

ELIZABETHTOWN AIRPORT/
ECONOMIC DEVELOPMENT COMMISSION
(A Component Unit of the Town of Elizabethtown)
ELIZABETHTOWN, NORTH CAROLINA FINANCIAL STATEMENTS
June 30, 2025

BOARD OF COMMISSIONERS

Frederick M. Tate, Chairman

David Clark

Mac Campbell

Ried Taylor

Robert Summerlin

Ryan Godwin

Reynold Hester

Dr. Justin DeGarmo

ELIZABETHTOWN AIRPORT ECONOMIC DEVELOPMENT COMMISSION NORTH CAROLINA
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FINANCIAL SECTION



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Independent Auditor's Report

To the Chairman of the Board
And the Members of the Board
Elizabethtown Airport Economic Development Commission
Elizabethtown, North Carolina

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elizabethtown Airport Economic Development Commission, a component unit of the Town of Elizabethtown, which comprise the Statement of Net Position as of June 30, 2025, and the related Statement of Revenues, Expenses and Changes in Net Position for the years then ended, and the related notes to the financial statements.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Elizabethtown Airport Economic Development Commission as of June 30, 2025 and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Elizabethtown Airport Economic Development Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and

fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Elizabethtown Airport Economic Development Commission'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 Elizabethtown Airport Economic Development Commission'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 and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 principally 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 comprised the Elizabethtown Airport Economic Development Commission's basic financial statements. The individual fund financial statements and the budgetary schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the individual fund financial statements and budgetary schedule are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Thompson, Price, Scott, Adams & Co., PA

Wilmington, North Carolina

November 20, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Elizabethtown Airport/ Economic Development Commission, we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Elizabethtown Airport/ Economic Development Commission for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Commission's financial statements, which follow this narrative.

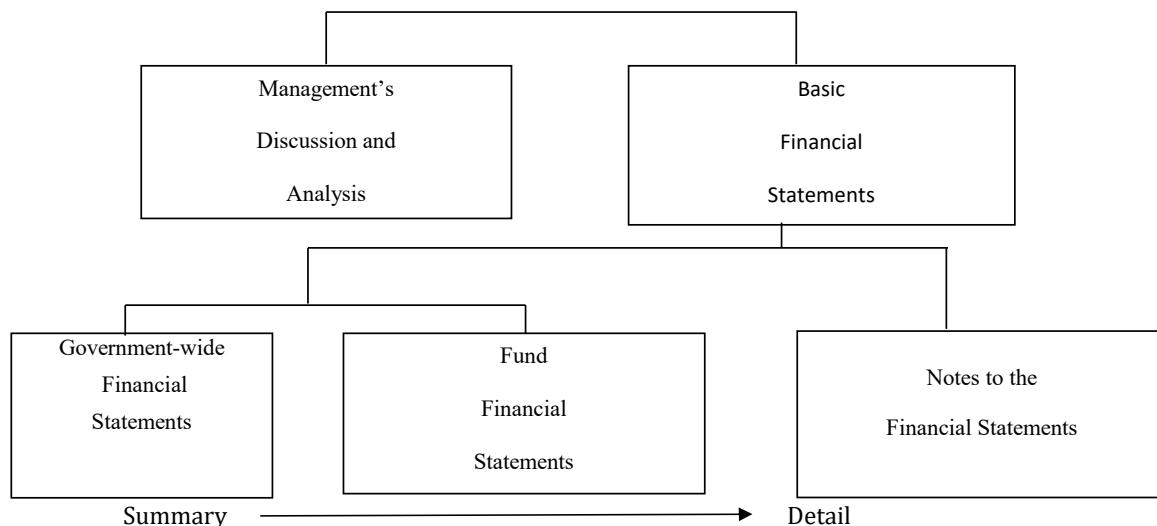
Financial Highlights

- The assets of the Elizabethtown Airport Economic Development Commission exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$128,890 (*net position*).
- The Commission's total net position decreased by \$45,423 primarily due to a decrease in revenues.
- As of the close of the current fiscal year, the Commission's governmental fund reported combined ending fund balance of \$101,051 a decrease of \$25,709. Approximately 30 percent of this total amount or \$30,208 is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$30.208 or 7 percent of the total general fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Elizabethtown Airport Economic Development Commission's basic financial statements. The Commission'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 Commission 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 Elizabethtown Airport Economic Development Commission.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

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

The government-wide statements are divided into one category: 1) governmental activities. The governmental activities include most of the Commission's basic service such as economic development and general administration. Contributions from Bladen County and Town of Elizabethtown finance most of these activities. The Commission charges for airplane hangar rent and fuel sales to supplement additional activities.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Commission'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 Elizabethtown Airport Economic Development Commission, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the Commission's budget ordinance. All of the funds of the Elizabethtown Airport Economic Development Commission can be divided into only one category: governmental fund.

Governmental Fund – A governmental fund is used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Elizabethtown Airport Economic Development Commission's basic services are accounted for in governmental fund. This fund focuses 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. A governmental fund is reported using an accounting method called modified accrual accounting that provides a short-term spending 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 Commission'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 Elizabethtown Airport/ Economic Development Commission 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 management of the Commission and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Commission to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Commission complied with the budget ordinance and whether or not the Commission succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 15-21 of this report.

Interdependence with Other Entities - The Commission depends on financial resources flowing from, or associated with, both the Town of Elizabethtown and the County of Bladen. Because of this dependency, the Commission is subject to changes in specific flows of intergovernmental revenues based on modifications to local government appropriations.

Government-Wide Financial Analysis

The Elizabethtown Airport Economic Development Commission's Net Position
Figure 2

	Governmental Activities	
	2025	2024
Assets		
Current and other assets	\$ 128,266	\$ 149,063
Capital assets	27,839	47,553
Lease receivable, non current portion	5,279	4,971
Total assets	<u>161,384</u>	<u>201,587</u>
Liabilities		
Current and other liabilities	21,003	4,836
Deferred inflows of resources	11,491	22,438
Total liabilities	<u>32,494</u>	<u>27,274</u>
Net position:		
Net investment in capital assets	27,839	47,553
Restricted for:		
Stabilization by State Statute	19,370	1,225
Unrestricted	81,681	125,535
Total net position	<u>\$ 128,890</u>	<u>\$ 174,313</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets of the Elizabethtown Airport Economic Development Commission exceeded liabilities by \$128,890 as of June 30, 2025. The Commission's net position decreased by \$45,423 for the fiscal year ended June 30, 2025. \$27,839 (22%) of the total net position is the Commission's net investment in capital assets (e.g. land, buildings, machinery, and equipment). The Elizabethtown Airport Economic Development Commission uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Commission's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Commission's net position, \$19,370 (15%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$81,681 (63%) is unrestricted.

The Elizabethtown Airport Economic Development Commission's Changes in Net Position
Figure 3

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues		
Charges for services	\$ 283,216	\$ 275,713
Operating grants and contributions	90,000	118,685
General revenues:		
Investment earnings	295	454
Other	8,410	647
Total revenues	381,921	395,499
Expenses:		
Economic and physical development	427,344	429,298
Total expenses	427,344	429,298
Increase (decrease) in net position	(45,423)	(33,799)
Net position - beginning	174,313	208,112
Net position - ending	\$ 128,890	\$ 174,313

Governmental activities. Governmental activities decreased the Commission's net position by \$45,423.

Financial Analysis of the Commission's Funds

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

Governmental Fund - The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Commission's financing requirements. Specifically, unassigned fund balance 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 Elizabethtown Airport Economic Development Commission. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$30,208 while total fund balance reached \$101,051. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 7% of the total General Fund expenditures.

General Fund Budgetary Highlights: During the fiscal year, the Elizabethtown Airport Economic Development Commission revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues were higher the previous year due to increases in service revenues. The Airport was closed majority to the fiscal year to complete projects. The expenditures were held below the budget and the Commission was able to comply with its budgetary requirements.

Capital Asset and Debt Administration

Capital assets. The Elizabethtown Airport Economic Development Commission's investment in capital assets for its governmental as of June 30, 2025, totals \$27,839 (net of accumulated depreciation). These assets include buildings machinery and equipment.

**Elizabethtown Airport Economic Development Commission's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities	
	2025	2024
Buildings	\$ -	\$ -
Other Improvements	5,695	6,365
Equipment	22,144	41,188
Total	<u>\$ 27,839</u>	<u>\$ 47,553</u>

Additional information on the Commission's capital assets can be found in notes of the Basic Financial Statements.

Long-term Debt - As of June 30, 2025, the Elizabethtown Airport Economic Development Commission had no bonded or long-term debt outstanding.

Economic Factors and Next Year's Budgets and Rates.

For the upcoming year, management does not expect any surge of new development within the Commission.

Due to the Commission being a component unit of the Town of Elizabethtown and serving as a local airport, it is difficult to show any real increase in revenue. The Commission will continue to promote the airport as an alternative stop for fuel.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities - The Commission will continue its commitment to reducing the cost of delivering services.

Requests for Information

This report is designed to provide an overview of the Elizabethtown Airport/ Economic Development Commission'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 attention of Fred Tate, Elizabethtown Airport/ Economic Development Commission, PO Box 1716, Elizabethtown, NC 28337.

BASIC FINANCIAL STATEMENTS

Elizabethtown Airport Economic Development Corporation, North Carolina
Statement of Net Position
June 30, 2025

	Primary Government	
	Governmental Activities	Total
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 50,996	\$ 50,996
Restricted cash	3,265	3,265
Accounts receivable (net)	3,676	3,676
Lease receivable	6,354	6,354
Inventory	48,281	48,281
Due from other governmental agencies	15,694	15,694
Total current assets	<u>128,266</u>	<u>128,266</u>
Non-current assets:		
Lease receivable, non-current portion	5,279	5,279
Capital assets		
Other capital assets, net of depreciation	27,839	27,839
Total non-current assets	<u>33,118</u>	<u>33,118</u>
Total assets	<u>161,384</u>	<u>161,384</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	13,238	13,238
Payable from restricted assets		
Security deposits	3,265	3,265
Prepaid rent	4,500	4,500
Total current liabilities	<u>21,003</u>	<u>21,003</u>
DEFERRED INFLOWS OF RESOURCES		
Leases	<u>11,491</u>	<u>11,491</u>
Total deferred inflows of resources	<u>11,491</u>	<u>11,491</u>
NET POSITION		
Net investment in capital assets	27,839	27,839
Restricted for:		
Stabilization by state statute	19,370	19,370
Unrestricted	<u>81,681</u>	<u>81,681</u>
Total net position	<u>\$ 128,890</u>	<u>\$ 128,890</u>

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

Elizabethtown Airport Economic Development Corporation, North Carolina
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government
Primary government:						
Governmental Activities:						
Economic and physical development	\$ 427,344	\$ 283,216	\$ 90,000	\$ -	\$ (54,128)	\$ (54,128)
Total governmental activities	<u>\$ 427,344</u>	<u>\$ 283,216</u>	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ (54,128)</u>	<u>\$ (54,128)</u>
General revenues:						
Investment earnings, unrestricted					295	295
Miscellaneous, unrestricted					<u>8,410</u>	<u>8,410</u>
Total general revenues					<u>8,705</u>	<u>8,705</u>
Change in net position					<u>(45,423)</u>	<u>(45,423)</u>
Net position-beginning					174,313	174,313
Net position-ending					<u>\$ 128,890</u>	<u>\$ 128,890</u>

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

Elizabethtown Airport Economic Development Corporation, North Carolina
Balance Sheet
Governmental Fund
June 30, 2025

	Major Fund		Total Governmental Fund	
	General Fund			
	\$	\$	\$	\$
ASSETS				
Cash and cash equivalents	\$ 50,996	\$ 50,996		
Restricted cash	3,265	3,265		
Receivables, net				
Accounts	3,676	3,676		
Lease receivable	11,633	11,633		
Inventory	48,281	48,281		
Due from other governments	15,694	15,694		
Total assets	<u>\$ 133,545</u>	<u>\$ 133,545</u>		
LIABILITIES				
Accounts payable	\$ 13,238	\$ 13,238		
Payable from restricted assets:				
Security deposits	3,265	3,265		
Rent paid in advance	4,500	4,500		
Total liabilities	<u>21,003</u>	<u>13,238</u>		
DEFERRED INFLOWS OF RESOURCES				
Leases	<u>11,491</u>	<u>11,491</u>		
Total deferred inflows of resources	<u>11,491</u>	<u>11,491</u>		
FUND BALANCES				
Nonspendable				
Inventory	48,281	48,281		
Leases	142	142		
Restricted				
Stabilization by state statute	19,370	19,370		
Assigned				
Designated for subsequent year's expenditures	3,050	3,050		
Unassigned				
Total fund balances	<u>30,208</u>	<u>30,208</u>		
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 101,051</u>	<u>\$ 101,051</u>		
	<u>\$ 133,545</u>	<u>\$ 133,545</u>		
Total fund balance, governmental funds			\$ 101,051	
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.				
Gross capital assets at historical cost	403,244			
Accumulated depreciation	<u>(375,405)</u>	27,839		
Net position of governmental activities			<u>\$ 128,890</u>	

Elizabethtown Airport Economic Development Corporation, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2025

	<u>Major Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>Governmental Fund</u>
REVENUES		
Investment earnings	\$ 295	\$ 295
Unrestricted intergovernmental revenues	90,000	90,000
House rentals	7,700	7,700
Hangar revenue	68,647	68,647
Fuel sales	206,869	206,869
Miscellaneous	8,410	8,410
Total revenues	381,921	381,921
EXPENDITURES		
Current:		
Economic and physical development	407,630	407,630
Total expenditures	<u>407,630</u>	<u>407,630</u>
Excess (deficiency) of revenues over expenditures	(25,709)	(25,709)
Net change in fund balance	(25,709)	(25,709)
Fund balances-beginning	126,760	126,760
Fund balances-ending	\$ 101,051	\$ 101,051

Elizabethtown Airport Economic Development Corporation, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ (25,709)
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Amounts reported to Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	-
Depreciation	(19,714)

Change in net position of governmental activities	<u>\$ (45,423)</u>
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Elizabethtown Airport Economic Development Corporation, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended June 30, 2025

	General Fund		Variance	
			Actual Amounts	With Final Budget Positive (Negative)
	Budget Original	Final		
Revenues:				
Investment earnings	\$ 350	\$ 350	\$ 295	\$ (55)
Unrestricted intergovernmental revenues	90,000	90,000	90,000	-
House rentals	8,400	8,400	7,700	(700)
Lease revenue	60,000	60,000	68,647	8,647
Fuel sales	350,000	350,000	206,869	(143,131)
Miscellaneous	1,000	1,000	8,410	7,410
Total revenues	509,750	509,750	381,921	(127,829)
Expenditures				
Current:				
Economic and physical development	545,275	545,275	407,630	137,645
Total expenditures	<u>545,275</u>	<u>545,275</u>	<u>407,630</u>	<u>137,645</u>
Excess (deficiency) of revenues over expenditures	<u>(35,525)</u>	<u>(35,525)</u>	<u>(25,709)</u>	<u>9,816</u>
Other financing sources (uses):				
Fund balance appropriated	35,525	35,525	-	35,525
Total other financing sources (uses)	<u>35,525</u>	<u>35,525</u>	<u>-</u>	<u>35,525</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(25,709)</u>	<u>\$ (25,709)</u>
Fund balance - beginning			<u>126,760</u>	
Fund balance - ending			<u>\$ 101,051</u>	

NOTES TO THE FINANCIAL STATEMENTS

Elizabethtown Airport Economic Development Commission
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2025

I. Description of Unit

Elizabethtown Airport Economic Development Commission (the "Commission") is located in southeastern North Carolina. The Commission's purpose is to manage the Town of Elizabethtown's airport and promote the industrial park to business entities searching for new job sites.

II. Summary of Significant Accounting Policies

The accounting policies of the Elizabethtown Airport Economic Development Commission conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Elizabethtown Airport Economic Development Commission is a component unit of the Town of Elizabethtown. The Town appoints seven members of the Commission's board and Bladen County appoints the other two members. There is a potential for the Commission to provide specific financial burdens upon the primary government (the Town). Therefore, the Commission is reported as a discretely presented component unit of the Town's financial statements.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Commission. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

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

Fund Financial Statements: The fund financial statements provide information about the Commission's funds. Separate statements for each fund category-governmental are presented. The Commission has no fiduciary funds to report. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Commission reports one major governmental fund:

General Fund – The General Fund is the general operating fund of the Commission. The General Fund accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are contributions from the Town and County, and rental income from hangars, and property leases and fuel sales. The primary expenses are the operations of the airport and cost of fuel sold.

The Commission has no non-major funds.

C. Measurement Focus and Basis of Accounting

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

Government-wide Fund Financial Statements. The government-wide fund financial statements are reported using the economic resources measurement focus. The government-wide 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 Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants 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.

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, 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 capital leases are reported as other financing sources.

D. Budgetary Data

The Commission's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal-year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional expenditures by more than \$2,500. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year of the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Equity

Deposits and Investments

All Deposits of the Commission are made in board designated official depositories and are secured as required by State law [G. S. 159-31]. The Commission may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Commission may establish time deposit accounts such as Now and SuperNow accounts, money market accounts, and certificates of deposits.

State law [G.S. 159-30(c)] authorizes the Commission 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 nonguaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT). The Commission's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. 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.

Cash and Cash Equivalents

The Commission pools money from within its fund to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The commission considers all highly liquid investments (including restricted cash) with a maturity of three months or less when purchased to be cash and cash equivalents.

Allowance for Doubtful Accounts

Management has not identified any amount owed that will not be collected.

Lease Receivable

The Commission's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the Commission may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Restricted Assets

Customer deposits and prepaid rent held by the Commission before any services are supplied are restricted to the service for which the deposit was collected.

Governmental Activities	
General Fund	
Customer Deposits	\$ 3,265
Total Governmental Activities	<u>\$ 3,265</u>

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Inventories

Inventory consists of products that are held for resale or future use. Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital Assets are defined by the government as assets with an initial, individual cost of more than a certain cost and an estimated useful life in excess of two years. Minimum capitalization costs are as follows: land, \$5,000; buildings and improvements, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; and vehicles, \$5,000. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40
Motor Vehicles	5
Equipment	7

Long-Term Obligations

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

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Commission has none. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Commission has one item that meets the criterion for this category - leases.

Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of 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.

Prepaid expenses and inventories – portions of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

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

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

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

Committed Fund Balance – Portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Commission's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. The Commission has none.

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

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 and any modifications to the original budget.

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

The Commission adheres to the North Carolina Local Government Commission's recommendation of a minimum fund balance for the general fund which instructs management to conduct the business of the Commission in such a manner that available fund balance does not go below eight percent of budgeted expenditures. Any portion of the general fund balance in excess of 8% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the Commission in a future budget.

Revenues and Expenditures

Economic Dependency - The Commission receives a substantial amount of support from the primary government unit and Bladen County. For the year ended June 30, 2025, \$45,000 and \$45,000 was received from Elizabethtown and Bladen County, respectively. These combined amounts are over 23% of total revenues.

III. Stewardship, Compliance, and Accountability

Significant Violations of Finance-Related Legal and Contractual Provisions

None.

Noncompliance with North Carolina General Statutes

None.

Deficit in Fund Balance or Net Position in Individual Funds

None.

IV. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Commission are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Commission's agent in their 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 Commission, these deposits are considered to be held by the Commission's agent in their 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 Commission or the escrow agent. Because of the inability to measure the exact amounts

of collateral pledged for the Commission under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Commission has no formal policy regarding custodial risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Commission complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2025, the Commission's deposits had a carrying amount of \$54,261 and a bank balance of \$53,421. All of the Commission's deposits were fully covered by federal depository insurance.

2. Investments

The Commission had no investments for the year ending June 30, 2025.

3. Lease Receivable

The Commission's lease receivable is measured as the present value of lease payments expected to be received during the lease term. In July 2024, the Commission entered into an agreement with Sovereign Aerospace-Bladen in exchange for use of the hangar. Under the lease agreement, the tenant pays the Commission \$6,000 annually for 3 years in exchange for use of the hangar. Final Lease payment based on the extended period of time is June 2027.

In fiscal year 2025, the Commission recognized \$5,745 of lease revenue and \$501 of interest revenue under the lease.

4. Capital Assets

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

Governmental activities:	Beginning Balances	Current Additions	Current Deletions	Ending Balances
Capital assets being depreciated:				
Buildings	\$ 56,003	\$ -	\$ -	\$ 56,003
Other Improvements	6,700	-	-	6,700
Equipment	340,541	-	-	340,541
Total capital assets being depreciated	<u>403,244</u>	-	-	<u>403,244</u>
Less accumulated depreciation for:				
Buildings	56,003	-	-	56,003
Other Improvements	335	670	-	1,005
Equipment	299,353	19,044	-	318,397
Total accumulated depreciation	<u>355,691</u>	<u>\$ 19,714</u>	<u>\$ -</u>	<u>375,405</u>
Net capital assets being depreciated	<u>47,553</u>			<u>27,839</u>
Airport Capital Assets, net	\$ 47,553			\$ 27,839

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

Economic and Physical Development	\$ 19,714
Total Depreciation Expense	<u>\$ 19,714</u>

B. Liabilities**1. Deferred Outflows and Inflows of Resources**

Deferred Inflows of Resources at year-end is comprised of the following:

	Statement of Net Position	General Fund Balance Sheet
Lease Receivable (General Fund)	\$ 11,491	\$ 11,491
Total	<u>\$ 11,491</u>	<u>\$ 11,491</u>

2. Risk Management

The Elizabethtown Airport Economic Development Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Commission has property, general liability and auto liability. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three years. The Commission does not carry any additional flood insurance due to not being located within a flood plain.

The Commission does not have any employees; however the Town of Elizabethtown's finance officer acts as the finance officer of the Commission. In accordance with G.S. 159-29, the Elizabethtown Airport Economic Development Commission has bonded the finance officer for \$100,000.

3. Claims and Judgments

There are no pending monetary suits against the Commission as of June 30, 2025.

4. Long Term Obligations

a. Leases

The Commission has entered into an agreement to lease certain property. The lease agreement qualifies as short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception.

b. Fund Balance

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

Total fund balance- General Fund	\$ 101,051
Less:	
Leases	142
Reserved for Inventory	48,281
Stabilization by State Statute	19,370
Designated for subsequent year's expenditures	3,050
Remaining Fund Balance	30,208

V. Related Party Transactions

The Commission from time to time, pays Campbell Oil Company for maintenance and repairs to equipment and for utilities. Board Member Mac Campbell has an interest in Campbell Oil Company. The Commission purchases fuel for resale from Campbell Oil Company. For the fiscal year ended June 30, 2025, total purchases for fuel from Campbell Oil Company was \$180,593. No material amounts were due from this related party at the end of the fiscal year. In addition, related entities of Campbell Oil Company do have 2 hangar leases in the amount of \$1,769.

For the fiscal year ended June 30, 2025, administrative costs paid to the town were \$5,950 for salaries and fringe benefits.

VI. Subsequent Events

Management has evaluated subsequent events through the date which the financial statements were available for issue.

INDIVIDUAL FUND SCHEDULES

- Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund

Elizabethtown Airport Economic Development Corporation, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2025

	2025		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Investment Earnings	\$ 350	295	\$ (55)
Unrestricted intergovernmental revenues			
County contribution	45,000	45,000	-
Town contribution	45,000	45,000	-
House rentals	8,400	7,700	(700)
Hangar revenue	60,000	68,647	8,647
Fuel sales	350,000	206,869	(143,131)
Miscellaneous	1,000	8,410	7,410
Total revenues	<u>509,750</u>	<u>381,921</u>	<u>(127,829)</u>
Expenditures:			
Economic and physical development			
Professional services - other	5,100		
Fuel for resale	180,593		
Telephone	4,534		
Printing and postage	216		
Utilities	20,174		
Supplies	17,415		
Lease/rent	32,980		
Maintenance and repair:			
Building and grounds	6,872		
Equipment	15,175		
FBO services	112,463		
Dues and fees	325		
Insurance and bonds	8,598		
Miscellaneous	3,185		
Total Expenditures	<u>545,275</u>	<u>407,630</u>	<u>137,645</u>
Revenues over (under) expenditures	<u>(35,525)</u>	<u>(25,709)</u>	<u>9,816</u>
Other financing sources (uses):			
Fund balance appropriated	35,525	-	(35,525)
Total	<u>35,525</u>	<u>-</u>	<u>(35,525)</u>
Revenues and other financing sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(25,709)</u>	<u>\$ (25,709)</u>
Fund Balance, beginning of year		126,760	
Fund Balance, end of year		<u>\$ 101,051</u>	