pub-2010 Public Pension Mortality tables projected from 2010 using generational improvement with Scale MP-2019. 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, 2022 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Protection	6.0%	4.3%
Total	<u>100.0%</u>	

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

## Carteret County, North Carolina

### Notes to Financial Statements

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

**Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate:** The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.5 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 34,858,850	\$ 20,121,005	\$ 7,987,430

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

## B. Law Enforcement Officers' Special Separation Allowance

### 1. Plan Description

Carteret County administers a public employee retirement system (the *Separation Allowance*), a single-employer, defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2022 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	72
<b>Total</b>	<u><u>77</u></u>

### 2. Summary of Significant Accounting Policies

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

## Carteret County, North Carolina

### Notes to Financial Statements

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

- Contributions to the pension plan and earnings on those contributions are irrevocable
- Pension plan assets are dedicated to providing benefits to plan members
- Pension plan assets are legally protected from the creditors or employers.

#### 3. Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2022 valuation. The total pension liability was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.00 percent

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

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

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

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

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

#### 4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration cost of the Separation Allowance are financed through investment earnings. The County has paid \$40,982 as benefits came due for the reporting period.

**Carteret County, North Carolina**

**Notes to Financial Statements**

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

At June 30, 2024, the County reported a total pension liability of \$2,485,989. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022 actuarial valuation. For the year ended June 30, 2024 the County recognized pension expense of \$317,753.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 287,733	\$ 69,188
Changes in assumptions	237,724	267,653
County benefit payments and plan administrative expense made subsequent of the measurement date	58,145	-
<b>Total</b>	<b>\$ 583,602</b>	<b>\$ 336,841</b>

\$58,145 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows and Deferred Inflows recognized in pension expense

**Years ending June 30:**

2025	\$ 104,271
2026	53,618
2027	(14,337)
2028	10,315
2029	34,749
Thereafter	-
	<u>\$ 188,616</u>

\$58,145 paid as benefits came due and \$0 administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following present the County's total pension liability calculated using the discount rate of 4.00%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.00%) or 1 percentage-point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 2,685,450	\$ 2,485,989	\$ 2,304,201

## Carteret County, North Carolina

### Notes to Financial Statements

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

	<u>2024</u>
Beginning Balance as of December 31, 2022	\$ 2,054,784
Service Cost	108,455
Interest on the total pension liability	87,678
Difference between expected and actual experience	221,932
Changes of assumptions or other inputs	54,122
Benefit payments	<u>(40,982)</u>
Ending balance as of December 31, 2023	<u>\$ 2,485,989</u>

#### C. Supplemental Retirement Income Plan for Law Enforcement Officers

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

**Funding policy:** Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions from the County for the year ended June 30, 2024 were \$401,785, which consisted of \$233,834 from the County and \$167,851 from law enforcement officers. No amounts were forfeited.

#### Supplemental Retirement Income Plan for General Employees

**Plan description:** Carteret County contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to general employees of the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

**Funding policy:** The County has voluntarily elected to contribute each month an amount equal to five percent of each employee's salary, and all amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2024, were \$1,844,186, which consisted of \$1,178,259 from the County and \$665,927 from the employees. No amounts were forfeited.

#### D. Registers of Deeds' Supplemental Pension Fund

**Plan description:** Carteret County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the

## Carteret County, North Carolina

### Notes to Financial Statements

authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and the State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina, 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

**Contributions:** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contribution to the pension plan from the County were \$8,534 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$124,137 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2023, the County's proportion was 1.033%, which was a decrease of .03% from its proportion measured as of June 30, 2022.

At June 30, 2024, the County recognized pension expense of \$27,669. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 5,496
Net difference between projected and actual earnings on pension plan investments	63,055	-
Changes in proportion and differences between County contributions and proportionate share of contributions	11,364	-
County contributions subsequent to the measurement date	8,534	-
Total	<u>\$ 82,953</u>	<u>\$ 5,496</u>

## Carteret County, North Carolina

### Notes to Financial Statements

\$8,534 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### Years ending June 30:

2025	\$	23,841
2026		22,800
2027		18,305
2028		3,977
2029		-
Thereafter		-
	\$	<u>68,923</u>

**Actuarial Assumptions:** The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 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, 2022 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2024 is .09%.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.5%. All rates of return and inflation are annualized.

**Carteret County, North Carolina**

**Notes to Financial Statements**

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County’s proportionate share of the net pension asset	\$ 84,738	\$ 124,137	\$ 157,358

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31,2022. The total pension liability for LEOSSA was measured as of June 30, 2023, with an actuarial valuation date of December 31, 2022. The County’s proportion of the net pension liability was based on the County’s share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	LEOSSA	ROD	Total
Proportionate Share of Net Pension Liability (Asset)	\$20,121,005	n/a	\$ (124,137)	\$19,996,868
Proportion of the Net Pension Liability (Asset)	0.30380%	n/a	1.03301%	
Total Pension Liability	\$ -	\$ 2,485,989	\$ -	\$ 2,485,989
Pension Expense	\$ 6,025,329	\$ 317,753	\$ 27,669	\$ 6,370,751

**Carteret County, North Carolina**

**Notes to Financial Statements**

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>LGERS</b>	<b>LEOSSA</b>	<b>ROD</b>	<b>Total</b>
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$ 2,242,076	\$ 287,733	\$ -	\$ 2,529,809
Change of assumptions	855,027	237,724	-	1,092,751
Net difference between projected and actual earnings on pension plan investments	5,385,262	-	63,055	5,448,317
Changes in proportion and differences between County contributions and proportionate share of contributions	508,083	-	11,364	519,447
County contributions (LGERS, ROD) / benefit payments and administration cost (LEOSSA) subsequent to the measurement date	3,699,509	58,145	8,534	3,766,188
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ 48,268	\$ 69,188	\$ 5,496	\$ 122,952
Change in assumptions	-	267,653	-	267,653

**Carteret County, North Carolina**

**Notes to Financial Statements**

**11. Other Post-Employment Benefits**

Healthcare Benefits

**Plan description.** Under the terms of a County personnel policy, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of August 5, 2002, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) for at least 20 years, and retire with at least ten years of creditable service with the County. The Plan is available to qualified retirees until Medicare eligible. Prior to August 5, 2002, employees qualified for similar level benefits after at least five years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. Also, the County's retirees can purchase coverage for themselves and their spouses at the County's group rates. The County Commissioners may amend the benefit provisions. A separate report was not issued for the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

County Contributions to HCB Plan based on years of creditable service		
Retiered Employees' Years of Creditable Service	Pre-August 5, 2002	On or after August 5, 2002
Less than 5 years	Not eligible for coverage	Not eligible for coverage
5 - 20 years	Full coverage paid for by County	Not eligible for coverage
20+ years	Full coverage paid for by County	Full coverage paid for by County

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

Retirees and spouses receiving benefits	31
Active plan members	483
<b>Total</b>	<b>514</b>

Total OPEB Liability

The county's total OPEB liability at June 30, 2024 of \$10,001,032 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

## Carteret County, North Carolina

### Notes to Financial Statements

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increase, including wage inflation:	
General Employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Municipal Bond Index Rate:	
Prior measurement date	3.54%
Measurement date	3.65%
Health Care Cost Trends:	
Pre-Medicare and Prescription Drug	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal bond Index rate as of the measurement date as the discount rate used to measure the TOL.

Mortality rates were based on the Pub- 2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increased used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation.

#### Changes in the Total OPEB Liability

<b>Total OPEB Liability as of June 30, 2022</b>	<b>\$ 9,580,438</b>
Changes for the year:	
Service cost at the end of the year	482,960
Interest on TOL and cash flows	350,187
Difference between expected and actual experience	(313,931)
Changes of assumptions or other inputs	246,588
Net Benefit payments and implicit subsidy credit	(345,210)
<b>Net Changes</b>	<b>420,594</b>
<b>Total OPEB Liability as of June 30, 2023</b>	<b>\$ 10,001,032</b>

The TOL is based upon an actuarial valuation performed as of the Valuation Date, June 30, 2023.

**Carteret County, North Carolina**

**Notes to Financial Statements**

The actuarial study has assumed no significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date. Since the Prior Measurement Date, the Discount Rate has changed from 3.54% to 3.65% due to a change in the Municipal Bond Rate. There are no changes in benefit terms since the Prior Measurement Date. No benefit payments are attributable to the purchase of allocated insurance contracts.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following present the total OPEB liability of the County, as well as what the county's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

<b>Discount Rate Sensitivity</b>			
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(2.65%)</b>	<b>(3.65%)</b>	<b>(4.65%)</b>
Total OPEB Liability	\$ 11,018,575	\$ 10,001,032	\$ 9,091,043

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

<b>Health Care Cost Trend Rate Sensitivity</b>			
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 8,889,764	\$ 10,001,032	\$ 11,313,359

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$838,933. At June 30, 2024, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 60,049	\$ 322,513
Changes of assumptions or other inputs	1,352,755	1,036,291
Benefit payments and administrative costs made subsequent to the measurement date	295,910	-
Total	<u>\$ 1,708,714</u>	<u>\$ 1,358,804</u>

**Carteret County, North Carolina**

**Notes to Financial Statements**

\$295,910 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Measurement Period Ended June 30:**

2025	\$	51,982
2026		76,992
2027		76,992
2028		76,369
2029		(85,844)
Thereafter		(142,491)
	\$	<u>54,000</u>

**12. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiemployer, State administered, cost-sharing plan funded on a one-year term cost basis. Lump-sum death benefits are provided to beneficiaries of those employees: 1) who die in active service after one year of contributing membership in the System, or 2) who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employees' death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000 for the County. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

For the fiscal year ended June 30, 2024 the County made contributions to the State for death benefits of \$18,427. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.05% and 0.14% of covered payroll, respectively.

## Carteret County, North Carolina

### Notes to Financial Statements

#### 13. Additional Social Welfare Expenditures

The benefit payments listed below were issued directly from the State to recipients of the County on its behalf. These amounts represent additional Federal and State financial assistance to the residents of the County but are not reflected in the financial statements because the County has no primary responsibilities beyond making eligibility determinations.

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 87,419,219	\$ 34,431,413
TANF	134,632	-
PEAF	(5)	-
WIC	890,895	-
Health Choice	(539)	(211)
IV-E Adoption Subsidy and vendor	616,302	149,370
SRRSAA Energy Supplement	280,162	-
Federal CIP	59,600	-
Federal LIEAP	294,990	-
Special Assistance	-	340,912
CWS Adoption Subsidy	-	154,436
	<u>\$ 89,695,256</u>	<u>\$ 35,075,920</u>

#### 14. Joint Ventures

The County, in conjunction with Craven County and Pamlico County, participates in the Coastal Regional Solid Waste Management Authority ("Waste Management Authority"). Carteret County appoints two members of the seven-member board. The Waste Management Authority is a joint venture established to provide solid waste management within these counties. The County has an ongoing financial responsibility for the Waste Management Authority because it and the other counties are legally obligated under the intergovernmental agreement that created the Waste Management Authority to honor any deficiencies in the event that proceeds from other sources are insufficient. The County did not contribute any funds to the Waste Management Authority during the fiscal year ended June 30, 2024. The participating governments do not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial statements for the Waste Management Authority can be obtained from the Waste Management Authority's administrative offices at 7400 Old Highway 70 West, Cove City, North Carolina 28524.

The County, in conjunction with the State of North Carolina and the Carteret County Board of Education, participates in a joint venture to operate Carteret Community College. The County appoints four members of the twelve-member board of trustees of the community college. The community college is included as a component unit of the State of North Carolina. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds and bank installment loans to provide financing for new and restructured facilities. There is no community college debt outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$3,839,345 to the Community College during the fiscal year ended June 30, 2024. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at 3505 Arendell Street, Morehead City, North Carolina 28557.

**Carteret County, North Carolina**

**Notes to Financial Statements**

**15. Commitments and Contingencies**

Litigation

The County is named defendant in several lawsuits related to carrying out its functions. Based upon its consultations with the County's attorneys, the County believes its ultimate liability, if any, will not be significant.

The County has the following construction commitments as of June 30, 2024.

<b>Project</b>	<b>Spent-To-Date</b>	<b>Remaining Commitment</b>
Administration building renovation	\$ 330,760	\$ 907,530
Emergency communication system project	929,980	11,694,258
Dredging project	1,425,000	75,000
Debris removal and storm resiliency	7,778,439	498,861
	<u>\$ 10,464,179</u>	<u>\$ 13,175,649</u>

Federal and State Assisted Programs

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

**Carteret County, North Carolina**

**Notes to Financial Statements**

**16. Inter-fund and Intra-Entity Receivables and Payables**

**Due to/ from other funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General Fund	Occupancy Tax	
	Occupancy tax distribution due to General Fund	<u><u>\$ 843,590</u></u>

**Due to/ from other entities:**

<b>Receivable Entity</b>	<b>Payable Entity</b>	<b>Amount</b>
Primary government:	Component unit:	
General Fund	Carteret County ABC Board	
	Net income distribution due to County	
	June 30, 2024	<u><u>\$ 332,737</u></u>

**Carteret County, North Carolina**

**Notes to Financial Statements**

**17. Inter-fund Transfers and Intra-Entity Transactions with Component Units**

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers, and are reported as other financing sources (uses) in the Governmental funds and non-operating revenues (expenses) in the Enterprise Fund.

Inter-fund transfers for the year ended June 30, 2024 are as follows:

	Transfers In			Total
	Major General	Non-Major Governmental Funds	Major Water Fund	
<b>Transfers Out</b>				
Major General Fund	\$ -	\$ 6,443,480	\$ -	\$ 6,443,480
Major American Rescue Plan Act Fund	45,057	465,514	-	510,571
Other Governmental Funds	7,517,369	8,832,855	8,648	16,358,872
Major Water Fund	-	9,685,839	-	9,685,839
<b>Total transfers out</b>	<b>\$ 7,562,426</b>	<b>\$ 25,427,688</b>	<b>\$ 8,648</b>	<b>\$ 32,998,762</b>

Transfers consist primarily of the following:

<b>\$ 6,443,480</b>	Transfer from General Fund for various current and future capital projects and to supplement other funding sources in the special revenue and capital projects funds
<b>45,057</b>	Transfer from American Rescue Plan Act to the General Fund for governmental lost revenue purposes
<b>465,514</b>	Transfer from American Rescue Plan Act to other governmental funds for capital projects
<b>7,267,369</b>	Transfer from other governmental funds (Occupancy Tax Fund) to General Fund in accordance with North Carolina General Statutes
<b>250,000</b>	Transfer from other governmental funds to General Fund for capital projects
<b>8,832,855</b>	Transfer from other governmental funds to other governmental funds for capital projects
<b>9,685,839</b>	Transfer from Water Fund to other governmental funds for capital projects
<b>8,648</b>	Transfer from Water Taxing District Fund to the Water Fund to fund debt service

## Carteret County, North Carolina

### Notes to Financial Statements

Intra-entity transactions with discretely presented component units for the year ended June 30, 2024, are as follows:

Expenditures from General Fund to Carteret County Beaufort	
Airport Authority for operations and capital improvements	\$ 45,022
Expenditures from Occupancy Tax Fund to	
Carteret County Tourism Development Authority for portion	
of Room Occupancy Tax	<u>7,113,560</u>
	<u>\$ 7,158,582</u>
Profit Contributions from ABC Board to	
General Fund	<u>\$ 1,295,062</u>

### 18. Disposal of Operations

On December 15, 2023, Carteret County sold its Water System to Carolina Water, Inc. for \$9,500,000. Due to the water system's small customer base, lack of potential to increase the number of customers, and the system operating on a loss, the County Commission voted to sell the system. For the year ending June 30, 2024, the water system's operating expenses were \$609,467 and nonoperating were \$12,281. Operating revenues were \$514,563, and nonoperating revenue was \$257,575. The gain on the sale of system assets was \$3,799,914. \$9,685,839 was transferred to the County's Capital Equipment Fund for future capital improvements.

### 19. Error Correction

For the fiscal year ended June 30, 2024, an adjustment was made to the Opioid Settlement Fund to record fiscal year 2023 revenue that was received in fiscal year 2024 as an adjustment to beginning fund balance. \$486,957 of revenue related to the settlement was received by the County within 90 days of the June 30, 2023 fiscal year end. Originally, the funds were determined to be related to the year ended June 30, 2024, so no accrual was made. During the year ended June 30, 2024, additional information came to light which caused a redetermination that the revenue should have been recorded in the year ended June 30, 2023, and recorded as a receivable. Beginning fund balance of the Major Opioid Settlement Fund increased in the amount of the correction, \$486,957. This correction increased the beginning net position for the Government-wide Statements for the same amount, \$486,957.

	Beginning Balance As Previously Reported	Error Correction	Beginning Balance As Restated
<b>Government-wide</b>			
Government Activities	\$ 135,417,848	\$ 486,957	\$ 135,904,805
Total Primary Government	<u>\$ 135,417,848</u>	<u>\$ 486,957</u>	<u>\$ 135,904,805</u>
<b>Governmental Funds</b>			
Major Fund - Opioid Settlement Fund	\$ 866,422	\$ 486,957	\$ 1,353,379
Total Governmental Funds	<u>\$ 866,422</u>	<u>\$ 486,957</u>	<u>\$ 1,353,379</u>

## Carteret County, North Carolina

### Notes to Financial Statements

#### Note 20. Changes to or within the Financial Reporting Entity

For the fiscal year ended June 30, 2024, the Occupancy Tax (Special Revenue) Fund no longer met quantitative thresholds as a major fund, restating and increasing the beginning fund balance of non-major governmental funds by \$16,371.

For the fiscal year ended June 30, 2024, the Opioid Settlement (Special Revenue) Fund is classified as major, due to the error correction above. The change to a major fund restated and decreased the beginning fund balance of non-major governmental funds by \$866,422.

	Beginning Balance As Previously Reported	Change to or within the Financial Reporting Entity	Beginning Balance As Restated
<b>Governmental Funds</b>			
Major Funds			
Opioid Settlement Fund	\$ -	\$ 866,422	\$ 866,422
Occupancy Tax Fund	16,371	(16,371)	-
Non-major Funds	51,694,047	(850,051)	50,843,996
Total Governmental Funds	<u>\$ 51,710,418</u>	<u>\$ -</u>	<u>\$ 51,710,418</u>

#### 21. Subsequent Event

On November 26, 2024 Fitch Ratings upgraded the County's Issuer Default Rating from AA+ to AAA.

#### 22. Pronouncements Issued, Not Yet Effective

The GASB has issued several pronouncements prior to June 30, 2024, that have effective dates that may affect future financial presentation.

Management has not currently determined what, if any, effect implementation of the following statements may have on the financial statements of Carteret County.

**Statement No. 101, *Compensated Absences*.** The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**Statement No. 102, *Certain Risk Disclosures*.** The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

## **Carteret County, North Carolina**

### **Notes to Financial Statements**

**Statement No. 103, Financial Reporting Model Improvements.** The objection of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**Statement No. 104, Disclosure of Certain Capital Assets.** The objection of this Statement is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

# **Required Supplemental Financial Data**

**(Unaudited)**

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

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

**Schedule of Total Pension Liability as a Percentage of Covered Payroll – Law Enforcement Officers' Special Separation Allowance**

**Schedule of County's Proportionate Share of Net Pension Liability (LGERS)**

**Schedule of County Contributions (LGERS)**

**Schedule of County's Proportionate Share of Net Pension (ROD)**

**Schedule of County Contributions (ROD)**

**Schedule of Changes in the Total OPEB Liability**

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**Carteret County, North Carolina**

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 2,054,784	\$ 2,138,853	\$2,150,843
Service cost	108,455	142,235	126,258
Interest on the total pension liability	87,678	47,839	41,194
Differences between expected and actual experience in the measurement of the total pension liability	221,932	115,480	(90,995)
Changes of assumptions or other inputs	54,122	(364,236)	(55,591)
Benefit payments	(40,982)	(25,387)	(32,856)
Ending balance of the total pension liability	<b>\$ 2,485,989</b>	<b>\$ 2,054,784</b>	<b>\$ 2,138,853</b>

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

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

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$1,528,461	\$ 1,127,500	\$ 1,108,206	\$ 968,325	\$ 912,139
79,376	78,385	66,838	58,188	63,079
49,369	40,632	34,689	37,022	32,336
(80,827)	256,196	(14,112)	(18,303)	-
602,636	48,239	(47,228)	81,366	(26,491)
(28,172)	(22,491)	(20,893)	(18,392)	(12,738)
<b>\$ 2,150,843</b>	<b>\$ 1,528,461</b>	<b>\$ 1,127,500</b>	<b>\$ 1,108,206</b>	<b>\$ 968,325</b>

**Carteret County, North Carolina**

**Schedule of Total Pension Liability as a Percentage of Covered Payroll**

**Law Enforcement Officers' Special Separation Allowance**

Last Eight Fiscal Years

	<b>2024</b>		<b>2023</b>		<b>2022</b>
Total pension liability	\$ 2,485,989	\$	2,054,784	\$	2,138,853
Covered employee payroll	4,312,418		3,806,792		3,423,584
Total pension liability as a percentage of covered payroll	57.65%		53.98%		62.47%

Notes to the schedules:

The County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 nor does the Plan provided pay related benefits.

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

	<b>2021</b>		<b>2020</b>		<b>2019</b>		<b>2018</b>		<b>2017</b>
\$	2,150,843	\$	1,528,461	\$	1,127,500	\$	1,108,206	\$	968,325
	3,256,690		3,349,736		2,638,514		2,590,646		2,577,824
	66.04%		45.63%		42.73%		42.78%		37.56%

**Carteret County, North Carolina**

**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**

**Required Supplementary Information**

**Local Governmental Employees' Retirement System**

Last Ten Fiscal Years\*

	<b>2024</b>	<b>2023</b>	<b>2022</b>
County's proportion of the net pension liability (asset) %	0.30380%	0.29313%	0.28400%
County's proportionate share of the net pension liability (asset) \$	\$ 20,121,005	\$ 16,536,718	\$ 4,349,125
County's covered payroll	26,293,593	24,197,407	22,433,718
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	76.52%	68.34%	19.39%
Plan fiduciary net position as a percentage of the total pension liability	88.20%	84.14%	92.00%

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	0.28122%	0.30071%	0.27648%	0.28040%	0.29078%	0.25893%	0.25688%
\$	10,049,189	\$ 8,212,156	\$ 6,559,051	\$ 4,283,735	\$ 6,171,326	\$ 1,162,062	\$ (1,514,940)
	21,005,204	20,750,389	18,490,395	18,208,239	17,057,781	15,801,403	14,891,061
	47.84%	39.58%	35.47%	23.53%	36.18%	7.35%	-10.17%
	88.61%	92.00%	91.63%	94.18%	91.47%	98.09%	102.64%

**Carteret County, North Carolina**

**Schedule of County Contributions  
 Required Supplementary Information  
 Local Governmental Employee's Retirement System  
 Last Ten Fiscal Years**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contribution	\$ 3,699,509	\$ 3,216,014	\$ 2,741,566
Contributions in relation to the contractually required contribution	3,699,509	3,216,014	2,741,566
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 County's covered payroll	 \$ 28,406,504	 \$ 26,293,593	 \$ 24,197,407
 Contributions as a percentage of covered payroll	 13.02%	 12.23%	 11.33%

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$	2,278,751	\$ 1,889,036	\$ 1,622,959	\$ 1,391,865	\$ 1,315,412	\$ 1,167,788	\$ 1,150,353
	2,278,751	1,889,036	1,622,959	1,391,865	1,315,412	1,167,788	1,150,353
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	22,433,718	\$ 21,005,204	\$ 20,750,389	\$ 18,490,395	\$ 18,208,239	\$ 17,057,781	\$ 15,801,403
	10.16%	8.99%	7.82%	7.53%	7.22%	6.85%	7.28%

**Carteret County, North Carolina**

**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**

**Required Supplementary Information**

**Registers of Deeds' Supplemental Pension Fund**

Last Ten Fiscal Years\*

	<b>2024</b>	<b>2023</b>	<b>2022</b>
County's proportion of the net pension liability (asset) %	1.03301%	1.06401%	1.17178%
County's proportionate share of the net pension liability (asset) \$	\$ (124,137)	\$ (140,875)	\$ (225,134)
County's covered payroll	73,546	66,116	55,827
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-168.79%	-213.07%	-403.27%
Plan fiduciary net position as a percentage of the total pension liability	155.80%	139.04%	156.53%

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	1.04512%	0.90764%	1.06630%	0.93938%	1.33673%	1.09128%	1.10071%
\$	(239,521)	\$ (179,186)	\$ (176,611)	\$ (160,343)	\$(249,915)	\$ (252,893)	\$ (249,489)
	54,325	52,113	47,636	47,761	41,841	46,233	46,233
	-440.90%	-343.84%	-370.75%	-335.72%	-597.30%	-547.00%	-539.63%
	173.62%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

**Carteret County, North Carolina**

**Schedule of County Contributions  
Required Supplementary Information  
Registers of Deeds' Supplemental Pension Fund  
Last Ten Fiscal Years**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Contractually required contribution	\$ 8,534	\$ 9,219	\$ 12,198
Contributions in relation to the contractually required contribution	8,534	9,219	12,198
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 81,046	\$ 73,546	\$ 66,116
Contributions as a percentage of covered payroll	10.53%	12.54%	18.45%

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
\$	14,063	\$ 10,007	\$ 8,627	\$ 9,125	\$ 9,588	\$ 9,494	\$ 8,732
	14,063	10,007	8,627	9,125	9,588	9,494	8,732
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$	55,827	\$ 54,325	\$ 52,113	\$ 46,025	\$ 41,841	\$ 46,233	\$ 46,233
	25.19%	18.42%	16.55%	19.83%	22.92%	20.54%	18.89%

**Carteret County, North Carolina**

**Schedule of Changes in Total OPEB Liability**

Last Seven Fiscal Years

	<b>Measurement Period Ending</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance	\$ 9,580,438	\$10,416,059
Service cost	482,960	625,558
Interest on the total pension liability	350,187	234,931
Differences between expected and actual experience	(313,931)	(3,524)
Changes of assumptions or other inputs	246,588	(1,360,480)
Benefit payments	(345,210)	(332,106)
Ending balance of the total OPEB liability	<b>\$ 10,001,032</b>	<b>\$ 9,580,438</b>
Covered employee payroll	24,588,007	19,800,356
Total OPEB liability as a percentage of covered-employee payroll	40.67%	48.39%

Notes to Schedule

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

Fiscal year	Measurement Period	Rate
2018	2017	3.56%
2019	2018	3.89%
2020	2019	3.50%
2021	2020	2.21%
2022	2021	2.16%
2023	2022	3.54%
2024	2023	3.65%

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

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
\$ 9,010,210	\$ 7,605,662	\$7,294,191	\$ 7,230,171	\$ 7,297,781
534,331	394,910	413,040	425,449	407,537
207,288	274,248	276,362	250,233	213,683
77,838	18,295	(122,530)	26,801	40,986
918,170	1,049,790	127,802	(232,621)	(329,477)
(331,778)	(332,695)	(383,203)	(405,842)	(400,339)
<b>\$ 10,416,059</b>	<b>\$ 9,010,210</b>	<b>\$7,605,662</b>	<b>\$ 7,294,191</b>	<b>\$ 7,230,171</b>

19,800,356	18,339,543	18,339,543	16,873,606	16,873,606
52.61%	49.13%	41.47%	43.23%	42.85%



## Major Governmental Funds

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

American Rescue Plan Act (ARPA) Fund - This special revenue fund accounts for the transactions related to the American Rescue Plan Funds.

Opioid Settlement Fund – accounts for funds to be used for opioid remediation activities per the National Opioid Settlement Agreement.

School Bond Project Fund - This capital project fund accounts for financial resources to be used for various construction projects which include building expansions and extensive renovations to public schools.



**General Fund**



Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes:			
Current period	\$ 57,520,000	\$ 58,944,312	\$ 1,424,312
Prior years	850,000	777,971	(72,029)
Interest and penalties	365,000	259,977	(105,023)
	<u>58,735,000</u>	<u>59,982,260</u>	<u>1,247,260</u>
Other taxes:			
ABC local bottle tax	56,000	54,097	(1,903)
Local option sales tax	23,300,000	22,849,984	(450,016)
	<u>23,356,000</u>	<u>22,904,081</u>	<u>(451,919)</u>
Permits and fees:			
Sheriff fees	100,000	90,546	(9,454)
Register of deeds	2,100,000	1,753,849	(346,151)
Franchise fees	350,000	301,723	(48,277)
Building and Inspection fees	1,350,000	1,624,516	274,516
Environmental health fees	350,000	322,072	(27,928)
Public Health fees	741,500	449,109	(292,391)
Other fees	200,600	241,511	40,911
	<u>5,192,100</u>	<u>4,783,326</u>	<u>(408,774)</u>
Intergovernmental:			
Restricted:			
Federal and State grants	17,119,137	16,063,666	(1,055,471)
Municipal contributions	7,000	-	(7,000)
Court facilities fees	100,000	94,647	(5,353)
Unrestricted:			
Beer and wine tax	170,000	184,218	14,218
Payments in lieu of taxes	-	227,995	227,995
ABC profits	1,300,000	1,295,062	(4,938)
Croatan National Forest	41,000	35,200	(5,800)
	<u>18,737,137</u>	<u>17,900,788</u>	<u>(836,349)</u>
Sales and services:			
Solid waste	3,600,000	3,581,579	(18,421)
Civic center fees	236,500	302,198	65,698
Other	1,870,300	1,932,867	62,567
	<u>5,706,800</u>	<u>5,816,644</u>	<u>109,844</u>
Interest	1,100,000	4,663,472	3,563,472
Other revenue	149,465	263,248	113,783
	<u>149,465</u>	<u>263,248</u>	<u>113,783</u>
<b>Total revenues</b>	<u>112,976,502</u>	<u>116,313,819</u>	<u>3,337,317</u>

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)  
Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Expenditures</b>			
General government:			
Governing body:			
Salaries and employee benefits		73,109	
Operating expenses		163,502	
Professional services		85,800	
	<u>437,730</u>	<u>322,411</u>	<u>115,319</u>
Administration:			
Salaries and employee benefits		469,502	
Operating expenses		20,668	
	<u>509,950</u>	<u>490,170</u>	<u>19,780</u>
Information systems:			
Salaries and employee benefits		1,124,176	
Operating expenses		1,409,916	
Capital outlay		307,850	
	<u>3,090,773</u>	<u>2,841,942</u>	<u>248,831</u>
Finance:			
Salaries and employee benefits		778,129	
Operating expenses		212,886	
Capital outlay		151,162	
	<u>1,280,661</u>	<u>1,142,177</u>	<u>138,484</u>
Human resources:			
Salaries and employee benefits		444,883	
Operating expenses		150,032	
	<u>710,945</u>	<u>594,915</u>	<u>116,030</u>
Tax and revaluation:			
Salaries and employee benefits		1,120,597	
Operating expenses		64,621	
Contract services		2,761,512	
	<u>4,361,107</u>	<u>3,946,730</u>	<u>414,377</u>
Legal:			
Professional services		127,409	40,591
	<u>168,000</u>	<u>127,409</u>	<u>40,591</u>
Court facilities:			
Operating expenses		53,995	
	<u>63,915</u>	<u>53,995</u>	<u>9,920</u>
Elections:			
Salaries and employee benefits		509,465	
Operating expenses		190,493	
	<u>821,292</u>	<u>699,958</u>	<u>121,334</u>
Register of deeds:			
Salaries and employee benefits		483,508	
Operating expenses		203,543	
	<u>743,275</u>	<u>687,051</u>	<u>56,224</u>

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)  
Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Public buildings:			
Salaries and employee benefits		780,316	
Operating expenses		1,244,630	
Capital outlay		44,604	
	<u>2,426,163</u>	<u>2,069,550</u>	<u>356,613</u>
<b>Total general government</b>	<b>14,613,811</b>	<b>12,976,308</b>	<b>1,637,503</b>
Public safety:			
Sheriff:			
Salaries and employee benefits		7,056,508	
Operating expenses		1,200,495	
Contract services		277,383	
Capital outlay		37,145	
	<u>8,837,366</u>	<u>8,571,531</u>	<u>265,835</u>
Sheriff - Jail division:			
Salaries and employee benefits		2,870,965	
Operating expenses		1,564,461	
Contract services		603,429	
	<u>5,665,885</u>	<u>5,038,855</u>	<u>626,730</u>
Paramedic operations:			
Salaries and employee benefits		1,023,724	
Operating expenses		85,373	
Capital outlay		76,860	
	<u>1,296,935</u>	<u>1,185,957</u>	<u>110,978</u>
County rescue services:			
Salaries and employee benefits		943,873	
Operating expenses		83,050	
Capital outlay		88,190	
	<u>1,295,309</u>	<u>1,115,113</u>	<u>180,196</u>
Emergency management:			
Salaries and employee benefits		331,007	
Operating expenses		133,569	
Capital outlay		78,020	
	<u>652,518</u>	<u>542,596</u>	<u>109,922</u>
Rape crisis program:			
Salaries and employee benefits		294,530	
Operating expenses		9,634	
	<u>338,766</u>	<u>304,164</u>	<u>34,602</u>
Fire Marshall:			
Salaries and employee benefits		248,711	
Operating expenses		38,127	
Capital outlay		116,661	
	<u>425,204</u>	<u>403,499</u>	<u>21,705</u>
Consolidated Communications:			
Salaries and employee benefits		1,779,950	
Operating expenses		338,517	
	<u>2,902,574</u>	<u>2,118,467</u>	<u>784,107</u>

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)  
Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Medical examiner:			
Professional services	105,000	101,100	3,900
Animal control:			
Salaries and employee benefits		263,731	
Operating expenses		191,418	
Capital outlay		43,433	
	563,008	498,582	64,426
<b>Total public safety</b>	<b>22,082,265</b>	<b>19,879,864</b>	<b>2,202,401</b>
Transportation:			
Harbors:			
Operating expenses	33,000	11,358	21,642
Beaufort-Morehead City Airport Authority			
Salaries and employee benefits		138,047	
Operating expenses		19,860	
Contribution		45,022	
	202,999	202,929	70
CCATS:			
Salaries and employee benefits		899,535	
Operating expenses		328,515	
Capital outlay		239,208	
	2,259,366	1,467,258	792,108
<b>Total transportation</b>	<b>2,495,365</b>	<b>1,681,545</b>	<b>813,820</b>
Environmental protection:			
Forest fire control	178,000	168,889	9,111
Tri-County solid waste collections	3,974,600	3,856,901	117,699
Public works:			
Salaries and employee benefits		432,722	
Operating expenses		355,314	
	907,640	788,036	119,604
County garage:			
Salaries and employee benefits		186,422	
Operating expenses		38,466	
Capital outlay		12,650	
	300,908	237,538	63,370
<b>Total environmental protection</b>	<b>5,361,148</b>	<b>5,051,364</b>	<b>309,784</b>
Economic and physical development:			
Economic development:			
Salaries and employee benefits		167,694	
Operating expenses		111,516	
	511,600	279,210	232,390

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)  
Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Beach nourishment:			
Salaries and employee benefits		172,677	
Operating expenses		10,918	
Contract services		782,519	
	1,420,000	966,114	453,886
Planning and zoning:			
Salaries and employee benefits		1,330,706	
Operating expenses		208,375	
Contract services		65,647	
Capital outlay		156,292	
	1,839,703	1,761,020	78,683
General services:			
Salaries and employee benefits		140,538	
Operating expenses		4,594	
Capital outlay		51,521	
	259,185	196,653	62,532
Cooperative extension:			
Salaries and employee benefits		87,491	
Operating expenses		182,283	
	285,578	269,774	15,804
<b>Total economic and physical development</b>	<b>4,316,066</b>	<b>3,472,771</b>	<b>843,295</b>
Human Services:			
Health center:			
Salaries and employee benefits		2,979,569	
Operating expenses		860,420	
Contracted services		126,256	
	5,019,356	3,966,245	1,053,111
Dental program			
Salaries and employee benefits		296,757	
Operating expenses		32,614	
	438,099	329,371	108,728
Women, infants, and children:			
Salaries and employee benefits		304,205	
Operating expenses		3,890	
	360,497	308,095	52,402
Environmental health:			
Salaries and employee benefits		1,300,729	
Operating expenses		107,353	
Capital outlay		142,671	
	1,552,856	1,550,753	2,103
Mental health:			
Mental health center and other		498,000	
Schools Drug Free Education		33,764	
Mental health, ABC		30,000	
	566,500	561,764	4,736

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)  
Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
DSS administration:			
Salaries and employee benefits		9,908,967	
Operating expenses		709,041	
Capital outlay		700,212	
	12,215,193	11,318,220	896,973
General assistance	1,094,000	1,042,502	51,498
TANF Block grant:			
TANF Block grant		35,021	
Operating expenses		13,133	
	55,000	48,154	6,846
DSS special assistance	690,000	647,474	42,526
Special projects	671,300	433,760	237,540
Other human services	607,295	507,852	99,443
Veteran services:			
Salaries and employee benefits		345,311	
Operating expenses		54,384	
	487,967	399,695	88,272
Senior center aging programs:			
Salaries and employee benefits		276,495	
Operating expenses		47,576	
Contract services		182,448	
	520,310	506,519	13,791
<b>Total human services</b>	<b>24,278,373</b>	<b>21,620,404</b>	<b>2,657,969</b>
Culture and recreation:			
Senior center:			
Salaries and employee benefits		211,183	
Operating expenses		100,976	
Contract services		14,780	
	375,506	326,939	48,567
Carteret County Library:			
Salaries and employee benefits		1,236,766	
Operating expenses		414,602	
Contract services		56,179	
	1,984,138	1,707,547	276,591
Parks and recreation:			
Salaries and employee benefits		679,806	
Operating expenses		261,265	
Contract services		42,835	
	1,033,918	983,906	50,012

(Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)  
Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Parks and recreation maintenance:			
Salaries and employee benefits		629,264	
Operating expenses		602,603	
Capital outlay		33,368	
	<u>1,289,855</u>	<u>1,265,235</u>	<u>24,620</u>
Civic center:			
Salaries and employee benefits		273,493	
Operating expenses		191,223	
Capital outlay		15,950	
	<u>543,929</u>	<u>480,666</u>	<u>63,263</u>
<b>Total culture and recreation</b>	<u>5,227,346</u>	<u>4,764,293</u>	<u>463,053</u>
Education:			
Public schools, current expense	27,630,000	27,630,000	-
Community college, current expense	3,161,000	3,161,000	-
Community college, capital outlay	2,206,535	678,345	1,528,190
<b>Total education</b>	<u>32,997,535</u>	<u>31,469,345</u>	<u>1,528,190</u>
Debt service:			
Principal retirement	5,018,400	5,031,525	(13,125)
Interest and fees	1,431,850	1,299,513	132,337
<b>Total debt service</b>	<u>6,450,250</u>	<u>6,331,038</u>	<u>119,212</u>
<b>Total expenditures</b>	<u>117,822,159</u>	<u>107,246,932</u>	<u>10,575,227</u>
<b>Revenues (under) over expenditures</b>	<u>(4,845,657)</u>	<u>9,066,887</u>	<u>13,912,544</u>
<b>Other financing sources (uses)</b>			
Transfers in (out):			
From Occupancy Tax Fund	7,580,000	7,267,369	(312,631)
From American Rescue Plan Fund	45,100	45,057	(43)
From State Capital Grant Fund	250,000	250,000	-
From County Capital Fund	599,600	-	(599,600)
To School Project Fund	(1,890,000)	(1,890,000)	-
To Capital Improvement Fund	(2,389,290)	(2,389,290)	-
To Facilities / Debt Reserve Fund	(1,540,000)	(1,540,000)	-
To County Equipment Fund	(620,600)	(620,556)	44
To Emergency Telephone System Fund	(3,634)	(3,634)	-
IT subscriptions issued	705,000	725,432	20,432
Contingency reserves	(6,054,365)	-	6,054,365
Appropriated fund balance	8,163,846	-	(8,163,846)
<b>Total other financing sources (uses)</b>	<u>4,845,657</u>	<u>1,844,378</u>	<u>(3,001,279)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>10,911,265</u>	<u>\$ 10,911,265</u>
<b>Fund balance</b>			
Beginning		92,319,462	
Ending		<u>\$ 103,230,727</u>	

Carteret County, North Carolina

American Rescue Plan Act Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
From Inception and the Year Ended June 30, 2024

	Original Project Estimate	Amended Project Estimate	Actual		
			Prior Years	Current Year	Total to Date
<b>Revenues</b>					
Intergovernmental:					
American Recovery Plan Act	\$ 150,000	\$ 13,859,205	\$ 10,464,063	\$ 1,451	\$ 10,465,514
Interest	-	229,840	110,828	122,128	232,956
<b>Total revenues</b>	<b>150,000</b>	<b>14,089,045</b>	<b>10,574,891</b>	<b>123,579</b>	<b>10,698,470</b>
<b>Expenditures</b>					
Human Services:					
Supplies	-	-	17,128	(17,128)	-
Small equipment	-	-	27,286	(27,286)	-
Maintenance	150,000	403,725	403,706	(233,071)	170,635
Capital	-	61,000	61,000	(61,000)	-
<b>Total expenditures</b>	<b>150,000</b>	<b>464,725</b>	<b>509,120</b>	<b>(338,485)</b>	<b>170,635</b>
<b>Revenues over expenditures</b>	<b>-</b>	<b>13,624,320</b>	<b>10,065,771</b>	<b>462,064</b>	<b>10,527,835</b>
<b>Other financing uses</b>					
Transfer to General Fund	-	(10,000,000)	(9,954,943)	(45,057)	(10,000,000)
Transfer to other funds	-	(3,624,320)	-	(465,514)	(465,514)
<b>Total other financing uses</b>	<b>-</b>	<b>(13,624,320)</b>	<b>(9,954,943)</b>	<b>(510,571)</b>	<b>(10,465,514)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 110,828</b>	<b>(48,507)</b>	<b>\$ 62,321</b>
<b>Fund balances</b>					
Beginning				110,828	
Ending				<u>\$ 62,321</u>	

Carteret County, North Carolina

Opioid Settlement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
From Inception and the Year Ended June 30, 2024

	Original Project Estimate	Total Project Estimate	Actual		
			Prior Years	Current Year	Total to Date
<b>Revenues</b>					
Intergovernmental:					
Opioid settlement	\$ 1,924,000	\$ -	\$ 942,191	\$ (942,191)	\$ -
Other revenue:					
Opioid settlement	-	1,924,000	-	3,314,896	3,314,896
Interest	-	-	25,425	84,948	110,373
<b>Total revenues</b>	<b>1,924,000</b>	<b>1,924,000</b>	<b>967,616</b>	<b>2,457,653</b>	<b>3,425,269</b>
<b>Expenditures</b>					
Human services:					
Salaries and employee benefits	555,700	555,700	-	313,755	313,755
Operating expenses	113,400	113,400	9,463	43,311	52,774
Contract services	1,162,900	1,162,900	-	140,307	140,307
<b>Total expenditures</b>	<b>1,832,000</b>	<b>1,832,000</b>	<b>9,463</b>	<b>497,373</b>	<b>506,836</b>
<b>Revenue over expenditures</b>	<b>92,000</b>	<b>92,000</b>	<b>958,153</b>	<b>1,960,280</b>	<b>2,918,433</b>
<b>Other financing uses</b>					
Transfer to other funds	(92,000)	(92,000)	(91,731)	-	(91,731)
<b>Total other financing uses</b>	<b>(92,000)</b>	<b>(92,000)</b>	<b>(91,731)</b>	<b>-</b>	<b>(91,731)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 866,422</b>	<b>1,960,280</b>	<b>\$ 2,826,702</b>
<b>Fund balance</b>					
Beginning, as previously reported				866,422	
Error correction - (Note 19)				486,957	
Beginning, as restated				1,353,379	
Ending				<u>\$ 3,313,659</u>	

Carteret County, North Carolina

School Bond Project Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
From Inception and for the Year Ended June 30, 2024

	Original Project Estimate	Amended Project Estimate	Actual		
			Prior Years	Current Year	Total to Date
<b>Revenues</b>					
Intergovernmental:					
NC needs based capital funds	\$ -	\$ 14,911,245	\$ 8,442,070	\$ 6,469,110	\$ 14,911,180
Sales tax refund	-	-	18,996	114,811	133,807
	-	14,911,245	8,461,066	6,583,921	15,044,987
Interest	-	560,000	10,842	575,111	585,953
<b>Total revenues</b>	<b>-</b>	<b>15,471,245</b>	<b>8,471,908</b>	<b>7,159,032</b>	<b>15,630,940</b>
<b>Expenditures</b>					
Debt service:					
Issuance costs	-	370,000	146,060	186,556	332,616
Capital outlay:					
Renovations and improvements	1,173,730	54,481,970	15,547,807	15,141,335	30,689,142
Architect and engineering	-	4,452,000	2,528,716	803,844	3,332,560
Construction management	91,272	650,275	249,990	99,996	349,986
<b>Total expenditures</b>	<b>1,265,002</b>	<b>59,954,245</b>	<b>18,472,573</b>	<b>16,231,731</b>	<b>34,704,304</b>
<b>Revenues (under) expenditures</b>	<b>(1,265,002)</b>	<b>(44,483,000)</b>	<b>(10,000,665)</b>	<b>(9,072,699)</b>	<b>(19,073,364)</b>
<b>Other financing sources</b>					
General obligation bonds issued	1,265,002	42,000,000	20,000,000	22,000,000	42,000,000
General obligation bonds premium	-	2,483,000	2,483,140	2,125,948	4,609,088
<b>Total other financing sources</b>	<b>1,265,002</b>	<b>44,483,000</b>	<b>22,483,140</b>	<b>24,125,948</b>	<b>46,609,088</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,482,475</b>	<b>15,053,249</b>	<b>\$ 27,535,724</b>
<b>Fund balance</b>					
Beginning				12,482,475	
Ending				<u>27,535,724</u>	

## **Summary of Nonmajor Governmental Funds**



Carteret County, North Carolina

Combining Balance Sheet - Non-major Governmental Fund Types  
June 30, 2024

	Government Fund Types		
	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Assets:			
Cash and investments	\$ 1,762,117	\$ 53,588,529	\$ 55,350,646
Receivables, net	4,652,633	1,639,844	6,292,477
Restricted cash and investments	4,233,923	1,300,000	5,533,923
<b>Total assets</b>	<b>\$ 10,648,673</b>	<b>\$ 56,528,373</b>	<b>\$ 67,177,046</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,974,518	\$ 4,435,936	\$ 6,410,454
Due to other funds	843,590	-	843,590
Unearned revenues	5,894	-	5,894
<b>Total liabilities</b>	<b>2,824,002</b>	<b>4,435,936</b>	<b>7,259,938</b>
Deferred inflows of resources	684,920	-	684,920
Fund balances:			
Restricted:			
Public safety	1,480,285	-	1,480,285
Economic development	2,955,896	-	2,955,896
Rescue protection	1,914,401	-	1,914,401
Fire protection	3,431,704	-	3,431,704
Human services	151,695	-	151,695
County capital	-	10,389,320	10,389,320
Committed:			
Community college	-	200,000	200,000
School capital	-	592,921	592,921
Assigned:			
County capital	-	40,910,196	40,910,196
Unassigned:	(2,794,230)	-	(2,794,230)
<b>Total fund balances</b>	<b>7,139,751</b>	<b>52,092,437</b>	<b>59,232,188</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 10,648,673</b>	<b>\$ 56,528,373</b>	<b>\$ 67,177,046</b>

Carteret County, North Carolina

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Non-major Governmental Fund Types  
 Year Ended June 30, 2024

	Government Fund Types		
	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Ad valorem taxes	\$ 9,935,211	\$ -	\$ 9,935,211
Other taxes	18,000,678	-	18,000,678
Permits and fees	67,512	-	67,512
Intergovernmental	918,792	8,419,846	9,338,638
Interest	346,242	2,340,827	2,687,069
Other revenue	-	175,000	175,000
<b>Total revenues</b>	<b>29,268,435</b>	<b>10,935,673</b>	<b>40,204,108</b>
<b>Expenditures</b>			
Current:			
General government	67,512	-	67,512
Public safety	13,544,628	-	13,544,628
Economic development	7,113,560	-	7,113,560
Human services	753,253	-	753,253
Capital outlay	-	19,405,779	19,405,779
<b>Total expenditures</b>	<b>21,478,953</b>	<b>19,405,779</b>	<b>40,884,732</b>
<b>Revenues over (under) expenditures</b>	<b>7,789,482</b>	<b>(8,470,106)</b>	<b>(680,624)</b>
<b>Other financing sources (uses)</b>			
Transfers in	3,634	25,424,054	25,427,688
Transfers out	(7,276,017)	(9,082,855)	(16,358,872)
<b>Total other financing sources (uses)</b>	<b>(7,272,383)</b>	<b>16,341,199</b>	<b>9,068,816</b>
<b>Net change in fund balances</b>	<b>517,099</b>	<b>7,871,093</b>	<b>8,388,192</b>
<b>Fund balances</b>			
Beginning, as previously reported	7,472,703	44,221,344	51,694,047
Adjustment - change to reporting entity	(850,051)	-	(850,051)
Beginning, as adjusted	6,622,652	44,221,344	50,843,996
Ending	\$ 7,139,751	\$ 52,092,437	\$ 59,232,188

## Non-major Special Revenue Funds

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

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Rescue Squad Fund – accounts for special rescue district tax assessed on rural areas of the county and is distributed to those districts.

Fire District Fund – accounts for special fire district tax assessed on rural areas of the county and is distributed to those districts.

Emergency Telephone System Fund – accounts for revenues and disbursements for the establishment and operation of an enhanced 911 system authorized by the Public Safety Telephone Act of 1989.

Salter Path District Fund – accounts for a special tax district that was established to fund beach nourishment in the Salter Path community.

Water Tax District Fund – accounts for special water district tax to fund water system upgrades and debt.

Deed of Trust Fund – accounts for revenues from a State fee collected in the Register of Deeds Department and disbursements of those fees to the State.

Representative Payee Fund – accounts for revenues and expenditures related to the appointment of trustee for certain individuals of the Department of Social Services.

Occupancy Tax Fund – accounts for financial resources generated from tax collected on hotel and motel room rentals, condominiums, and house rentals within the County that is used to help promote tourism.

Carteret County, North Carolina

Non-major Special Revenue Funds

Combining Balance Sheet

June 30, 2024

	Rescue Squad Fund	Fire District Fund	Emergency Telephone System Fund	Salter Path District Fund
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ 1,475,240	\$ 130,086
Receivables:				
Property taxes receivable, net	281,177	394,001	-	-
Accounts receivable	480,116	645,859	15,928	742
Restricted cash and investments	1,446,474	2,787,449	-	-
<b>Total assets</b>	<b>\$ 2,207,767</b>	<b>\$ 3,827,309</b>	<b>\$ 1,491,168</b>	<b>\$ 130,828</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 7,789	\$ 110	\$ 10,883	\$ -
Due to other funds	-	-	-	-
Unearned revenues	4,400	1,494	-	-
<b>Total liabilities</b>	<b>12,189</b>	<b>1,604</b>	<b>10,883</b>	<b>-</b>
Deferred inflows of resources	281,177	394,001	-	-
Fund balances:				
Restricted:				
Public safety	-	-	1,480,285	-
Economic development	-	-	-	130,828
Rescue protection	1,914,401	-	-	-
Fire protection	-	3,431,704	-	-
Human Services	-	-	-	-
Unassigned:	-	-	-	-
<b>Total fund balances</b>	<b>1,914,401</b>	<b>3,431,704</b>	<b>1,480,285</b>	<b>130,828</b>
<b>Total liabilities, deferred inflows of     resources, and fund balances</b>	<b>\$ 2,207,767</b>	<b>\$ 3,827,309</b>	<b>\$ 1,491,168</b>	<b>\$ 130,828</b>

Water Tax District Fund	Deed of Trust Fund	Representative Payee Fund	Occupancy Tax Fund	Totals
\$ -	\$ 5,096	\$ 151,695	\$ -	\$ 1,762,117
9,742	-	-	-	684,920
-	-	-	2,825,068	3,967,713
-	-	-	-	4,233,923
<b>\$ 9,742</b>	<b>\$ 5,096</b>	<b>\$ 151,695</b>	<b>\$ 2,825,068</b>	<b>\$ 10,648,673</b>

\$ -	\$ 5,096	\$ -	\$ 1,950,640	\$ 1,974,518
-	-	-	843,590	843,590
-	-	-	-	5,894
-	5,096	-	2,794,230	2,824,002
9,742	-	-	-	684,920

-	-	-	-	1,480,285
-	-	-	2,825,068	2,955,896
-	-	-	-	1,914,401
-	-	-	-	3,431,704
-	-	151,695	-	151,695
-	-	-	(2,794,230)	(2,794,230)
-	-	151,695	30,838	7,139,751
<b>\$ 9,742</b>	<b>\$ 5,096</b>	<b>\$ 151,695</b>	<b>\$ 2,825,068</b>	<b>\$ 10,648,673</b>

Carteret County, North Carolina

Non-major Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2024

	Rescue Squad Fund	Fire District Fund	Emergency Telephone System Fund	Salter Path District Fund
<b>Revenues</b>				
Ad valorem taxes	\$ 4,251,193	\$ 5,674,836	\$ -	\$ 6,224
Other taxes	1,545,659	2,073,290	-	2,398
Permits and fees	-	-	-	-
Intergovernmental	-	-	191,141	-
Interest	109,475	148,390	66,201	5,870
<b>Total revenues</b>	<b>5,906,327</b>	<b>7,896,516</b>	<b>257,342</b>	<b>14,492</b>
<b>Expenditures</b>				
General government	-	-	-	-
Public safety	5,713,340	7,673,998	157,290	-
Economic Development	-	-	-	-
Human services	-	-	-	-
<b>Total expenditures</b>	<b>5,713,340</b>	<b>7,673,998</b>	<b>157,290</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>192,987</b>	<b>222,518</b>	<b>100,052</b>	<b>14,492</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	3,634	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,634</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>192,987</b>	<b>222,518</b>	<b>103,686</b>	<b>14,492</b>
<b>Fund balances</b>				
Beginning, as previously reported	1,721,414	3,209,186	1,376,599	116,336
Adjustment - change to reporting entity	-	-	-	-
Beginning, as adjusted	1,721,414	3,209,186	1,376,599	116,336
Ending	<b>\$ 1,914,401</b>	<b>\$ 3,431,704</b>	<b>\$ 1,480,285</b>	<b>\$ 130,828</b>

Water Tax District Fund	Deed of Trust Fund	Representative Payee Fund	Occupancy Tax Fund	Opioid Settlement Fund (Formerly non-major)	Totals
\$ 2,958	\$ -	\$ -	\$ -	\$ -	\$ 9,935,211
-	-	-	14,379,331	-	18,000,678
-	67,512	-	-	-	67,512
-	-	727,651	-	-	918,792
241	-	-	16,065	-	346,242
<b>3,199</b>	<b>67,512</b>	<b>727,651</b>	<b>14,395,396</b>	<b>-</b>	<b>29,268,435</b>
-	67,512	-	-	-	67,512
-	-	-	-	-	13,544,628
-	-	-	7,113,560	-	7,113,560
-	-	753,253	-	-	753,253
-	67,512	753,253	7,113,560	-	21,478,953
<b>3,199</b>	<b>-</b>	<b>(25,602)</b>	<b>7,281,836</b>	<b>-</b>	<b>7,789,482</b>
-	-	-	-	-	3,634
(8,648)	-	-	(7,267,369)	-	(7,276,017)
(8,648)	-	-	(7,267,369)	-	(7,272,383)
(5,449)	-	(25,602)	14,467	-	517,099
5,449	-	177,297	-	866,422	7,472,703
-	-	-	16,371	(866,422)	(850,051)
<b>5,449</b>	<b>-</b>	<b>177,297</b>	<b>16,371</b>	<b>-</b>	<b>6,622,652</b>
<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,695</b>	<b>\$ 30,838</b>	<b>\$ -</b>	<b>\$ 7,139,751</b>

Carteret County, North Carolina

Rescue Squad Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 4,049,675	\$ 4,251,193	\$ 201,518
Other taxes:			
Local option sales tax	1,359,000	1,545,659	186,659
Interest	-	109,475	109,475
<b>Total revenues</b>	<b>5,408,675</b>	<b>5,906,327</b>	<b>497,652</b>
<b>Expenditures</b>			
Public safety:			
Beaufort	1,078,500	1,077,306	1,194
Broad and Gales Creek	563,000	562,979	21
Mill Creek	177,210	176,523	687
Mitchell Village	225,900	225,496	404
Newport	99,280	98,479	801
Otway	433,000	431,921	1,079
Sea Level	247,110	246,980	130
South River	201,500	201,499	1
Western Carteret	966,590	965,722	868
District reserves	641,085	485,000	156,085
Local sales tax	1,319,000	1,241,435	77,565
<b>Total expenditures</b>	<b>5,952,175</b>	<b>5,713,340</b>	<b>238,835</b>
<b>Revenues (under) over expenditures</b>	<b>(543,500)</b>	<b>192,987</b>	<b>736,487</b>
<b>Other financing sources</b>			
Fund balance appropriated	543,500	-	(543,500)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>192,987</b>	<b>\$ 192,987</b>
<b>Fund balances</b>			
Beginning		1,721,414	
Ending		<u>\$ 1,914,401</u>	

Carteret County, North Carolina

Fire District Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 5,456,855	\$ 5,674,836	\$ 217,981
Other taxes:			
Local option sales tax	1,826,000	2,073,290	247,290
Interest	-	148,390	148,390
<b>Total revenues</b>	<b>7,282,855</b>	<b>7,896,516</b>	<b>613,661</b>
<b>Expenditures</b>			
Public safety:			
Fire Districts:			
Atlantic	68,445	68,208	237
Beaufort	656,060	654,111	1,949
Broad and Gales Creek	375,700	374,184	1,516
Cedar Island	47,990	47,635	355
Davis	65,625	65,392	233
Harkers Island	398,640	398,708	(68)
Harlowe	87,815	87,632	183
Marshallberg	164,185	163,785	400
Mill Creek	62,100	61,952	148
Mitchell Village, Crab Point	494,120	492,819	1,301
Newport	572,500	572,033	467
North River	41,705	41,456	249
Otway	197,500	196,857	643
Salter Path	113,150	112,827	323
Sea Level	39,595	39,194	401
South River	95,565	95,304	261
Stacy	22,335	21,918	417
Stella	271,330	270,439	891
Western Carteret	939,150	938,674	476
Wildwood	1,063,260	1,062,370	890
District reserves	697,145	647,500	49,645
Local sales tax	1,261,000	1,261,000	-
<b>Total expenditures</b>	<b>7,734,915</b>	<b>7,673,998</b>	<b>60,917</b>
<b>Revenues (under) over expenditures</b>	<b>(452,060)</b>	<b>222,518</b>	<b>674,578</b>
<b>Other financing sources</b>			
Fund balance appropriated	452,060	-	(452,060)
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>222,518</b>	<b>\$ 222,518</b>
<b>Fund balances</b>			
Beginning		3,209,186	
Ending		<u>\$ 3,431,704</u>	

Carteret County, North Carolina

Emergency Telephone System Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 205,000	\$ 191,141	\$ (13,859)
Interest	-	66,201	66,201
<b>Total revenues</b>	<b>205,000</b>	<b>257,342</b>	<b>52,342</b>
<b>Expenditures</b>			
Public safety:			
Operating expenses	175,000	64,967	110,033
Contracted services	185,000	92,323	92,677
Capital outlay	633,500	-	633,500
<b>Total expenditures</b>	<b>993,500</b>	<b>157,290</b>	<b>836,210</b>
<b>Revenues (under) over expenditures</b>	<b>(788,500)</b>	<b>100,052</b>	<b>888,552</b>
<b>Other financing sources</b>			
Fund balance appropriated	784,866	-	(784,866)
Transfer from General Fund	3,634	3,634	-
<b>Total other financing sources</b>	<b>788,500</b>	<b>3,634</b>	<b>(784,866)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>103,686</b>	<b>\$ 103,686</b>
<b>Fund balances</b>			
Beginning		1,376,599	
Ending		<u>\$ 1,480,285</u>	

Carteret County, North Carolina

Salter Path District Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 6,000	\$ 6,224	\$ 224
Other taxes:			
Local option sales tax	2,000	2,398	398
Interest	-	5,870	5,870
<b>Total revenues</b>	<b>8,000</b>	<b>14,492</b>	<b>6,492</b>
<b>Expenditures</b>			
Economic and physical development:			
Beach nourishment	8,000	-	8,000
<b>Total expenditures</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>
<b>Revenues over expenditures</b>	<b>-</b>	<b>14,492</b>	<b>14,492</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>14,492</b>	<b>\$ 14,492</b>
<b>Fund balances</b>			
Beginning		116,336	
Ending		<u>\$ 130,828</u>	

Carteret County, North Carolina

Water Tax District Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem taxes	\$ 9,050	\$ 2,958	\$ (6,092)
Interest	-	241	241
<b>Total revenues</b>	<u>9,050</u>	<u>3,199</u>	<u>(5,851)</u>
<b>Other financing uses</b>			
Transfers out	(9,050)	(8,648)	402
<b>Total other financing uses</b>	<u>(9,050)</u>	<u>(8,648)</u>	<u>402</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>(5,449)</u>	<u>\$ (5,449)</u>
<b>Fund balances</b>			
Beginning		5,449	
Ending		<u>\$ -</u>	

Carteret County, North Carolina

Deed of Trust Fund

Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>			
Permits and fees:			
Register of deeds	\$ 130,000	\$ 67,512	\$ (62,488)
<b>Total revenues</b>	<b>130,000</b>	<b>67,512</b>	<b>(62,488)</b>
<b>Expenditures</b>			
General government:			
Payments of fees collected to the State of North Carolina	130,000	67,512	62,488
<b>Total expenditures</b>	<b>130,000</b>	<b>67,512</b>	<b>62,488</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balances			
Beginning		-	
Ending		-	

Carteret County, North Carolina

Representative Payee Fund

Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental	\$ 800,000	\$ 727,651	\$ (72,349)
<b>Total revenues</b>	<b>800,000</b>	<b>727,651</b>	<b>(72,349)</b>
<b>Expenditures</b>			
Human services:			
Payments made for the benefit of beneficiaries	800,000	753,253	46,747
<b>Total expenditures</b>	<b>800,000</b>	<b>753,253</b>	<b>46,747</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>(25,602)</b>	<b>\$ (25,602)</b>

Fund balance

Beginning

177,297

Ending

\$ 151,695

Carteret County, North Carolina

**Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Occupancy Tax Fund  
Year Ended June 30, 2024**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Other taxes:			
Occupancy taxes	\$ 15,000,000	\$ 14,371,414	\$ (628,586)
Occupancy taxes, penalties and interest	-	7,917	7,917
Interest	-	16,065	16,065
<b>Total revenues</b>	<b>15,000,000</b>	<b>14,395,396</b>	<b>(604,604)</b>
<b>Expenditures</b>			
Economic and physical development:			
Tourism:			
Tourism Development Authority	7,420,000	7,113,560	306,440
<b>Total expenditures</b>	<b>7,420,000</b>	<b>7,113,560</b>	<b>306,440</b>
<b>Revenues over expenditures</b>	<b>7,580,000</b>	<b>7,281,836</b>	<b>(298,164)</b>
<b>Other financing uses</b>			
Transfers out	(7,580,000)	(7,267,369)	312,631
<b>Total other financing uses</b>	<b>(7,580,000)</b>	<b>(7,267,369)</b>	<b>312,631</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>14,467</b>	<b>\$ 14,467</b>
<b>Fund balances</b>			
Beginning		16,371	
Ending		<b>\$ 30,838</b>	



## **Non-major Capital Projects Funds**

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Capital Projects Funds account for all resources used for the acquisition and/or construction of major capital facilities.

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County Capital Reserve Fund – accounts for futures economic development capital outlays for the benefit of the County.

County Capital Improvements Fund – accounts for revenues and expenditures of annual capital projects.

Facilities / Debt Reserve Fund – accounts for acquisition and construction of county capital facilities.

School Special Project Fund – accounts for funds used for the acquisition, capital equipment, and facilities improvements for Carteret County Public School System.

County Capital Equipment Fund – accounts for capital equipment purchases.

State Capital Grants Fund - This capital project fund accounts for various capital projects that are funded by State grant funds.

Communications System Project Fund – accounts for the County emergency communication system construction, improvements and equipment upgrade project.

Carteret County, North Carolina

Non-major Capital Projects Fund

Combining Balance Sheet  
June 30, 2024

	County Capital Reserve Fund	County Capital Improvements Fund	County Facilities / Debt Reserve Fund
<b>Assets</b>			
Cash and investments	\$ 1,175,028	\$ 4,988,942	\$ 12,213,185
Accounts receivable	-	1,303,572	-
Restricted cash and investments	-	1,300,000	-
<b>Total assets</b>	<b>\$ 1,175,028</b>	<b>\$ 7,592,514</b>	<b>\$ 12,213,185</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ -	\$ 475,469	\$ -
<b>Total liabilities</b>	<b>-</b>	<b>475,469</b>	<b>-</b>
Fund balances:			
Restricted:			
County capital	-	-	-
Committed:			
Community college capital	-	-	200,000
School capital	-	-	-
Assigned:			
County capital	1,175,028	7,117,045	12,013,185
<b>Total fund balances</b>	<b>1,175,028</b>	<b>7,117,045</b>	<b>12,213,185</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,175,028</b>	<b>\$ 7,592,514</b>	<b>\$ 12,213,185</b>

School Special Projects Fund	County Capital Equipment Fund	State Capital Grants Fund	Communications System Project Fund	Totals
\$ 2,068,617	\$ 12,165,762	\$ 12,517,256	\$ 8,459,739	\$ 53,588,529
-	-	336,272	-	1,639,844
-	-	-	-	1,300,000
<b>\$ 2,068,617</b>	<b>\$ 12,165,762</b>	<b>\$ 12,853,528</b>	<b>\$ 8,459,739</b>	<b>\$ 56,528,373</b>

\$ 1,475,696	\$ -	\$ 2,464,208	\$ 20,563	\$ 4,435,936
1,475,696	-	2,464,208	20,563	4,435,936

-	-	10,389,320	-	10,389,320
-	-	-	-	200,000
592,921	-	-	-	592,921
-	12,165,762	-	8,439,176	40,910,196
592,921	12,165,762	10,389,320	8,439,176	52,092,437
<b>\$ 2,068,617</b>	<b>\$ 12,165,762</b>	<b>\$ 12,853,528</b>	<b>\$ 8,459,739</b>	<b>\$ 56,528,373</b>

Carteret County, North Carolina

Non-major Capital Projects Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2024

	County Capital Reserve Fund	County Capital Improvements Fund	County Facilities / Debt Reserve Fund
<b>Revenues</b>			
Intergovernmental	\$ -	\$ 1,592,651	\$ -
Interest	53,761	303,718	523,513
Other	-	175,000	-
<b>Total revenues</b>	<b>53,761</b>	<b>2,071,369</b>	<b>523,513</b>
<b>Expenditures</b>			
Capital outlay	-	2,893,902	-
<b>Revenues over (under) expenditures</b>	<b>53,761</b>	<b>(822,533)</b>	<b>523,513</b>
<b>Other financing sources (uses)</b>			
Transfers in	-	2,389,290	1,540,000
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,389,290</b>	<b>1,540,000</b>
<b>Net change in fund balances</b>	<b>53,761</b>	<b>1,566,757</b>	<b>2,063,513</b>
<b>Fund balances</b>			
Beginning	1,121,267	5,550,288	10,149,672
Ending	<b>\$ 1,175,028</b>	<b>\$ 7,117,045</b>	<b>\$ 12,213,185</b>

School Special Projects Fund	County Capital Equipment Fund	State Capital Grants Fund	Communications System Project Fund	Totals
\$ 990,923	\$ -	\$ 5,836,272	\$ -	\$ 8,419,846
124,641	488,900	686,826	159,468	2,340,827
-	-	-	-	175,000
1,115,564	488,900	6,523,098	159,468	10,935,673
4,554,655	-	10,938,561	1,018,661	19,405,779
(3,439,091)	488,900	(4,415,463)	(859,193)	(8,470,106)
1,890,000	10,306,395	-	9,298,369	25,424,054
-	(8,332,855)	(750,000)	-	(9,082,855)
1,890,000	1,973,540	(750,000)	9,298,369	16,341,199
(1,549,091)	2,462,440	(5,165,463)	8,439,176	7,871,093
2,142,012	9,703,322	15,554,783	-	44,221,344
\$ 592,921	\$ 12,165,762	\$ 10,389,320	\$ 8,439,176	\$ 52,092,437

Carteret County, North Carolina

County Capital Reserve Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive
<b>Revenues</b>			
Interest	\$ -	\$ 53,761	\$ 53,761
<b>Total revenues</b>	<u>-</u>	<u>53,761</u>	<u>53,761</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>53,761</u>	<u>\$ 53,761</u>
<b>Fund balances</b>			
Beginning		<u>1,121,267</u>	
Ending		<u>\$ 1,175,028</u>	

Carteret County, North Carolina

County Capital Improvements Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 2,072,450	\$ 1,592,651	\$ (479,799)
Interest	-	303,718	303,718
Other revenue	175,000	175,000	-
<b>Total revenues</b>	<b>2,247,450</b>	<b>2,071,369</b>	<b>(176,081)</b>
<b>Expenditures</b>			
Capital outlay:			
Aerial pictometry	100,000	89,271	10,729
Building renovations	2,671,290	920,884	1,750,406
Waterway dredging	2,422,450	1,811,457	610,993
Park improvements	245,000	72,290	172,710
Other projects	300,000	-	300,000
<b>Total expenditures</b>	<b>5,738,740</b>	<b>2,893,902</b>	<b>2,844,838</b>
<b>Revenues (under) expenditures</b>	<b>(3,491,290)</b>	<b>(822,533)</b>	<b>2,668,757</b>
<b>Other financing sources</b>			
Transfer from General Fund	2,389,290	2,389,290	-
Fund balance appropriated	1,102,000	-	(1,102,000)
<b>Total other financing sources</b>	<b>3,491,290</b>	<b>2,389,290</b>	<b>(1,102,000)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>1,566,757</b>	<b>\$ 1,566,757</b>
<b>Fund balances</b>			
Beginning		5,550,288	
Ending		<b>\$ 7,117,045</b>	

Carteret County, North Carolina

County Facilities / Debt Reserve Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$ -	\$ 523,513	\$ 523,513
<b>Total revenues</b>	<b>-</b>	<b>523,513</b>	<b>523,513</b>
<b>Expenditures</b>			
Capital outlay:			
Future projects / capital debt	\$ 1,540,000	\$ -	\$ 1,540,000
<b>Total expenditures</b>	<b>1,540,000</b>	<b>-</b>	<b>1,540,000</b>
<b>Revenues (under) over expenditures</b>	<b>(1,540,000)</b>	<b>523,513</b>	<b>2,063,513</b>
<b>Other financing sources</b>			
Transfer from General Fund	1,540,000	1,540,000	-
<b>Total other financing sources</b>	<b>1,540,000</b>	<b>1,540,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>2,063,513</b>	<b>\$ 2,063,513</b>
<b>Fund balances</b>			
Beginning		10,149,672	
Ending		<u>\$ 12,213,185</u>	

Carteret County, North Carolina

School Special Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Intergovernmental	\$ 990,942	\$ 990,923	\$ (19)
Interest	-	124,641	124,641
<b>Total revenues</b>	<b>990,942</b>	<b>1,115,564</b>	<b>124,622</b>
<b>Expenditures</b>			
Capital outlay, Board of Education	\$ 4,858,432	\$ 4,554,655	\$ 303,777
<b>Revenues (under) expenditures</b>	<b>(3,867,490)</b>	<b>(3,439,091)</b>	<b>428,399</b>
<b>Other financing sources</b>			
Transfer from other funds	1,890,000	1,890,000	-
Fund balance appropriated	1,977,490	-	(1,977,490)
<b>Total other financing sources</b>	<b>3,867,490</b>	<b>1,890,000</b>	<b>(1,977,490)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>(1,549,091)</b>	<b>\$ (1,549,091)</b>
<b>Fund balances</b>			
Beginning		2,142,012	
Ending		<u>\$ 592,921</u>	

Carteret County, North Carolina

County Capital Equipment Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Interest	\$ -	\$ 488,900	\$ 488,900
<b>Total revenues</b>	<b>-</b>	<b>488,900</b>	<b>488,900</b>
<b>Expenditures</b>			
Capital outlay:			
Capital outlay	10,362,900	-	10,362,900
<b>Total expenditures</b>	<b>10,362,900</b>	<b>-</b>	<b>10,362,900</b>
<b>Revenues (under) over expenditures</b>	<b>(10,362,900)</b>	<b>488,900</b>	<b>10,851,800</b>
<b>Other financing sources (uses)</b>			
Transfer from General Fund	620,600	620,556	(44)
Transfer from Water Fund	9,686,000	9,685,839	(161)
Transfer to other funds	(9,230,280)	(8,332,855)	897,425
Appropriated fund balance	9,286,580	-	(9,286,580)
<b>Total other financing sources (uses)</b>	<b>10,362,900</b>	<b>1,973,540</b>	<b>(8,389,360)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>2,462,440</b>	<b>\$ 2,462,440</b>
<b>Fund balances</b>			
Beginning		9,703,322	
Ending		<u>\$ 12,165,762</u>	

Carteret County, North Carolina

State Capital Grants Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
From Inception and for the Year Ended June 30, 2024

	Total Project Estimate	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Intergovernmental	\$ 22,121,085	\$ 16,261,732	5,836,272	\$ 22,098,004
Interest	-	223,244	686,826	910,070
<b>Total revenues</b>	<b>22,121,085</b>	<b>16,484,976</b>	<b>6,523,098</b>	<b>23,008,074</b>
<b>Expenditures</b>				
Capital outlay:				
Detention center improvements	5,283,335	152,734	2,130,947	2,283,681
Downeast BRIC improvements	-	2,728	(2,728)	-
DPS disaster relief recovery	12,000,000	530,831	8,419,715	8,950,546
NCDOT paving project	337,750	-	337,750	337,750
Flood mitigation improvements	250,000	228,399	-	228,399
Economic development improvements	-	-	-	-
Water access improvements	3,500,000	15,501	52,877	68,378
<b>Total Expenditures</b>	<b>21,371,085</b>	<b>930,193</b>	<b>10,938,561</b>	<b>11,868,754</b>
<b>Revenues over (under) expenditures</b>	<b>750,000</b>	<b>15,554,783</b>	<b>(4,415,463)</b>	<b>11,139,320</b>
<b>Other financing uses</b>				
Transfer to General Fund	(250,000)	-	(250,000)	(250,000)
Transfer to other funds	(500,000)	-	(500,000)	(500,000)
<b>Total other financing uses</b>	<b>(750,000)</b>	<b>-</b>	<b>(750,000)</b>	<b>(750,000)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 15,554,783</b>	<b>(5,165,463)</b>	<b>\$ 10,389,320</b>
<b>Fund balance</b>				
Beginning			15,554,783	
Ending			<u>15,554,783</u>	<u>\$ 10,389,320</u>

Carteret County, North Carolina

Communication System Project Fund

Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual  
From Inception and for the Year Ended June 30, 2024

	Total Project Estimate	Actual		
		Prior Years	Current Year	Total to Date
<b>Revenues</b>				
Interest	\$ -	\$ -	159,468	\$ 159,468
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>159,468</b>	<b>159,468</b>
<b>Expenditures</b>				
Capital outlay:				
Communication system construction / equipment	12,625,000	-	929,980	929,980
Professional services / design	300,000	-	88,681	88,681
<b>Total Expenditures</b>	<b>12,925,000</b>	<b>-</b>	<b>1,018,661</b>	<b>1,018,661</b>
<b>Revenue (under) expenditures</b>	<b>(12,925,000)</b>	<b>-</b>	<b>(859,193)</b>	<b>(859,193)</b>
<b>Other financing sources</b>				
Transfer in from American Rescue Plan Act Fund	3,624,320	-	465,514	465,514
Transfer in County Capital Equipment Fund	8,800,680	-	8,332,855	8,332,855
Transfer in from State Capital Grant Fund	500,000	-	500,000	500,000
<b>Total other financing sources</b>	<b>12,925,000</b>	<b>-</b>	<b>9,298,369</b>	<b>9,298,369</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>8,439,176</b>	<b>\$ 8,439,176</b>
<b>Fund balance</b>				
Beginning			-	
Ending			<u>\$ 8,439,176</u>	

## **Enterprise Fund**



## **Water Fund**

Water Fund – accounts for the operation of the County’s water treatment plant and water distribution system.



Carteret County, North Carolina

Water Operating Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)  
Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
<b>Revenues, Operating</b>			
Charges for services	\$ 1,040,000	\$ 514,563	\$ (525,437)
<b>Total operating revenues</b>	<b>1,040,000</b>	<b>514,563</b>	<b>(525,437)</b>
<b>Expenditures, Operating</b>			
Cost of sales and services:			
Salaries and benefits	286,100	207,062	79,038
Operating expense	764,400	390,695	373,705
<b>Total operating expenditures</b>	<b>1,050,500</b>	<b>597,757</b>	<b>452,743</b>
<b>Operating revenues</b>			
<b>(under) operating expenditures</b>	<b>(10,500)</b>	<b>(83,194)</b>	<b>(72,694)</b>
<b>Nonoperating Revenues (Expenditures)</b>			
Interest earnings	258,000	257,575	(425)
Interest payments	(39,500)	(15,855)	23,645
Principal payments	(1,315,050)	(1,306,000)	9,050
Grant recapture	(822,000)	(821,989)	11
<b>Total nonoperating revenues (expenditures)</b>	<b>(1,918,550)</b>	<b>(1,886,269)</b>	<b>32,281</b>
<b>Revenues (under) expenditures</b>	<b>(1,929,050)</b>	<b>(1,969,463)</b>	<b>(40,413)</b>
<b>Other Financing Sources (Uses)</b>			
Sale of capital assets	9,500,000	9,500,000	-
Transfer In	9,050	8,648	(402)
Transfer out	(9,686,000)	(9,685,839)	161
Contingency	(15,000)	-	15,000
Appropriated fund balance	2,121,000	-	(2,121,000)
<b>Total other financing sources (uses)</b>	<b>1,929,050</b>	<b>(177,191)</b>	<b>(2,106,241)</b>
<b>Revenues and other financing sources (uses)</b>			
<b>(under) expenditures</b>	<b>\$ -</b>	<b>\$ (2,146,654)</b>	<b>\$ (2,146,654)</b>
Reconciliation of modified accrual basis to full accrual basis:			
Revenues and other financing uses over expenditures		\$ (2,146,654)	
Gain on sale of asset		3,799,914	
Proceeds disposal capital asset		(9,500,000)	
Grant recapture		821,989	
Decrease in debt interest accrued		3,574	
Decrease accrued vacation pay		4,119	
Depreciation		(171,950)	
Decrease in deferred outflows of resources pensions		(126,571)	
Decrease in deferred outflows of resources OPEB		(18,705)	
Decrease in net pension liability		181,904	
Decrease in OPEB liability		103,469	
Decrease in deferred inflows of resources pensions		1,355	
Decrease in deferred inflows of resources OPEB		14,669	
Principal on debt		1,306,000	
<b>Change in net position</b>		<b>\$ (5,726,887)</b>	



## **Fiduciary Funds**

### **Custodial Funds**

Custodial Funds account for resources held by the County which qualify as fiduciary activities. The funds are expended in accordance with agreements, applicable prescribed procedures or State law.

Municipal Tax Fund – accounts for municipal taxes billed and collected by the Carteret County Tax Department and are remitted to the municipalities.

Jail Inmate Pay Fund – accounts for funds held and administered for inmates and detainees at the Carteret County Detention Center.



Carteret County, North Carolina

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 152,901	\$ 35,164	\$ 188,065
Taxes receivable for other governments, net	758,120	-	758,120
<b>Total assets</b>	<b>\$ 911,021</b>	<b>\$ 35,164</b>	<b>\$ 946,185</b>
<b>Liabilities</b>			
Due to other governments	188,037	-	188,037
<b>Total liabilities</b>	<b>188,037</b>	<b>-</b>	<b>188,037</b>
<b>Net Position</b>			
Restricted for Individuals, organizations, and other governments	722,984	35,164	758,148
<b>Total net position</b>	<b>\$ 722,984</b>	<b>\$ 35,164</b>	<b>\$ 758,148</b>

**Carteret County, North Carolina**

**Combining Statement of Changes in Fiduciary Net Position**

**Custodial Funds**

**Year Ended June 30, 2024**

	<b>Municipal Tax Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>Additions</b>			
Ad valorem taxes collected for other governments	\$ 16,702,004	\$ -	\$ 16,702,004
Collections on behalf of inmates	-	324,618	324,618
<b>Total Additions</b>	<b>16,702,004</b>	<b>324,618</b>	<b>17,026,622</b>
<b>Deductions</b>			
Tax distributions to other governments	16,506,520	-	16,506,520
Payments on behalf of inmates	-	318,868	318,868
<b>Total Deductions</b>	<b>16,506,520</b>	<b>318,868</b>	<b>16,825,388</b>
 Net increase in fiduciary net position	 <b>195,484</b>	 <b>5,750</b>	 <b>201,234</b>
 Net position, beginning	 <b>527,500</b>	 <b>29,414</b>	 <b>556,914</b>
 Net position, ending	 <b>722,984</b>	 <b>\$ 35,164</b>	 <b>\$ 758,148</b>

**Capital Assets Used  
in the Operation of  
Governmental Funds**



**Carteret County, North Carolina**

**Capital Assets Used in the Operation of Governmental Funds**

**Comparative Schedules by Source**

**June 30, 2024**

	<b>2024</b>	<b>2023</b>
Governmental funds capital assets:		
Land, airport	\$ 169,549	\$ 169,549
Land, other	12,471,701	10,439,630
Construction in progress	1,164,492	143,431
Buildings	28,499,423	28,499,423
Vehicles	9,164,817	8,618,758
Equipment	6,748,692	6,562,014
Airport facilities	1,524,747	1,524,747
Other improvements	13,823,577	13,823,577
Leasehold improvements	2,590,428	2,590,428
Right of use lease assets	2,036,494	1,646,497
Right of use IT subscriptions	1,892,583	1,469,833
<b>Total governmental funds capital assets</b>	<b>\$ 80,086,503</b>	<b>\$ 75,487,887</b>
Investment in governmental funds capital assets		
General Fund	\$ 62,504,096	\$ 60,956,212
Special Revenue Funds	173,616	173,616
Capital Project Funds	17,408,791	14,358,059
<b>Total investment in governmental funds capital assets</b>	<b>\$ 80,086,503</b>	<b>\$ 75,487,887</b>

Carteret County, North Carolina

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2024

Function and Activity	Land	Buildings	Vehicles	Equipment	Airport Facilities
General Government:					
County Administration	\$ -	\$ -	\$ -	\$ 25,802	\$ -
Tax Administration	184,998	114,001	75,088	244,283	-
Register of Deeds	-	17,665	-	170,735	-
Elections	-	-	-	687,837	-
Information Technology	-	-	27,394	1,620,443	-
Public Buildings	2,675,699	5,861,108	377,319	64,725	-
Other	-	-	-	28,648	-
<b>Total General Government</b>	<b>2,860,697</b>	<b>5,992,774</b>	<b>479,801</b>	<b>2,842,473</b>	<b>-</b>
Public Safety:					
Law Enforcement	2,450,061	8,614,309	3,895,313	336,487	-
Emergency Services	43,000	80,699	692,235	1,420,763	-
<b>Total Public Safety</b>	<b>2,493,061</b>	<b>8,695,008</b>	<b>4,587,548</b>	<b>1,757,250</b>	<b>-</b>
Transportation	230,589	-	1,432,731	15,324	1,524,747
Environmental Protection	153,877	2,738,447	534,576	514,687	-
Economic and Physical Development	486,287	-	499,600	108,619	-
Human Services	303,778	7,240,066	1,123,833	588,344	-
Culture and Recreation	6,112,961	3,833,128	506,728	921,995	-
<b>Total governmental funds capital assets</b>	<b>\$ 12,641,250</b>	<b>\$ 28,499,423</b>	<b>\$ 9,164,817</b>	<b>\$ 6,748,692</b>	<b>\$ 1,524,747</b>

Other Improvements	Leasehold Improvements	Construction in Progress	Right-to-Use Leases	Right-to-Use IT Subscriptions	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,802
-	-	-	-	-	618,370
16,000	-	-	-	-	204,400
-	-	-	-	-	687,837
-	-	-	-	1,892,583	3,540,420
3,117,529	-	-	-	-	12,096,380
-	-	-	-	-	28,648
3,133,529	-	-	-	1,892,583	17,201,857
249,590	-	-	93,201	-	15,638,961
-	1,108,727	1,018,661	49,170	-	4,413,255
249,590	1,108,727	1,018,661	142,371	-	20,052,216
241,253	-	-	-	-	3,444,644
663,186	-	-	-	-	4,604,773
-	-	-	64,917	-	1,159,423
-	-	-	-	-	9,256,021
9,536,019	1,481,701	145,831	1,829,206	-	24,367,569
\$ 13,823,577	\$ 2,590,428	\$ 1,164,492	\$ 2,036,494	\$ 1,892,583	\$ 80,086,503

Carteret County, North Carolina

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity  
Year Ended June 30, 2024

Function and Activity	Governmental Funds Capital Assets			Adjustments and Transfers	Governmental Funds Capital Assets
	June 30, 2023	Additions	Deductions		June 30, 2024
General Government:					
County administration	\$ 25,802	\$ -	\$ -	\$ -	\$ 25,802
Tax administration	618,370	-	-	-	618,370
Register of Deeds	204,400	-	-	-	204,400
Elections	687,837	-	-	-	687,837
Information technology	3,026,483	1,159,225	672,682	27,394	3,540,420
Public buildings	12,086,345	44,604	17,721	(16,848)	12,096,380
Other	28,648	-	-	-	28,648
<b>Total General Government</b>	<b>16,677,885</b>	<b>1,203,829</b>	<b>690,403</b>	<b>10,546</b>	<b>17,201,857</b>
Public Safety:					
Law enforcement	13,873,866	2,069,216	276,727	(27,394)	15,638,961
Emergency services	3,299,550	1,421,824	127,111	(181,008)	4,413,255
<b>Total Public Safety</b>	<b>17,173,416</b>	<b>3,491,040</b>	<b>403,838</b>	<b>(208,402)</b>	<b>20,052,216</b>
Transportation	3,304,268	239,208	48,263	(50,569)	3,444,644
Environmental protection	4,579,102	31,150	35,211	29,732	4,604,773
Economic and physical development	909,297	207,813	15,758	58,071	1,159,423
Human services	9,192,226	142,671	27,858	(51,018)	9,256,021
Culture and recreation	23,651,693	49,318	16,067	682,625	24,367,569
<b>Total governmental funds capital assets</b>	<b>\$ 75,487,887</b>	<b>\$ 5,365,029</b>	<b>\$ 1,237,398</b>	<b>\$ 470,985</b>	<b>\$ 80,086,503</b>

## **Other Financial Information**

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

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Carteret County, North Carolina

Schedule of Ad Valorem Taxes Receivable  
June 30, 2024

Fiscal Year	Uncollected Balance June 30, 2023	Additions	Collections	Adjustments	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 60,137,463	\$ 58,944,312	\$ (95,911)	\$ 1,097,240
2022-2023	1,127,170	-	493,095	(208,849)	425,226
2021-2022	436,439	-	123,967	(10,757)	301,715
2020-2021	307,336	-	64,579	(5,970)	236,787
2019-2020	188,554	-	44,137	(1,359)	143,058
2018-2019	121,801	-	18,836	(1,187)	101,778
2017-2018	97,798	-	11,969	196	86,025
2016-2017	80,014	-	8,543	(89)	71,382
2015-2016	51,357	-	6,276	-	45,081
2014-2015	37,164	-	4,508	-	32,656
2013-2014	30,507	-	2,061	-	28,446
	<u>\$ 2,478,140</u>	<u>\$ 60,137,463</u>	<u>\$ 59,722,283</u>	<u>\$ (323,926)</u>	<u>2,569,394</u>
Less write-off 2013-2014 tax year					<u>(28,446)</u>
					<u>2,540,948</u>
Less allowance for uncollectible ad valorem taxes receivable					<u>44,564</u>
<b>Net property taxes receivable - General Fund</b>					<u><u>\$ 2,496,384</u></u>
Reconciliation with revenue:					
Ad valorem taxes - General Fund					<u>\$ 59,722,283</u>
Interest collected - General Fund					<u>259,977</u>
Total Collections					<u><u>\$ 59,982,260</u></u>

Carteret County, North Carolina

Analysis of Current Year's Tax Levy  
Year Ended June 30, 2024

	County Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 17,687,489,118	0.34	\$ 60,137,463	\$ 56,018,527	\$ 4,118,936
<b>Total</b>	<u>17,687,489,118</u>		<u>60,137,463</u>	<u>56,018,527</u>	<u>4,118,936</u>
Discoveries:					
Current year taxes	88,212,059		299,921	299,921	-
Corrections	(28,068,824)		(95,434)	(95,434)	-
<b>Total</b>	<u>60,143,235</u>		<u>204,487</u>	<u>204,487</u>	<u>-</u>
Abatements	(88,352,353)		(300,398)	(300,398)	-
<b>Total property valuation</b>	<u>\$ 17,659,280,000</u>				
Net levy-General Fund			60,041,552	55,922,616	4,118,936
Uncollected taxes at June 30, 2024 - General Fund			1,097,240	1,097,240	-
Current year's taxes collected - General Fund			<u>\$ 58,944,312</u>	<u>\$ 54,825,376</u>	<u>\$ 4,118,936</u>
Current levy collection percentage - General Fund			<u>98.17%</u>	<u>98.04%</u>	<u>100.00%</u>

## Statistical Section (Unaudited)

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This part of the Carteret County's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

#### **Operating Information**

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

Carteret County, North Carolina

**Net Position by Component,  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year			
	2015	2016	2017	2018
<b>Governmental activities</b>				
Net investment in capital assets	\$ 22,736,938	\$ 24,089,921	\$ 22,009,903	\$ 22,912,344
Restricted	23,967,802	31,480,559	31,325,245	31,744,580
Unrestricted	(8,948,033)	(9,879,406)	(3,998,944)	(281,156)
<b>Total governmental activities net position</b>	<b>\$ 37,756,707</b>	<b>\$ 45,691,074</b>	<b>\$ 49,336,204</b>	<b>\$ 54,375,768</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 5,133,724	\$ 4,900,315	\$ 4,721,740	\$ 4,581,483
Unrestricted	816,057	908,143	913,436	835,400
<b>Total business-type activities</b>	<b>\$ 5,949,781</b>	<b>\$ 5,808,458</b>	<b>\$ 5,635,176</b>	<b>\$ 5,416,883</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 27,870,662	\$ 28,990,236	\$ 26,731,643	\$ 27,493,827
Restricted	23,967,802	31,480,559	31,325,245	31,744,580
Unrestricted	(8,131,976)	(8,971,263)	(3,085,508)	554,244
<b>Total primary government net position</b>	<b>\$ 43,706,488</b>	<b>\$ 51,499,532</b>	<b>\$ 54,971,380</b>	<b>\$ 59,792,651</b>

Schedule 1

	2019	2020	2021	2022	2023	2024
\$	22,984,640	\$ 24,982,364	\$ 25,237,224	\$ 26,311,016	\$ 25,713,332	\$ <b>28,145,603</b>
	25,009,402	42,439,846	37,815,978	41,518,084	65,864,995	<b>98,658,901</b>
	31,040	8,020,462	18,538,299	34,706,796	43,839,521	<b>34,102,554</b>
\$	<b>48,025,082</b>	\$ <b>75,442,672</b>	\$ <b>81,591,501</b>	\$ <b>102,535,896</b>	\$ <b>135,417,848</b>	\$ <b>160,907,058</b>
\$	4,422,243	\$ 4,246,388	\$ 4,072,150	\$ 3,904,995	\$ 3,744,047	\$ -
	973,978	1,093,955	1,320,748	1,907,678	1,982,840	-
\$	<b>5,396,221</b>	\$ <b>5,340,343</b>	\$ <b>5,392,898</b>	\$ <b>5,812,673</b>	\$ <b>5,726,887</b>	\$ -
\$	27,406,883	\$ 29,228,752	\$ 29,309,374	\$ 30,216,011	\$ 29,457,379	\$ <b>28,145,603</b>
	25,009,402	42,439,846	37,815,978	41,518,084	65,864,995	<b>98,658,901</b>
	1,005,018	9,114,417	19,859,047	36,614,474	45,822,361	<b>34,102,554</b>
\$	<b>53,421,303</b>	\$ <b>80,783,015</b>	\$ <b>86,984,399</b>	\$ <b>108,348,569</b>	\$ <b>141,144,735</b>	\$ <b>160,907,058</b>

Carteret County, North Carolina

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
<b>Expenses</b>				
Governmental activities:				
General government	\$ 6,949,982	\$ 7,278,369	\$ 9,236,447	\$ 8,144,384
Public safety	19,162,990	18,561,573	20,595,208	20,981,474
Transportation	1,442,425	1,066,561	1,837,842	1,628,539
Economic and physical development	5,538,785	7,064,127	5,691,825	6,248,400
Environmental protection	3,417,029	2,060,267	3,671,733	3,835,482
Human Services	15,635,355	16,754,822	16,666,930	15,878,033
Cultural and recreation	3,711,166	4,452,951	4,222,782	4,159,922
Education	27,466,650	27,494,565	31,315,293	29,442,864
Interest on long term debt	1,596,808	1,594,653	1,452,491	1,284,366
<b>Total governmental activities</b>	<b>84,921,190</b>	<b>86,327,888</b>	<b>94,690,551</b>	<b>91,603,464</b>
Business-type activities:				
Water	983,971	1,045,568	1,118,055	1,259,889
<b>Total primary government     expenses</b>	<b>\$ 85,905,161</b>	<b>\$ 87,373,456</b>	<b>\$ 95,808,606</b>	<b>\$ 92,863,353</b>

(Continued)

2019	2020	2021	2022	2023	2024
\$ 9,357,478	\$ 9,600,044	\$ 10,841,137	\$ 11,060,903	\$ 12,510,464	\$ 15,084,621
23,453,487	25,184,103	25,244,004	28,726,905	30,967,089	35,512,528
1,841,321	3,545,761	5,361,325	3,098,950	1,743,879	12,257,996
23,043,843	35,662,784	40,467,487	11,393,215	11,548,452	12,418,728
18,482,660	4,381,762	4,824,986	7,863,001	5,235,489	3,894,018
16,619,956	17,824,420	19,965,556	19,804,952	22,037,398	23,071,710
4,375,740	4,102,082	4,181,010	3,941,443	4,839,386	5,200,695
28,549,195	32,392,870	30,751,818	31,200,546	49,563,483	52,069,175
1,100,892	912,665	723,267	649,124	693,375	1,444,014
126,824,572	133,606,491	142,360,590	117,739,039	139,139,015	160,953,485
1,159,290	1,186,034	1,090,992	1,048,800	1,213,675	621,748
\$ 127,983,862	\$ 134,792,525	\$ 143,451,582	\$ 118,787,839	\$ 140,352,690	\$ 161,575,233

**Changes in Net Position  
Last Ten Fiscal Years (Continued)  
(accrual basis of accounting)**

	Fiscal Year			
	2015	2016	2017	2018
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government	\$ 1,612,251	\$ 1,768,252	\$ 1,805,126	\$ 1,896,230
Public safety	212,708	290,455	269,190	276,373
Transportation	177,027	135,956	140,384	157,348
Economic and physical development	544,236	646,629	805,826	862,490
Environmental protection	2,431,367	3,299,900	3,271,073	3,451,334
Human services	367,114	642,414	816,799	489,837
Cultural and recreation	297,915	318,530	361,398	350,294
Operating grants and contributions:				
General government	-	-	-	-
Public safety	1,201,955	1,187,152	1,249,821	892,343
Transportation	737,800	778,800	1,071,285	1,092,649
Economic and physical development	547,165	95,577	661,609	342,557
Environmental protection	149,085	295,188	216,576	174,854
Human services	10,211,027	10,372,796	10,836,099	9,272,539
Cultural and recreation	88,314	-	-	-
Education	48,172	40,695	36,276	32,605
Interest on long term debt	904,198	865,552	762,829	742,161
Capital grants and contributions:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	-	222,389	26,130	274,956
Economic and physical development	-	-	-	22,481
Environmental protection	-	-	-	-
Cultural and recreation	-	168,320	175,470	5,500
Education	-	-	2,044	54,015
<b>Total governmental activities program revenues</b>	<b>19,530,334</b>	<b>21,128,605</b>	<b>22,507,935</b>	<b>20,390,566</b>

(Continued)

	2019	2020	2021	2022	2023	2024
\$	3,036,312	\$ 2,042,325	\$ 3,303,306	\$ 3,151,361	\$ 2,622,237	\$ <b>2,226,591</b>
	240,284	272,614	581,923	654,018	1,579,869	<b>1,513,671</b>
	152,241	108,324	98,560	187,430	205,501	<b>120,906</b>
	755,176	1,018,108	1,154,846	1,487,710	1,731,962	<b>1,687,653</b>
	3,533,805	3,527,031	3,478,132	3,362,080	3,538,752	<b>3,581,579</b>
	431,438	872,936	1,125,766	1,195,560	732,365	<b>771,182</b>
	373,935	286,923	120,963	323,367	545,467	<b>449,196</b>
	-	6,377	310,433	2,000	1,257,088	<b>2,000</b>
	1,180,590	1,469,968	1,206,077	852,485	5,135,437	<b>1,178,530</b>
	1,473,993	2,654,344	4,330,229	2,879,175	1,772,629	<b>2,890,002</b>
	5,510,341	42,738,966	18,846,363	75,296	2,185,056	<b>23,323</b>
	9,558,750	6,593,546	545,377	253,310	224,338	<b>214,200</b>
	9,496,266	10,269,441	13,470,186	15,764,029	14,984,176	<b>26,467,232</b>
	-	-	121,048	104,219	1,633,520	<b>361,112</b>
	72,866	41,856	35,781	44,266	37,459	<b>35,200</b>
	720,967	700,201	1,220,840	57,980	36,543	<b>15,326</b>
	-	-	-	14,722	-	<b>-</b>
	-	-	-	783,333	-	<b>5,000,000</b>
	228,231	-	58,747	347,041	200,111	<b>539,960</b>
	-	-	-	34,578	616,960	<b>(37,740)</b>
	-	-	565,000	-	12,000,000	<b>250,000</b>
	100,000	4,154,597	-	2,500,000	750,000	<b>250,000</b>
	-	-	-	18,996	8,442,070	<b>7,574,844</b>
	<b>36,865,195</b>	<b>76,757,557</b>	<b>50,573,577</b>	<b>34,092,956</b>	<b>60,231,540</b>	<b>55,114,767</b>

**Carteret County, North Carolina**

**Changes in Net Position  
Last Ten Fiscal Years (Continued)  
(accrual basis of accounting)**

	Fiscal Year			
	2015	2016	2017	2018
Business-type activities:				
Charge for services - Water	\$ 576,057	\$ 576,598	\$ 584,344	\$ 678,879
<b>Total business-type activities program revenues</b>	<b>576,057</b>	<b>576,598</b>	<b>584,344</b>	<b>678,879</b>
<b>Total primary government program revenues</b>	<b>\$ 20,106,391</b>	<b>\$ 21,705,203</b>	<b>\$ 23,092,279</b>	<b>\$ 21,069,445</b>
Governmental activities	\$ (65,390,856)	\$ (65,199,283)	\$ (72,182,616)	\$ (71,212,898)
Business-type activities	(407,914)	(468,970)	(533,711)	(582,010)
<b>Total primary government net (expense)/revenue</b>	<b>\$ (65,798,770)</b>	<b>\$ (65,668,253)</b>	<b>\$ (72,716,327)</b>	<b>\$ (71,794,908)</b>
 <b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes	\$ 52,302,979	\$ 49,616,653	\$ 52,093,862	\$ 53,338,473
Local option sales tax	14,800,458	15,429,458	15,628,026	17,148,416
Other taxes	6,476,176	6,761,921	7,077,155	7,626,941
Intergovernmental	966,265	1,073,420	1,144,245	1,084,553
Investment earnings	198,419	269,450	359,363	633,393
Other revenues	764,879	306,748	251,132	285,414
Transfers	(324,000)	(324,000)	(355,000)	(433,600)
<b>Total governmental activities</b>	<b>75,185,176</b>	<b>73,133,650</b>	<b>76,198,783</b>	<b>79,683,590</b>
Business-type activities:				
Investment earnings	2,200	3,647	4,881	9,403
Other revenues	1,163	-	548	-
Gain on sale of water system assets	-	-	-	-
Transfers	324,000	324,000	355,000	433,600
<b>Total business-type activities</b>	<b>327,363</b>	<b>327,647</b>	<b>360,429</b>	<b>443,003</b>
<b>Total primary government</b>	<b>\$ 75,512,539</b>	<b>\$ 73,461,297</b>	<b>\$ 76,559,212</b>	<b>\$ 80,126,593</b>
 <b>Change in Net Position</b>				
Governmental activities	\$ 9,794,320	\$ 7,934,367	\$ 4,016,167	\$ 8,470,692
Business-type activities	(80,551)	(141,323)	(173,282)	(138,007)
<b>Total primary government</b>	<b>\$ 9,713,769</b>	<b>\$ 7,793,044</b>	<b>\$ 3,842,885</b>	<b>\$ 8,332,685</b>

2019	2020	2021	2022	2023	2024
\$ 711,732	\$ 693,744	\$ 737,858	\$ 1,095,905	\$ 1,053,436	\$ 514,563
711,732	693,744	737,858	1,095,905	1,053,436	514,563
\$ 37,576,927	\$ 77,451,301	\$ 51,311,435	\$ 35,188,861	\$ 61,284,976	\$ 55,629,330
\$ (89,959,377)	\$ (56,848,934)	\$ (91,787,013)	\$ (83,646,083)	\$ (78,907,475)	\$ (105,838,718)
(447,558)	(492,290)	(353,134)	47,105	(160,239)	(107,185)
\$ (90,406,935)	\$ (57,341,224)	\$ (92,140,147)	\$ (83,598,978)	\$ (79,067,714)	\$ (105,945,903)
\$ 54,449,182	\$ 54,313,866	\$ 62,590,060	\$ 63,952,730	\$ 66,524,024	\$ 70,237,367
18,298,871	19,061,509	22,220,692	24,352,848	25,905,950	26,471,331
7,759,109	7,316,586	11,508,408	13,340,414	13,513,968	14,433,428
1,195,756	1,274,575	1,620,055	1,735,444	1,819,045	1,707,275
1,617,950	979,978	97,429	(482,988)	3,794,656	8,132,728
687,823	1,740,010	177,844	2,064,700	231,784	181,651
(400,000)	(420,000)	(405,000)	(372,670)	-	9,677,191
83,608,691	84,266,524	97,809,488	104,590,478	111,789,427	130,840,971
26,896	16,412	689	-	74,453	257,575
-	-	-	-	-	-
-	-	-	-	-	3,799,914
400,000	420,000	405,000	372,670	-	(9,677,191)
426,896	436,412	405,689	372,670	74,453	(5,619,702)
\$ 84,035,587	\$ 84,702,936	\$ 98,215,177	\$ 104,963,148	\$ 111,863,880	\$ 125,221,269
\$ (6,350,686)	\$ 27,417,590	\$ 6,022,475	\$ 20,944,395	\$ 32,881,952	\$ 25,002,253
(20,662)	(55,878)	52,555	419,775	(85,786)	(5,726,887)
\$ (6,371,348)	\$ 27,361,712	\$ 6,075,030	\$ 21,364,170	\$ 32,796,166	\$ 19,275,366

**Carteret County, North Carolina**

**Fund Balances, Governmental funds  
Last Ten Fiscal Years  
(Modified accrual basis of accounting)**

	Fiscal Year			
	2015	2016	2017	2018
<b>General Fund</b>				
Restricted:				
Stabilization by state statute	\$ 6,457,421	\$ 6,608,370	\$ 6,881,419	\$ 7,170,172
Sheriff's fund	426,804	508,301	547,341	329,103
Recreation districts	104,081	104,081	116,336	33,898
Transportation				
Health programs	615,523	364,036	121,577	481,368
Register of deeds	394,275	297,572	264,390	203,560
Beach nourishment	10,283,851	13,083,623	15,986,798	18,631,010
Economic development	1,128,497	1,128,496	1,096,663	617,948
<b>Total restricted</b>	<b>19,410,452</b>	<b>22,094,479</b>	<b>25,014,524</b>	<b>27,467,059</b>
Committed:				
Tax revaluation	-	-	-	-
Assigned:				
Subsequent year's expenditures	3,717,325	3,775,000	5,205,000	5,324,430
County library	-	-	-	-
Unassigned	30,644,570	27,941,462	28,626,430	29,046,079
<b>Total General Fund</b>	<b>\$ 53,772,347</b>	<b>\$ 53,810,941</b>	<b>\$ 58,845,954</b>	<b>\$ 61,837,568</b>
<b>All Other Governmental Funds</b>				
Restricted:				
Public safety	\$ 881,162	\$ 1,238,771	\$ 1,003,977	\$ 918,267
Rescue protection	820,427	927,601	710,162	862,519
Fire protection	1,656,221	1,261,069	1,493,758	1,249,282
School capital	-	4,512,122	1,438,366	139,641
Economic development	1,494,748	1,578,144	1,457,269	1,500,474
Health programs	-	-	-	-
County capital	-	-	-	-
<b>Total restricted</b>	<b>4,852,558</b>	<b>9,517,707</b>	<b>6,103,532</b>	<b>4,670,183</b>
Committed:				
Economic development	734,594	-	-	-
County capital	403,529	267,038	231,541	74,436
School capital	2,130,637	1,157,070	566,343	146,313
Community college capital	-	750,000	765,000	1,425,000
Assigned:				
Subsequent year's expenditures	2,139,650	1,113,105	593,185	774,740
County capital	820,877	3,581,667	3,268,990	3,910,622
Unassigned:				
Special revenue funds	(1,181,701)	(1,295,796)	(1,203,874)	(1,226,875)
Capital projects funds	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 9,900,144</b>	<b>\$ 15,090,791</b>	<b>\$ 10,324,717</b>	<b>\$ 9,774,419</b>

Schedule 3

	2019	2020	2021	2022	2023	2024
\$	8,143,941	\$ 17,871,225	\$ 11,573,033	\$ 13,959,992	\$ 14,427,134	\$ 12,020,530
	313,632	412,053	541,534	321,280	413,470	486,651
	33,898	33,898	33,898	33,898	33,898	33,898
			174,965	321,397	161,645	-
	484,242	482,776	754,744	901,409	1,217,066	1,439,356
	204,369	199,720	221,977	264,080	250,884	221,058
	10,679,909	17,164,659	17,714,605	19,162,260	27,072,822	34,720,887
	1,029,885	962,948	962,948	912,948	887,948	887,948
	20,889,876	37,127,279	31,977,704	35,877,264	44,464,867	49,810,328
	-	-	-	688,491	293,136	719,832
	5,300,000	1,600,000	2,400,000	3,300,000	4,300,000	5,500,000
	-	-	140,000	140,000	140,000	140,000
	21,801,623	26,838,581	34,670,762	38,975,108	43,121,459	47,060,567
\$	47,991,499	\$ 65,565,860	\$ 69,188,466	\$ 78,980,863	\$ 92,319,462	\$ 103,230,727
\$	1,301,653	\$ 1,399,418	\$ 1,444,797	\$ 1,275,994	\$ 1,376,599	\$ 1,480,285
	1,081,077	1,211,152	1,550,281	1,375,111	1,721,414	1,914,401
	1,521,484	1,839,316	2,512,320	2,315,523	3,209,186	3,431,704
	-	-	-	-	12,482,475	27,535,724
	1,611,696	1,932,459	2,519,536	2,442,558	2,253,482	2,955,896
	-	3,092	132,873	106,517	1,154,547	3,527,675
	-	-	-	3,173,068	15,554,783	10,389,320
	5,515,910	6,385,437	8,159,807	10,688,771	37,752,486	51,235,005
	-	-	-	-	-	-
	49,177	49,177	49,177	49,177	49,177	-
	162,112	622,820	204,775	1,333,118	2,142,012	592,921
	1,425,000	-	-	-	-	200,000
	90,000	130,000	-	-	-	-
	6,364,555	9,452,301	12,080,606	16,827,042	26,475,372	40,910,196
	(1,352,346)	(1,632,365)	(2,214,345)	(2,328,505)	(2,115,326)	(2,794,230)
	-	-	(915,798)	(2,623,419)	-	-
\$	12,254,408	\$ 15,007,370	\$ 17,364,222	\$ 23,946,184	\$ 64,303,721	\$ 90,143,892

Carteret County, North Carolina

**Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year			
	2015	2016	2017	2018
<b>Revenues</b>				
Taxes:				
Property	\$ 52,173,675	\$ 49,621,522	\$ 51,948,681	\$ 52,974,061
Sales and other taxes	21,276,634	22,191,379	22,705,181	24,775,357
<b>Total taxes</b>	<b>73,450,309</b>	<b>71,812,901</b>	<b>74,653,862</b>	<b>77,749,418</b>
Permits and fees	2,592,668	3,103,209	3,480,181	3,777,112
Intergovernmental	14,853,980	15,099,889	16,180,325	13,416,534
Sales and services	3,049,951	3,998,927	3,989,615	4,202,268
Interest	198,419	269,450	359,363	633,393
Other revenue	647,154	325,215	288,839	210,419
<b>Total revenues</b>	<b>94,792,481</b>	<b>94,609,591</b>	<b>98,952,185</b>	<b>99,989,144</b>
<b>Expenditures</b>				
General government	6,689,088	7,653,713	7,451,324	7,741,029
Public safety	18,728,679	18,092,186	19,862,881	20,430,532
Transportation	1,295,944	1,214,961	1,029,693	1,439,418
Environmental protection	3,395,439	3,576,906	3,645,840	3,854,481
Economic development	5,582,073	5,548,594	6,125,261	6,250,741
Human services	15,639,871	16,312,094	16,049,596	15,286,265
Culture and recreation	3,190,144	3,474,047	3,430,211	3,591,363
Education	24,173,981	23,551,049	25,173,000	25,398,749
Capital outlay	3,538,776	6,583,987	8,736,799	6,118,397
Debt service:				
Principal	6,145,377	6,393,040	6,513,867	5,661,914
Interest	2,067,935	1,719,633	1,583,634	1,341,339
Bond issuance cost	107,922	-	-	-
<b>Total expenditures</b>	<b>90,555,229</b>	<b>94,120,210</b>	<b>99,602,106</b>	<b>97,114,228</b>
<b>excess (deficiency) of of revenues over (under) expenditures</b>	<b>4,237,252</b>	<b>489,381</b>	<b>(649,921)</b>	<b>2,874,916</b>
Other financing sources (uses):				
Transfers in	8,725,677	9,606,950	7,227,485	9,228,949
Transfers out	(9,049,677)	(9,930,950)	(7,582,485)	(9,662,549)
Proceeds from sale of capital assets	58,782	-	-	-
Special item	-	-	1,273,860	-
Bond premium	-	463,860	-	-
Bonds issued	-	4,600,000	-	-
Refunding bonds issued	12,250,000	-	-	-
Payment to refunding escrow agent	(12,131,962)	-	-	-
Lease liabilities issued	-	-	-	-
IT subscription agreements	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(147,180)</b>	<b>4,739,860</b>	<b>918,860</b>	<b>(433,600)</b>
<b>Net change in fund balance</b>	<b>\$ 4,090,072</b>	<b>\$ 5,229,241</b>	<b>\$ 268,939</b>	<b>\$ 2,441,316</b>
Debt service as a percentage of noncapital expenditures	9.26%	8.94%	8.36%	7.42%

Schedule 4

	2019	2020	2021	2022	2023	2024
\$	54,355,973	\$ 54,920,098	\$ 63,116,088	\$ 64,274,485	\$ 65,960,986	\$ 69,917,471
	26,057,980	26,378,095	33,729,100	37,693,262	39,419,918	40,904,759
	80,413,953	81,298,193	96,845,188	101,967,747	105,380,904	110,822,230
	3,427,887	3,833,484	5,710,385	5,925,797	5,265,036	4,850,838
	29,067,046	66,599,091	43,577,447	26,774,668	51,525,372	32,882,607
	4,240,688	4,294,777	4,219,111	4,493,069	5,313,666	5,816,644
	1,617,950	979,978	97,429	(482,988)	3,794,656	8,132,728
	1,956,718	1,673,898	359,360	298,383	270,604	3,753,144
	120,724,242	158,679,421	150,808,920	138,976,676	171,550,238	166,258,191
	9,049,444	8,751,597	10,141,410	11,002,191	11,362,940	12,540,204
	23,065,217	23,889,544	24,463,493	27,870,357	29,156,175	32,984,183
	1,537,681	1,142,378	2,334,189	1,606,052	1,285,826	1,442,337
	18,502,451	4,442,846	4,729,163	4,295,454	4,586,843	5,038,714
	5,897,469	5,841,169	7,751,596	13,889,975	10,761,699	10,378,518
	16,112,972	16,742,540	19,067,878	19,568,748	20,920,605	21,689,662
	4,016,630	3,463,928	3,509,051	3,747,161	4,082,656	4,714,975
	26,180,114	27,328,780	27,612,111	27,292,437	30,336,930	31,469,345
	20,663,209	40,780,972	40,371,089	8,019,678	23,309,675	37,746,751
	5,504,773	4,675,514	3,780,514	5,887,959	4,320,755	5,031,525
	1,160,362	968,980	790,322	704,245	570,244	1,299,513
	-	-	-	-	146,060	186,556
	131,690,322	138,028,248	144,550,816	123,884,257	140,840,408	164,522,283
	(10,966,080)	20,651,173	6,258,104	15,092,419	30,709,830	1,735,908
	20,805,023	19,567,904	26,279,108	18,495,163	27,697,665	32,990,114
	(21,205,023)	(19,987,904)	(26,684,108)	(18,867,833)	(27,697,665)	(23,312,923)
	-	96,150	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	2,483,140	2,125,948
	-	-	-	-	20,000,000	22,000,000
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	1,654,610	142,637	-
	-	-	-	-	360,529	725,432
	(400,000)	(323,850)	(405,000)	1,281,940	22,986,306	34,528,571
\$	(11,366,080)	\$ 20,327,323	\$ 5,853,104	\$ 16,374,359	\$ 53,696,136	\$ 36,264,479
	5.15%	4.23%	3.22%	5.54%	3.54%	3.96%

**Carteret County, North Carolina**

**Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Real Property				Total
	Residential Property	Commercial Property	Industrial Property	Present-use Value (1)	
2015	\$ 13,066,163,985	\$ 1,022,301,188	\$ 33,593,356	\$ 70,263,592	\$ 14,192,322,121
2016 <sup>(5)</sup>	11,863,427,000	1,158,966,816	40,894,377	60,528,976	13,123,817,169
2017	12,028,089,441	1,138,917,384	40,521,183	61,238,487	13,268,766,495
2018	12,162,660,612	1,137,063,586	35,910,900	60,610,484	13,396,245,582
2019	12,287,126,108	1,136,878,027	35,910,900	61,950,816	13,521,865,851
2020	12,215,471,240	1,170,143,130	38,274,243	60,560,640	13,484,449,253
2021 <sup>(5)</sup>	13,222,410,680	1,374,594,931	39,946,884	70,567,490	14,707,519,985
2022	13,455,101,591	1,378,805,275	34,828,166	64,282,478	14,933,017,510
2023	13,781,550,634	1,475,619,082	27,113,719	84,179,024	15,368,462,459
<b>2024</b>	<b>15,018,105,182</b>	<b>1,509,294,174</b>	<b>27,076,594</b>	<b>75,466,809</b>	<b>16,629,942,759</b>

Source:

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years' taxes are then required to be paid.
- (2) Public service companies' valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the North Carolina Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (5) Revaluation Years

Schedule 5

Personal Property	Public Service Companies (2)	Total Assessed Valuation	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)
\$ 1,049,826,237	\$ 123,526,642	\$ 15,365,675,000	0.30	\$ 15,365,675,000
1,232,232,454	142,852,043	14,498,901,666	0.30	14,498,901,666
1,307,233,688	144,399,817	14,720,400,000	0.31	14,851,089,588
1,350,774,902	145,921,774	14,892,942,258	0.31	15,892,585,912
1,429,210,534	144,287,809	15,095,364,194	0.31	16,108,594,807
1,506,349,077	146,880,056	15,137,678,386	0.31	16,338,562,748
1,629,594,558	151,521,216	16,488,635,759	0.33	16,488,635,759
1,679,655,340	160,885,938	16,773,558,788	0.33	19,138,140,618
1,679,655,340	163,461,595	17,211,579,394	0.33	25,984,591,109
<b>857,761,787</b>	<b>171,575,454</b>	<b>17,659,280,000</b>	<b>0.34</b>	<b>28,685,985,768</b>



**Property Tax Rates - Direct and Overlapping Governments - Summary  
(Per \$100.00 of Assessed Value)  
Last Ten Fiscal Years**

Fiscal Year	Carteret County Operating Mileage	Overlapping Rates <sup>1</sup>		Total Direct and Overlapping Rates
		Municipalities Operating Mileage	Special Districts	
2015	\$ 0.3000	\$ 1.9630	\$1.9485	\$ 4.2115
2016	0.3000	2.0865	1.9810	4.3675
2017	0.3100	2.1315	2.0663	4.5078
2018	0.3100	2.1315	2.1185	4.5600
2019	0.3100	2.2425	2.1985	4.7510
2020	0.3100	2.3940	2.2310	4.9350
2021	0.3300	2.4970	2.3700	5.1970
2022	0.3300	2.5920	2.3925	5.3145
2023	0.3300	2.5920	2.5225	5.4445
<b>2024</b>	<b>0.3400</b>	<b>2.5920</b>	<b>2.6425</b>	<b>5.5745</b>

Source: Carteret County Tax Department

<sup>1</sup> Overlapping rates are those of municipal governments and special districts that apply to property owners within the County. Not all overlapping rates apply to all County property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

The following table provides the detail of the municipalities and special taxing districts for 10 years.

**Carteret County, North Carolina**

**Property Tax Rates - Direct and Overlapping Governments - Detail  
(Per \$100.00 of Assessed Value)**

**Last Ten Fiscal Years**

	Fiscal Year			
	2015	2016	2017	2018
<b>Carteret County</b>	\$ 0.3000	\$ 0.3000	\$ 0.3100	\$ 0.3100
<b>Municipalities</b>				
Atlantic Beach	0.1650	0.1650	0.1650	0.1650
Beaufort	0.3300	0.3475	0.3475	0.3775
Bogue	0.0500	0.0500	0.0500	0.0500
Cape Carteret	0.1525	0.1525	0.1975	0.1975
Cedar Point	0.0625	0.0625	0.0625	0.0625
Emerald Isle	0.1400	0.1550	0.1550	0.1550
Indian Beach	0.1650	0.1950	0.1950	0.1950
Morehead City	0.3300	0.3500	0.3500	0.3500
Newport	0.3570	0.3570	0.3570	0.3570
Pelletier	0.0550	0.0550	0.0550	0.0550
Pine Knoll Shores	0.1560	0.1970	0.1970	0.1970
<b>Fire Districts</b>				
Atlantic	0.0700	0.0800	0.0800	0.0800
Beaufort	0.1000	0.0550	0.0550	0.0550
Broad & Gales Creek	0.0300	0.0300	0.0400	0.0400
Cedar Island	0.1000	0.1000	0.1000	0.1000
Davis	0.0850	0.0850	0.0850	0.0850
Harkers Island	0.0700	0.0850	0.1100	0.1100
Harlowe	0.0750	0.0750	0.0750	0.0750
Marshallberg	0.0900	0.0975	0.0975	0.0900
Mill Creek	0.0450	0.0450	0.0450	0.0450
Mitchell Village	0.0500	0.0500	0.0500	0.0500
Newport	0.0700	0.0700	0.0700	0.0700
North River	0.0900	0.0900	0.0900	0.0700
Otway	0.0700	0.0700	0.0800	0.0800
Salter Path	0.0600	0.0600	0.0700	0.0700
Sea Level	0.0950	0.0950	0.0950	0.0950
South River/ Merrimon	0.0600	0.0600	0.0600	0.0600
Stacy	0.0850	0.0850	0.0850	0.0850
Stella	0.0400	0.0400	0.0400	0.0800
Western Carteret	0.0400	0.0400	0.0400	0.0400
Wildwood	0.0675	0.0675	0.0675	0.0675

(Continued)

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	2019	2020	2021	2022	2023	2024
	\$ 0.3100	\$ 0.3100	\$ 0.3300	\$ 0.3300	\$ 0.3300	\$ <b>0.3400</b>
	0.1650	0.1800	0.1800	0.2000	0.2000	<b>0.2000</b>
	0.4135	0.4600	0.4600	0.4600	0.4600	<b>0.4600</b>
	0.0500	0.0500	0.0500	0.0500	0.0500	<b>0.0500</b>
	0.2125	0.2125	0.2125	0.2125	0.2125	<b>0.2125</b>
	0.0625	0.0925	0.1175	0.1475	0.1475	<b>0.1475</b>
	0.1550	0.1550	0.1550	0.1550	0.1550	<b>0.1550</b>
	0.2250	0.2550	0.2850	0.2850	0.2850	<b>0.2850</b>
	0.3500	0.3800	0.3800	0.3800	0.3800	<b>0.3800</b>
	0.3570	0.3570	0.3950	0.4400	0.4400	<b>0.4400</b>
	0.0550	0.0550	0.0550	0.0550	0.0550	<b>0.0550</b>
	0.1970	0.1970	0.2070	0.2070	0.2070	<b>0.2070</b>
	0.0800	0.0800	0.0800	0.0800	0.0800	<b>0.0800</b>
	0.0550	0.0625	0.0700	0.0950	0.1000	<b>0.1000</b>
	0.0400	0.0400	0.0400	0.0400	0.0400	<b>0.0400</b>
	0.1000	0.1000	0.1000	0.1000	0.1000	<b>0.1000</b>
	0.0850	0.0850	0.0850	0.0850	0.0850	<b>0.0850</b>
	0.1100	0.1100	0.1100	0.1100	0.1100	<b>0.1200</b>
	0.0750	0.0750	0.0750	0.0750	0.0750	<b>0.0750</b>
	0.0900	0.0900	0.0900	0.0900	0.0800	<b>0.0800</b>
	0.0450	0.0550	0.0550	0.0550	0.0750	<b>0.0750</b>
	0.0500	0.0500	0.0550	0.0800	0.0800	<b>0.0800</b>
	0.0900	0.0900	0.1000	0.1000	0.1000	<b>0.1000</b>
	0.0700	0.0700	0.0700	0.0700	0.0700	<b>0.0700</b>
	0.0800	0.0800	0.0800	0.0800	0.0800	<b>0.1000</b>
	0.0900	0.0900	0.1000	0.1000	0.1000	<b>0.1500</b>
	0.0950	0.0950	0.0950	0.0950	0.0950	<b>0.0950</b>
	0.0600	0.0600	0.0500	0.0500	0.0500	<b>0.0600</b>
	0.0850	0.0850	0.0850	0.0850	0.0850	<b>0.0850</b>
	0.1000	0.1000	0.1000	0.1000	0.1000	<b>0.1000</b>
	0.0600	0.0600	0.0600	0.0600	0.0600	<b>0.0700</b>
	0.0675	0.0675	0.0675	0.0925	0.1125	<b>0.1125</b>

**Carteret County, North Carolina**

**Property Tax Rates - Direct and Overlapping Governments - Detail (Continued)**  
**(Per \$100.00 of Assessed Value)**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2015	2016	2017	2018
<b>Rescue Districts</b>				
Beaufort	\$ 0.0500	\$ 0.0550	\$ 0.0550	\$ 0.0700
Broad & Gales Creek	0.0300	0.0300	0.0400	0.0400
Mill Creek	0.0450	0.0450	0.0450	0.0600
Mitchell Village	0.0200	0.0200	0.0200	0.0200
Newport <sup>2</sup>	-	-	-	-
Otway	0.0300	0.0400	0.0550	0.0650
Sea Level	0.1000	0.1000	0.1000	0.1000
South River <sup>1</sup>	-	-	-	-
Western Carteret	0.0300	0.0300	0.0300	0.0300
<b>Beach Nourishment Districts</b>				
Salter Path	0.0500	0.0550	0.0550	0.0550
Indian Beach Non Ocean Front	0.0300	0.0200	0.0200	0.0200
Indian Beach Ocean Front	0.0650	0.0400	0.0400	0.0400
Emerald Isle Non Ocean Front	-	-	-	-
Emerald Isle Ocean Front	0.0300	0.0400	0.0400	0.0400
Pine Knoll Shores Ocean Front	0.0140	0.0160	0.0160	0.0160
Pine Knoll Shores Non Ocean Front	0.0520	0.0600	0.0600	0.0600
<b>Water Districts</b>				
County Water District	0.0550	0.0550	0.0550	0.0550

Source: Carteret County Tax Department

Notes:

<sup>1</sup>First Year Tax District 2021

<sup>2</sup>First Year Tax District 2023

**Schedule 7**  
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2019	2020	2021	2022	2023	2024
\$ 0.0600	\$ 0.0600	\$ 0.0600	\$ 0.0550	\$ 0.0600	\$ <b>0.0600</b>
0.0400	0.0400	0.0400	0.0400	0.0600	<b>0.0600</b>
0.0600	0.0800	0.0800	0.0800	0.0900	<b>0.0900</b>
0.0200	0.0200	0.0200	0.0200	0.0400	<b>0.0400</b>
-	-	-	-	0.0200	<b>0.0200</b>
0.0650	0.0700	0.0700	0.0700	0.0700	<b>0.1000</b>
0.1000	0.1000	0.1000	0.1000	0.1000	<b>0.1000</b>
-	-	0.1225	0.1300	0.1300	<b>0.1300</b>
0.0500	0.0500	0.0500	0.0500	0.0500	<b>0.0600</b>
0.0550	0.0550	0.0550	0.0550	0.0550	<b>0.0550</b>
0.0100	0.0100	0.0100	0.0100	0.0100	<b>0.0100</b>
0.0400	0.0300	0.0300	0.0300	0.0300	<b>0.0300</b>
-	-	-	-	-	-
0.0400	0.0400	0.0400	0.0400	0.0400	<b>0.0400</b>
0.0160	0.0160	0.0150	0.0150	0.0150	<b>0.0150</b>
0.0600	0.0600	0.0550	0.0550	0.0550	<b>0.0550</b>
0.0550	0.0550	0.0550	-	-	-

**Carteret County, North Carolina**

**Ten Largest Taxpayers  
Current Year and Ten Years Ago**

Name of Taxpayer	Type of Enterprise	Rank	Fiscal Year 2024		
			Assessed Valuation	Tax Levy	Percent of Total Assessed Valuation
Duke Energy Progress, Inc	Utility	1	\$ 76,511,078	\$ 260,138	0.433%
Carteret Craven Electric	Utility	2	51,886,357	176,414	0.294%
Open Grounds Farm, Inc.	Farm	3	47,368,681	161,054	0.268%
Goose Creek Landing HOA	Real Estate	4	29,809,525	101,352	0.169%
ITAC 192 LLC	Real Estate	5	27,339,365	92,954	0.155%
USPG Portfolia Five LLC	Real Estate	6	25,754,286	87,565	0.146%
Beaufort Hospitality	Real Estate	7	25,483,567	86,644	0.144%
Carteret Place Investors LLC	Real Estate	8	25,136,140	85,463	0.142%
Spectrum Southeast LLC	Real Estate	9	22,811,746	77,560	0.129%
Atlantic New port Hospitality LLC	Real Estate	10	22,457,797	76,357	0.127%
Progress Energy Carolinas	Utility	-	-	-	-
Carolina Telephone	Utility	-	-	-	-
Manatee Investments Lmtd	Real Estate	-	-	-	-
Atlantic Veneer Corp	Manufacturing	-	-	-	-
RBC Real Estate Finance I	Real Estate	-	-	-	-
			<b>\$ 354,558,542</b>	<b>\$ 1,205,501</b>	<b>2.007%</b>

Source: Carteret County Tax Department

### Schedule 8

Fiscal Year 2015			
Rank	Assessed Valuation	Tax Levy	Percent of Total Assessed Valuation
-	\$ -	\$ -	-
1	120,255,076	360,765	0.783%
3	67,285,969	201,858	0.438%
5	33,372,126	100,116	0.217%
6	22,709,081	68,127	0.148%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
7	16,804,414	50,413	0.109%
2	85,268,005	255,804	0.555%
4	36,384,719	109,154	0.237%
8	15,133,045	45,399	0.098%
9	15,079,895	45,240	0.098%
10	14,953,626	44,861	0.097%
	<u>\$ 427,245,956</u>	<u>\$ 1,281,737</u>	<u>2.780%</u>

**Carteret County, North Carolina**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (Original Levy)		Collected Within the Fiscal Year of the Levy		
		Adjustments	Total Tax Levy (1)(2)	Amount	Percentage of Levy
2015	\$ 46,118,930	\$ (47,927)	\$ 46,071,003	\$ 45,099,962	97.89%
2016	43,572,880	(108,654)	43,464,226	42,642,837	98.11%
2017	45,841,885	(194,949)	45,646,936	44,595,689	97.70%
2018	46,325,347	(222,148)	46,103,199	45,175,396	97.99%
2019	46,870,483	(135,607)	46,734,876	45,799,705	98.00%
2020	47,201,126	(308,309)	46,892,817	46,024,208	98.15%
2021	54,605,942	(217,207)	54,388,735	53,530,496	98.42%
2022	55,505,173	(173,758)	55,331,415	54,539,419	98.57%
2023	57,131,779	(542,416)	56,589,363	55,671,042	98.38%
<b>2024</b>	<b>60,137,463</b>	<b>(95,911)</b>	<b>60,041,552</b>	<b>58,944,312</b>	<b>98.17%</b>

Notes:

(1) Includes General Fund

(2) Does not include reimbursement in-lieu-of taxes and Senior Citizens Exemptions

**Schedule 9**

Total Collections to Date			
	Collections of		Percentage
	Subsequent Years	Amount	of Levy
\$	966,533	\$ 46,066,495	99.99%
	766,168	43,409,005	99.87%
	904,669	45,500,358	99.68%
	841,778	46,017,174	99.81%
	834,393	46,634,098	99.78%
	725,551	46,749,759	99.69%
	621,452	54,151,948	99.56%
	490,281	55,029,700	99.45%
	493,095	56,164,137	99.25%
	-	<b>58,944,312</b>	<b>98.17%</b>

**Carteret County, North Carolina**

**Ratios of Outstanding Debt by Type,  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Net Premiums Discounts and Adjustments	Certificates of Participation	Leases	Subscriptions	Direct Placement Installment Loans
2015	\$ 33,475,000	\$ 2,680,697	\$ 3,090,000	\$ -	\$ -	\$ 11,709,696
2016	33,820,000	2,768,620	2,630,000	-	-	10,031,656
2017	29,410,000	2,417,445	2,175,000	-	-	8,382,789
2018	25,725,000	2,131,480	1,730,000	-	-	6,850,875
2019	22,100,000	1,845,515	1,290,000	-	-	5,411,102
2020	19,135,000	1,559,550	855,000	-	-	4,135,588
2021	16,350,000	1,312,567	425,000	-	-	3,570,074
2022	13,580,000	1,082,017	-	1,532,133	-	999,562
2023	30,825,000	3,339,394	-	1,429,179	627,583	429,048
<b>2024</b>	<b>49,080,000</b>	<b>5,115,227</b>	<b>-</b>	<b>1,724,061</b>	<b>647,105</b>	<b>-</b>

\* Information not yet available

Notes:

Details regarding the County's outstanding debt can be found in the notes to financial statements.

(1) See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Personal income not available to calculate fiscal year 2024.

**Schedule 10**

Business Activity					
Direct Placement Installment Loans	Direct Placement Revenue Bonds	Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)	
\$ 1,788,256	\$ 1,030,000	\$ 53,773,649	\$ 778	1.77%	
1,617,224	1,014,000	51,881,500	744	1.63%	
1,446,192	997,000	44,828,426	637	1.38%	
1,275,160	980,000	38,692,515	548	1.14%	
1,104,128	962,000	32,712,745	460	0.91%	
933,096	944,000	27,562,234	385	0.71%	
762,064	925,000	23,344,705	345	0.55%	
591,032	906,000	18,690,744	278	0.42%	
420,000	886,000	37,956,204	544	0.86%	
-	-	<b>56,566,393</b>	<b>805</b>	*	



**Ratios of Net General Bonded Debt Outstanding,  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Net General Obligation Bonded Debt	Assessed Value	Percentage of Actual Taxable Value of Property	Percentage of Personal Income	Population (1)	Net General Obligation Bonded Debt Per Capita
2015	\$ 36,155,697	\$ 15,365,675,000	0.24%	1.19%	67,810	\$ 533.19
2016	36,588,620	14,498,901,666	0.25%	1.15%	67,729	540.22
2017	31,827,445	14,720,400,000	0.22%	0.98%	67,678	470.28
2018	27,856,480	14,892,942,258	0.19%	0.82%	68,011	409.59
2019	23,945,515	15,095,364,194	0.16%	0.67%	67,786	353.25
2020	20,694,550	15,137,678,386	0.14%	0.53%	67,724	305.57
2021	17,662,567	16,488,635,759	0.11%	0.41%	68,729	256.99
2022	14,662,017	16,773,558,788	0.09%	0.33%	69,326	211.49
2023	34,164,394	17,211,579,394	0.20%	0.72%	69,615	490.76
<b>2024</b>	<b>54,195,227</b>	<b>17,659,280,000</b>	<b>0.31%</b>	*	<b>70,268</b>	<b>771.26</b>

Notes:

Details regarding the County's outstanding debt can be found in the notes to financial statements.

(1) Bureau of Economic Analysis, U.S. Department of Commerce fiscal years 2015-2023, fiscal year 2024 NC Office of State Planning

\*Personal income not available to calculate fiscal year 2024.

Carteret County, North Carolina

Computation of Legal Debt Margin  
Last Ten Fiscal Years

	Fiscal Year			
	2015	2016	2017	2018
Assessed values of property	\$ 15,365,675,000	\$ 14,498,901,666	\$ 14,720,400,000	\$ 14,892,942,258
Debt limit 8% of assessed value	1,229,254,000	1,159,912,133	1,177,632,000	1,191,435,381
Gross debt:				
Total bonded debt	36,565,000	36,450,000	31,585,000	27,455,000
Direct placement installment debt	11,709,696	10,031,656	8,382,789	6,850,875
Net bond premiums and adjustments	2,680,697	2,768,620	2,417,445	2,131,480
Authorized unissued bonded debt	9,710,000	-	-	-
<b>Total amount of debt applicable to debt limit</b>	<b>60,665,393</b>	<b>49,250,276</b>	<b>42,385,234</b>	<b>36,437,355</b>
Legal debt margin	\$ 1,168,588,607	\$ 1,110,661,857	\$ 1,135,246,766	\$ 1,154,998,026
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<b>4.94%</b>	<b>4.25%</b>	<b>3.60%</b>	<b>3.06%</b>

	2019	2020	2021	2022	2023	2024
\$	15,095,364,194	\$ 15,137,678,386	\$ 16,488,635,759	\$ 16,773,588,788	\$ 17,211,579,394	\$ 17,659,280,000
	1,207,629,136	1,211,014,271	1,319,090,861	1,341,884,703	1,376,926,352	1,412,742,400
	23,390,000	19,990,000	16,775,000	13,580,000	30,825,000	49,080,000
	5,411,102	4,135,588	3,570,074	99,562	429,048	-
	1,845,515	1,559,550	1,312,567	1,082,017	3,339,394	5,115,227
	-	-	42,000,000	42,000,000	22,000,000	-
	30,646,617	25,685,138	63,657,641	56,761,579	56,593,442	54,195,227
\$	1,176,982,519	\$ 1,185,329,133	\$ 1,255,433,220	\$ 1,285,123,124	\$ 1,320,332,910	\$ 1,358,547,173
	2.54%	2.12%	4.83%	4.23%	4.11%	3.84%

**Computation of Direct and Overlapping Debt**  
**Governmental Activities Debt**  
**June 30, 2024**

	Outstanding Debt	Percent Applicable to County	Amount Applicable to County
<b>Direct</b>			
Carteret County (1)	\$ 56,566,393	100.00%	\$ 56,566,393
<b>Overlapping</b>			
Town of Cedar Point (2)	187,500	100.00%	187,500
Town of Newport (2)	623,000	100.00%	623,000
Town of Pine Knoll Shores (2)	2,078,000	100.00%	2,078,000
Subtotal overlapping debt	<u>2,888,500</u>		<u>2,888,500</u>
Total direct and overlapping debt	<u>\$ 59,454,893</u>		<u>\$ 59,454,893</u>

## Data Sources:

- (1) County's debt records
- (2) Municipal finance departments

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses 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.

**Demographic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income (2)	Unemployment Rate (3)	Public School Enrollment (4)
2015	67,810	\$ 3,045,019	\$ 44,905	5.76%	8,445
2016	67,729	3,177,832	46,920	5.67%	8,141
2017	67,678	3,248,325	47,997	4.83%	8,072
2018	68,011	3,380,511	49,705	4.35%	8,006
2019	67,786	3,593,460	53,012	4.35%	7,892
2020	67,724	3,889,079	57,425	5.58%	8,058
2021	68,729	4,270,026	62,248	4.85%	7,723
2022	69,326	4,407,792	64,180	3.43%	7,723
2023	69,615	4,768,660	68,500	3.43%	7,911
<b>2024</b>	<b>70,268</b>	*	*	<b>3.26%</b>	<b>7,911</b>

Data Sources:

(1) Bureau of Economic Analysis, U.S. Department of Commerce fiscal years 2015-2023, fiscal year 2024 NC Office of State Planning

(2) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are for the prior calendar year.

(3) North Carolina Department of Commerce Division of Employment Security

(4) Carteret County Board of Education

\* Information Unavailable



**Principal Employers  
Current Year and Ten Years Ago**

Employer	2024			2015		
	Employment Range	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Carteret County Public Schools	1000+	1	-	1,148	1	4.77%
Carteret General Hospital	1000+	2	-	1,002	2	4.16%
Carteret County	500-999	3	-	547	4	2.27%
Wal-Mart Associates Inc	250-499	4	-	408	5	1.70%
Lowe's Home Improvements	250-499	5	-	290	8	1.21%
Food Lion	250-499	6	-	235	9	0.98%
Carteret Community College	250-499	7	-	368	7	1.53%
Bally Refrigerated Boxes	100-249	8	-	184	10	0.76%
McDonalds	100-249	9	-	-	-	-
Town of Morehead City	100-249	10	-	151	9	0.63%
NC Department of Transportation	-	-	-	610	3	1.83%
US Coast Guard	-	-	-	370	6	1.54%

Source: NC Commerce LEAD Division  
2024 Employees are full time

**Carteret County, North Carolina**

**Full-time Equivalent County Government Employees by Function,  
Last Ten Fiscal Years**

Function/Program	Full-Time Equivalent			
	2015	2016	2017	2018
General government	59.80	60.80	61.80	62.20
Public safety	137.00	138.00	141.00	144.00
Transportation	3.00	4.00	4.00	4.00
Economic and physical development	13.87	13.87	14.00	16.50
Environmental protection	6.50	6.50	6.50	6.50
Human Services	168.33	170.98	177.00	184.18
Cultural and recreation	20.07	20.42	22.42	22.42
Water/Sewer (Business activity)	4.83	4.83	4.70	4.80
<b>Total</b>	<b>413.40</b>	<b>419.40</b>	<b>431.42</b>	<b>444.60</b>

Source: County Finance Department

Notes:

This schedule represents number of persons employed as of June 30 of each year.

Full-time personnel work 2,080 hours per year (less vacation and sick leave).

For purposes of this schedule the number of part-time employees has been divided by 2.5 to arrive at the full-time equivalents.

**Schedule 16**

2019	2020	2021	2022	2023	2024
65.72	65.72	68.07	70.52	74.52	<b>77.77</b>
150.00	153.00	159.00	157.00	169.00	<b>180.00</b>
6.00	8.00	9.00	11.00	11.00	<b>11.00</b>
17.00	17.00	18.00	18.00	21.00	<b>21.00</b>
6.50	6.50	7.50	7.50	7.50	<b>9.00</b>
185.18	186.18	186.18	191.38	200.38	<b>208.38</b>
22.42	22.42	42.42	43.22	43.22	<b>44.22</b>
4.78	4.78	4.78	4.78	4.05	-
<b>457.60</b>	<b>463.60</b>	<b>494.95</b>	<b>503.40</b>	<b>530.67</b>	<b>551.37</b>

**Carteret County, North Carolina**

**Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Fiscal Year			
	2015	2016	2017	2018
Sheriff:				
Physical arrests	1,659	1,773	1,815	1,086
Environmental Protection:				
Solid waste convenience sites:				
Refuse collected (tons / day)	45.23	38.36	42.17	51.65
Recycled Material (tons / day)	3.90	2.38	4.19	4.62
Yard Waste (tons / day)	4.80	3.24	9.28	9.59
Culture and recreation:				
Park reservations	7,888	7,192	7,508	8,220
Senior center and community center admissions	103,007	117,355	128,229	112,893
Public libraries:				
Admissions	269,184	261,578	259,850	261,347
Electronic resources users	332,243	286,530	227,773	206,564
Water:				
New connections	18	15	14	13
Water mains breaks	-	-	1	1
Average daily consumption (gallons / day)	117	118	119	121

Sources: Various government departments.

Notes:

No indicators are available for the general government, economic development, and human services functions.

\* Information unavailable

Carteret County sold its water system in fiscal year 2024

Schedule 17

2019	2020	2021	2022	2023	2024
1,170	1,154	1,052	1,052	954	<b>999</b>
58.04	60.74	59.48	59.48	41.73	<b>45.10</b>
2.68	2.74	3.45	3.45	0.21	<b>0.21</b>
23.21	4.67	4.35	4.35	5.83	<b>3.40</b>
5,916	2,216	4,340	4,387	4,730	<b>5,027</b>
92,109	58,576	5,105	16,992	17,082	<b>20,144</b>
235,673	260,899	234,810	234,810	241,578	<b>139,684</b>
298,768	239,584	215,626	*	*	<b>76,787</b>
14	13	23	23	22	<b>9</b>
1	-	-	-	-	<b>1</b>
121	115	125	125	111	<b>100</b>

**Carteret County, North Carolina**

**Capital Asset Statistics by Function  
Last Ten Fiscal Years**

Function	Fiscal Year			
	2015	2016	2017	2018
Public safety:				
Sheriff				
Stations	1	1	1	1
Patrol Units	24	24	24	24
Environmental protection:				
Solid waste convenience sites	12	12	12	12
Culture and recreation:				
Park acreage	163	163	163	163
Parks	9	9	9	9
Tennis courts	14	14	14	14
Community centers	3	3	3	3
Public libraries	5	5	5	5
Water:				
Water mains (miles)	51	51	51	51
Maximum daily capacity	600,000	600,000	600,000	600,000

Sources: Various county departments.

Notes:

No capital asset indicators are available for the general government, economic development, and human services functions.

Water system capital assets were sold 12/15/2023.

Schedule 18

2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
24	24	24	24	24	24
12	12	12	12	12	12
163	163	163	163	163	163
9	9	9	9	9	9
14	14	14	14	14	14
3	3	3	3	3	3
5	5	5	5	5	5
51	51	51	51	51	-
600,000	600,000	600,000	600,000	600,000	-



## **Compliance Section**

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The Compliance Section contains various schedules and Auditor opinions reflecting Federal, State and Local matching participation in various projects and programs of the County. The Single Audit Amendments Act of 1996 established audit requirements for State and Local governments that receive Federal assistance. The audit requirements were established to insure that audits are conducted on an organization wide basis, rather than on a grant-by-grant basis.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**INDEPENDENT AUDITOR'S REPORT**

To the Board of County Commissioners  
Carteret County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison of the General Fund of Carteret County, North Carolina (the County) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 14, 2025. Our report includes a reference to other auditors who audited the financial statements of Carteret County Tourism Development Authority, Carteret County - Beaufort Airport Authority, Carteret County General Hospital Corporation and Carteret County Alcoholic Beverage Control (ABC) Board, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Carteret County ABC Board and Carteret County General Hospital Corporation were not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

### **Report on Compliance and Other Matters**

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

### **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 County's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PBMares, LLP*

Morehead City, North Carolina  
February 14, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of County Commissioners  
Carteret County, North Carolina

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Carteret County, North Carolina's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Our audit, described below, did not include the operations of the Carteret County Tourism Development Authority, Carteret County - Beaufort Airport Authority, Carteret County General Hospital Corporation and the ABC Board, the County's discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the County, is based solely on the report of other auditors. We are not aware of any material federal and State awards for the Carteret County Tourism Development Authority, Carteret County General Hospital Corporation and the ABC Board that would subject the Carteret County Tourism Development Authority, Carteret County General Hospital Corporation and the ABC Board to have an audit performed in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the State Single Audit Implementation Act of North Carolina that was not already performed by other auditors.

In our opinion, Carteret County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***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 (GAS); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the audit guide are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 audit guide. Accordingly, this report is not suitable for any other purpose.

***PBMares, LLP***

Morehead City, North Carolina  
February 14, 2025

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE  
STATE SINGLE AUDIT IMPLEMENTATION ACT**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of County Commissioners  
Carteret County, North Carolina

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Carteret County, North Carolina's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2024. The County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Our audit, described below, did not include the operations of the Carteret County Tourism Development Authority, Carteret County - Beaufort Airport Authority, Carteret County General Hospital Corporation and the ABC Board, the County's discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the County, is based solely on the report of other auditors. We are not aware of any material federal and State awards for the Carteret County Tourism Development Authority, Carteret County - Beaufort Airport Authority, Carteret County General Hospital Corporation and the ABC Board that would subject the Carteret County Tourism Development Authority, Carteret County - Beaufort Airport Authority, Carteret County General Hospital Corporation and the ABC Board to have an audit performed in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) or the State Single Audit Implementation Act of North Carolina that was not already performed by other auditors.

In our opinion, Carteret County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

***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 (GAS); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the audit guide are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's State programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major State program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and State Single Audit Implementation Act and which are described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on each major State program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

***PBMares, LLP***

Morehead City, North Carolina  
February 14, 2025

**CARTERET COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2024**

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**I – SUMMARY OF AUDITOR’S RESULTS**

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to financial statements noted?	_____	Yes	_____ X _____	No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?	_____ X _____	Yes	_____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ X _____	Yes	_____	No
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Identification of major federal programs:

<u>Program Name</u>	<u>Federal Assistance Listing</u>
Medicaid Cluster - Medical Assistance Program (Medicaid; Title XIX)	93.778
Supplemental Nutrition Assistance Program Cluster	10.561
Temporary Assistance for Needy Families	93.558
Children's Health Insurance Program - NC Health Choice	93.767
Child Support Enforcement	93.563
Building Adaptive Shorelines for Resilient Coastal Communities	11.473

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee? Yes X No

**CARTERET COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended June 30, 2024**

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**I – SUMMARY OF AUDITOR’S RESULTS (Continued)**

State Awards

Internal control over major State programs:

Material weakness(es) identified?	<u>    X    </u>	Yes	<u>          </u>	No
Significant deficiency(ies) identified?	<u>          </u>	Yes	<u>    X    </u>	None reported

Type of auditor’s report issued on compliance for major State programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	<u>    X    </u>	Yes	<u>          </u>	No
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Identification of major State programs:

<u>Program Name</u>	<u>Grant Number</u>
1571 Administrative Costs – Crosscutting Requirements Medicaid Cluster – Medical Assistance Program (Medicaid; Title XIX)	93.778
Disaster Relief and Recovery/Mitigation/Resiliency Directed Grant	N/A
Public School Building Capital Fund – Lottery Proceeds	N/A
Emergency Management Capital Projects	N/A
Capital Projects Directed Grant – Regional Economic Development Reserve	N/A

Auditee qualified as low-risk auditee?	<u>          </u>	Yes	<u>    X    </u>	No
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**II – FINANCIAL STATEMENT FINDINGS**

None noted.

## CARTERET COUNTY, NORTH CAROLINA

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2024

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#### III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

##### Noncompliance and Material Weakness in Internal Control Over Compliance – Medicaid Cluster Finding 2024-001

###### US Department of Health and Human Services

Passed through the NC Department of Health and Human Services (NC DHHS)  
Program Name: Medicaid Cluster – Medical Assistance Program (Medicaid; Title XIX)  
AL #: 93.778  
Award Year: 2024

**Criteria:** Per the NC Department of Health and Human Services-Division of Health Benefits, the County Department of Social Services Agency is responsible for determining client eligibility in accordance with eligibility requirements defined in the approved State Plan (42 CFR Section 431.10).

**Condition and Context:** Of the 77 claims tested we noted the following: 1 error which resulted in ineligible benefits where the County failed to utilize the correct Form DSS-8110 (Notice of Modification, Termination, or Continuation of Public Assistance) notification generation procedure required to properly close a case and terminate benefits in the NCFAST system resulting in ineligible full Medicaid benefits for the months of October through June of 2024 which are included in the FY 23-24 audit period of availability. The ineligible benefits continued subsequent to FY 23-24 through December of 2024.

Of the 77 claims tested, we noted: 5 instances which included incorrect countable and/or non-countable income and/or incorrect budget calculations; 2 instances where agency caseworkers failed to react timely to a change in client's situation; 2 instances which included incorrect countable and/or non-countable resources and/or incorrect budget calculations; 1 instance where agency caseworker failed to request a post-eligibility Form DHB-5097 (Request for Information) for absent parent information; 1 instance where agency caseworker failed to input a beneficiary's social security number correctly and therefore failed to verify citizenship; 4 instances where agency internal control policy required Family & Children's Medicaid manual checklist and budget was not completed and present in case file documentation or did not agree with evidence in NCFAST and/or supporting documentation provided by client; 1 instance where agency internal control policy required Form DSS-5007V (Adult Medicaid Review Verification) manual checklist and budget was not completed and present in case file documentation or did not agree with evidence in NCFAST and supporting documentation provided by client; 1 instance where an error in the use of forced eligibility by another county at client's recertification, prior to transferring the client's case to Carteret County, resulted in an incorrect program benefit determination and 1 instance where agency caseworker failed to use the correct Form DSS-8110 procedure to properly close a case and terminate a benefit. These noted agency technical errors did not result in ineligible benefits.

**Effect:** Ineligible person received benefits. Additionally, there is potential for additional ineligible persons to receive benefits.

**Cause:** Administrative oversight.

**CARTERET COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended June 30, 2024**

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**III – FEDERAL AWARDS (Continued)**  
**FINDINGS AND QUESTIONED COSTS**

**Identification of a Repeat Finding:** The findings noted that did not result in ineligible benefits is a repeat finding from the immediate previous audit, 2023-001.

**Questioned Costs:** None noted.

**Recommendation:** We recommend the County continue to implement training and oversight to ensure that all County staff are properly informed of applicable program requirements.

**Management’s Response:** See corrective action plan.

**IV – FINDINGS AND QUESTIONED COSTS FOR STATE AWARDS**

**Noncompliance and Material Weakness in Internal Control Over Compliance – Medical Assistance (MA)**

**Finding 2024-002**

**US Department of Health and Human Services**

Passed through the NC Department of Health and Human Services (NC DHHS)  
Program Name: Medicaid Cluster – Medical Assistance Program (Medicaid; Title XIX)  
AL #: 93.778  
Award Year: 2024

See Section III. Findings and Questioned Costs for Federal Awards, Finding 2024-001

**Questioned Costs:** None noted.

**Management’s Response:** See corrective action plan.



**CARTERET COUNTY**  
 HEALTH & HUMAN SERVICES

*Building Stronger Lives Together*

Department of Social Services  
 210 Craven Street  
 Beaufort, NC 28516  
 252.728.3181

Health Department  
 3820-A Bridges Street  
 Morehead City, NC 28557  
 252.728.8550

Environmental Health  
 252.728.8499

[www.carteretcountync.gov](http://www.carteretcountync.gov)

**Nina M. Oliver, MS**  
 Health Director

**Jessica G. Adams**  
 DSS Director

January 27, 2025

**Corrective Action Plan**

**Section III. Findings and Questioned Costs for Federal Awards**

**Material Weakness in Internal Control Over Compliance – Medicaid Cluster Finding**

	Deficiency	Corrective Action
1	1 instance which included an ineligible case that was not closed correctly.	<ul style="list-style-type: none"> <li>• Training will take place on 1/31/2025 with caseworkers to address proper termination and consistency generating the DSS-8110 within NCFast on the affected PDC.</li> <li>• Second party reviews will be conducted at a minimum of 1 application and 1 recertification per caseworker monthly.</li> </ul>
2	4 instances which included incorrect countable/noncountable income and/or incorrect budget calculations	<ul style="list-style-type: none"> <li>• Training will take place on 1/31/2025 with caseworkers and will cover the following: correctly applying deductions with a focus on the self-employment tax adjustment deduction; identifying various types of countable income, including less common examples like annuities; and the importance of reviewing income evidence and determinations to ensure income has been properly end-dated before accepting decisions.</li> </ul>

		<ul style="list-style-type: none"> <li>• Second party reviews will be conducted at a minimum of 1 application and 1 recertification per caseworker monthly.</li> </ul>
3	2 instances which included incorrect countable resources and/or incorrect budget calculations.	<ul style="list-style-type: none"> <li>• Training will be conducted on 1/31/2025 with all Adult Medicaid Caseworkers and will cover the following: determination of the first moment balance on bank statements; including all resources in NCFAST evidence; including statement of cash on hand and non-countable resources; and review of resource evidence in the resources tab under determinations before accepting decisions to ensure accuracy.</li> <li>• Second party reviews will be conducted at a minimum of 1 application and 1 recertification per caseworker monthly.</li> </ul>
4	1 instance in which the local agency failed to complete an SSI review timely.	<ul style="list-style-type: none"> <li>• Training will be conducted on 1/31/2025 with all Adult Medicaid Caseworkers regarding requirements for timely completion of SSI ex-parte cases.</li> <li>• Second party reviews will be conducted at a minimum of 1 application and 1 recertification per caseworker monthly.</li> </ul>
5	1 instance in which there was an incorrect Social Security number used.	<ul style="list-style-type: none"> <li>• Training will be conducted on 1/31/2025 with all caseworkers on how to identify potentially incorrect social security numbers using SOLQIC.</li> </ul>

		<ul style="list-style-type: none"> <li>• Second party reviews will be conducted at a minimum of 1 application and 1 recertification per caseworker monthly.</li> </ul>
6	1 instance in which the local agency failed to request absent parent information after application approval.	<ul style="list-style-type: none"> <li>• Per Admin Letter 13-23, once eligibility has been determined, no follow-up on the cooperation status with Child Support Services or Absent Parent information is required during the CCU period. Further training will be conducted when the requirement for post-eligibility requests for absent parents is reinstated.</li> </ul>
7	5 instances where Agency Internal Control policy required Family & Children’s Medicaid and/or Adult Medicaid Review verification Sheet (DSS Form 5007V) manual checklist and budget was not completed and present in case file or did not agree with evidence in NCFAST and/or supporting documentation provided by client.	<ul style="list-style-type: none"> <li>• The local agency’s internal control requirement for caseworkers to complete a manual checklist and manual budget was discontinued 1/19/2024 to ensure compliance with state guidance, policy and protocols.</li> </ul>

Training with all Medicaid Income Maintenance Caseworkers will be conducted on January 31, 2025 to address the deficiencies noted above. All seasoned Medicaid workers have at least one application and one recertification second partied each month. Any errors found are addressed with the caseworkers individually and are used for training during monthly unit meetings held with all our Medicaid caseworkers. Currently, Carteret County has 10 unseasoned workers who are being 100% second partied.

Respectfully Submitted,



Jessica Adams, DSS Director

# CARTERET COUNTY FINANCE

**Denise H. Meshaw, CPA**  
Deputy County Manager  
Finance Department



Tel: (252) 728-8410  
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## **Summary Schedule of Prior Audit Findings Year Ended June 30, 2024**

### **Finding 2023-001**

Status: See identification of repeat finding 2024-001

### **Finding 2023-002**

Status: See identification of repeat finding 2024-002



**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
<b>Federal Assistance</b>		
<b>US Dept. of Agriculture</b>		
Passed-through the NC Dept. of Agriculture and Consumer Services:		
Division of Soil and Water Conservation:		
Administered by the County Finance Department:		
Soil and Water Conservation	10.550	
<b>Food and Nutrition Service</b>		
Passed-through the NC Dept. of Health and Human Services:		
Division of Public Health:		
Administered by the County Health Department:		
Special Supplemental Nutrition Program for Women, Infants & Children	10.557	
Passed-through the NC Dept. of Health and Human Services:		
Division of Social Services:		
Administered by the County Department of Social Services:		
SNAP Cluster		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program		
Food Stamp Admin	10.561	
Food Stamp Fraud Admin	10.561	
Food Stamp Incentive / Program Integrity	10.561	
COVID19 FNS ARPA Funds	10.561	
<b>Total SNAP Cluster:</b>		
<b>Total US Department of Agriculture</b>		
<b>US Dept. of Commerce</b>		
Passed-through the NC Dept. of Environmental Quality		
Division of Water Quality:		
Coastal Zone Management Awards-Minor Permit/County Aid	11.419	
National Oceanic and Atmosphere Administration		
Passed-through the NC Wildlife Resources Commission		
Administered by the County Shore Protection Office:		
Building Adaptive Shorelines for Resilient Coastal Communities	11.473	
<b>Total US Department of Commerce</b>		
<b>US Dept. of Interior</b>		
Direct Program:		
Administered by the County Finance Department:		
National Forest, Public Schools	15.225	
<b>Total US Department of Interior</b>		
<b>US Dept. of Transportation</b>		
Passed-through the NC Dept. of Transportation:		
Administered by the County Public Transportation (CCATS) Department:		
Rural Operating Assistance Including Elderly and Disabled:		
Administration Grant 24-CT-054	20.509	DOT-11
Operating Grant 24-ED-054	20.513	24-ED-054
Federal Transit Cluster:		
Capital Grant 23-CT-054	20.526	DOT-14
Capital Grant 24-CT-054	20.526	DOT-14
<b>Total Federal Transit Cluster</b>		
<b>Total US Department of Transportation</b>		

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
22,048	-	-	-
297,528	-	-	-
639,494	-	639,494	-
71,512	-	71,512	-
21,680	-	-	-
18,557	-	-	-
751,243	-	711,006	-
1,070,819	-	711,006	-
1,275	-	-	-
1,078,901	-	357,556	-
1,080,176	-	357,556	-
35,200	-	-	-
35,200	-	-	-
208,577	13,036	41,032	-
150,000	-	150,000	-
86,684	10,835	6,947	-
94,372	11,797	11,797	-
181,056	22,632	18,744	-
539,633	35,668	209,776	-

**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
<b>US Dept. of Justice</b>		
<b>Bureau of Justice Assistance</b>		
Passed-through the NC Dept. of Public Safety:		
Governor's Crime Commission		
Administered by the County Rape Crisis Department:		
Basic SA Services 2024	16.575	PROJ 14285
<b>Total US Department of Justice</b>		
<b>US Dept. of Health and Human Services:</b>		
Administration on Aging:		
Passed-through the NC Dept. of Health and Human Services:		
NC Division of Aging and Adult Services, Eastern Carolina Council:		
Title III Preventative Health	93.043	
Family Caregiver Support	93.052	
Aging Cluster:		
Access, In Home/Support Services, Legal Services - HCCBG	93.044	
American Rescue Plan Act Support Services	93.044	
Home Delivered Meals - HCCBG	93.045	
Congregate Nutrition - HCCBG	93.045	
Nutrition Services Incentive Program (NSIP)	93.053	
<b>Total Aging Cluster</b>		
Passed-through the NC Dept. of Health and Human Services:		
NC Division of Aging and Adult Services, Eastern Carolina Council:		
Administration for Children and Families:		
Passed-through the NC Dept. of Health and Human Services:		
Division of Social Services:		
Administered by the County Department of Social Services:		
TANF-Work First Administration	93.558	
TANF-Work First Service	93.558	
<b>Total Temporary Assistance for Needy Families (TANF)</b>		
Family Preservation	93.556	

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
85,600	-	-	-
85,600	-	-	-
2,777	163	327	-
5,061	337	-	-
7,838	500	327	-
365,884	21,523	43,045	-
34,942	6,166	-	-
57,792	3,400	6,799	-
91,444	5,379	10,758	-
12,848	-	-	-
562,910	36,468	60,602	-
141,352	-	283,204	-
653,068	-	978,257	-
794,420	-	1,261,461	-
26,836	-	-	-

**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
Passed-through the NC Dept. of Health and Human Services:		
Administered by the County Department of Social Services:		
Child Support Enforcement:		
IV-D Administration	93.563	
IV-D Offset Fees-Federal	93.563	
Child Support Enforcement Incentive	93.563	
<b>Total Child Support Enforcement</b>		
Passed-through the NC Dept. of Health and Human Services:		
Administered by the County Department of Social Services:		
Low-Income Home Energy Assistance:		
Energy Assistance Payments	93.568	
Administration	93.568	
Crisis Intervention Program	93.568	
<b>Total Low-Income Home Energy Assistance</b>		
COVID 19 - Low-Income Home Water Assistance:		
LIWAP COVID19 ADM American Rescue Plan Act	93.568	
LIWAP COVID19 American Rescue Plan Act	93.568	
<b>Total Low Income Water Assistance Program</b>		
<b>Total Low Income Energy and Water Assistance Program</b>		
Passed-through the NC Dept. of Health and Human Services:		
Administered by the County Department of Social Services:		
Division of Child Development and Early Education:		
Subsidized Child Care		
Subsidized Child Care Program Cluster		
Division of Social Services		
Child Care Development Mandatory and Matching Funds-Administration	93.596	

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
732,679	-	377,440	-
1,236	(787)	787	-
92,290	-	-	-
826,205	(787)	378,227	-
(2,875)	-	-	-
44,216	-	-	-
8,197	-	-	-
49,538	-	-	-
5,047	-	-	-
38,165	-	-	-
43,212	-	-	-
92,750	-	-	-
80,398	-	-	-

**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
Passed-through the NC Dept. of Health and Human Services:		
Division of Social Services:		
Administered by the County Department of Social Services:		
Stephanie Tubbs Jones Child Welfare Services Program:		
Permanency Planning-Families for Kids		
Service and Admin	93.645	
Foster Care Adoption and Guardianship Assistance Program Cluster:		
Foster Care-Title IV-E:		
IV-E CPS	93.658	
IV-E Admin Foster Care	93.658	
IV-E Family Foster Care MAX	93.658	
IV-E Foster Care & Extended Payments	93.658	
IV-E Foster Care & Extended MAX	93.658	
IV-E Foster Care /OFF TRN	93.658	
IV-E Max Level III	93.658	
IV-E Foster Care TRN	93.658	
IV-E Admin County Paid to CCI	93.658	
Pre Training CWS	93.658	
Foster Care	N/A	
IV-E Optional Adopt TRN 50%	93.659	
IV-E Vendor Payments	93.659	
IV-E Adoption Training	93.659	
IV-E Adoption / Off Trn	93.659	
<b>Total Foster Care, Adoption and Guardianship Assistance Program Cluster</b>		
Administered by the County Department of Social Services:		
Social Services Block Grant:		
Family Planning:		
In-home services	93.667	
Adult Protective Services	93.667	
APS Essential Service/ APS ARPA	93.667	
In Home Services Over 60	93.667	
CPS TANF to SSBG	93.667	
SSBG Other Services and Training	93.667	
<b>Total Social Services Block Grant</b>		
Passed-through the NC Dept. of Health and Human Services:		
Administered by the County Department of Social Services:		
Independent Living Transition	93.674	
LINKS	93.674	
<b>Total John H. Chafee Foster Care Program</b>		
Health Care Financing Administration		
Passed-through the NC Dept. of Health and Human Services:		
Division of Social Services		
Administered by the County Department of Social Services:		
State Children's Insurance Program - Medicaid for Infants and Children	93.767	

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
1,192	9,550	-	-
132,077	28,786	113,348	-
475	-	475	-
366	-	189	-
101,198	33,860	16,977	-
5,411	2,750	-	-
195,192	-	195,192	-
593	-	302	-
1,881	-	627	-
19,307	9,654	9,654	-
3,064	-	1,069	-
29,021	-	44,631	-
14,697	-	14,697	-
6,920	3,460	3,460	-
17,751	-	5,917	-
22,756	-	22,756	-
550,709	78,510	429,294	-
8	-	1	-
24,787	-	-	-
3,198	-	-	-
24,828	-	3,547	-
47,373	-	-	-
235,250	-	78,417	-
335,444	-	81,965	-
5,698	-	-	-
10,162	2,540	2,501	-
15,860	2,540	2,501	-
168,307	3,180	47,733	-

**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
Health Care Financing Administration		
Passed-through the NC Dept. of Health and Human Services:		
Medicaid Cluster:		
Division of Medical Assistance:		
Administered by the County Department of Social Services:		
Medical Assistance Program		
Medicaid Administrative Claiming (MAC)	93.778	
ADT CR HM CS Mgt/Spec	93.778	
State County Special Assistance	93.778	
Division of Social Services		
Administered by the County Department of Social Services:		
Medical Assistance Administration	93.778	
Transportation Administration	93.778	
<b>Total Medicaid Cluster</b>		
Passed-through the NC Dept. of Health and Human Services:		
Division of Public Health:		
Administered by the County Health Department:		
Public Health Emergency Preparedness	93.069	
Maternal and Child Health Federal Consolidated Programs	93.110	
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	
Family Planning Services	93.217	
Immunization Cooperation Agreements	93.268	
COVID-19 Immunization Cooperation Agreements	93.268	
<b>Total Immunization Cooperation Agreements</b>		
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	
Collaboration with Academia to Strengthen Public Health	93.967	
Sexually Transmitted diseases (STD) Prevention and Control Grants	93.977	
Preventive health and health services block grant	93.991	
Health Resources and Services Administration		
Passed-through the NC Dept. of Health and Human Services:		
Division of Public Health:		
Administered by the County Health Department:		
Cancer Prevention and Control Programs for State Territorial and Tribal Organizations	93.898	
HIV Care Formula Grants - Ryan Shite Care Act	93.917	
Maternal and Child Health Services Block Grant	93.994	
Administration for Community Living		
Passed-through the NC Dept. of Insurance:		
Administered by the County Aging Department:		
Medicare Improvements for Patients and Providers Act "MIPPA"	93.071	2201NCMIDR-01
Seniors' Health Insurance Information Program	93.048	90MPPG0074-01-00
Seniors' Health Insurance Information Program	93.324	90SAPG0099-04-00
<b>Total US Department of Health and Human Services</b>		

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
427,221	-	427,221	-
17,143	6,522	10,621	-
46,851	-	19,962	-
1,997,483	81,516	789,170	-
126,397	-	126,397	-
2,615,095	88,038	1,373,371	-
21,062	-	-	-
3,889	-	-	-
50	-	-	-
146,991	-	-	-
14,824	-	-	-
28,524	-	-	-
43,348	-	-	-
32,348	-	-	-
65,676	-	-	-
65,371	-	-	-
40,347	-	-	-
419,082	-	-	-
17,900	-	-	-
4,447	-	-	-
39,412	-	-	-
61,759	-	-	-
4,824	-	-	-
2,800	-	-	-
10,132	-	-	-
17,756	-	-	-
6,576,561	217,999	3,635,481	-

**Carteret County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards (Continued)**  
**Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
<b>US Dept. of Homeland Security</b>		
Passed-through the NC Dept. of Public Safety:		
Division of Emergency Management:		
Administered by the County Emergency Management Department:		
Emergency Management Performance Grant Program "EMPG"	97.042	EMA-2022-EP-00015
Administered by the County Finance Department:		
COVID19 FEMA Disaster Grant Public Assistance - Cares Act	97.036	
<b>Total US Department of Homeland Security</b>		
<b>US Dept. of Treasury</b>		
Administered by the County Finance Department:		
COVID19 Coronavirus State Local Fiscal Recovery Relief Funds	21.027	
Passed-through the NC Judicial Branch:		
Administered by the County Rape Crisis Department:		
Domestic Violence Economic Assistance	21.027	
Passed-through the NC Health and Human Services:		
Division of Public Health:		
Administered by the County Health Department:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	
<b>Total US Department of Treasury</b>		

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
39,698	-	-	-
14,398	-	-	-
<b>54,096</b>	-	-	-
1,451	-	-	-
94,500	-	-	-
4,425	-	-	-
<b>100,376</b>	-	-	-

**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
<b>State Assistance</b>		
<b>NC Dept. of Health and Human Services:</b>		
Division of Social Services:		
Administered by the County Department of Social Services:		
County Funded Programs		
Non-Allocating County Cost		
Emergency PLMT TC		
St Child Welfare/ CPS/ CS LD		
Extended FC/MAX Non IV-E		
F/C at Risk Max		
Foster Care at Risk		
Foster Care Kinship		
Child Welfare Vendor Payments		
Work First Non Reimbursable		
AFDC Incent / Prog Integrity		
SFHF Maximization		
State Foster Home		
<b>Total Division of Social Services</b>		
Division of Aging Services:		
Administered by the County Aging Department:		
Senior Center General Purpose		
Fan Relief		
<b>Total Division of Aging Services</b>		
Division of Public Health:		
Administered by the County Health Department:		
Other Receipts/ State Supported Expenditures		
Food and Lodging		
DPH Aid-to-Counties		
General Communicable Disease Control		
Healthy Communities		
High Risk Maternity Clinics		
Child Health		
HIV Prep		
HIV/STD State		
Breast and Cervical Cancer		
Maternal Health		
Women's Health Service Fund		
Tuberculosis Control		
State Fiscal Recovery Funds		
School Nurse Funding Initiative		
<b>Total Division of Public Health</b>		
<b>Total NC Department of Human Services</b>		
<b>NC Department of Environmental Quality:</b>		
Division of Waste Management:		
Passed through the County Finance Office:		
White Goods Disposal		
Scrap Tire Disposal		
<b>Total NC Department of Environmental Quality</b>		

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
-	-	2,263,019	-
-	-	358,966	-
-	16,174	-	-
-	46,868	-	-
-	21,810	-	-
-	17,177	8,584	-
-	540	-	-
-	21,915	21,915	-
-	7,440	2,028	-
-	-	84,118	-
-	1,615	-	-
-	28,800	28,800	-
-	91,738	80,965	-
-	254,077	2,848,395	-
-	9,932	3,311	-
-	724	-	-
-	10,656	3,311	-
-	44,997	-	-
-	80,166	-	-
-	1,756	-	-
-	3,747	-	-
-	3,767	-	-
-	10,051	-	-
-	3,930	-	-
-	1,540	-	-
-	8,450	-	-
-	36,102	-	-
-	4,984	-	-
-	12,493	-	-
-	228,115	-	-
-	50,000	-	-
-	490,098	-	-
-	754,831	2,851,706	-
-	40,626	-	-
-	133,830	-	-
-	174,456	-	-

**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
<b>NC Department of Natural and Cultural Resources:</b>		
Division of Land and Water Stewardship Administered by the County Shore Protection Office: Land and Water Fund: Carrot Island Project		2021-404
Division of State Library: Administered by the County Library Department: State Aid Payments		
<b>Total NC Department of Natural and Cultural Resources</b>		
<b>NC Department of Public Safety:</b>		
Division of Emergency Management: Administered by the County Finance Department: Juvenile Crime Prevention Programs: Structured Day Program Home Based Services JCPC Administration Teen Court/Juvenile Restitution and Community Services		
<b>Total NC Department of Public Safety</b>		
<b>NC Department of Administration:</b>		
Administered by the County Veteran Services: Veteran Services Division of NC-CFW: Administration by the County Rape Crisis Department: Sexual Assault Grant Rape Crisis		200072694
<b>Total NC Department of Administration</b>		
<b>NC Office of State Budget and Management:</b>		
Administered by the County Register of Deeds Department: Document Restoration Project		2012RD1
Administered by the County Sheriff's Department: Capital Projects		20121
Administered by the County Emergency Management Department: Capital Projects BRIC		20121
Administered by the County General Services Department: Capital Projects Directed Grant - Regional Economic Development Reserve		20123
Administered by the County Planning and Inspections Department: Capital Projects Water Access Project		20122
<b>Total NC Office of State Budget and Management</b>		
<b>NC Department of Public Safety:</b>		
Administered by the County Sheriff's Office: Law Enforcement Medication-assisted Treatment (MAT) Program		A12320304-JEC
Administered by the County Planning and Inspections Department: Disaster Relief and Recovery/ Mitigation/ Resiliency Directed Grant, NC Appropriations Act of 2022 Debris Removal and Storm Resiliency		CARTERETCO 2021-2023
<b>Total NC Department of Public Safety</b>		

(Continued)

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
-	375,000	-	-
-	132,267	-	-
-	507,267	-	-
-	80,853	-	-
-	66,736	65,000	-
-	4,749	-	-
-	55,772	-	-
-	208,110	65,000	-
-	2,174	424,011	-
-	80,181	16,036	-
-	82,355	440,047	-
-	2,000	-	-
-	98,014	-	-
-	532,584	-	-
-	2,032,932	-	-
-	52,877	-	-
-	2,718,407	-	-
-	162,427	-	-
-	8,419,715	-	-
-	8,582,142	-	-

**Carteret County, North Carolina**

**Schedule of Expenditures of Federal and State Awards (Continued)  
Year Ended June 30, 2024**

	Federal Assistance Listing Number	State/ Pass-through Grantor's Number
<b>NC Department of Commerce:</b>		
Administered by the County Finance Department:		
Economic Development Grant		2022-055-1257-1913
<b>NC Department of Information Technology</b>		
Administered by the County Emergency Management Department:		
Portable Radio Grant		PR2024-35
<b>NC Department of Public Instruction:</b>		
Administered by the County Finance Department:		
Public School Building Repair and Renovation- Lottery Proceeds		
Public School Building Capital Fund - Lottery Proceeds		
<b>Total NC Department of Public Instruction</b>		
<b>NC Department of Transportation:</b>		
Administered by the County Transportation Department:		
FY24 Con CPT Coordination Operating Grant		DOT-11
DOT ROAP Rural General Public Grant		DOT-16CL
DOT ROAP Employment Grant		DOT-16CL
DOT Elderly and Disabled		DOT-16CL
DOT Rural State Operating Grant		DOT-11
Paving project		11281
<b>Total NC Department of Transportation</b>		
<b><u>Other Financial Assistance</u></b>		
NC Department of Justice:		
Administered by the County Health Department:		
Opioid Settlement Fund		
<b>Total Other Financial Assistance</b>		
<b>Total Federal Expenditures</b>		
<b>Total State Expenditures</b>		
<b>Total Local Expenditures</b>		

See Notes to Schedule of Expenditures of Federal and State Awards.

Expenditures			
Federal (Direct and Pass-through)	State	Local	Passed through to Subrecipients
-	250,000	-	-
-	49,436	-	-
-	990,923	-	990,923
-	6,469,110	1,141,608	-
-	7,460,033	1,141,608	990,923
-	76,929	76,929	-
-	120,030	-	-
-	21,704	-	-
-	66,177	-	-
-	117,500	-	-
-	402,340	76,929	-
-	336,272	1,478	-
-	738,612	78,407	-
-	497,373	-	-
-	497,373	-	-
<u>\$ 9,542,461</u>	<u>\$ 22,276,689</u>	<u>\$ 9,490,587</u>	<u>\$ 990,923</u>

## **Carteret County, North Carolina**

### **Notes to Schedule of Expenditures of Federal and State Awards Year Ended June 30, 2024**

#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (the "Schedule") includes the federal and State award activity of Carteret County, North Carolina, primary government, under programs of the federal and State government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Carteret County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Carteret County.

#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

In accordance with guidance issued by the United States Department of Agriculture (USDA), Food and Nutrition Service Division, direct benefits payments for the Supplemental Nutrition Assistance Program (SNAP), formerly the Food Stamp Program, of \$11,265,987 have not been reported as expenditures in the basic financial statements or in the Schedule.

Carteret County had \$990,923 passed through state funds to subrecipients.

#### **Note 3. Relationship to Fund Financial Statements**

Substantially all federal and State financial award programs (other than direct benefit payments - see Note 13 to the financial statements) are accounted for in the County's governmental and proprietary funds.

#### **Note 4. Cluster of Programs**

The following programs are clustered by the NC Department of Health and Human Services: Foster Care and Adoption Assistance, Child Care Development Fund, Monthly Match into the Subsidized Child Care Program Cluster, The Title IVE – Foster Care and Adoption Assistance Programs into the Foster Care, Adoption, and Guardianship Assistance Program Cluster.

#### **Note 5. Indirect Costs**

Carteret County's indirect costs are determined by a State-approved plan contracted annually with DMG Maximus, Inc. and therefore has elected not to use the 10-Percent de minimis indirect cost rate as allowed under the Uniform Guidance.

#### **Note 6. Opioid Settlement Fund**

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.