

CITY OF NEW BERN **North Carolina**



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021

Prepared by:
City of New Bern Finance Department

Submitted by:
Kimberly A. Ostrom
Interim Finance Director/Accounting Manager

City of New Bern, North Carolina
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INTRODUCTORY SECTION



NEW BERN
CITY OF NEW BERN

Aldermen

Sabrina Bengel
Jameesha Harris
Robert V. Aster
Johnnie Ray Kinsey
Barbara J. Best
Jeffrey T. Odham

Dana E. Outlaw
Mayor
Foster Hughes
City Manager
Brenda E. Blanco
City Clerk

300 Pollock Street, P.O. Box 1129
New Bern, NC 28563-1129
(252) 636-4000

January 14, 2022

To the Honorable Mayor, Board of Aldermen, and Citizens of the **CITY OF NEW BERN**:

The Annual Comprehensive Financial Report of the **CITY OF NEW BERN**, North Carolina (the City) for the fiscal year ended June 30, 2021, is hereby submitted. The basic financial statements contained herein have been audited by the independent certified public accounting firm of Thompson, Price, Scott, Adams & Co, P.A., a firm of licensed certified public accountants, and their unmodified opinion is included in the financial section. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the data enclosed is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position and, where applicable, the cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report includes all the funds of the City. The City provides a full range of services including police and fire protection; sanitation services; construction and maintenance of streets and other infrastructure; community development services including planning and zoning; and parks and recreation services. In addition to general governmental activities, the City owns and operates electric, water, sewer, and stormwater utilities; therefore, these activities are included in the reporting entity. The New Bern Housing Authority, the New Bern-Craven County Public Library, Swiss Bear Downtown Development Corporation, and Friends of the Fireman's Museum do not meet the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of New Bern's MD&A can be found immediately following the independent auditor's report.

The City is required to undergo a "Single Audit" in conformity with *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit *Everything comes together here.*

Requirements for Federal Awards, and the State Single Audit Implementation Act. Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, and the auditor's reports on the internal control over financial reporting and compliance with applicable laws, regulations, and contract and grant agreements, is included in a separate reporting package.

ECONOMIC CONDITION AND OUTLOOK

New Bern, settled in 1710 at the confluence of the Trent and Neuse Rivers, is located 110 miles east of Raleigh, the State Capitol, and 35 miles west of the Atlantic Ocean. New Bern is the largest municipality in Craven County and serves as the County seat. Rich in history, it is the site of North Carolina's Colonial Capital and its first State Capitol. New Bern is also the Birthplace of Pepsi Cola, a drink first created by Caleb Bradham, a local pharmacist, in 1898. Downtown New Bern offers museums, shops, galleries, restaurants, historic sites, waterfront hotels, bed and breakfast accommodations, marinas, a convention center, parks, historic homes, and churches. Tryon Palace Historic Sites & Gardens, the first permanent seat of colonial government in North Carolina, offers visitors an opportunity to experience over 300 years of American history and acres of period-inspired gardens. The City is centrally located to several growing communities including the cities of Jacksonville, Morehead City, Greenville, and Kinston, all around 40 miles and less than an hour's drive away. The City is easily accessible by US 70, US 17, and NC 43. As of June 2021, the community had an unemployment rate of 4.8 percent compared to a statewide rate of 3.4 percent. The 2020 census population for the city was reported as 31,291.

The City is a council-manager form of government with a Board of Aldermen and Mayor. The Board is composed of six members who are elected by ward, and a mayor who is elected at-large. Each serves for four-year coincident terms. The City Manager, Director of Finance, and City Attorney are appointed by and serve at the pleasure of the Mayor and Board of Aldermen. The City Manager serves as the chief executive officer of the organization and is responsible for carrying out Board of Aldermen policy through the administration of the various departments and their staff.

The City thrives on tourism, as it has over 150 sites included in the National Register of Historic Places. Stretching 248 miles, the Neuse River, located in New Bern, is the longest river in North Carolina and the widest river in America (6 miles across). The City is centrally located to 157,000 acres of the Croatan National Forest, which is nationally recognized for its trails and recreation opportunities.

Government (federal, state, and local) is the largest single employer in the County. CarolinaEast Health System, a 5-star rated establishment, is the City's largest single employer. In May 2021 CarolinaEast Health System became part of the UNC Health family through a comprehensive affiliation agreement, which will improve access to high-quality health care and increase primary and specialty services. New Bern is home to two large manufacturing facilities: Moen, Inc. and BSH Appliances, Corp. Moen, the number one faucet brand in North America, employs over 800 people at the New Bern facility. In August 2021, Moen was named one of the winners of the

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National Preferred Partners Survey conducted by David Weekley Homes, one of the nation's largest privately held home builders. BSH Appliances, a German-based manufacturer, is the world's third largest home appliance manufacturer specializing in cooking, washing/drying, refrigeration/freezing, and other consumer products. New Bern is host to the largest of the three U.S.-based factories. BSH Home Appliances did a 359,000 square-foot, \$16 million expansion to its New Bern location more than doubling the number of loading docks from 25 to 59. This facility stores and ships home appliances for three BSH brands in North America and employs more than 1,400 people.

New Bern is experiencing continued commercial and residential growth. Construction activities for commercial development remained strong for the fiscal year as permits were issued for commercial structures, including a new doctor's office in the West New Bern Area. Construction continued for a new hotel behind the New Bern Mall as well as renovations for new businesses across the City. The James City Bypass Project preliminary stages are underway including planning for utility relocations and demolitions, resulting in numerous business relocations within New Bern city limits. Industrial development includes the acquisition of Hatteras Yachts by White River Marine Group and the Salt Water Division of Bass Pro Shops, the \$34 Million investment is expected to bring 500 additional jobs to New Bern. Residential growth continued citywide, primarily within the Lake View, Bluewater Rise, and Lake Tyler subdivisions, and with the expansion of existing neighborhoods such as Carolina Colours and Craeberne Forest and permitting of residential single-family housing in West New Bern and a 225-unit apartment complex. The New Bern Housing Authority is building Carolina Avenue Apartments to add 80+ affordable housing units to bolster available inventory in late 2021. Redevelopment planning and investment continues within the Greater Five Points area, including permits for new businesses.

MAJOR INITIATIVES FOR THE YEAR

Fiscal year 2020-2021 (FY21) included the planning and implementation phases of several initiatives as well as the continuation or completion of projects begun during previous fiscal years.

Martin Marietta Park

In September 2017, Martin Marietta Materials, Inc. donated approximately 55 acres of property to the City. In the spring of 2018, the City invited the public to comment on proposed amenities residents would like to see inside the park. Those surveys and comments were collected and analyzed by independent consultant McGill & Associates, who assisted the City in creating a master plan for the park. In April, the Board of Aldermen approved moving forward with the master plan which includes walking, running, and cycling paths and trails, an outdoor performance area, open space for recreation and environmental stewardship, water activities and adventure activities. The City received two grants: NCDEQ CAMA Grant in the amount of \$97,500 for parking, restrooms, shelter, fishing pier and ADA canoe/kayak launch. This grant closed out on September 1, 2020. NC Parks & Recreation Trust Fund (PARTF) in the amount of \$475,000 which includes installing a children's playground, soft boat launch, fishing pier, picnic shelter, restrooms, road, electrical, water and sewer infrastructure, park benches, multi-purpose trails, nature trail, and nature observation deck. This grant is expected to close out on October 31, 2021.

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Volt Center Project

Phase II of the Volt Center project opened officially in April of 2021. The VirTra Simulator was installed and ready for usage in March 2021, affording New Bern Police Department to be the first agency to utilize this training facility and tool. A total of 47 classes have been set up to train officers from Craven, Carteret, Lenoir, and Jones Counties. An estimated amount of 400 officers have benefited from this facility since its renovation. The facility has hosted classes such as Crisis Intervention Team training, RADAR Operator, New Bern 101, and Leadership Craven. The training room has also been utilized to host the NC Governor's Highway Safety Program statewide regional meeting as well as other meetings conducted by Swiss Bear and NC Works.

ERP

Phase III Utility Bill (Customer Information System) is underway. The cross departmental project including, IT, Department of Utilities, Finance, Developmental Services/GIS, and Public Works staff is nearing completion of the system build & validation stage and entering the system testing and user role development/end user training stage. Vendor final legacy CIS system data conversion work and ancillary utility software systems integration and programming is in progress. Production cutover and post live support is slated for late spring of 2022 to be evaluated by the vendor's new Project Manager which was assigned in January 2022.

MAJOR INITIATIVES FOR THE FUTURE

Fiscal year 2020-2021 (FY21) includes the planning and implementation phases of several initiatives as well as the continuation or completion of projects begun during previous fiscal years.

West New Bern Water System Improvements

Through past water system evaluations, the Highway 17 South and Highway 55 West corridors were identified as areas where the water system will be unable to provide an adequate domestic and fire-flow supply as demand continues to increase on the system. The current water system in both corridors has been constructed linearly in the past as New Bern has grown in these areas. This linear construction has created two dead ends that are not loop fed with any other part of the system, creating conditions which are unfavorable from both a hydraulic and water quality perspective. The West New Bern Water System Improvement has been identified as the most efficient method of improving the western portion of the New Bern water system and providing the infrastructure needed to maintain adequate domestic and fire-flow supply as the City continues to grow. The planning and engineering for this large-scale project is complete and the project will move into the permitting phase in the summer of 2022, with bidding and construction to commence in late 2022. While the funding has been approved for the engineering and design, the funding for the actual construction has not been identified or appropriated. The estimated cost of the entire project is \$3,500,000.

Township No. 7 Sewer System Improvements & Relocation of Sewer Lift Station No. 10

To provide the required sewer system capacity for users south of the Trent River, the City has implemented several large-scale sewer improvement projects in the Township No. 7 area since 2010. The remaining portion of the project will include an upgrade to the existing pumps and

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control components at the equalization basin, the construction of a new transmission force main across the Trent River, and the relocation of lift station No. 10. The need for these improvements has been identified since 2006 as the ultimate solution to fixing the over-allocation issues and providing the capacity for New Bern to continue to grow in the areas south of the Trent River.

In 2017, New Bern began working to combine these three remaining tasks into part of a large capital project titled, “New Bern Township No.7 Sewer Improvements Project – Phase III”. The planning and engineering for this large-scale project is complete and the project is in the final phases of permitting and easement acquisition. Bidding and construction are scheduled for spring of 2022. While the funding has been approved for the engineering and design, the funding for the actual construction has not been identified or appropriated. The estimated cost of the entire project is \$4,000,000. However, the City has received a \$500,000 Golden Leaf grant to help in funding the relocation of lift station No. 10.

Trent Road Substation Transformer Bank A Replacement

As identified in our 5-year Capital Improvement Plan, the 50 MVA transformer bank at the Trent Road Substation will require replacement. This transformer bank was built in 1960, and through recent testing, there have been indications that the units are reaching the end of their useful life. During periods of peak demand, the electric system requires the capacity provided by this transformer bank and cannot provide service to its customers if the unit was to fail. The new substation transformer installation to replace this unit was completed in FY20-21, totaling \$1,400,000.

Electric System Capacity Improvement Project

The electric system is at full capacity during peak loading conditions with all contingencies utilized. The City has worked with consultants to develop a plan to increase system capacity, add operational contingencies, and build resiliency. Additionally, the plan is expected to serve the 20-year growth forecast. The Electric System Capacity Improvement Project is estimated to cost \$10,000,000. In May 2021 the Board of Aldermen approved the preliminary work to construct additional electric system capacity to include planning, design, materials, construction bidding and land acquisition. The estimated cost for preliminary work is \$500,000.

Make Ready Public Infrastructure for Broadband Service Providers

The City recognizes the impact on City resources due to the emergence of broadband providers, with significant impact primarily to electric utilities. In July 2021 the project was established to make ready public infrastructure for broadband service providers to include planning, design construction, installation, materials, and equipment. The project will be financed by reimbursements from the broadband service providers. However, initial costs are estimated at \$7,200,000.

North Carolina Department of Transportation (NCDOT) Project

The North Carolina Department of Transportation (NCDOT) requested the City of New Bern to relocate city owned electric and fiber structures that conflict with roadway improvement projects throughout the City’s service territory. The majority of the electric expenses will be reimbursed

by NCDOT, and most of the fiber optic expenses will be shared with Craven County. As of August 2020, the estimated costs were \$2,301,814; however, the project is ongoing.

Old Airport Road Project

Major construction activities for the \$3,950,000 Old Airport Road Project are complete. Phase One consisted of resurfacing and shoulder widening from Landscape Drive to Evans Mill. Phase Two consisted of road widening from Taberna Circle to Landscape Drive. Minor right of way punch list items will be completed by June 2022.

OTHER INFORMATION

Budget Preparation Process

Preparation of the City's fiscal year budget is a process that involves the citizens of New Bern, the New Bern Board of Aldermen, individual City departments, and the City Manager's Budget Committee.

The City Manager holds a budget retreat in February. During this meeting, the Board is presented with a preview of the economic forecast for the coming fiscal year, and the Board's goals and objectives for the upcoming fiscal year are confirmed. This meeting is critical to the development of the proposed budget as it offers a forum for the Board to relay valuable insight and provide feedback to the management team.

The next major phase in the preparation of the budget occurs after the retreat with the distribution of the new budget preparation package and instructions to Department Heads to be used in submitting their requested budgets.

Budget meetings are scheduled in March for Department Heads to present budget requests to the Budget Committee for consideration. The City Manager is given a briefing on any new programs, new position requests, as well as major increases in budget requests. In April, the City Manager makes any final revisions to the proposed budget, along with the proposed utility and property tax rate for the new fiscal year.

In late April, the City Manager's recommended budget is presented to the Board, the press, and the public. The recommended budget is made available for public inspection in the office of the City Clerk, the public library, and on the City's website (which can be viewed by visiting <http://www.newbernnc.gov/departments/administration/finance>).

In May, the Board holds a series of budget workshops, at which time the Department Heads present their proposed budgets to the Board for intense study and discussion. The Board requests additional information and may direct changes to the recommended budget at this time as well.

North Carolina General Statutes require one public hearing be held for public comment on the proposed budget. In a concentrated attempt to provide an opportunity to the citizens of New Bern, a public hearing is scheduled by the Board for public input on the budget. This hearing is usually

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conducted in late May or early June. The Board formally adopts the budget at a regular Board of Aldermen meeting on or before June 30th.

Acknowledgements

This report is the work of the efficient and dedicated services of the City of New Bern Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report and in their continued professional excellence in accounting for the fiscal actions of the City.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Bern for the fiscal year ended June 30, 2018, which was the seventh year the City prepared an annual comprehensive financial report (ACFR). The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a Government Unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. Such ACFR 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 our current report continues to conform to the Certificate of Achievement program requirements, and the City will be submitting it to the GFOA to determine its eligibility for another certificate.

Independent Audit

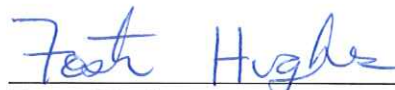
The City is required by the North Carolina General Statutes to have an annual independent audit of its financial statements. In addition, *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act require annual independent audits of the City's compliance with the applicable law and regulations related to certain statements. Combined and individual fund statements and schedules are included in the financial section of this report. The independent auditor's reports on compliance matters are included in the financial section of this report.

In closing, we would like to express our appreciation to the Mayor, Board of Aldermen, Department Heads, and all City staff for their leadership, interest, and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Kimberly A. Ostrom
Interim Director of Finance



Foster Hughes
City Manager

CITY OF NEW BERN, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
June 30, 2021

BOARD OF ALDERMEN

Mayor

Dana E. Outlaw

Mayor Pro Tem

Barbara Best

Jeffery Odham

Sabrina Bengel

Jameesha Harris

Johnnie Ray Kinsey

CITY ADMINISTRATION

City Manager

Foster Hughes

Interim Director of Finance

Kimberly Ostrom

Director of Utilities

Charles Bauschard

Fire Chief

Robert M. Boyd

Interim Director of Public Works

George Chiles

Director of Parks and Recreation

Foster Huges

Director of Development Services

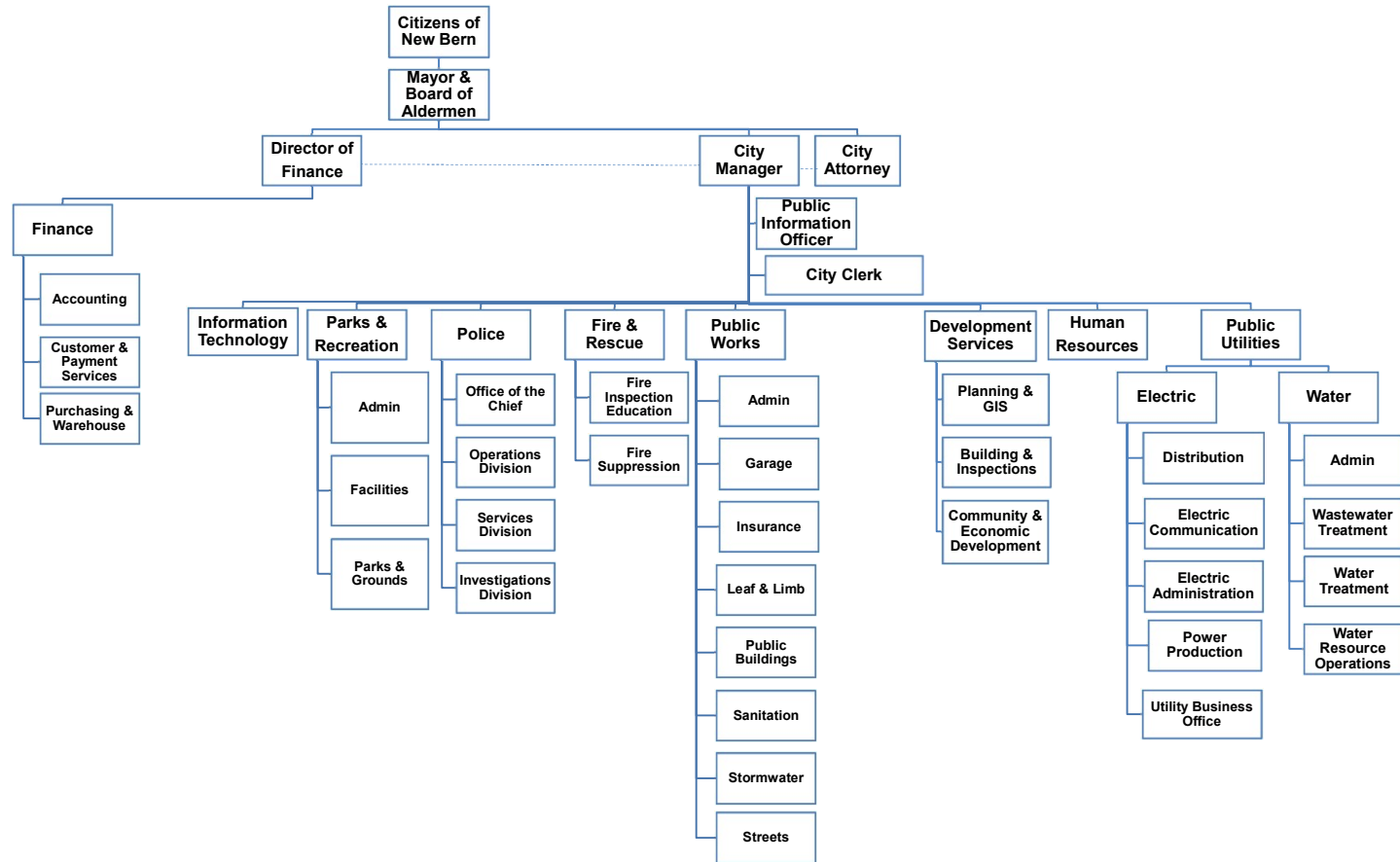
Jeffrey Ruggieri

Director of Human Resources

Sonya Hayes

Chief of Police

Patrick Gallagher



FINANCIAL SECTION



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

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Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

Independent Auditors' Report

To the Honorable Mayor and Members of the Board of Aldermen
City of New Bern, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Bern, North Carolina (the "City"), as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Members

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Bern, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 55 through 56, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 57 through 58, and the Changes in Total OPEB Liability and Related Ratios page 59, be presented to supplement the basic financial statements. Such information, although not a required 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Bern's basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules, and Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S.Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relates 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 auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, Schedule of Expenditures of Federal and State Awards, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2022, on our consideration of the City of New Bern's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of New Bern's internal control over financial reporting and compliance.

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

Whiteville, NC
January 12, 2022

Management's Discussion and Analysis

As management of the City of New Bern, we offer readers of the City of New Bern's (the "City") financial statements this narrative overview and analysis of the financial activities of the City of New Bern for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

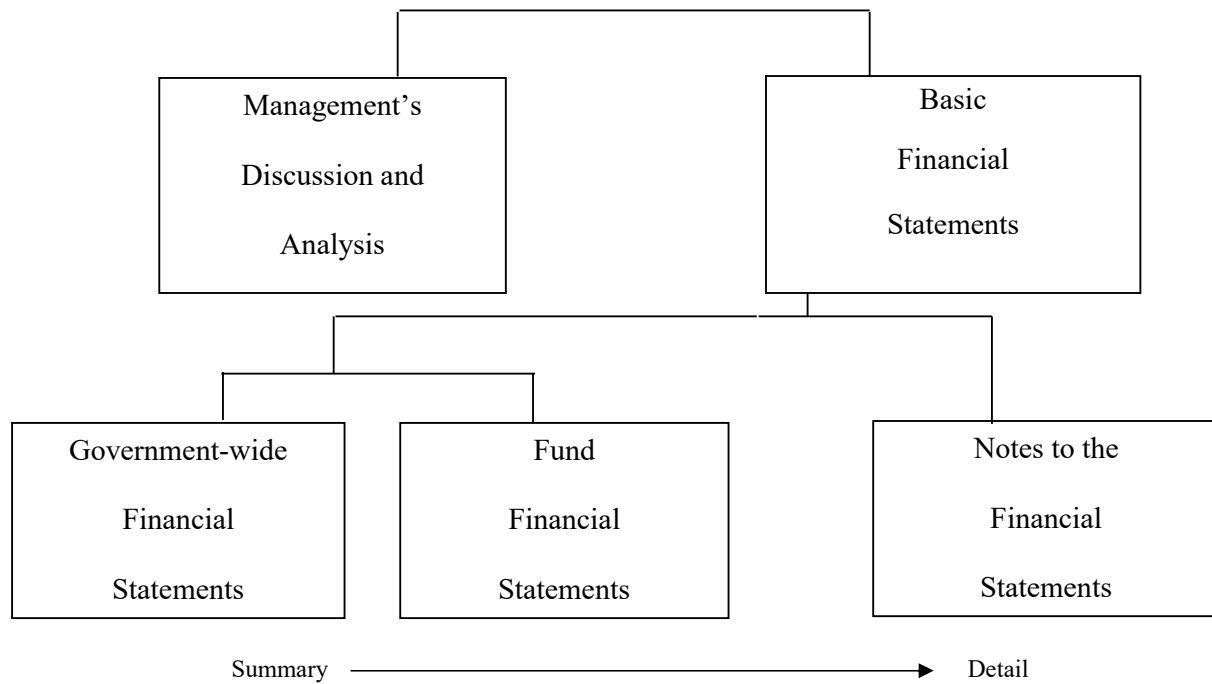
- The assets of the City of New Bern exceeded its liabilities at the close of the fiscal year by \$199,176,742 (net position).
- Total governments total net position increased by \$5,152,272. Governmental funds net position decreased by \$1,537,203 (primarily a result of expenditures related to Hurricane Florence which have not been reimbursed), while Business Type activities net position increased by \$6,689,475.
- As of the close of the current fiscal year, the City of New Bern's governmental funds reported combined ending fund balances of \$18,793,480, an increase of \$398,272 in comparison with the prior year. Approximately \$15 million (79.75 percent) is unavailable (nonspendable, restricted by state statute, restricted for Streets); Approximately 5.12 percent is unassigned or available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,823,280 or 30.34 percent of total General Fund expenditures for the fiscal year; compared to \$7,331,940, or 21.18 percent the prior fiscal year.
- The City of New Bern's total debt (excluding compensated absences, net pension liability, total pension liability, and total OPEB liability) decreased by \$4,024,739 (9.45 percent) during the current fiscal year.
- The City is in compliance with all bond covenants.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to City of New Bern's basic financial statements. The City'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 City 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 City of New Bern. As an overview, the following chart outlines the required components of the annual financial report.

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 City's financial status.

The next statements (Exhibits 3 through 9) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary fund 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 City'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 government-wide financial statements are designed to provide the reader with a broad overview of the City'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 City's financial status as a whole.

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

Government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. Governmental activities include most of the City's basic services such as public safety, streets, parks and recreation, and general administration. Property, sales and other taxes, operating transfer, and state and federal grant funds finance most of these activities. The City charges fees to customers to cover the costs of services provided. These include the water, sewer, electric and solid waste offered by the City of New Bern.

The government-wide financial statements are on Exhibits 1 (Statement of Net Position) and 2 (Statement of Activities) of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the City'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 City of New Bern, 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 City's budget ordinance. All of the funds of City of New Bern can be divided into two categories: governmental funds and proprietary 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 City'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 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 City'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.

An annual budget is adopted for the City of New Bern General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current prior activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the legal budget document. This 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. A reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement to account for the difference between the budgetary basis of accounting and the modified accrual basis.

Proprietary Funds – The City has two different types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer activity and for its electric and solid waste operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the functions of the City. The City uses an internal service fund to account for one activity - its self-insured health benefit plan. Because this operation provides benefits to all City employees, the internal service fund has been included within the governmental activities in the government-wide financial statements.

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 included in this report after Exhibit 9 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of New Bern's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on Exhibit A-1 of this report.

Interdependence with Other Entities: The City depends on financial resources flowing from, or associated with, both the Federal Government and the State of North Carolina. Because of this dependency, the City is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign governments and other holders of publicly held U.S. Treasury Securities.

City of New Bern's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 29,158,678	\$ 23,136,984	\$ 55,154,224	\$ 52,154,613	\$ 84,312,902	\$ 75,291,597
Capital assets	70,689,866	66,777,971	147,275,395	149,446,329	217,965,261	216,224,300
Deferred outflows of resources	16,269,746	7,820,284	1,875,484	1,643,345	18,145,230	9,463,629
Total assets and deferred outflows of resources	116,118,290	97,735,239	204,305,103	203,244,287	320,423,393	300,979,526
Current and other liabilities	10,570,637	4,924,456	13,910,828	13,805,499	24,481,465	18,729,955
Non-current liabilities	65,965,987	53,212,294	25,122,613	30,927,798	91,088,600	84,140,092
Deferred inflows of resources	5,585,098	4,064,718	91,488	20,291	5,676,586	4,085,009
Total liabilities and deferred inflows of resources	82,121,722	62,201,468	39,124,929	44,753,588	121,246,651	106,955,056
Net position:						
Invested in capital assets, net of related debt	60,008,566	58,631,163	119,574,805	115,355,022	179,583,371	173,986,185
Restricted	16,628,350	13,146,423	-	-	16,628,350	13,146,423
Unrestricted	(42,640,348)	(36,243,815)	45,605,369	43,135,677	2,965,021	6,891,862
Total net position	\$ 33,996,568	\$ 35,533,771	\$ 165,180,174	\$ 158,490,699	\$ 199,176,742	\$ 194,024,470

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$199,176,742 as of June 30, 2021. The City's net position increased by \$5,152,272 for the fiscal year ended June 30, 2021. The largest portion of net position \$179,583,371 (90.16%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, equipment, infrastructure, and distribution systems); less any related debt still outstanding that was issued to acquire those items. The City of New Bern uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position \$16,628,350 (8.35%) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$2,965,021 (1.49%) is unrestricted.

Several particular aspects of the City's financial operations positively influenced the total governmental net position:

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.44% in the City-Wide tax districts.
- Continued low cost of debt due to the City's credit rating.

There is still a significant amount of expenses that the City has incurred as a result of Hurricane damage that has not yet been reimbursed from FEMA.

City of New Bern's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 2,016,749	\$ 1,761,137	\$ 79,103,269	\$ 75,562,195	\$ 81,120,018	\$ 77,323,332
Operating grants and contributions	6,556,008	11,524,680	-	-	6,556,008	11,524,680
Capital grants and contributions	-	1,430,049	300,444	1,009,050	300,444	2,439,099
General revenues:						
Property taxes	16,475,171	15,787,943	-	-	16,475,171	15,787,943
Other taxes and licenses	13,074,046	11,676,899	-	-	13,074,046	11,676,899
Unrestricted investment earnings	7,738	271,460	9,153	508,868	16,891	780,328
Miscellaneous	1,499,825	1,953,925	1,503,374	392,046	3,003,199	2,345,971
Gain/Loss on disposal of fixed assets	643,654	(24,307)	113,733	15,034	757,387	(9,273)
Total revenues	40,273,191	44,381,786	81,029,973	77,487,193	121,303,164	121,868,979
Expenses						
General government	2,375,650	2,491,368	-	-	2,375,650	2,491,368
Public safety	22,270,074	21,521,131	-	-	22,270,074	21,521,131
Public Works	11,991,475	9,425,062	-	-	11,991,475	9,425,062
Cultural and recreation	4,185,666	4,596,696	-	-	4,185,666	4,596,696
Economic Development	3,401,595	2,392,588	-	-	3,401,595	2,392,588
Interest on long-term debt and fees	223,485	171,712	-	-	223,485	171,712
Electric	-	-	48,816,737	48,372,089	48,816,737	48,372,089
Water	-	-	8,275,079	8,112,404	8,275,079	8,112,404
Sewer	-	-	11,277,520	10,438,399	11,277,520	10,438,399
Solid Waste	-	-	3,333,612	3,223,072	3,333,612	3,223,072
Total expenses	44,447,944	40,598,557	71,702,948	70,145,964	116,150,892	110,744,521
Change in net position before transfers	(4,174,753)	3,783,229	9,327,025	7,341,229	5,152,272	11,124,458
Transfers	2,637,550	2,609,000	(2,637,550)	(2,609,000)	-	-
Increase (Decrease) in Net Position	(1,537,203)	6,392,229	6,689,475	4,732,229	5,152,272	11,124,458
Net Position						
Beginning of year - July 1	35,533,771	26,710,664	158,490,699	156,189,349	194,024,470	182,900,013
Restatement	-	2,430,879	-	(2,430,879)	-	-
Beginning of year, as restated	35,533,771	29,141,543	158,490,699	153,758,470	194,024,470	182,900,013
End of year - June 30	\$ 33,996,568	\$ 35,533,772	\$ 165,180,174	\$ 158,490,699	\$ 199,176,742	\$ 194,024,471

Governmental activities. Governmental activities decreased the City's net position by \$1,537,203. Key elements of this decrease are as follows:

- Substantial amount of Hurricane Florence expenses incurred which have yet to be reimbursed by FEMA.

Business-type activities: Business-type activities increased the City's net position by \$6,689,475. Key elements of this increase are as follows:

- There was an increase of \$3.5 million in revenue from charges for service, which offset a slight decrease in capital grants and contributions (\$600 thousand) and unrestricted intergovernmental revenues (\$500 thousand). Expenditures experienced a modest increase, from \$70.1 million in 2020 to \$71.7 million in 2021 (an increase of \$1.5 million year over year), with Solid Waste accounting an increase in expenditures as well.

Financial Analysis of the City's Funds

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

Governmental Funds. The focus of the City of New Bern's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources; such information is useful in assessing the City of New Bern'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 City of New Bern. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,823,280, while total fund balance reached \$25,687,191. The City of New Bern has determined that the City should maintain an available fund balance in excess of 25% of General Fund Expenditures in case of unforeseen needs or opportunities and to meet cash flow needs of the City. The City currently has an available fund balance of 33.05% of total General Fund expenditures, while total fund balance represents 79.34% of that same amount.

At June 30, 2021, the governmental funds of the City of New Bern reported a combined fund balance of \$18,793,480, a 2.17% increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments were made during the year to increase the General Fund budget by \$6,168,375.

Proprietary Funds. The City of New Bern's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the year amounted to \$22,143,733 in the Electric Fund, \$13,413,779 in the Water Fund, \$8,035,293 in the Sewer Fund, and \$848,875 in the Solid Waste Fund.

The Electric, Water, Sewer, and Solid Waste experienced growth in net position of \$2,501,240, \$2,402,285, \$1,504,981, and \$212,084, respectively. The primary reason for the increases in net position for these funds are requirements for revenues to exceed operational expenses sufficient enough to meet debt service requirements.

Capital Asset and Debt Administration

Capital Assets. The City of New Bern's capital assets for its governmental and business-type activities as of June 30, 2021 totals \$217,965,261 (net of accumulated depreciation). These assets include buildings, land, improvements, equipment, vehicles, infrastructure, plants and distributions systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchase of multiple police vehicles
- Continuation of ERP Project
- Completion of multiple Construction projects

City of New Bern's Capital Assets
(Net of depreciation)
Figure 4

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 15,564,221	\$ 15,564,221	\$ 14,453,977	\$ 14,453,977	\$ 30,018,198	\$ 30,018,198
Construction in progress	8,421,610	5,542,006	11,390,101	13,559,533	19,811,711	19,101,539
Building and systems	19,774,096	19,534,577	203,660,817	202,112,784	223,434,913	221,647,361
Equipment, furniture, and	19,290,979	17,488,468	19,572,750	15,973,649	38,863,729	33,462,117
Infrastructure	40,031,641	39,792,488	4,896,356	4,829,691	44,927,997	44,622,179
Vehicles and Motorized	13,089,022	11,018,902	7,694,741	6,919,155	20,783,763	17,938,057
Total	116,171,569	108,940,662	261,668,742	257,848,789	377,840,311	366,789,451
Accumulated depreciation	(45,481,703)	(42,162,691)	(114,393,347)	(108,402,460)	(159,875,050)	(150,565,151)
Capital assets, net	\$ 70,689,866	\$ 66,777,971	\$ 147,275,395	\$ 149,446,329	\$ 217,965,261	\$ 216,224,300

Long-term Debt. As of June 30, 2021, the City of New Bern had total debt outstanding of \$38,560,824 as noted in the following table.

City of New Bern's Capital Assets
Installment Purchases, Revenue Bonds, and General Obligation Bonds
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Direct Placement Installment						
Purchases	\$ 10,860,233	\$ 8,494,257	\$ 1,852,480	\$ 2,564,381	\$ 12,712,713	\$ 11,058,638
Direct Borrowing Notes Payable	-	-	17,824,037	20,774,358	17,824,037	20,774,358
Revenue bonds	-	-	8,024,074	10,752,567	8,024,074	10,752,567
OPEB and Net Pension Liability	55,965,571	45,338,119	3,375,746	2,765,619	59,341,317	48,103,738
Compensated Absences	1,689,966	1,674,418	692,132	659,412	2,382,098	2,333,830
Total	\$ 68,515,770	\$ 55,506,794	\$ 31,768,469	\$ 37,516,337	\$ 100,284,239	\$ 93,023,131

The City of New Bern's total debt increased by \$7,261,108 during the past fiscal year, due in part to new debt acquired during the year as well as an increase in OPEB and Pension Liability.

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 for the City of New Bern is approximately \$230,435,371.

Additional information regarding the City of New Bern's long-term debt can be found in the notes of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators impact the City:

- Residential development continued throughout the City, with residential housing permits doubling in 2021, in addition to, permits issued for two apartment complexes and a 155-bed senior facility. Residential estimated construction values increased to \$75.5 million, representing a 35% increase in value from 2020.
- Two new commercial structures were permitted, and a permit was issued for a new doctor's office in the West New Bern Area.
- The June 2021 unemployment rate for Craven County was 4.9%, compared to 4.6% for the state of North Carolina and 5.9% for the nation.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Management supports initiatives to continue efforts in making the City more resilient for future storms and to continue development within the Choice Neighborhood Initiative area.

There have been significant increases in private sector residential development within our city limits, and the need to provide for this growth has created the need for the City to provide additional funding in personnel, operational, and capital expenses line items.

The general fund budget shows an increase of revenues and expenditures of 12.5% from fiscal year 2020-2021. No fund balance in the General Fund was appropriated in the FY22 budget.

The FY22 budget shows increases in tax revenues, reflecting the trending growth that the City is experiencing. There is no increase in the ad valorem tax rate.

The FY22 budget includes six additional employees, a cost-of-living adjustment (COLA) increase of 1.4%, and merit-based salary adjustments ranging from 0% - 2.1%.

Capital expenditures for vehicles, machinery, paving projects, Union Point upgrades, sidewalk improvements, safety and technology equipment and upgrades, and the City Hall elevator project are budgeted in the amount of \$5,331,004.

Business-Type Activities: The City of New Bern made significant reductions to utility rates in FY16, FY17, and FY18, and those changes are projected to be sustained in FY22. The FY16 budget had the following reductions: Electric – 3%, Water – 6%, and Sewer – 4.5%. Additional electric rate reductions of 12% and 1% were also approved by the Board of Aldermen upon finalization of the asset sale and the restructuring of the remaining debt by NCEMPA. An overall 1.5% reduction to electric rates occurred in FY18. A 1.20% increase in wholesale power costs went into effect April 1, 2019. The FY22 budget continues these low rates with no adjustments.

The Water Fund shows an increase of 4.13% from FY21, with a budget of \$11,065,616. Reflective of the City's growth, the charges of sales and service have increased. The Water Fund budgeted for the replacement of existing undersized water mains, two vehicle replacements, and upgrades to existing RTK GPS/Surveying equipment. The Water Fund appropriated \$94,016 of fund balance.

The Sewer Fund shows an increase of 5.9% from FY21, with a budget of \$13,185,056. The Sewer Fund appropriated \$905,838 of fund balance. The budget reflects capital expenditures for sewer improvements, camera system upgrades, replacement of vehicles and equipment, lift station rehabilitation, vac-station bypass system, and NB7 structure repairs.

The Electric Fund is steady from prior year, showing a very slight increase of 0.3%, with a budget of \$55,076,116. No fund balance was appropriated for FY22. The budget includes replacement vehicles, purchase of equipment, substation entrance alarms, a bucket truck, and a trencher.

The Solid Waste fund shows a slight increase of 1.2% from FY21, with a budget of \$3,372,082. Capital expenses include a route truck and stump shear.

Requests for Information

This report is designed to provide an overview of the City'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 Director of Finance, City of New Bern, P.O. Box 1129, New Bern, NC 28563-1129. One can also call (252) 639-2711, visit our website www.newbernnc.gov or send an email to finadm@newbernnc.gov for more information.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

City of New Bern, North Carolina
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 22,448,687	\$ 38,480,576	\$ 60,929,263
Receivables, net of allowance for uncollectibles	4,536,990	10,325,507	14,862,497
Taxes receivables, net of allowance for uncollectibles	143,533	-	143,533
Notes Receivable	94,000	-	94,000
Due from other governments	1,508,466	-	1,508,466
Internal Balances	(1,163,689)	1,163,689	-
Inventories	279,101	2,625,976	2,905,077
Prepaid Items	23,357	-	23,357
Restricted Cash and Cash Equivalents	1,288,233	2,558,476	3,846,709
Total current assets	<u>29,158,678</u>	<u>55,154,224</u>	<u>84,312,902</u>
Non-Current assets:			
Capital Assets:			
Non-depreciable	23,985,831	25,844,078	49,829,909
Other capital assets, net of depreciation	46,704,035	121,431,317	168,135,352
Total capital assets	<u>70,689,866</u>	<u>147,275,395</u>	<u>217,965,261</u>
Total non-current assets	<u>70,689,866</u>	<u>147,275,395</u>	<u>217,965,261</u>
Total assets	<u>99,848,544</u>	<u>202,429,619</u>	<u>302,278,163</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals	6,056,051	1,875,484	7,931,535
OPEB related deferrals	10,213,695	-	10,213,695
Total Deferred Outflows of Resources	<u>16,269,746</u>	<u>1,875,484</u>	<u>18,145,230</u>
LIABILITIES			
Current liabilities:			
Accounts payable	7,511,033	4,430,820	11,941,853
Accrued liabilities	40,720	275,677	316,397
Customer deposits	-	2,558,476	2,558,476
Claims and judgements payable	469,101	-	469,101
Installment notes payable, due within one year	2,042,793	681,152	2,723,945
Notes payable, due within one year	-	2,981,225	2,981,225
Bonds payable, due within one year	-	2,775,839	2,775,839
Compensated absences, due within one year	506,990	207,639	714,629
Total current liabilities	<u>10,570,637</u>	<u>13,910,828</u>	<u>24,481,465</u>
Long-term liabilities:			
Net pension liability (LGERS)	8,524,476	3,375,746	11,900,222
Total OPEB liability	43,810,450	-	43,810,450
Total pension obligation (LEOSSA)	3,630,645	-	3,630,645
Installment notes payable, due in more than one year	8,817,440	1,171,328	9,988,768
Notes payable, due in more than one year	-	14,842,811	14,842,811
Bonds payable, due in more than one year	-	5,248,235	5,248,235
Compensated absences, due in more than one year	1,182,976	484,493	1,667,469
Total long-term liabilities	<u>65,965,987</u>	<u>25,122,613</u>	<u>91,088,600</u>
Total liabilities	<u>76,536,624</u>	<u>39,033,441</u>	<u>115,570,065</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	641,180	91,488	732,668
OPEB related deferrals	4,943,918	-	4,943,918
Total Deferred Inflows of Resources	<u>5,585,098</u>	<u>91,488</u>	<u>5,676,586</u>
NET POSITION			
Net investment in capital assets	60,008,566	119,574,805	179,583,371
Restricted for:			
Stabilization by State Statute	14,316,843	-	14,316,843
Streets	376,471	-	376,471
Public Safety	391,333	-	391,333
Economic Development	1,543,703	-	1,543,703
Unrestricted	(42,640,348)	45,605,369	2,965,021
Total net position	<u>\$ 33,996,568</u>	<u>\$ 165,180,174</u>	<u>\$ 199,176,742</u>

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

City of New Bern, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 2,375,650	\$ 403,725	\$ 313,902	\$ -	\$ (1,658,023)	\$ -	\$ (1,658,023)
Public safety	22,270,074	289,691	933,904	-	(21,046,479)	-	(21,046,479)
Public Works	11,991,475	53,076	3,016,062	-	(8,922,337)	-	(8,922,337)
Cultural and Recreational	4,185,666	129,089	956,701	-	(3,099,875)	-	(3,099,875)
Economic and physical development	3,401,595	1,141,168	1,335,439	-	(924,988)	-	(924,988)
Interest on long-term debt	223,485	-	-	-	(223,485)	-	(223,485)
Total governmental activities	44,447,944	2,016,749	6,556,008	-	(35,875,187)	-	(35,875,187)
Business-type activities:							
Electric	48,816,737	53,475,524	-	300,444	-	4,959,231	4,959,231
Water	8,275,079	10,212,978	-	-	-	1,937,899	1,937,899
Sewer	11,277,520	11,918,249	-	-	-	640,729	640,729
Solid Waste	3,333,612	3,496,518	-	-	-	162,906	162,906
Total business-type activities	71,702,948	79,103,269	-	300,444	-	7,700,765	7,700,765
Total primary government	\$ 116,150,892	\$ 81,120,018	\$ 6,556,008	\$ 300,444	(35,875,187)	7,700,765	(28,174,422)
General revenues:							
Taxes:							
Ad valorem taxes					16,475,171	-	16,475,171
Sales and use taxes					9,248,257	-	9,248,257
Utilities franchise tax					219,681	-	219,681
Payments in lieu of taxes					1,161,614	-	1,161,614
Other taxes					2,444,494	-	2,444,494
Investment earnings					7,738	9,153	16,891
Miscellaneous					1,499,825	1,503,374	3,003,199
Gain on disposal of fixed assets					643,654	113,733	757,387
Transfers					2,637,550	(2,637,550)	-
Total general revenues and transfers					34,337,984	(1,011,290)	33,326,694
Change in net position					(1,537,203)	6,689,475	5,152,272
Net position, beginning					35,533,771	158,490,699	194,024,470
Net position, ending					\$ 33,996,568	\$ 165,180,174	\$ 199,176,742

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

FUND FINANCIAL STATEMENTS

City of New Bern, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

		Major Funds		Non-major	
		Hurricane Florence Fund	American Rescue Plan Fund	Governmental Funds	Total Governmental Funds
	General Fund				
ASSETS					
Cash and cash equivalents	\$ 13,872,851	\$ -	\$ 3,352,176	\$ 1,758,768	\$ 18,983,795
Taxes receivable, net	143,533	-	-	-	143,533
Accounts Receivables, net	4,133,923	-	-	392,150	4,526,073
Notes Receivable	94,000	-	-	-	94,000
Due from other governments	938,647	510,558	-	59,261	1,508,466
Due from other funds	8,599,652	-	-	-	8,599,652
Restricted cash and cash equivalents	1,109,300	-	-	178,933	1,288,233
Inventory	279,101	-	-	-	279,101
Prepaid items	15,357	-	-	-	15,357
Total assets	<u>\$ 29,186,364</u>	<u>\$ 510,558</u>	<u>\$ 3,352,176</u>	<u>\$ 2,389,112</u>	<u>\$ 35,438,210</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,963,461	\$ 905,338	\$ -	\$ 288,391	\$ 4,157,190
Unspent ARP/CARES Act Funding	-	-	3,352,176	-	3,352,176
Due to other funds	-	5,354,700	-	3,244,952	8,599,652
Total liabilities	<u>2,963,461</u>	<u>6,260,038</u>	<u>3,352,176</u>	<u>3,533,343</u>	<u>16,109,018</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	143,934	-	-	-	143,934
Liens and other receivables	297,778	-	-	-	297,778
Miscellaneous	94,000	-	-	-	94,000
Total deferred inflows of resources	<u>535,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>535,712</u>
FUND BALANCES					
Nonspendable:					
Inventories	279,101	-	-	-	279,101
Prepaid items	15,357	-	-	-	15,357
Restricted:					
Stabilization by State Statute	14,316,843	-	-	-	14,316,843
Streets - Powell Bill	376,471	-	-	-	376,471
Public safety	-	-	-	391,333	391,333
Economic and physical developments	732,829	-	-	810,874	1,543,703
Assigned:					
Subsequent year's expenditures	143,310	-	-	-	143,310
Capital Projects	-	-	-	765,921	765,921
Unassigned	9,823,280	(5,749,480)	-	(3,112,359)	961,441
Total fund balances	<u>25,687,191</u>	<u>(5,749,480)</u>	<u>-</u>	<u>(1,144,231)</u>	<u>18,793,480</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,186,364</u>	<u>\$ 510,558</u>	<u>\$ 3,352,176</u>	<u>\$ 2,389,112</u>	<u>35,438,210</u>

City of New Bern, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	70,689,866
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	535,712
Benefit payments and pension administration costs for LEOSSA	112,902
OPEB benefit payments and administrative costs made in the current fiscal year are not included in the Statement of Activities	626,083
Deferred outflows of resources are not reported in the funds	
Pension	4,735,998
LEOSSA	1,207,151
OPEB	9,587,612
Deferred inflows of resources are not recorded on the fund statements	
Pension	(231,028)
LEOSSA	(410,152)
OPEB	(4,943,918)
Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the governmental activities.	1,849,352
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	
Installment Purchase Agreements	(10,860,233)
Compensated Absences	(1,689,966)
Net pension liability (LGERS)	(8,524,476)
Total pension liability (LEOSSA)	(3,630,645)
Total OPEB liability	(43,810,450)
Accrued interest payable	(40,720)
Net position of governmental activities	<u><u>\$ 33,996,568</u></u>

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds			Non-major	
	FEDERAL	AMERICAN			
	Florence Fund	Rescue Plan Fund		Governmental Funds	Total Governmental Funds
	General Fund				
REVENUES					
Ad valorem taxes	\$ 16,528,384	\$ -	\$ -	\$ -	\$ 16,528,384
Unrestricted intergovernmental	13,181,626	-	-	-	13,181,626
Restricted intergovernmental	812,944	2,794,325	-	2,948,739	6,556,008
Licenses, permits and fees	1,050,580	-	-	-	1,050,580
Sales and services	705,361	-	-	-	705,361
Investment earnings	5,247	-	-	548	5,795
Miscellaneous	861,066	637,589	-	1,170	1,499,825
Total revenues	33,145,208	3,431,914	-	2,950,457	39,527,579
EXPENDITURES					
Current:					
General government	1,112,906	553,637	-	143,519	1,810,062
Public safety	21,037,914	-	-	877,826	21,915,740
Public Works	6,345,192	4,468,141	-	3,040,472	13,853,805
Cultural and recreation	3,562,330	288,726	-	38,168	3,889,224
Economic and Physical Development	1,687,409	74,151	-	1,281,455	3,043,015
Debt service:					
Principal	1,792,171	-	-	-	1,792,171
Interest and other charges	221,579	-	-	-	221,579
Total expenditures	35,759,501	5,384,655	-	5,381,440	46,525,596
Excess (deficiency) of revenues over expenditures	(2,614,293)	(1,952,741)	-	(2,430,983)	(6,998,017)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	600,592	-	-	-	600,592
Transfers (to) other funds	(776,060)	-	-	-	(776,060)
Transfers from other funds	2,637,550	-	-	776,060	3,413,610
Installment purchase obligations issued	4,158,147	-	-	-	4,158,147
Total other financing sources (uses)	6,620,229	-	-	776,060	7,396,289
Net Change in fund balance	4,005,936	(1,952,741)	-	(1,654,923)	398,272
Fund balances, beginning	21,681,255	(3,796,739)	-	510,692	18,395,208
Fund balances, ending	\$ 25,687,191	\$ (5,749,480)	\$ -	\$ (1,144,231)	\$ 18,793,480

City of New Bern, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

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

Net changes in fund balances - total governmental funds		\$ 398,272
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay expenditures which were capitalized	7,864,551	
Depreciation expense for governmental assets	(3,995,718)	
Gain/(Loss) on disposal of capital assets	<u>43,062</u>	3,911,895
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		1,727,971
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		626,083
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		112,902
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		(53,213)
Change in unavailable revenue for liens and other receivables		(516)
Change in miscellaneous notes receivable		(13,000)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Loan proceeds	(4,158,147)	
Principal payments on debt	<u>1,792,171</u>	(2,365,976)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		(1,906)
Internal service funds are used by management to charge the costs of the City's insurance plan to individual funds. The net expense of the internal service fund is reported within governmental activities		301,161
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(15,548)
Pension expense		(3,228,637)
OPEB expense		<u>(2,936,691)</u>
Total changes in net position of governmental activities		<u>\$ (1,537,203)</u>

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual
General Fund
For the Year Ended June 30, 2021

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 16,283,010	\$ 16,313,010	\$ 16,528,384	\$ 215,374
Unrestricted intergovernmental	10,846,201	12,402,272	13,181,626	779,354
Restricted intergovernmental	865,000	865,000	812,944	(52,056)
Licenses, permits and fees	577,300	947,477	1,050,580	103,103
Sales and services	502,256	621,615	705,361	83,746
Investment earnings	321,500	321,500	5,247	(316,253)
Miscellaneous	202,800	616,052	861,066	245,014
Total revenues	<u>29,598,067</u>	<u>32,086,926</u>	<u>33,145,208</u>	<u>1,058,282</u>
Expenditures:				
Current:				
General government	1,491,414	1,697,925	1,112,906	585,019
Public safety	17,399,528	21,568,569	21,037,914	530,655
Public Works	7,228,937	7,510,771	6,345,192	1,165,579
Cultural and recreation	3,657,049	4,128,264	3,562,330	565,934
Economic and physical development	1,771,306	1,734,796	1,687,409	47,387
Debt service:				
Principal retirement	1,792,175	1,791,676	1,792,171	(495)
Interest and other charges	221,377	222,077	221,579	498
Total expenditures	<u>33,561,786</u>	<u>38,654,078</u>	<u>35,759,501</u>	<u>2,894,577</u>
Revenues over (under) expenditures	<u>(3,963,719)</u>	<u>(6,567,152)</u>	<u>(2,614,293)</u>	<u>3,952,859</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	25,000	480,000	600,592	120,592
Installment purchase obligations issued	1,510,673	4,735,189	4,158,147	(577,042)
Transfers (to) other funds	(231,966)	(967,016)	(776,060)	190,956
Transfer from other funds	2,673,022	2,673,022	2,637,550	(35,472)
Total other financing sources (uses)	<u>3,976,729</u>	<u>6,921,195</u>	<u>6,620,229</u>	<u>(300,966)</u>
Revenues and other sources over (under) expenditures and other uses	13,010	354,043	4,005,936	3,651,893
Appropriated fund balance	<u>(13,010)</u>	<u>(354,043)</u>	-	<u>354,043</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>4,005,936</u>	<u>\$ 4,005,936</u>
Fund balances, beginning			<u>21,681,255</u>	
Fund balances, ending			<u>\$ 25,687,191</u>	

City of New Bern, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2021

	Major Funds			Non-Major Funds		
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
ASSETS						
Current assets:						
Cash and investments	\$ 17,548,749	\$ 12,816,320	\$ 7,360,167	\$ 755,340	\$ 38,480,576	\$ 3,464,892
Accounts receivable, net of allowances	7,169,484	1,343,450	1,422,025	390,548	10,325,507	10,917
Prepaid items	-	-	-	-	-	8,000
Inventories	2,573,472	12,465	40,039	-	2,625,976	-
Restricted cash and cash equivalents	2,558,476	-	-	-	2,558,476	-
Total current assets	29,850,181	14,172,235	8,822,231	1,145,888	53,990,535	3,483,809
Non-current assets:						
Capital assets:						
Land and other non-depreciable assets	10,051,877	1,629,403	14,162,798	-	25,844,078	-
Other capital assets, net of depreciation	25,866,237	45,414,595	49,511,541	638,944	121,431,317	-
Capital assets (net)	35,918,114	47,043,998	63,674,339	638,944	147,275,395	-
Total assets	65,768,295	61,216,233	72,496,570	1,784,832	201,265,930	3,483,809
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	894,451	448,925	467,417	64,691	1,875,484	-
Total Deferred Outflows of Resources	894,451	448,925	467,417	64,691	1,875,484	-
LIABILITIES						
Current liabilities:						
Accounts payable	3,845,182	167,508	192,092	226,038	4,430,820	1,667
Accrued liabilities	143,372	-	35,465	(105)	178,732	-
Accrued interest payable	19,497	61,703	15,438	307	96,945	-
Customer deposits	2,558,476	-	-	-	2,558,476	-
Claims payable	-	-	-	-	-	469,101
Installment notes payable, current	453,973	66,774	111,218	49,187	681,152	-
Notes payable, current	-	1,680,331	1,300,894	-	2,981,225	-
Bonds payable, current	1,182,787	717,466	875,586	-	2,775,839	-
Compensated absences payable, current	114,236	44,471	44,172	4,760	207,639	-
Total current liabilities	8,317,523	2,738,253	2,574,865	280,187	13,910,828	470,768

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

City of New Bern, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2021

	Major Funds			Non-Major Funds		
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
Noncurrent liabilities:						
Other non-current liabilities:						
Installment notes payable	923,436	94,299	139,822	13,771	1,171,328	-
Notes payable	-	13,442,650	1,400,161	-	14,842,811	-
Bonds payable	2,791,926	1,560,279	896,030	-	5,248,235	-
Compensated absences payable	266,552	103,766	103,067	11,108	484,493	-
Net pension liability	1,609,952	808,034	841,320	116,440	3,375,746	-
Total non-current liabilities	5,591,866	16,009,028	3,380,400	141,319	25,122,613	-
Total liabilities	13,909,389	18,747,281	5,955,265	421,506	39,033,441	470,768
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	43,632	21,899	22,801	3,156	91,488	-
Total Deferred Inflows of Resources	43,632	21,899	22,801	3,156	91,488	-
NET POSITION						
Net Investment in capital assets	30,565,992	29,482,199	58,950,628	575,986	119,574,805	-
Unrestricted	22,143,733	13,413,779	8,035,293	848,875	44,441,680	3,013,041
Total net position	<u>\$ 52,709,725</u>	<u>\$ 42,895,978</u>	<u>\$ 66,985,921</u>	<u>\$ 1,424,861</u>	164,016,485	<u>\$ 3,013,041</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					1,163,689	
Net position of business-type activities					<u>\$ 165,180,174</u>	

City of New Bern, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Major Funds			Nonmajor Funds		Internal Service
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Fund
OPERATING REVENUES						
Charges for services	\$ 53,475,524	\$ 10,212,978	\$ 11,918,249	\$ 3,496,518	\$ 79,103,269	\$ -
Other operating revenues	282,889	902,731	1,017,966	1,193	2,204,779	166,744
Employee and retiree contributions	-	-	-	-	-	652,540
Employer and other contributions	-	-	-	-	-	6,403,780
Total operating revenues	<u>53,758,413</u>	<u>11,115,709</u>	<u>12,936,215</u>	<u>3,497,711</u>	<u>81,308,048</u>	<u>7,223,064</u>
OPERATING EXPENSES						
Administrative and general	4,413,223	2,399,390	2,346,978	121,544	9,281,135	-
Operations and maintenance	4,638,871	4,273,107	6,715,146	3,101,875	18,728,999	-
Production	37,433,060	-	-	-	37,433,060	-
Depreciation	2,346,443	1,636,008	2,232,048	114,140	6,328,639	-
Claims and payments to third party administrators	-	-	-	-	-	6,854,961
Total operating expenses	<u>48,831,597</u>	<u>8,308,505</u>	<u>11,294,172</u>	<u>3,337,559</u>	<u>71,771,833</u>	<u>6,854,961</u>
Operating income (loss)	<u>4,926,816</u>	<u>2,807,204</u>	<u>1,642,043</u>	<u>160,152</u>	<u>9,536,215</u>	<u>368,103</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	5,096	2,371	1,460	226	9,153	1,943
Gain/(loss) on disposal of capital assets	33,451	23,234	3,445	53,603	113,733	-
Interest and other charges	(127,017)	(430,524)	(141,967)	(1,897)	(701,405)	-
Total nonoperating revenues (expenses)	<u>(88,470)</u>	<u>(404,919)</u>	<u>(137,062)</u>	<u>51,932</u>	<u>(578,519)</u>	<u>1,943</u>
Income (loss) before contributions and transfers	<u>4,838,346</u>	<u>2,402,285</u>	<u>1,504,981</u>	<u>212,084</u>	<u>8,957,696</u>	<u>370,046</u>
Capital contributions	300,444	-	-	-	300,444	-
Transfer in (out)	<u>(2,637,550)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,637,550)</u>	<u>-</u>
Total income (loss) after contributions and transfers	<u>2,501,240</u>	<u>2,402,285</u>	<u>1,504,981</u>	<u>212,084</u>	<u>6,620,590</u>	<u>370,046</u>
Change in net position	<u>2,501,240</u>	<u>2,402,285</u>	<u>1,504,981</u>	<u>212,084</u>	<u>6,620,590</u>	<u>370,046</u>
Total net position , previously reported	<u>50,208,485</u>	<u>40,493,693</u>	<u>65,480,940</u>	<u>1,212,777</u>		<u>2,642,995</u>
Total net position, ending	<u>\$ 52,709,725</u>	<u>\$ 42,895,978</u>	<u>\$ 66,985,921</u>	<u>\$ 1,424,861</u>	<u>6,620,590</u>	<u>\$ 3,013,041</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					<u>68,885</u>	
Change in Net position of Business-Type Activities					<u>\$ 6,689,475</u>	

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

City of New Bern, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Major Funds			Non-Major Funds		Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Solid Waste	Total	Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments from customers and users	\$ 53,579,756	\$ 10,136,316	\$ 11,873,107	\$ 3,464,812	\$ 79,053,991	\$ 7,052,762
Payments to suppliers	(40,350,887)	(3,752,393)	(5,848,202)	(2,925,172)	(52,876,654)	(355,929)
Payments to employees	(6,120,741)	(2,625,206)	(2,928,628)	(488,862)	(12,163,437)	(6,517,472)
Other revenues	282,889	902,731	1,017,966	1,193	2,204,779	166,744
Net cash provided (used) by operating activities	7,391,017	4,661,448	4,114,243	51,971	16,218,679	346,105
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Increase in due to / from other funds	-	-	-	-	-	-
Transfers (to) from other funds	(2,637,550)	-	-	-	(2,637,550)	-
Net cash provided (used) by noncapital financing activities	(2,637,550)	-	-	-	(2,637,550)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(2,454,192)	(342,496)	(1,370,927)	-	(4,167,615)	-
Capital contributions	300,444	-	-	-	300,444	-
Proceeds from debt	-	-	-	-	-	-
Principal paid on bonds and installment purchases	(1,649,121)	(2,451,150)	(2,241,343)	(49,101)	(6,390,715)	-
Proceeds from sale of assets	37,226	23,787	9,029	53,603	123,645	-
Interest paid on bonds and installment purchases	(131,951)	(438,330)	(149,174)	(2,085)	(721,540)	-
Net cash provided (used) by capital and related financing activities	(3,897,594)	(3,208,189)	(3,752,415)	2,417	(10,855,781)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends	5,096	2,371	1,460	226	9,153	1,943
Net cash provided (used) by investing activities	5,096	2,371	1,460	226	9,153	1,943
Net increase (decrease) in cash and investments	860,969	1,455,630	363,288	54,614	2,734,501	348,048
Balances, beginning	19,246,256	11,360,690	6,996,879	700,726	38,304,551	3,116,844
Balances, ending	\$ 20,107,225	\$ 12,816,320	\$ 7,360,167	\$ 755,340	\$ 41,039,052	\$ 3,464,892

(continued)

City of New Bern, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	<u>Major Funds</u>			<u>Non-Major Funds</u>		<u>Internal Service Fund</u>
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste</u>	<u>Total</u>	
Reconciliation of operating income to net cash provided by operating activities						
Operating income	\$ 4,926,816	\$ 2,807,204	\$ 1,642,043	\$ 160,152	\$ 9,536,215	\$ 368,103
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	2,346,443	1,636,008	2,232,048	114,140	6,328,639	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	68,887	(76,662)	(45,142)	(31,706)	(84,623)	(3,558)
(Increase) decrease in due from other governments	-	-	-	-	-	-
(Increase) decrease in inventory	(343,749)	103,331	128,818	-	(111,600)	-
(Increase) decrease in prepaid expenses	-	-	-	-	-	-
(Increase) in deferred outflows of resources - pensions	(110,711)	(55,566)	(57,855)	(8,007)	(232,139)	-
Increase (decrease) in net pension liability	290,980	146,043	152,059	21,045	610,127	-
Increase (decrease) in deferred inflows of resources - pension	33,955	17,042	17,744	2,456	71,197	-
Increase (decrease) in accounts payable and accrued liabilities	301,390	123,450	79,941	(186,905)	317,876	(18,440)
Increase (decrease) in accrued payroll and payroll liabilities	(184,134)	(42,366)	(49,139)	(9,438)	(285,077)	-
Increase (decrease) in customer deposits	35,344	-	-	-	35,344	-
Increase (decrease) in accrued vacation pay	25,796	2,964	13,726	(9,766)	32,720	-
Total adjustments	2,464,201	1,854,244	2,472,200	(108,181)	6,682,464	(21,998)
Net cash provided by operating activities	<u>\$ 7,391,017</u>	<u>\$ 4,661,448</u>	<u>\$ 4,114,243</u>	<u>\$ 51,971</u>	<u>\$ 16,218,679</u>	<u>\$ 346,105</u>

City of New Bern, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of New Bern, North Carolina (the "City") have been prepared in conformity with accounting principals generally accepted in the United States of America (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 City's significant accounting policies are described below.

A. Reporting Entity

Founded in 1710 and chartered under the laws of the State of North Carolina, the City of New Bern, North Carolina is governed by an elected mayor and a six-member board of aldermen. The government provides such services as police and fire protection, cultural and recreational activities, public works, water, sewer, and electric services. The City is managed by a City Manager who is hired directly by the Board. The City does not report any component units.

B. Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provide for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers most revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes which uses a 60 day period. At June 30, 2020, taxes receivable for property other than motor vehicles are materially past due and are not considered to be available resources except as noted above to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other long-term liabilities, such as compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes and related items, sales taxes, franchise taxes, licenses, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, individual major funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **FEMA Hurricane Florence Fund** is used to account for all FEMA reimbursable revenues resulting from recovery efforts following Hurricane Florence in September 2018.

American Recovery Plan - This is a special revenue fund to account for federal funds received from the American Rescue Plan. These funds were provided to all local government entities to address the following areas affected by COVID-19: Mitigation efforts and medical expenses related to COVID-19; address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers; and invest in water, sewer and broadband infrastructure.

The City reports the following major enterprise funds:

The **Electric Fund** accounts for the operation, maintenance and development of the City's electric system and services.

The **Water Fund** accounts for the operation, maintenance and development of the City's water system and services.

The **Sewer Fund** accounts for the operation, maintenance and development of the City's sewer system and services.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **Capital Projects Funds** accounts for financial resources to be used for the acquisition and construction of major capital projects.

The **Solid Waste Fund** accounts for the City's solid waste collection services.

The **Internal Service Fund** accounts for the City's partially self-insured health benefits plan and workers compensation program which charges the other funds of the City for the insurance claims.

In accounting and reporting for its proprietary operations, the governmental applies all GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any inter-fund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

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. 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 City's enterprise funds are include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets

The City's budgets are adopted as required by the North Carolina General Statutes. Annual appropriated budgets are adopted for all funds, with the exception of capital projects funds and grant-related special revenue funds, for which project length budgets are adopted. In accordance with state law, the budgets adopted for the enterprise funds are adopted on the modified accrual basis of accounting, and a reconciliation is provided along with the budget schedule to reconcile from the modified accrual basis to the accrual basis. The enterprise capital project funds are consolidated with their respective operating fund for reporting purposes. The governmental funds' budgets are adopted on a basis other than accounting principles generally accepted in the United States of America. Budgets are adopted to show use of fund balance as another financing source for both governmental and proprietary funds, as well as the proprietary funds are budgeted on the modified accrual basis of accounting. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General fund, special revenue funds, and the enterprise funds. During the fiscal year ended June 30, 2021, the original budget was amended through supplemental appropriations. These changes are reflected in the budgetary comparison schedules. All annual budget appropriations lapse at the end of each year.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. As of June 30, 2021 the General Fund is reporting \$645,022 of open encumbrances.

E. Deposits

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Any deposit in excess of the federal depository insured amounts must be collateralized by an equivalent amount of state or U.S. obligations. For purposes of the statement of cash flows, all highly liquid investments with an original maturity of less than 90 days are considered to be cash equivalents.

State law [G.S. 159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City'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 has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

G. Restricted cash and cash equivalents

The City has restricted cash and cash equivalents related to unspent proceeds from long-term debt issued by the Drainage Improvement Fund. These proceeds are held to be disbursed as costs are incurred on the financed construction projects. Customer deposits held by the City are restricted to the service for which the deposits are collected. Additionally, the cash of the Municipal Service District (MSD) are restricted for improvements within the special district. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Governmental Activities	
General Fund	
Municipal Service District	\$ 732,829
Restricted for Streets	376,471
Total General Fund	<u>\$ 1,109,300</u>
Capital Project Funds	
Drainage Improvement - Unspent Loan Proceeds	\$ 178,933
Total Capital Project Funds	<u>\$ 178,933</u>
Total Governmental Activities	<u><u>\$ 1,288,233</u></u>
Business-Type Activities	
Electric Fund - Customer Deposits	\$ 2,558,476
Total Electric Fund	<u>\$ 2,558,476</u>
Total Business-Type Activities	<u><u>\$ 2,558,476</u></u>

H. Receivables

All receivables are reported at their gross value and, where appropriated, are reduced by the estimated portion that is expected to be uncollectible. In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the City levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1st (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2020.

An estimate amount has been recorded for utility services provided but not billed as of the end of the fiscal year, and is included in accounts receivable, net of uncollected amounts.

I. 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.

J. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as "internal balances."

K. Inventories

All inventories are valued at average cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of the enterprise funds are recorded as expenses when consumed rather than when purchased.

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items in both government-wide and fund financial statements. The City made a deposit on a fire truck that is classified as prepaid expenses.

M. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), and intangible assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial estimated useful life in excess of two years and individual cost capitalization thresholds as follows: land of more than \$1, infrastructure of more than \$100,000; building and land improvements of greater than \$25,000; and equipment of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives to cost of the assets:

Buildings	25-60 years
Improvements	20-50 years
Infrastructure	30-50 years
Plants and distribution systems	30-50 years
Vehicles and service equipment	3-10 years
Furniture and equipment	5-10 years

N. 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 future period(s) and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, pension deferrals and OPEB deferrals. 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 City has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, pension deferrals, and OPEB deferrals.

O. Compensated Absences

The vacation policy of the City provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the City's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The City has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

P. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund type statement of net position. Bond premiums and discounts are accrued and amortized over the term of the bonds using the effective interest method. Bonds payable are reported net of the applicable discount or premium. Bond issuance costs are expensed in the year of issuance.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Q. 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 externally imposed either by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Fund Balance

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 balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

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

Prepays - portion of fund balance that is not an available resource because it represents expenses which have already been paid, which are not spendable resources.

Restricted - 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.

Restricted for Streets - Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. The amount represents the balance of the total unexpected Powell Bill funds.

Restricted for Public Safety - portion of fund balance restricted by revenue source of public safety related activities such as federal forfeiture and controlled substance funds.

Restricted for Economic and Physical Development - portion of fund balance restricted by lender for use in economic and physical development activities.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by the City's Board of Aldermen. Approval of a resolution after a formal vote of the City's Board is required to establish a commitment of fund balance. Similarly, the City's Board may only modify or rescind the commitment by formal vote and adoption of a subsequent resolution.

Assigned - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City's Board of Aldermen, through officially adopted budget ordinances, has expressly delegated limited authority to the City Manager and Finance Officer to assign funds.

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

Assigned for capital projects - portion of fund balance that is assigned for specific projects within the City.

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

The City of New Bern 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-City funds, city 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 City.

R. Defined Benefit Cost-Sharing Plans

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Management Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant area where estimates are made are allowance for doubtful accounts and depreciation lives.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Significant Violations of Finance-Related Legal and Contractual Provisions

1. Noncompliance with Bond Covenants

None.

B. Deficit Fund Balance. The following funds are reporting deficit fund balances as of June 30, 2021:

Fund	Deficit	Cause:
FEMA Hurricane Florence	\$ (5,749,480)	The negative fund balances for the various project funds consist of FEMA and grant related projects.
FEMA Hurricane Dorian	(424,424)	
Grants Special Revenue	(17,737)	Although the funds have been allocated, the programs operate on a reimbursement method which requires the City to request reimbursement after the cost has been incurred and, in some cases, significant portions of the cost cannot be reimbursed until after the projects have been completed.
CDBG - Coronavirus Grant Fund	(23,658)	
Tropical Storm Isaias	(51,860)	
2017 Roadway Improvement Project	(2,214,130)	
Martin Marietta Park Project	(280,504)	

Because the deficit balances are associated with multi-year fund that the City is waiting on reimbursements for, they are not reported as findings.

NOTE 3: DEPOSITS AND INVESTMENTS

All deposits of the City 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 City's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization. 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 City has no formal policy regarding custodial credit 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 City complies with the provisions of G.S. 159-31 when designating official depositories and verify that deposits are properly secured.

At June 30, 2021, the City's deposits had a carrying amount of \$5,671,013 and a bank balance of \$6,519,159. Of the bank balance, \$500,000 was covered under federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The City's petty cash fund totaled \$7,350.

At June 30, 2021, the City's investment balances were as follows:

Investment by Type	Valuation Measurement Method	Book Value at 06/30/2021	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$59,097,609	N/A	AAAm

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 are 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' benchmark quoted prices.

Interest Rate Risk: The City does not have a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes (G.S. 159-31) require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2021, the City's deposits are insured or collateralized as required by state law.

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

NOTE 4: RECEIVABLES – ALLOWANCE FOR DOUBTFUL ACCOUNTS

The receivables shown in Exhibit 1 at June 30, 2021, were as follows:

	Accounts	Taxes	Due from other Governments	Total
Governmental Activities:				
General	\$ 4,133,897	\$ 325,917	\$ 938,647	\$ 5,398,461
FEMA Hurricane Florence	-	-	510,558	510,558
Other Governmental	392,150	-	59,261	451,411
Internal Service Fund	10,917	-	-	10,917
Total receivables	4,536,964	325,917	1,508,466	6,371,347
Allowance for doubtful accounts	26	(182,384)	-	(182,358)
Net receivables	\$ 4,536,990	\$ 143,533	\$ 1,508,466	\$ 6,188,989
Business-type Activities				
Electric	\$ 7,243,475	\$ -	\$ -	\$ 7,243,475
Water	1,412,220	-	-	1,412,220
Sewer	1,541,552	-	-	1,541,552
Solid Waste	395,748	-	-	395,748
Total receivables	10,592,995	-	-	10,592,995
Allowance for doubtful accounts	(267,488)	-	-	(267,488)
Net receivables	\$ 10,325,507	\$ -	\$ -	\$ 10,325,507

Due from other governments consisted of the following:

State & Federal Grants	\$ 569,819
Sales tax	847,141
Motor Vehicle - Due from the County	91,506
	<u>\$ 1,508,466</u>

Note Receivable

In January 2019, the City refinanced outstanding debt with Green Park Terrace, LLC. Under the new agreement Green Park Terrace will pay the City \$1,000 a month, beginning July 1, 2019 and continuing through June 1, 2029. Interest will only accrue if a payment is past due, at 12% per annum. The first payment was received before June 30, 2019.

NOTE 5: CAPITAL ASSETS

Primary Government

Capital asset activity for the Primary Government for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 15,564,221	\$ -	\$ -	\$ -	\$ 15,564,221
Construction in Progress	5,542,006	2,973,949	(94,345)	-	8,421,610
Total capital assets not being depreciated	<u>21,106,227</u>	<u>2,973,949</u>	<u>(94,345)</u>	<u>-</u>	<u>23,985,831</u>
Capital assets being depreciated:					
Buildings and improvements	19,534,577	239,519	-	-	19,774,096
Equipment	11,283,086	1,876,914	(74,403)	-	13,085,597
Furniture and fixtures	6,205,382	-	-	-	6,205,382
Transformers	70,275	-	-	-	70,275
Infrastructure	39,722,213	239,153	-	-	39,961,366
Vehicles	11,018,902	2,629,361	(559,241)	-	13,089,022
Total capital assets being depreciated	<u>87,834,435</u>	<u>4,984,947</u>	<u>(633,644)</u>	<u>-</u>	<u>92,185,738</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,617,413)	(613,360)	-	-	(8,230,773)
Equipment	(7,555,623)	(851,688)	63,347	-	(8,343,964)
Furniture and fixtures	(5,735,464)	(92,176)	-	-	(5,827,640)
Transformers	(43,570)	(2,811)	-	-	(46,381)
Infrastructure	(13,051,314)	(1,501,358)	-	-	(14,552,672)
Vehicles	(8,159,307)	(934,325)	613,359	-	(8,480,273)
Total accumulated depreciation	<u>(42,162,691)</u>	<u>\$ (3,995,718)</u>	<u>\$ 676,706</u>	<u>\$ -</u>	<u>(45,481,703)</u>
Total capital assets being depreciated, net	<u>45,671,744</u>				<u>46,704,035</u>
Governmental activity capital assets, net	<u>\$ 66,777,971</u>				<u>\$ 70,689,866</u>

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

General government	\$ 322,410
Public safety	1,671,198
Public works	1,359,701
Economic and Physical Development	121,829
Cultural and recreational	520,580
	<u>\$ 3,995,718</u>

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Business-type activities:					
Electric Fund					
Capital assets not being depreciated:					
Land	\$ 1,211,987	\$ -	\$ -	\$ -	\$ 1,211,987
Construction in Progress	8,420,883	465,567	(46,560)	-	8,839,890
Total capital assets not being depreciated	<u>9,632,870</u>	<u>465,567</u>	<u>(46,560)</u>	<u>-</u>	<u>10,051,877</u>
Capital assets being depreciated:					
Buildings	5,520,202	-	-	-	5,520,202
Equipment	8,969,113	299,265	(20,021)	-	9,248,357
Furniture and fixtures	296,823	-	-	-	296,823
Transformers	4,715,186	66,665	-	-	4,781,851
Distribution systems	52,135,835	905,530	-	-	53,041,365
Vehicles	3,496,203	763,725	(127,162)	-	4,132,766
Total capital assets being depreciated	<u>75,133,362</u>	<u>2,035,185</u>	<u>(147,183)</u>	<u>-</u>	<u>77,021,364</u>
Less accumulated depreciation for:					
Buildings	(1,350,584)	(177,892)	3,044	-	(1,525,432)
Equipment	(6,213,623)	(387,417)	13,203	-	(6,587,837)
Furniture and fixtures	(241,569)	(21,848)	-	-	(263,417)
Transformers	(3,682,590)	(85,105)	-	-	(3,767,695)
Distribution systems	(34,805,583)	(1,425,322)	-	-	(36,230,905)
Vehicles	(2,658,145)	(248,858)	127,162	-	(2,779,841)
Total accumulated depreciation	<u>(48,952,094)</u>	<u>\$ (2,346,442)</u>	<u>\$ 143,409</u>	<u>\$ -</u>	<u>(51,155,127)</u>
Total capital assets being depreciated, net	<u>26,181,268</u>				<u>25,866,237</u>
Electric fund capital assets, net	<u>\$ 35,814,138</u>				<u>\$ 35,918,114</u>

Water Fund	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:					
Land	\$ 852,479	\$ -	\$ -	\$ -	\$ 852,479
Construction in progress	3,846,799	253,634	(3,323,509)	-	776,924
Total capital assets not being depreciated	4,699,278	253,634	(3,323,509)	-	1,629,403
Capital assets being depreciated:					
Buildings	35,655,357	-	-	-	35,655,357
Equipment	2,290,765	3,190,767	(12,185)	-	5,469,347
Furniture and fixtures	7,731	-	-	-	7,731
Distribution systems	26,288,726	186,896	-	-	26,475,622
Vehicles	1,087,452	34,708	(98,941)	-	1,023,219
Total capital assets being depreciated	65,330,031	3,412,371	(111,126)	-	68,631,276
Less accumulated depreciation for:					
Buildings	(7,999,472)	(891,362)	-	-	(8,890,834)
Equipment	(1,720,602)	(87,077)	12,185	-	(1,795,494)
Furniture and fixtures	(7,731)	-	-	-	(7,731)
Distribution systems	(11,058,479)	(587,603)	-	-	(11,646,082)
Vehicles	(904,962)	(69,966)	98,388	-	(876,540)
Total accumulated depreciation	(21,691,246)	\$ (1,636,008)	\$ 110,573	\$ -	(23,216,681)
Total capital assets being depreciated, net	43,638,785				45,414,595
Water Fund capital assets, net	\$ 48,338,063				\$ 47,043,998
Sewer Fund					
	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:					
Land	\$ 12,389,511	\$ -	\$ -	\$ -	\$ 12,389,511
Construction in progress	1,291,851	481,436	-	-	1,773,287
Total capital assets not being depreciated	13,681,362	481,436	-	-	14,162,798
Capital assets being depreciated:					
Buildings	40,119,456	455,607	-	-	40,575,063
Equipment	4,012,307	141,275	-	-	4,153,582
Furniture and fixtures	89,039	-	-	-	89,039
Distribution systems	42,393,208	-	-	-	42,393,208
Vehicles	1,842,306	292,609	(89,353)	-	2,045,562
Total capital assets being depreciated	88,456,316	889,491	(89,353)	-	89,256,454
Less accumulated depreciation for:					
Buildings	(20,911,646)	(1,011,035)	-	-	(21,922,681)
Equipment	(2,831,320)	(186,364)	-	-	(3,017,684)
Furniture and fixtures	(70,475)	(8,250)	-	-	(78,725)
Distribution systems	(12,201,651)	(859,976)	-	-	(13,061,627)
Vehicles	(1,581,542)	(166,423)	83,769	-	(1,664,196)
Total accumulated depreciation	(37,596,634)	\$ (2,232,048)	\$ 83,769	\$ -	(39,744,913)
Total capital assets being depreciated, net	50,859,682				49,511,541
Sewer Fund capital assets, net	\$ 64,541,044				\$ 63,674,339

Solid Waste Fund	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:					
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-	-
Capital assets being depreciated:					
Lines	114,505	-	-	-	114,505
Equipment	307,871	-	-	-	307,871
Vehicles	493,194	-	-	-	493,194
Total capital assets being depreciated	915,570	-	-	-	915,570
Less accumulated depreciation for:					
Lines	(6,688)	(4,136)	-	-	(10,824)
Equipment	(86,144)	(55,357)	-	-	(141,501)
Vehicles	(69,654)	(54,647)	-	-	(124,301)
Total accumulated depreciation	(162,486)	\$ (114,140)	\$ -	\$ -	(276,626)
Total capital assets being depreciated, net	753,084				638,944
Solid Waste Fund capital assets, net	\$ 753,084				\$ 638,944
Business-type activities capital	\$ 149,446,329				\$ 147,275,395

NOTE 6: LIABILITIES

1. Pension Plan Obligations

A. Local Governmental Employees' Retirement System

Plan Description. The City of New Bern 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 (ACFR) for the State of North Carolina. The State's ACFR 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, or by calling (919) 981-5454, or at www.osc.nc.gov.

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

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. City of New Bern employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of New Bern contractually required contribution rate for the year ended June 30, 2021, was 10.84% of compensation for law enforcement officers and 10.21% for general employees and firefighters, 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 City of New Bern were \$2,412,259 for the year ended June 30, 2021.

Refunds of Contributions - City 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, 2021, the City reported a liability of \$11,900,223 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City'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, 2021 (measurement date), the City's proportion was 0.3330% which was a decrease of 0.0240% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the City recognized pension expense of \$3,995,731. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,502,789	\$ -
Changes of assumptions	885,610	-
Net difference between projected and actual earnings on pension plan investments	1,674,638	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	136,186	322,516
Employer contributions subsequent to the measurement date	2,412,259	-
Total	<u>\$ 6,611,482</u>	<u>\$ 322,516</u>

\$2,412,259 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June	
2022	\$ 1,074,616
2023	1,469,552
2024	836,932
2025	495,607
2026	-
Thereafter	-
	<u>\$ 3,876,707</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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 expectations of forward yields projected and interpolated for multiple tenor 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 for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation	6.0%	4.0%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 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 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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 City's proportionate share of the net pension asset to changes in the discount rate. The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 24,144,256	\$ 11,900,223	\$ 1,724,571

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

B. Law Enforcement Officers Special Separation Allowance

1. Plan Description.

The City of New Bern administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full time law enforcement officers of the City are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance's membership consisted of:

Retirees receiving benefits	12
Active plan members	78
Total	<u>90</u>

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies:

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

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statements 73.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability in the December 31, 2019 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 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

The discount rate used to measure the total pension liability is the Standard & Poor's Municipal Bond 20 Year High Grade Rate Index.

Mortality Rate:

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 Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Deaths After Retirement (Beneficiary): 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 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.

4. Contributions

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. The City's expense for benefit payments to current retirees for the fiscal year ended June 30, 2021 was \$254,018.

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

At June 30, 2021, the City reported a total pension liability of \$3,630,645. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$366,378.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 327,149	\$ 361,863
Changes of assumptions	880,002	48,289
County benefit payments and plan administrative expense made subsequent to the measurement date	112,902	-
Total	<u>\$ 1,320,053</u>	<u>\$ 410,152</u>

\$112,902 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ 164,314
2022	158,793
2023	182,703
2024	174,430
2025	115,604
Thereafter	1,155

Sensitivity of the City's total pension liability to changes in the discount rate. The following presents the City's total pension liability calculated using the discount rate of 1.93 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) and 1-percentage-point higher (2.93 percent) than the current rate.

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 3,949,401	\$ 3,630,645	\$ 3,339,811

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

	2021
Beginning balance	\$ 2,966,769
Service Cost	130,539
Interest on the total pension liability	92,576
Changes of benefit terms	-
Differences	(252,482)
Changes of assumptions or other inputs	947,261
Benefit payments	(254,018)
Other changes	-
Net Change	<u>663,876</u>
Ending balance of the total pension liability	<u>\$ 3,630,645</u>

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

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

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

Following is information relatd to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 3,995,731	\$ 366,378	\$ 4,362,109
Pension Liability	11,900,223	3,630,645	15,530,868
Proportionate share of the net pension liability	0.3330%	n/a	

Deferred Outflows of Resources

Differences between expected and actual experience	1,502,789	327,149	1,829,938
Changes of assumptions	885,610	880,002	1,765,612
Net difference between projected and actual earnings on plan investments	1,674,638	-	1,674,638
Changes in proportion and differences between contributions and proportionate share of contributions	136,186	-	136,186
Benefit payments and administrative costs paid subsequent to the measurement date	2,412,259	112,902	2,525,161

Deferred Inflows of Resources

Differences between expected and actual experience	-	361,863	361,863
Changes of assumptions	-	48,289	48,289
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	322,516	-	322,516

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City 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 City. 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 (ACFR) for the State of North Carolina. The State's ACFR 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 City 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 for the year ended June 30, 2021 were \$348,774, which consisted of \$241,327 from the City and \$107,447 from the law enforcement officers.

D. Supplemental Retirement Income Plan for Employees not Engaged in Law Enforcement

Plan Description. The City 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 City employees not engaged in law enforcement. 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 is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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. The City's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$1,229,924, which consisted of \$879,646 from the City and \$350,278 from the employees.

E. Other Postemployment Benefits

Healthcare Benefits

Plan Description. According to a City resolution, the City provides post-retirement healthcare benefits through a single-employer defined benefit Healthcare Benefits Plan (the "HCB Plan"). The City pays 100 percent of the cost for "maximum retirees" of the City, while "other retirees" are eligible to enroll in the City's insurance plan, but must pay full cost. Maximum retirees are defined as meeting one of the following criteria: (1) employee with thirty (30) or more years of service with at least fifteen (15) of those years with the City; (2) employee with twenty-seven (27) or more years of service and three (3) years of prior military service with at least fifteen (15) of those years with the City; or (3) members of the governing board with a total number of sixteen (16) years in office. To qualify as an "other retiree," employees must meet one of the two following: (1) have twenty-five (25) to twenty-nine (29) years of service with at least ten (10) with the City; or (2) twenty (20) or more years of qualified service with at least ten (10) years with the City. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The City contributed \$626,083 in benefits. The City's Board of Aldermen established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

Membership of the Plan consisted of the following at June 30, 2020, the date of the last actuarial valuation:

	General Employees:
Retirees and dependents receiving benefits	81
Active plan members	449
Total	<u>530</u>

Total OPEB Liability

The City's total OPEB liability of \$43,810,450 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increase, including wage inflation	
General employees	3.50 - 7.75 percent, including inflation
Firefighters	3.50 - 7.75 percent, including inflation
Law Enforcement Officers	3.50 - 7.35 percent, including inflation
Discount rate	2.21%
Healthcare cost trend rate	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024
Dental	4.00%

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2020	\$ 35,387,577
Changes for the year	
Service cost	1,204,822
Interest	1,270,516
Changes of benefit terms	-
Differences between expected and actual experience	(2,102,869)
Changes in assumptions or other inputs	8,639,338
Benefit payments	(588,934)
Net changes	<u>8,422,873</u>
Balance at June 30, 2021	<u><u>\$ 43,810,450</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

The current mortality rates were based on the RP-2014 mortality tables, with adjustments for experience and generational mortality improvements using Scale MP-2015. The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014, adopted by the LGERS Board.

Sensitivity of the Total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher.

	1% Decrease	2.21% Discount Rate	1% Increase
Total OPEB liability	\$ 53,904,218	\$ 43,810,450	\$ 36,181,531

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 35,249,964	\$ 43,810,450	\$ 55,455,369

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$2,879,144. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 164,348	\$ 1,928,754
Changes of assumptions	9,423,264	3,015,164
Benefit payments and administrative costs made subsequent to the measurement date	626,083	-
Total	<u>\$ 10,213,695</u>	<u>\$ 4,943,918</u>

\$626,083 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 403,806
2023	403,806
2024	403,806
2025	403,806
2026	680,200
Thereafter	2,348,270

F. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
LGERS	\$ 1,502,789	\$ -
LEOSSA	327,149	361,863
OPEB	164,348	1,928,754
Changes of assumptions		
LGERS	885,610	-
LEOSSA	880,002	48,289
OPEB	9,423,264	3,015,164
Difference between projected and actual investment		
LGERS	1,674,638	-
Change in proportion and difference between employer		
LGERS	136,186	322,516
Contributions to pension plan in current fiscal year		
LGERS	2,412,259	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	112,902	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	626,083	-
Taxes receivable, net (General)	-	143,934
Liens and other receivables (General)	-	297,778
Miscellaneous (General)	-	94,000
Total	<u>\$ 18,145,230</u>	<u>\$ 6,212,298</u>

NOTE 7: RISK MANAGEMENT

The City 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. To mitigate the financial impact of any losses, the City has established a program to manage its financial risks through a self-funded arrangement in combination with purchase insurance.

The City's Internal Service Fund was established to account for an employee self-insurance health benefit program. The purpose of the fund is to pay medical claims of City employees and their covered dependents and minimize the total cost of annual medical insurance to the municipality. Funding is provided by employee contributions and charges to the various funds of the City based upon estimated claim and employee participation. Expected claims are determined annually by the reinsurance carrier. The City carries aggregate stop loss insurance coverage of 125% of annual expected paid claims and individual stop loss coverage of \$100,000 per covered individual and an aggregating specific deductible of \$250,000 through the plan administrator utilizing a reinsurance carrier. The City has recognized a provision for claims incurred but not reported, in the accompanying financial statements. This provision is estimated based upon actuarial claims history utilizing a two month lag on outstanding claims.

The City is self-insured for workers' compensation claims up to \$600,000 for all employees. The City has reinsurance through a commercial company for single occurrence claims up to \$1,000,000. The City also purchased an Occupational Accident Buffer Layer Insurance Policy which covers all employees at \$400,000 (attachment point) with a coverage limit of \$200,000. The City's Internal Service Fund is also used to account for this program.

The City is self-insured for workers' compensation claims up to \$600,000 for all employees. The City has reinsurance through a commercial company for single occurrence claims up to \$1,000,000. The City also purchased an Occupational Accident Buffer Layer Insurance Policy which covers all employees at \$400,000 (attachment point) with a coverage limit of \$200,000. The City's Internal Service Fund is also used to account for this program.

The City carries \$1,000,000 of flood insurance, subject to a \$50,000 deductible, included in its commercial property coverage. The City does not have any property that has been mapped and designated an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency.

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

For the Employee Benefit Insurance Internal Service Fund, a total of \$5,589,338 in claims and changes in estimates were incurred for benefits during the year ended June 30, 2021. Changes in the fund's claims liability amounts in the years ended June 30, 2021 and 2020, were as follows:

EMPLOYEE HEALTH INSURANCE CLAIMS PAYABLE

Fiscal Year	Beginning of Year Claims Liability	Current Year		End of Year Claims Liability
		Claims and Change in Estimates	Claims Paid	
2021	\$ 418,106	\$ 4,363,905	\$ 4,362,910	\$ 419,101
2020	484,606	4,612,216	4,678,716	418,106

WORKERS COMPENSATION CLAIMS PAYABLE

Fiscal Year	Beginning of Year Claims Liability	Current Year		End of Year Claims Liability
		Claims and Change in Estimates	Claims Paid	
2021	\$ 60,000	\$ 282,493	\$ 292,493	\$ 50,000
2020	60,000	662,180	662,180	60,000

NOTE 8: LONG-TERM OBLIGATIONS

a. Installment Purchases

As authorized by State law (G.S. 160A-20 and 153A-158.1), the City financed various property and equipment acquisitions by installment purchases. In the event of default the entire outstanding principal and interest balance is immediately payable and the bank may proceed with additional options as legally allowed. Installment purchase contracts at June 30, 2021 were comprised of the following individual agreements:

Governmental Activities:	Balance as of June 30, 2021
The City entered into a direct placement note issued by BB&T for \$5,896,923 in May 2008 with varying quarterly payment for aquatic center and swimming pool construction, downtown streetscape projects, and Elizabeth Avenue fire station improvements. The properties are pledged as collateral while the debt is outstanding. The note bears an interest rate of 3.31% and matures in 2023. In April 2012 the City modified the note to reduce the interest rate to 2.92% on the remaining principal of \$4,422,692.	\$ 786,256
The City entered into a direct placement note issued by BB&T for \$3,409,618 in June 2012 with varying semi-annual payments for the purchase and installation of radio network. The equipment is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.04% and matures in 2022.	200,525
The City entered into a direct placement note through BB&T for \$465,315 in May 2013 with semi-annual payments of \$15,510 for South Front Street streetscape improvements. The property is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.54% and matures in 2028.	217,147
The City entered into a direct placement note issued by SunTrust Bank for \$756,633 in July 2014 with semi-annual payments of \$25,221 for the purchase of a fire truck. The truck is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.86% and matures in 2029.	428,759
The City entered into a direct placement note issued by BB&T for \$800,000 in October 2016 with semi-annual payments of \$33,333 (fixed principal) for the improvements to the City's streets. The rights to easements are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.00% and matures in 2029.	455,837
The City entered into a direct placement note issued by First Citizens Bank & Trust for \$708,000 in June 2017 with semiannual payments of \$86,000 (fixed principal) for the purchase various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.90% and matures in 2022.	134,000
The City entered into a direct placement note issued by PNC Bank for \$2,320,000 in June 2018 with semi-annual payments of \$166,000 (fixed principal) for city-wide drainage improvements. The improvements are pledged as collateral while the debt is outstanding. The note bears an interest rate of 3.34% and matures in 2028.	1,624,000

The City entered into a direct placement note issued by BB&T for \$2,219,407 in June 2019 with varying semiannual payments for roadway improvements and workforce development center improvements. The property and all moneys on deposit in the project fund are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.78% and matures in 2029.	1,775,526
The City entered into a direct placement note issued by Bank of America for \$1,800,060 was issued in April 2019 with varying semi-annual payments for the purchase of various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.6096% and matures in 2024.	1,080,036
The City entered into a direct placement note issued by Truist Bank for \$1,720,621 was issued in November 2020 with annual payments of \$133,432 for the purchase of fire trucks. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.060% and matures in 2035.	1,720,621
The City entered into a direct placement note issued by Truist Bank for \$1,210,673 was issued in November 2020 with annual payments of \$249,675 for the purchase of various vehicles and equipment. As of June 30, 2021 the City has only received \$1,161,008. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.19% and matures in 2025.	1,161,008
The City entered into a direct placement note issued by Truist Bank for \$1,803,895 was issued in April 2021 with annual payments of \$198,933 for the purchase of radio upgrades and park buildings. As of June 30, 2021 the City has only received \$1,276,518. The equipment and building are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.75% and matures in 2030.	1,276,518
Total governmental activities	<u>\$ 10,860,233</u>

Business-Type Activities:

A direct placement note was issued by BB&T for \$1,701,977 in May 2008 with varying semiannual payments for the downtown utility improvements. The property is pledged as collateral while the debt is outstanding. The note bears an interest rate of 3.31% and matures in 2023. In April 2012 the City modified the loan to reduce the interest rate to 2.92% on the outstanding balance of \$1,331,764.	\$ 261,385
A direct placement note was issued by BB&T for \$1,238,760 in June 2012 with varying semiannual payments for the purchase and installation of the radio network. The equipment is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.04% and matures in 2022.	180,711
A direct placement note was issued by BB&T for \$1,863,767 in January 2016 with semi-annual payments of \$93,189 for the refinancing of the Kale Road property note. The property is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.25% and matures in 2026.	931,884
The City entered into a direct placement note issued by First Citizens Bank & Trust for \$152,000 in June 2017 with semiannual payments of \$86,000 (fixed principal) for the purchase various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.90% and matures in 2022.	38,000

A direct placement note was issued by Bank of America for \$734,167 in April 2019 with varying semi-annual payments for the purchase of various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.6096% and matures in 2024.

440,500

Total business-type activities

\$ 1,852,480

In the event of default the entire outstanding principal and interest is immediately payable, and the bank may proceed with additional options as legally allowed.

Future minimum payments as of June 30, 2021 for the installment purchase contracts are as follows:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 2,042,793	\$ 205,650	\$ 681,152	\$ 39,989
2023	1,854,254	215,254	465,364	24,850
2024	1,475,589	166,739	333,210	14,406
2025	1,123,531	134,256	186,377	7,339
2026	1,081,950	108,689	186,377	3,145
2027-2031	2,654,286	226,535	-	-
2032-2036	627,830	39,327	-	-
Total	<u>\$ 10,860,233</u>	<u>\$ 1,096,450</u>	<u>\$ 1,852,480</u>	<u>\$ 89,729</u>

b. Notes Payable

The City has various note payable agreements with the State outstanding for water and sewer distribution expansion and improvement projects. In the event of a default the entire outstanding principal and interest are immediately payable, additional action may be taken as legally allowed. The outstanding balances for the notes as of June 30, 2021 are as follows:

Business-Type activities:	Balance as of June 30, 2021
A direct borrowing note issued by North Carolina Department of Environment and Natural Resources for \$20,110,036 was issued in February 2003 with variable semi-annual payments for a wastewater treatment plant expansion. The note bears an interest rate of 2.57% and matures in 2023.	\$ 2,498,338
A direct borrowing note issued by North Carolina Department of Environment and Natural Resources for \$1,351,452 was issued in March 2003 with variable semi-annual payments for wastewater treatment plant expansion. The note bears an interest rate of 2.66% and matures in 2024.	202,718
A direct borrowing note issued by North Carolina Department of Environment and Natural Resources for \$33,606,624 was issued in July 2010 with variable semi-annual payments of \$1,680,331 for water treatment plant expansion. The note bears an interest rate of 2.27% and matures in 2030.	15,122,981
Total outstanding notes payable:	<u>\$ 17,824,037</u>

The debt service to maturity on the notes payable is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 2,981,224	\$ 412,135	\$ 3,393,359
2023	3,012,921	340,582	3,353,503
2024	1,747,904	268,214	2,016,118
2025	1,680,331	228,357	1,908,688
2026	1,680,331	190,298	1,870,629
2027-2031	6,721,326	380,595	7,101,921
Total:	<u>\$ 17,824,037</u>	<u>\$ 1,820,181</u>	<u>\$ 19,644,218</u>

c. Revenue Bonds

In June 2013, the City issued \$17,180,000 of Utility Revenue Bonds for water, sewer, and electric system improvements and expansion and refunding of installment notes payable. Semi-annual payments of \$930,882 are due on December 1 and June 1. The bonds bear an interest rate of 1.56%. The bonds mature in 2023. The City has pledged future water, sewer, and electric revenues, net of specified operating expenses to repay these bonds. \$ 3,652,037

In December 2014, the City issued \$3,830,000 of Utility Revenue Bonds for acquisition and construction of a warehouse, AMI, and other improvements at Kale Road. Semi-annual payments of \$213,847 are due on December 1 and June 1. The bonds bear an interest rate of 2.15%. The bonds mature in 2025. The City has pledged future water, sewer, and electric revenues, net of specified operating expenses to repay these bonds. 1,434,582

In May 2016, the City issued \$5,600,000 of Utility Revenue Bonds for water and electric AMI expansion. Semiannual payments of \$310,082 due on December 1 and June 1. The bonds bear an interest rate of 1.97%. The bonds mature in 2026. The City has pledged future water and electric revenues, net of specified operating expenses to repay these bonds. 2,937,456

Total revenue bonds	<u><u>\$ 8,024,075</u></u>		
Year	Principal	Interest	Total
2022	\$ 2,775,840	\$ 133,782	\$ 2,909,622
2023	2,824,025	85,597	2,909,622
2024	1,004,037	43,821	1,047,858
2025	1,420,173	33,999	1,454,172
2026	-	-	-
Total:	<u><u>\$ 8,024,075</u></u>	<u><u>\$ 297,199</u></u>	<u><u>\$ 8,321,274</u></u>

The City is in compliance with the covenants as to rates, fees, rentals and charges in Section 704 and Section 711 of the Bond Order, authorizing the issuance of the Electric, Water and Sewer Revenue Bonds, Series 2013, Series 2014, and Series 2016, secured solely by the pledge of net revenue of the City's combined enterprise funds (Electric, Water and Sewer). Pursuant to Section 704(a) of the Bond and related agreements, the City has made certain covenants that provide for rates to be set at levels to provide annually to maintain a debt service coverage ratio of 120% (1.20) for parity indebtedness and 100% (1.0) for parity and subordinated indebtedness. In addition, pursuant to Section 711 of the Bond agreement, the principal amount of installment debt (liens) cannot exceed 15% of net investment in capital assets. The debt service coverage requirements for the year ended June 30, 2021, are as follows:

The debt service coverage ratio calculation for the year ended June 30, 2021 is as follows:

Operating revenues	\$ 53,758,413
Operating expenses	(48,831,597)
Add back:	
Investment earnings	5,096
Depreciation	2,346,443
Income available for debt service	<u><u>\$ 7,278,355</u></u>
Debt service principal and interest paid (Revenue bond only)	<u><u>\$ 2,909,621</u></u>
Debt service coverage ratio	250%

The City's debt service coverage ratio is greater than 120% of the debt service requirement for the year ended June 30, 2021.

d. Changes in Long-Term Liabilities

A summary of changes in long-term obligations follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Current Portion of Balance
Governmental activities:					
Direct placement installment purchases	\$ 8,494,257	\$ 4,158,147	\$ 1,792,171	\$ 10,860,233	\$ 2,042,793
Compensated absences	1,674,418	15,548	-	1,689,966	506,990
Net pension liability (LGERS)	6,983,773	1,540,703	-	8,524,476	-
Total pension liability	2,966,769	663,876	-	3,630,645	-
Total OPEB Liability	35,387,577	8,422,873	-	43,810,450	-
Total Governmental activities	<u>\$ 55,506,794</u>	<u>\$ 14,801,147</u>	<u>\$ 1,792,171</u>	<u>\$ 68,515,770</u>	<u>\$ 2,549,783</u>
Business-type activities:					
Direct borrowing notes payable	\$ 20,774,358	\$ -	\$ 2,950,321	\$ 17,824,037	\$ 2,981,225
Direct placement installment purchases	2,564,381	-	711,901	1,852,480	681,152
Revenue bonds	10,752,567	-	2,728,493	8,024,074	2,775,839
Net pension liability	2,765,619	610,127	-	3,375,746	-
Compensated absences	659,412	32,720	-	692,132	207,640
Total Business-type activities	<u>\$ 37,516,337</u>	<u>\$ 642,847</u>	<u>\$ 6,390,715</u>	<u>\$ 31,768,469</u>	<u>\$ 6,645,856</u>

For governmental activities, compensated absences are liquidated by the General Fund. The LGERS net pension liability, law enforcement officers' SSA total pension liability, and total OPEB liabilities are liquidated by the General Fund.

At June 30, 2021, the City of New Bern had a legal debt margin of \$230,435,371.

NOTE 9: INTERFUND BALANCES AND ACTIVITY

The comparison of interfund balances as of June 30, 2021 is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	FEMA Hurricane Florence	\$ 5,354,700
General Fund	Roadway Improvement Project	2,079,265
General Fund	FEMA Hurricane Dorian	424,424
General Fund	FEMA Hurricane Isaias	386,919
General Fund	Martin Marietta Park Project	278,664
General Fund	MPO Plan	30,007
General Fund	Grants Special Revenue	30,015
General Fund	CDBG-Coronavirus	15,658
		<u>\$ 8,599,652</u>

These funds owe the General Fund for temporary cash shortages in the pooled cash account being covered by the General Fund.

Transfers to/Transfer From

Transfers to/from other funds at June 30, 2021, consists of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 2,637,550
General Fund	Municipal Service District	68,000
		<u>\$ 2,705,550</u>
Grants Fund	General Fund	\$ 6,783
Public Private Partnership	General Fund	10,000
Redevelopment Fund	General Fund	455,000
MPO Plan Grant Fund	General Fund	24,227
Grants/PW Volt Simulator	General Fund	150,000
FEMA Hurricane Irene	General Fund	14,550
City Hall Renovation	General Fund	115,500
		<u>\$ 776,060</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers are also moved from unrestricted enterprise operations to offset operational costs in the General Fund.

NOTE 10: Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Capital Assets	\$ 70,689,866	\$ 147,275,395
less: long-term debt	(10,860,233)	(27,700,591)
add: unexpended debt proceeds	178,933	-
Net Investment in Capital Assets	<u>\$ 60,008,566</u>	<u>\$ 119,574,804</u>

NOTE 11: 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	\$ 25,687,191
Less restricted for:	
Inventories	279,101
Prepays	15,357
Stabilization by State statute	14,316,843
Streets	376,471
Economic and Physical Development	732,829
Subsequent year's expenditures	143,310
Remaining Fund Balance	<u>\$ 9,823,280</u>

The City has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy; bond proceeds, federal funds, State funds, lock non-City funds, and City funds. For purpose 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 Director has the authority to deviate from this policy if it is in the best interest of the City.

The City has adopted a minimum fund balance policy for the General Fund which instructs management to strive to conduct the business of the City in such a manner that available fund balance is at least 25% with the ideal target of 35% of budgeted expenditures. The following calculation shows fund balance available after deducting the required 25%.

Total Fund Balance - General Fund	\$ 25,687,191
Less:	
Nonspendable (Inventory, Prepaids)	294,458
Stabilization by State Statute	14,316,843
Streets	376,471
Economic & Physical Development	732,829
Fund Balance Policy (25% of CY expenditures, including transfers out)	9,133,890
Remaining Fund Balance	<u>\$ 832,700</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

Encumbrances	General Fund	NonMajor Funds	Water Fund	Electric Fund	Sewer Fund
	\$ 645,022	\$ 27,987	\$ 16,790	\$ 334,241	\$ 25,201

NOTE 12: JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS, AND RELATED ORGANIZATIONS

1. Jointly Governed Organization

Eastern Carolina Council – The City, in conjunction with nine counties and twenty-eight other municipalities, established the Eastern Carolina Council (the “Council”). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council’s governing board. The City paid membership and administrative fees of \$8,000 to the Council during the fiscal year ended June 30, 2021.

North Carolina Eastern Municipal Power Agency (“NCEMPA”) – NCEMPA is a joint agency formed by 32 municipalities, including the City, and organized and existing pursuant to Chapter 159B of the General Statutes of North Carolina. The NCEMPA Board elects its own officers and is responsible for the selection of management to run the daily operations of NCEMPA. NCEMPA is responsible for budgeting and receiving its financing. The City has made investment in this joint venture.

2. Joint Ventures

The City participates in a joint venture with Craven County to operate the New Bern/Craven County Library. The City appoints five members of the ten-member board. The City has an ongoing financial responsibility for the joint venture because the Library’s continued existence depends on the participating governments’ continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2021. The City contributed \$75,000 to the library during the fiscal year ended June 30, 2021.

3. Related Organizations

New Bern Housing Authority – The Board of the New Bern Housing Authority (“Hosing Authority”) is appointed by the Mayor of the City. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority.

Friends of New Bern Firemen’s Museum, Inc. – The Board of Directors of the Friends of New Bern Firemen’s Museum (“Museum”) is appointed by the Board of Aldermen of the City. The City is accountable for the Museum because it appoints the governing board; however, the City is not financially accountable for the Museum.

NOTE 13: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**Federal and State Assisted Programs**

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

NOTE 14: SIGNIFICANT EFFECTS OF SUBSEQUENT EVENT

The City has evaluated events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The City has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

SUPPLEMENTARY STATEMENTS AND SCHEDULES

This section contains additional information required by the
Local Government Commission in North Carolina

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles. Presentation conforms to requirements of the Local Government Commission in North Carolina.

Schedule of Proportionate Share of the Net Pension Liability (Asset) - Local Government Employee's Retirement System

Schedule of Contributions - Local Government Employees' Retirement System

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 Changes in the Total OPEB Liability and Related Ratios

City of New Bern
City's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Eight Fiscal Years*

Local Government Employees' Retirement System

	2021	2020	2019	2018
City's proportion of the net liability (asset) (%)	0.33302%	0.35700%	0.33250%	0.33240%
City's proportion of the net pension liability (asset) (\$)	\$ 11,900,223	\$ 9,749,392	\$ 7,888,037	\$ 5,078,151
City's covered payroll	\$ 23,075,394	\$23,392,399	\$ 21,540,082	\$ 20,816,691
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.57%	41.68%	36.62%	24.39%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%
	2017	2016	2015	2014
City's proportion of the net liability (asset) (%)	0.34164%	0.36713%	-0.37472%	0.36820%
City's proportion of the net pension liability (asset) (\$)	\$ 7,250,745	\$ 1,647,657	\$ (2,209,896)	\$ 4,438,224
City's covered payroll	\$ 20,102,718	\$20,791,805	\$ 20,561,521	\$ 19,998,382
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	36.07%	7.92%	-10.75%	22.19%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

** This will be the same percentage for all participant employers in the LGERS plan.

**City of New Bern
City of New Bern's Contributions
Required Supplementary Information
Last Eight Fiscal Years**

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,412,259	\$ 2,114,442	\$ 1,864,644	\$ 1,666,638
Contributions in relation to the contractually required contribution	<u>2,412,259</u>	<u>2,114,442</u>	<u>1,864,644</u>	<u>1,666,638</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 23,325,826	\$ 23,075,394	\$ 23,392,399	\$ 21,540,082
Contributions as a percentage of covered payroll	10.34%	9.16%	7.97%	7.74%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,565,018	\$ 1,419,969	\$ 1,486,944	\$ 1,461,830
Contributions in relation to the contractually required contribution	<u>1,565,018</u>	<u>1,419,969</u>	<u>1,486,944</u>	<u>1,461,830</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 20,816,691	\$ 20,102,718	\$ 20,791,805	\$ 20,561,521
Contributions as a percentage of covered payroll	7.52%	7.06%	7.15%	7.11%

City of New Bern, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Five Fiscal Years

	2021	2020	2019
Beginning balance	\$ 2,966,769	\$ 2,383,204	\$ 2,767,704
Service Cost	130,539	125,573	119,819
Interest on the total pension liability	92,576	82,774	84,313
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(252,482)	511,459	(299,975)
Changes of assumptions or other inputs	947,261	82,172	(89,532)
Benefit payments	(254,018)	(218,413)	(199,125)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 3,630,645</u>	<u>\$ 2,966,769</u>	<u>\$ 2,383,204</u>

	2018	2017
Beginning balance	\$ 2,632,626	\$ 2,611,191
Service Cost	100,996	106,628
Interest on the total pension liability	98,458	91,040
Changes of benefit terms	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(52,017)	-
Changes of assumptions or other inputs	151,459	(54,134)
Benefit payments	(163,818)	(122,099)
Other changes	-	-
Ending balance of the total pension liability	<u>\$ 2,767,704</u>	<u>\$ 2,632,626</u>

Notes to the Schedule:

This schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

City of New Bern, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Six Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability	\$ 3,630,645	\$ 2,966,769	\$ 2,383,204
Covered Payroll	4,845,097	5,131,526	4,520,892
Total pension liability as a percentage of covered payroll	74.93%	57.81%	52.72%
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability	\$ 2,767,704	\$ 2,632,626	\$ 2,611,191
Covered Payroll	4,423,296	4,334,746	4,083,468
Total pension liability as a percentage of covered payroll	62.57%	60.73%	63.95%

Notes to the Schedule:

The City of New Bern has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

This schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

City of New Bern, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Required Supplementary Information
Last Four Fiscal Years

Total OPEB Liability	2021	2020	2019	2018
Service cost	\$ 1,204,822	\$ 1,068,074	\$ 1,142,446	\$ 1,315,824
Interest	1,270,516	1,215,366	1,118,600	991,387
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(2,102,869)	(85,385)	45,256	260,722
Changes of assumptions	8,639,338	2,300,267	(1,893,219)	(3,439,284)
Benefit payments	(588,934)	(701,503)	(483,111)	(802,639)
Net change in total OPEB liability	8,422,873	3,796,819	(70,028)	(1,673,990)
Total OPEB liability - beginning	35,387,577	31,590,758	31,660,786	33,334,776
Total OPEB liability - ending	\$ 43,810,450	\$ 35,387,577	\$ 31,590,758	\$ 31,660,786
 Covered payroll	 \$ 22,348,027	 \$ 19,173,918	 \$ 19,173,918	 \$ 18,184,909
Total OPEB liability as a percentage of covered payroll	196.04%	184.56%	164.76%	174.10%

Notes to the Schedule:

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

Fiscal year	Rate
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Annual Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes			
Current year	\$ 15,987,789	\$ 16,152,161	\$ 164,372
Prior year	80,950	114,524	33,574
Municipal service district	201,950	199,468	(2,482)
Penalties and interest	42,321	62,231	19,910
Total ad valorem taxes	<u>16,313,010</u>	<u>16,528,384</u>	<u>215,374</u>
Unrestricted intergovernmental			
Local option sales tax	8,321,928	9,248,257	926,329
Video programming tax	270,000	219,681	(50,319)
Payments in lieu of taxes	1,227,921	1,161,614	(66,307)
Telecommunications sales tax	215,000	176,032	(38,968)
Utilities franchise tax	2,050,000	2,036,266	(13,734)
Piped natural gas tax	70,000	80,390	10,390
Public Education Television	27,000	26,451	(549)
Beer and wine tax	132,000	125,355	(6,645)
Fire protection reimbursement	13,423	12,480	(943)
ABC distributions	75,000	95,100	20,100
Total unrestricted intergovernmental	<u>12,402,272</u>	<u>13,181,626</u>	<u>779,354</u>
Restricted intergovernmental			
Powell Bill allocation	865,000	812,944	(52,056)
Total restricted intergovernmental	<u>865,000</u>	<u>812,944</u>	<u>(52,056)</u>
License, permits and fees			
Building permits and inspection fees	885,000	961,928	76,928
Auto and taxi fees	33,000	56,155	23,155
Beer and wine licenses	2,000	474	(1,526)
Other permits	27,477	32,023	4,546
Total licenses, permits and fees	<u>947,477</u>	<u>1,050,580</u>	<u>103,103</u>
Sales and services			
Public works fees	29,876	30,612	736
Refuse collection fees	20,000	22,464	2,464
Planning and inspections	166,455	179,241	12,786
Public safety fees	262,173	245,188	(16,985)
Cultural and recreation fees	89,894	125,245	35,351
Rent income	1,500	63,022	61,522
Other sales and services	51,717	39,589	(12,128)
Total sales and services	<u>621,615</u>	<u>705,361</u>	<u>83,746</u>

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Annual Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Investment earnings	321,500	5,247	(316,253)
Other revenues			
Proceeds from insurance	-	58,766	58,766
Cemetery	153,795	165,175	11,380
Other revenues	462,257	637,125	174,868
Total other revenues	616,052	861,066	245,014
Total Revenues	32,086,926	33,145,208	1,058,282
Expenditures:			
General government:			
Governing body			
Salaries and employee benefits	143,281	141,941	1,340
Special appropriations	113,700	98,597	15,103
Operating expenditures	165,945	149,355	16,590
Total	422,926	389,893	33,033
Administration			
Salaries and employee benefits	509,106	435,090	74,016
Operating expenditures	262,473	88,892	173,581
Total	771,579	523,982	247,597
Leaf & Limb			
Operating expenditures	800	-	800
Total	800	-	800
Public Education Television (PEG)			
Operating expenditures	74,822	32,268	42,554
Total	74,822	32,268	42,554
Information technology			
Salaries and employee benefits	717,631	716,538	1,093
Operating expenditures	1,097,400	975,361	122,039
Total	1,815,031	1,691,899	123,132
Finance			
Salaries and employee benefits	1,081,656	1,066,676	14,980
Operating expenditures	449,320	336,665	112,655
Total	1,530,976	1,403,341	127,635

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Annual Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Legal			
Operating expenditures	264,060	257,752	6,308
Total	<u>264,060</u>	<u>257,752</u>	<u>6,308</u>
Human resources			
Salaries and employee benefits	477,524	480,776	(3,252)
Operating expenditures	76,947	69,735	7,212
Total	<u>554,471</u>	<u>550,511</u>	<u>3,960</u>
Reimbursement from enterprise funds	<u>(3,736,740)</u>	<u>(3,736,740)</u>	<u>-</u>
Total general government	<u>1,697,925</u>	<u>1,112,906</u>	<u>585,019</u>
Public Safety:			
Police			
Salaries and employee benefits	9,404,095	9,348,150	55,945
Operating expenditures	1,570,938	1,245,658	325,280
Capital outlay	1,781,750	1,779,129	2,621
Total	<u>12,756,783</u>	<u>12,372,937</u>	<u>383,846</u>
Fire department			
Salaries and employee benefits	6,134,802	6,138,660	(3,858)
Operating expenditures	722,342	574,211	148,131
Capital outlay	1,806,892	1,806,892	-
Total	<u>8,664,036</u>	<u>8,519,763</u>	<u>144,273</u>
E911 Support:			
Salaries and employee benefits	145,450	145,214	236
Operating expenditures	2,300	-	2,300
Total	<u>147,750</u>	<u>145,214</u>	<u>2,536</u>
Total public safety	<u>21,568,569</u>	<u>21,037,914</u>	<u>530,655</u>
Public works			
Streets			
Salaries and employee benefits	1,088,098	1,048,988	39,110
Operating expenditures	1,741,893	1,593,871	148,022
Capital outlay	190,000	176,903	13,097
Total	<u>3,019,991</u>	<u>2,819,762</u>	<u>200,229</u>
Public buildings			
Salaries and employee benefits	409,301	405,956	3,345
Operating expenditures	854,023	779,146	74,877
Total	<u>1,263,324</u>	<u>1,185,102</u>	<u>78,222</u>

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Annual Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Administration			
Salaries and employee benefits	803,851	785,646	18,205
Operating expenditures	1,797,190	949,342	847,848
Capital outlay	42,480	41,252	1,228
Total	<u>2,643,521</u>	<u>1,776,240</u>	<u>867,281</u>
Stormwater			
Salaries and employee benefits	356,058	352,458	3,600
Operating expenditures	182,577	166,346	16,231
Capital outlay	45,300	45,284	16
Total	<u>583,935</u>	<u>564,088</u>	<u>19,847</u>
Total Public Works	<u>7,510,771</u>	<u>6,345,192</u>	<u>1,165,579</u>
Cultural and recreational:			
Parks and recreation			
Salaries and employee benefits	2,167,571	2,149,269	18,302
Operating expenditures	1,179,006	1,031,851	147,155
Capital outlay	781,687	381,210	400,477
Total Cultural and Recreational	<u>4,128,264</u>	<u>3,562,330</u>	<u>565,934</u>
Economic and physical development			
Planning			
Salaries and employee benefits	1,453,580	1,444,908	8,672
Operating expenditures	217,793	179,218	38,575
Capital outlay	48,923	48,923	-
Total	<u>1,720,296</u>	<u>1,673,049</u>	<u>47,247</u>
Municipal service district			
Operating expenditures	14,500	14,360	140
Total	<u>14,500</u>	<u>14,360</u>	<u>140</u>
Total economic and physical development	<u>1,734,796</u>	<u>1,687,409</u>	<u>47,387</u>
Debt service:			
Principal retirement	1,791,676	1,792,171	(495)
Interest and other charges	222,077	221,579	498
Total debt service	<u>2,013,753</u>	<u>2,013,750</u>	<u>3</u>
Total expenditures	<u>38,654,078</u>	<u>35,759,501</u>	<u>2,894,577</u>
Revenues over (under) expenditures	<u>(6,567,152)</u>	<u>(2,614,293)</u>	<u>3,952,859</u>

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Annual Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	480,000	600,592	120,592
Transfers in	2,673,022	2,637,550	(35,472)
Transfers out	(967,016)	(776,060)	190,956
Installment purchase obligations issued	4,735,189	4,158,147	(577,042)
Appropriated fund balance	(354,043)	-	354,043
Total other financing sources (uses)	<u>6,567,152</u>	<u>6,620,229</u>	<u>53,077</u>
Revenues and other financing sources			
over expenditures and other financing uses	<u>\$ -</u>	4,005,936	<u>\$ 4,005,936</u>
Fund balance, beginning		<u>21,681,255</u>	
Fund balance, ending		<u>\$ 25,687,191</u>	

City of New Bern, North Carolina
FEMA Hurricane Florence
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal Public Disaster Assistance Grant	\$ 20,925,000	\$ 6,802,509	\$ 2,328,442	\$ 9,130,951	\$ (11,794,049)
State Public Disaster Assistance Grant	6,975,000	2,267,503	465,883	2,733,386	(4,241,614)
Insurance Proceeds	2,100,000	2,098,247	637,589	2,735,836	635,836
Total revenues	30,000,000	11,168,259	3,431,914	14,600,173	(15,399,827)
Expenditures					
General government					
Administration					
Salaries and employee benefits	27,486	27,483	-	27,483	3
Operating expenditures	2,080,351	1,223,146	553,193	1,776,339	304,012
Information technology					
Salaries and employee benefits	43,054	43,050	-	43,050	4
Operating expenditures	2,500	5,643	-	5,643	(3,143)
Finance					
Salaries and employee benefits	37,896	37,890	444	38,334	(438)
Operating expenditures	11	3,165	-	3,165	(3,154)
Human resources					
Salaries and employee benefits	17,487	17,483	-	17,483	4
Operating expenditures	9	4,688	-	4,688	(4,679)
Insurance	50,000	43,357	-	43,357	6,643
Public Safety					
Police					
Salaries and employee benefits	863,841	863,836	-	863,836	5
Operating expenditures	50,000	39,429	-	39,429	10,571
Fire					
Salaries and employee benefits	353,265	353,261	-	353,261	4
Operating expenditures	105,000	103,924	-	103,924	1,076
Public works					
Streets					
Salaries and employee benefits	171,149	171,144	10,911	182,055	(10,906)
Operating expenditures	320,000	289,537	-	289,537	30,463
Public buildings					
Salaries and employee benefits	38,783	38,778	-	38,778	5
Operating expenditures	1,164,491	408,082	311,628	719,710	444,781
Administration					
Salaries and employee benefits	66,111	71,752	7,305	79,057	(12,946)
Operating expenditures	125,000	112,186	-	112,186	12,814

City of New Bern, North Carolina
FEMA Hurricane Florence
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Water Fund					
Salaries and employee benefits	221,621	221,610	-	221,610	11
Operating expenditures	91,077	76,797	-	76,797	14,280
Solid Waste					
Salaries and employee benefits	152,766	152,763	-	152,763	3
Operating expenditures	3,705,000	3,611,855	-	3,611,855	93,145
Sewer Fund					
Salaries and employee benefits	216,178	216,171	-	216,171	7
Operating expenditures	1,238,310	1,187,464	-	1,187,464	50,846
Stormwater Fund					
Salaries and employee benefits	5,243,719	717,506	4,142,397	4,859,903	383,816
Operating expenditures	46,659	48,046	-	48,046	(1,387)
Electric Fund					
Salaries and employee benefits	846,161	846,141	-	846,141	20
Operating expenditures	3,277,491	3,098,491	(4,100)	3,094,391	183,100
Cultural and Recreation					
Salaries and employee benefits	140,207	142,984	1,553	144,537	(4,330)
Operating expenditures	9,169,738	698,968	287,173	986,141	8,183,597
Economic and physical development					
Salaries and employee benefits	45,664	45,659	-	45,659	5
Operating expenditures	88,975	42,709	74,151	116,860	(27,885)
Total expenditures	<u>30,000,000</u>	<u>14,964,998</u>	<u>5,384,655</u>	<u>20,349,653</u>	<u>9,650,347</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(3,796,739)</u>	<u>(1,952,741)</u>	<u>(5,749,480)</u>	<u>(5,749,480)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (3,796,739)</u>	<u>(1,952,741)</u>	<u>\$ (5,749,480)</u>	<u>\$ (5,749,480)</u>
Fund Balance (Deficit), beginning of year			<u>(3,796,739)</u>		
Fund Balance (Deficit), end of year			<u>\$ (5,749,480)</u>		

City of New Bern, North Carolina
American Rescue Plan Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
ARP Revenue	\$ 6,704,351	\$ -	\$ -	\$ -	\$ (6,704,351)
Total revenues	<u>6,704,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,704,351)</u>
Expenditures					
Economic and physical development					
Other Professional Services	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>6,704,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,704,351)</u>
Other financing sources (uses)					
Transfers out	<u>(6,704,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,704,351</u>
Total other financing sources (uses)	<u>(6,704,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,704,351</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ -</u>		

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total
ASSETS			
Cash and cash equivalents	\$ 1,095,005	\$ 663,763	\$ 1,758,768
Accounts receivable, net	391,336	814	392,150
Due from other governments	59,261	-	59,261
Restricted cash and cash equivalents	-	178,933	178,933
Total assets	<u>\$ 1,545,602</u>	<u>\$ 843,510</u>	<u>\$ 2,389,112</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 74,097	\$ 214,294	\$ 288,391
Due to Other Funds	887,023	2,357,929	3,244,952
Total liabilities	<u>961,120</u>	<u>2,572,223</u>	<u>3,533,343</u>
Fund balances			
Restricted:			-
Public safety	391,333	-	391,333
Economic and physical development	810,874	-	810,874
Assigned:			
Capital projects	-	765,921	765,921
Unassigned	(617,725)	(2,494,634)	(3,112,359)
Total fund balances	<u>584,482</u>	<u>(1,728,713)</u>	<u>(1,144,231)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,545,602</u>	<u>\$ 843,510</u>	<u>\$ 2,389,112</u>

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total
Revenues			
Restricted intergovernmental	\$ 2,948,739	\$ -	\$ 2,948,739
Miscellaneous	1,170	-	1,170
Investment earnings	101	447	548
Total revenues	<u>2,950,010</u>	<u>447</u>	<u>2,950,457</u>
Expenditures			
General government	28,894	114,625	143,519
Cultural and recreational	38,168	-	38,168
Public safety	877,826	-	877,826
Public works	248,875	2,791,597	3,040,472
Economical and physical development	1,281,455	-	1,281,455
Total expenditures	<u>2,475,218</u>	<u>2,906,222</u>	<u>5,381,440</u>
Excess (deficiency) of revenues over expenditures	474,792	(2,905,775)	(2,430,983)
Other financing sources (uses)			
Transfers in	660,560	115,500	776,060
Total other financing sources (uses)	<u>660,560</u>	<u>115,500</u>	<u>776,060</u>
Net change in fund balances	1,135,352	(2,790,275)	(1,654,923)
Fund balances (deficit), beginning of year	<u>(550,870)</u>	<u>1,061,562</u>	<u>510,692</u>
Fund balances (deficit), end of year	<u><u>\$ 584,482</u></u>	<u><u>\$ (1,728,713)</u></u>	<u><u>\$ (1,144,231)</u></u>

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021

	Community Development	Emergency Telephone System	Police Special Revenue	Grants Special Revenue	Public- Private Partnership
ASSETS					
Cash and cash equivalents	\$ 4,833	\$ 154,994	\$ 60,595	\$ -	\$ 10,000
Accounts receivable, net	-	18,091	-	12,278	-
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 4,833</u>	<u>\$ 173,085</u>	<u>\$ 60,595</u>	<u>\$ 12,278</u>	<u>\$ 10,000</u>
LIABILITIES AND FUND					
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 21,008	\$ -	\$ -	\$ 6,654
Due to Other Funds	-	-	-	30,015	-
Total liabilities	<u>-</u>	<u>21,008</u>	<u>-</u>	<u>30,015</u>	<u>6,654</u>
Fund balances					
Restricted:					
Public safety	-	152,077	60,595	103,392	-
Economic and physical development	4,833	-	-	-	-
Unassigned	-	-	-	(121,129)	3,346
Total fund balances	<u>4,833</u>	<u>152,077</u>	<u>60,595</u>	<u>(17,737)</u>	<u>3,346</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,833</u>	<u>\$ 173,085</u>	<u>\$ 60,595</u>	<u>\$ 12,278</u>	<u>\$ 10,000</u>

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021

	FEMA Hurricane Irene	MPO Plan	Entitlement Cities CDBG Program	Equitable Sharing U.S. Department of Justice	Neuse River Gateway
ASSETS					
Cash and cash equivalents	\$ 25	\$ -	\$ 6,339	\$ 75,269	\$ 39,450
Accounts receivable, net	-	6,299	9,322	-	-
Due from other governments	14,525	44,736	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 14,550</u>	<u>\$ 51,035</u>	<u>\$ 15,661</u>	<u>\$ 75,269</u>	<u>\$ 39,450</u>
LIABILITIES AND FUND					
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 9,198	\$ 13,960	\$ -	\$ -
Due to Other Funds	-	30,007	-	-	-
Total liabilities	<u>-</u>	<u>39,205</u>	<u>13,960</u>	<u>-</u>	<u>-</u>
Fund balances					
Restricted:					
Public safety	-	-	-	75,269	-
Economic and physical development	14,550	11,830	1,701	-	39,450
Unassigned	-	-	-	-	-
Total fund balances	<u>14,550</u>	<u>11,830</u>	<u>1,701</u>	<u>75,269</u>	<u>39,450</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,550</u>	<u>\$ 51,035</u>	<u>\$ 15,661</u>	<u>\$ 75,269</u>	<u>\$ 39,450</u>

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021

	City Market Workforce Development	Union Station Train Depot	Resiliency and Hazard Mitigation	FEMA Hurricane Dorian	CDBG - Coronavirus Grant Fund
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 296,500	\$ -	\$ -
Accounts receivable, net	-	-	-	-	10,287
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,500</u>	<u>\$ -</u>	<u>\$ 10,287</u>
LIABILITIES AND FUND					
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 18,287
Due to Other Funds	-	-	-	424,424	15,658
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>424,424</u>	<u>33,945</u>
Fund balances					
Restricted:					
Public safety	-	-	-	-	-
Economic and physical development	-	-	296,500	-	-
Unassigned	-	-	-	(424,424)	(23,658)
Total fund balances	<u>-</u>	<u>-</u>	<u>296,500</u>	<u>(424,424)</u>	<u>(23,658)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,500</u>	<u>\$ -</u>	<u>\$ 10,287</u>

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021

	FEMA Hurricane Isaias	Redevelopment Fund	Total
ASSETS			
Cash and cash equivalents	\$ -	\$ 447,000	\$ 1,095,005
Accounts receivable, net	335,059		391,336
Due from other governments	-		59,261
Restricted cash and cash equivalents	-		-
Total assets	<u>\$ 335,059</u>	<u>\$ 447,000</u>	<u>\$ 1,545,602</u>
LIABILITIES AND FUND			
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ 4,990	\$ 74,097
Due to Other Funds	386,919	-	887,023
Total liabilities	<u>386,919</u>	<u>4,990</u>	<u>961,120</u>
Fund balances			
Restricted:			
Public safety	-	-	391,333
Economic and physical development	-	442,010	810,874
Unassigned	(51,860)	-	(617,725)
Total fund balances	<u>(51,860)</u>	<u>442,010</u>	<u>584,482</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 335,059</u>	<u>\$ 447,000</u>	<u>\$ 1,545,602</u>

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the Year Ended June 30, 2021

	Community Development	Emergency Telephone System	Police Special Revenue	Grants Special Revenue	Public- Private Partnership
Revenues					
Restricted intergovernmental	\$ -	\$ 217,089	\$ 24,549	\$ 429,013	\$ -
Miscellaneous	1,170	-	-	-	-
Investment earnings	1	69	15	-	-
Total revenues	<u>1,171</u>	<u>217,158</u>	<u>24,564</u>	<u>429,013</u>	<u>-</u>
Expenditures					
General government	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Public safety	-	323,031	20,275	70,537	-
Public works	-	-	-	189,519	-
Economical and physical development	198	-	-	518,718	6,654
Total expenditures	<u>198</u>	<u>323,031</u>	<u>20,275</u>	<u>778,774</u>	<u>6,654</u>
Excess (deficiency) of revenues over expenditures	973	(105,873)	4,289	(349,761)	(6,654)
Other financing sources (uses)					
Transfers in	-	-	-	156,783	10,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,783</u>	<u>10,000</u>
Net change in fund balances	973	(105,873)	4,289	(192,978)	3,346
Fund balances (deficit), beginning of year	<u>3,860</u>	<u>257,950</u>	<u>56,306</u>	<u>175,241</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ 4,833</u>	<u>\$ 152,077</u>	<u>\$ 60,595</u>	<u>\$ (17,737)</u>	<u>\$ 3,346</u>

(continued)

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the Year Ended June 30, 2021

	FEMA Hurricane Irene	MPO Plan	Entitlement Cities CDBG Program	Equitable Sharing U.S. Department of Justice	Neuse River Gateway
Revenues					
Restricted intergovernmental	\$ -	\$ 181,420	\$ 381,989	\$ 20,317	\$ -
Miscellaneous	-	-	-	-	-
Investment earnings	-	-	-	16	-
Total revenues	-	181,420	381,989	20,333	-
Expenditures					
General government	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Public safety	-	-	-	5,151	-
Public works	-	-	-	-	-
Economical and physical development	-	202,507	381,288	-	-
Total expenditures	-	202,507	381,288	5,151	-
Excess (deficiency) of revenues over expenditures	-	(21,087)	701	15,182	-
Other financing sources (uses)					
Transfers in	14,550	24,227	-	-	-
Total other financing sources (uses)	14,550	24,227	-	-	-
Net change in fund balances	14,550	3,140	701	15,182	-
Fund balances (deficit), beginning of year	-	8,690	1,000	60,087	39,450
Fund balances (deficit), end of year	\$ 14,550	\$ 11,830	\$ 1,701	\$ 75,269	\$ 39,450

(continued)

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the Year Ended June 30, 2021

	City Market Workforce Development	Union Station Train Depot	Resiliency and Hazard Mitigation	FEMA Hurricane Dorian	CDBG - Coronavirus Grant Fund
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ 361,500	\$ 801,473	\$ 26,084
Miscellaneous	-	-	-	-	-
Investment earnings	-	-	-	-	-
Total revenues	-	-	361,500	801,473	26,084
Expenditures					
General government	-	-	-	675	-
Cultural and recreational	-	-	-	17,025	-
Public safety	-	-	-	-	-
Public works	-	-	-	(257)	-
Economical and physical development	-	-	120,000	-	49,742
Total expenditures	-	-	120,000	17,443	49,742
Excess (deficiency) of revenues over expenditures	-	-	241,500	784,030	(23,658)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	-	241,500	784,030	(23,658)
Fund balances (deficit), beginning of year	-	-	55,000	(1,208,454)	-
Fund balances (deficit), end of year	\$ -	\$ -	\$ 296,500	\$ (424,424)	\$ (23,658)

(continued)

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the Year Ended June 30, 2021

	FEMA Hurricane Isaias	Redevelopment Fund	Total
Revenues			
Restricted intergovernmental	\$ 505,305	\$ -	\$ 2,948,739
Miscellaneous	-	-	1,170
Investment earnings	-	-	101
Total revenues	<u>505,305</u>	<u>-</u>	<u>2,950,010</u>
Expenditures			
General government	15,229	12,990	28,894
Cultural and recreational	21,143	-	38,168
Public safety	458,832	-	877,826
Public works	59,613	-	248,875
Economical and physical development	2,348	-	1,281,455
Total expenditures	<u>557,165</u>	<u>12,990</u>	<u>2,475,218</u>
Excess (deficiency) of revenues over expenditures	(51,860)	(12,990)	474,792
Other financing sources (uses)			
Transfers in	-	455,000	660,560
Total other financing sources (uses)	<u>-</u>	<u>455,000</u>	<u>660,560</u>
Net change in fund balances	(51,860)	442,010	1,135,352
Fund balances (deficit), beginning of year	<u>-</u>	<u>-</u>	<u>(550,870)</u>
Fund balances (deficit), end of year	<u>\$ (51,860)</u>	<u>\$ 442,010</u>	<u>\$ 584,482</u>

City of New Bern, North Carolina
Community Development
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Program Income	\$ 1,080	\$ 1,170	\$ 90
Investment earnings	-	1	1
Total revenues	<u>1,080</u>	<u>1,171</u>	<u>91</u>
Expenditures			
Economic and physical development			
Operating expenditures	<u>1,080</u>	<u>198</u>	<u>882</u>
Total expenditures	<u>1,080</u>	<u>198</u>	<u>882</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>973</u>	<u>973</u>
Other financing sources (uses)			
Appropriated fund balance	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>973</u>	<u>\$ 973</u>
Fund Balance (Deficit), beginning of year		<u>3,860</u>	
Fund Balance (Deficit), end of year		<u>\$ 4,833</u>	

City of New Bern, North Carolina
Emergency Telephone System
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental			
Wireless 911 funds	\$ 306,829	\$ 217,089	\$ (89,740)
Investment earnings	-	69	69
Total revenues	<u>306,829</u>	<u>217,158</u>	<u>(89,671)</u>
Expenditures			
Public safety			
Operating expenditures	459,389	323,031	136,358
Total expenditures	<u>459,389</u>	<u>323,031</u>	<u>136,358</u>
Excess (deficiency) of revenues over expenditures	<u>(152,560)</u>	<u>(105,873)</u>	<u>46,687</u>
Other financing sources (uses)			
Appropriated fund balance	152,560	-	(152,560)
Transfers in	-	-	-
Total other financing sources (uses)	<u>152,560</u>	<u>-</u>	<u>(152,560)</u>
Net change in fund balance	<u>\$ -</u>	<u>(105,873)</u>	<u>\$ (105,873)</u>
Fund Balance (Deficit), beginning of year		<u>257,950</u>	
Fund Balance (Deficit), end of year		<u>\$ 152,077</u>	

City of New Bern, North Carolina
Police Special Revenue
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental			
Police revenue	\$ 31,229	\$ 24,549	\$ (6,680)
Investment earnings	<u>-</u>	<u>15</u>	<u>15</u>
Total revenues	<u>31,229</u>	<u>24,564</u>	<u>(6,665)</u>
Expenditures			
Public safety			
Operating expenditures	<u>31,229</u>	<u>20,275</u>	<u>10,954</u>
Total expenditures	<u>31,229</u>	<u>20,275</u>	<u>10,954</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>4,289</u>	<u><u>\$ 4,289</u></u>
Fund Balance (Deficit), beginning of year		<u>56,306</u>	
Fund Balance (Deficit), end of year		<u><u>\$ 60,595</u></u>	

City of New Bern, North Carolina
Grants Special Revenue
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Police grants	\$ 151,003	\$ 49,013	\$ (101,990)
Fire grants	20,000	20,000	-
Cultural and recreational	-	-	-
Governing Board	4,500	-	(4,500)
Development Services	375,000	360,000	(15,000)
Public Works	50,000	-	(50,000)
Federal Public Assistance Disaster Grant	191,472	-	(191,472)
Total revenues	<u>791,975</u>	<u>429,013</u>	<u>(362,962)</u>
Expenditures			
Police			
Operating expenditures	158,576	70,366	88,210
Fire			
Operating expenditures	20,000	171	19,829
Cultural and recreational			
Operating expenditures	-	-	-
Governing Board			
Operating expenditures	4,500	-	4,500
Economic and physical development			
Operating expenditures	566,472	518,718	47,754
Public Works			
Operating expenditures	200,000	189,519	10,481
Total expenditures	<u>949,548</u>	<u>778,774</u>	<u>170,774</u>
Excess (deficiency) of revenues over expenditures	<u>(157,573)</u>	<u>(349,761)</u>	<u>(192,188)</u>
Other financing sources (uses)			
Transfers in	156,783	156,783	-
Appropriated fund balance	790	-	(790)
Total other financing sources (uses)	<u>157,573</u>	<u>156,783</u>	<u>(790)</u>
Net change in fund balance	<u>\$ -</u>	<u>(192,978)</u>	<u>\$ (192,978)</u>
Fund Balance (Deficit), beginning of year		<u>175,241</u>	
Fund Balance (Deficit), end of year		<u>\$ (17,737)</u>	

City of New Bern, North Carolina
Public-Private Partnership
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures			
Economic and physical development			
Operating expenditures	\$ 10,000	\$ 6,654	\$ (3,346)
Total expenditures	<u>10,000</u>	<u>6,654</u>	<u>(3,346)</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(6,654)</u>	<u>3,346</u>
Other financing sources (uses)			
Transfers in	10,000	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	3,346	<u>\$ 3,346</u>
Fund Balance (Deficit), beginning of year		<u>-</u>	
Fund Balance (Deficit), end of year		<u>\$ 3,346</u>	

City of New Bern, North Carolina
FEMA Hurricane Irene
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Completed Project	Total Project to Date	Variance Positive (Negative)
Revenues						
Restricted intergovernmental						
Federal Public Assistance						
Disaster grant	\$ 127,599	\$ 110,226	\$ -	\$ (110,226)	\$ -	\$ (127,599)
State Public Assistance						
Disaster grant	47,383	36,742	-	(36,742)	-	(47,383)
Miscellaneous	78,112	78,112	-	(78,112)	-	(78,112)
Total revenues	<u>253,094</u>	<u>225,080</u>	<u>-</u>	<u>(225,080)</u>	<u>-</u>	<u>(253,094)</u>
Expenditures						
Public works						
Operating expenditures	267,644	225,080	-	(225,080)	-	267,644
Total expenditures	<u>267,644</u>	<u>225,080</u>	<u>-</u>	<u>(225,080)</u>	<u>-</u>	<u>267,644</u>
Excess (deficiency) of revenues over expenditures	(14,550)	-	-	-	-	14,550
Other financing sources (uses)						
Transfers in	14,550	-	14,550	-	14,550	-
Total other financing sources (uses)	<u>14,550</u>	<u>-</u>	<u>14,550</u>	<u>-</u>	<u>14,550</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	14,550	<u>-</u>	<u>\$ 14,550</u>	<u>\$ 14,550</u>
Fund Balance (Deficit), beginning of year			<u>-</u>			
Fund Balance (Deficit), end of year			<u>\$ 14,550</u>			

City of New Bern, North Carolina
Metropolitan Planning Grant (MPO)
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Basis)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental			
NC Department of Transportation	\$ 207,013	\$ 181,420	\$ (25,593)
Total revenues	<u>207,013</u>	<u>181,420</u>	<u>(25,593)</u>
Expenditures			
Economic and physical development			
Salaries and employee benefits	138,499	145,288	(6,789)
Operating expenditures	<u>122,791</u>	<u>57,219</u>	<u>65,572</u>
Total expenditures	<u>261,290</u>	<u>202,507</u>	<u>58,783</u>
Excess (deficiency) of revenues over expenditures	(54,277)	(21,087)	33,190
Other financing sources (uses)			
Appropriated fund balance	30,000	-	(30,000)
Transfers in	<u>24,277</u>	<u>24,227</u>	<u>(50)</u>
Total other financing sources (uses)	<u>54,277</u>	<u>24,227</u>	<u>(30,050)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,140</u>	<u>\$ 3,140</u>
Fund Balance (Deficit), beginning of year		<u>8,690</u>	
Fund Balance (Deficit), end of year		<u>\$ 11,830</u>	

City of New Bern, North Carolina
Entitlement Cities CDBG Program
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
NC Department of Commerce	\$ 1,734,397	\$ 958,717	\$ 381,989	\$ 1,340,706	\$ (393,691)
Total revenues	<u>1,734,397</u>	<u>958,717</u>	<u>381,989</u>	<u>1,340,706</u>	<u>(393,691)</u>
Expenditures					
Economic and physical development					
Operating expenditures	1,734,397	957,717	381,288	1,339,005	395,392
Capital outlay - construction	-	-	-	-	-
Total expenditures	<u>1,734,397</u>	<u>957,717</u>	<u>381,288</u>	<u>1,339,005</u>	<u>395,392</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,000</u>	<u>701</u>	<u>1,701</u>	<u>1,701</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,000</u>	<u>701</u>	<u>\$ 1,701</u>	<u>\$ 1,701</u>
Fund Balance (Deficit), beginning of year			<u>1,000</u>		
Fund Balance (Deficit), end of year			<u>\$ 1,701</u>		

City of New Bern, North Carolina
Equitable Sharing U.S. Department of Justice
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Police grants	\$ 8,308	\$ 20,317	\$ 12,009
Investment earnings	-	16	16
Total revenues	<u>8,308</u>	<u>20,333</u>	<u>12,025</u>
Expenditures			
Public safety			
Operating expenditures	8,308	5,151	3,157
Total expenditures	<u>8,308</u>	<u>5,151</u>	<u>3,157</u>
Excess (deficiency) of revenues over expenditures	-	15,182	15,182
Other financing sources (uses)			
Appropriated fund balance	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	15,182	<u>\$ 15,182</u>
Fund Balance (Deficit), beginning of year		<u>60,087</u>	
Fund Balance (Deficit), end of year		<u>\$ 75,269</u>	

City of New Bern, North Carolina
Neuse River Gateway
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
State grant	\$ 75,000	\$ 55,000	\$ -	\$ 55,000	\$ (20,000)
Total revenues	<u>75,000</u>	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>(20,000)</u>
Expenditures					
Economic and physical development					
Capital outlay - construction	<u>125,000</u>	<u>65,550</u>	<u>-</u>	<u>65,550</u>	<u>59,450</u>
Total expenditures	<u>125,000</u>	<u>65,550</u>	<u>-</u>	<u>65,550</u>	<u>59,450</u>
Excess (deficiency) of revenues over expenditures	(50,000)	(10,550)	-	(10,550)	39,450
Other financing sources (uses)					
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 39,450</u>	<u>-</u>	<u>\$ 39,450</u>	<u>\$ 39,450</u>
Fund Balance (Deficit), beginning of year			<u>39,450</u>		
Fund Balance (Deficit), end of year			<u>\$ 39,450</u>		

City of New Bern, North Carolina
City Market Workforce Development
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
State grant	\$ 1,373,250	\$ 1,340,249	\$ -	\$ 1,340,249	\$ (33,001)
Golden Leaf Grant	549,000	549,000	-	549,000	-
Interest Income	-	53	-	53	53
Total revenues	<u>1,922,250</u>	<u>1,889,302</u>	<u>-</u>	<u>1,889,302</u>	<u>(32,948)</u>
Expenditures					
Economic and physical development					
Capital outlay - construction	<u>2,856,500</u>	<u>2,823,552</u>	<u>-</u>	<u>2,823,552</u>	<u>32,948</u>
Total expenditures	<u>2,856,500</u>	<u>2,823,552</u>	<u>-</u>	<u>2,823,552</u>	<u>32,948</u>
Excess (deficiency) of revenues over expenditures	(934,250)	(934,250)	-	(934,250)	-
Other financing sources (uses)					
Transfers in	314,843	314,843	-	314,843	-
Installment purchase obligations	<u>619,407</u>	<u>619,407</u>	<u>-</u>	<u>619,407</u>	<u>-</u>
Total other financing sources (uses)	<u>934,250</u>	<u>934,250</u>	<u>-</u>	<u>934,250</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ -</u>		

City of New Bern, North Carolina
Union Station Train Depot
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Contributions			
NC Department of Transportation	\$ 218,000	\$ -	\$ (218,000)
Total revenues	<u>218,000</u>	<u>-</u>	<u>(218,000)</u>
Expenditures			
Economic and physical development			
Operating expenditures	218,000	-	(218,000)
Total expenditures	<u>218,000</u>	<u>-</u>	<u>(218,000)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance (Deficit), beginning of year		-	
Fund Balance (Deficit), end of year		<u>\$ -</u>	

City of New Bern, North Carolina
Resiliency and Hazard Mitigation
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
NC Department of Env Quality	\$ 33,000	\$ -	\$ 33,000	\$ 33,000	\$ -
Foundation Grants	608,500	55,000	328,500	383,500	(225,000)
Total revenues	641,500	55,000	361,500	416,500	(225,000)
Expenditures					
Economic and physical development					
Other Professional Services	641,500	-	120,000	120,000	521,500
Total expenditures	641,500	-	120,000	120,000	521,500
Excess (deficiency) of revenues over expenditures	-	55,000	241,500	296,500	296,500
Net change in fund balance	\$ -	\$ 55,000	241,500	\$ 296,500	\$ 296,500
Fund Balance (Deficit), beginning of year			55,000		
Fund Balance (Deficit), end of year			\$ 296,500		

City of New Bern, North Carolina
FEMA Hurricane Dorian
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal Public Disaster Assistance					
Grant	\$ 1,125,000	\$ 205,475	\$ 601,105	\$ 806,580	\$ (318,420)
State Public Disaster Assistance					
Grant	375,000	68,492	200,368	268,860	(106,140)
Total revenues	<u>1,500,000</u>	<u>273,967</u>	<u>801,473</u>	<u>1,075,440</u>	<u>(424,560)</u>
Expenditures					
General government					
Administration					
Salaries and employee benefits	9,115	9,115	-	9,115	-
Operating expenditures	-	-	-	-	-
Information technology					
Salaries and employee benefits	11,744	11,744	-	11,744	-
Operating expenditures	1,050	1,050	-	1,050	-
Finance					
Salaries and employee benefits	13,921	13,921	675	14,596	(675)
Operating expenditures	790	790	-	790	-
Human resources					
Salaries and employee benefits	6,745	6,745	-	6,745	-
Operating expenditures	-	-	-	-	-
Public Safety					
Police					
Salaries and employee benefits	173,099	173,099	-	173,099	-
Operating expenditures	15,636	15,636	-	15,636	-
Fire					
Salaries and employee benefits	84,738	84,738	-	84,738	-
Operating expenditures	5,934	5,934	-	5,934	-
E911					
Salaries and employee benefits	1,602	1,602	-	1,602	-
Operating expenditures	-	-	-	-	-
Public works					
Streets					
Salaries and employee benefits	22,583	22,584	-	22,584	(1)
Operating expenditures	8,516	10,407	-	10,407	(1,891)
Public buildings					
Salaries and employee benefits	11,353	11,351	-	11,351	2
Operating expenditures	9,945	9,945	-	9,945	-
Administration					
Salaries and employee benefits	16,701	16,702	-	16,702	(1)
Operating expenditures	4,988	4,987	-	4,987	1

City of New Bern, North Carolina
FEMA Hurricane Dorian
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Water Fund					
Salaries and employee benefits	55,390	55,391	-	55,391	(1)
Operating expenditures	12,447	12,448	-	12,448	(1)
Solid Waste					
Salaries and employee benefits	24,096	24,062	-	24,062	34
Operating expenditures	231,570	251,089	-	251,089	(19,519)
Sewer Fund					
Salaries and employee benefits	58,649	58,649	-	58,649	-
Operating expenditures	10,362	10,362	-	10,362	-
Stormwater Fund					
Salaries and employee benefits	8,304	8,305	-	8,305	(1)
Operating expenditures	1,399	1,399	-	1,399	-
Electric Fund					
Salaries and employee benefits	205,029	205,031	-	205,031	(2)
Operating expenditures	442,177	401,605	(257)	401,348	40,829
Cultural and Recreation					
Salaries and employee benefits	38,934	38,926	-	38,926	8
Operating expenditures	3,097	4,720	17,025	21,745	(18,648)
Economic and physical development					
Salaries and employee benefits	10,086	10,084	-	10,084	2
Operating expenditures	-	-	-	-	-
Total expenditures	<u>1,500,000</u>	<u>1,482,421</u>	<u>17,443</u>	<u>1,499,864</u>	<u>136</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,208,454)</u>	<u>784,030</u>	<u>(424,424)</u>	<u>(424,424)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,208,454)</u>	<u>784,030</u>	<u>\$ (424,424)</u>	<u>\$ (424,424)</u>
Fund Balance (Deficit), beginning of year			<u>(1,208,454)</u>		
Fund Balance (Deficit), end of year			<u>\$ (424,424)</u>		

City of New Bern, North Carolina
CDBG - Coronavirus Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
NC Department of Commerce	\$ 346,735	\$ -	\$ 26,084	\$ 26,084	\$ (320,651)
Foundation Grants	-	-	-	-	-
Total revenues	<u>346,735</u>	<u>-</u>	<u>26,084</u>	<u>26,084</u>	<u>(320,651)</u>
Expenditures					
Economic and physical development					
Other Professional Services	<u>346,735</u>	<u>-</u>	<u>49,742</u>	<u>49,742</u>	<u>296,993</u>
Total expenditures	<u>346,735</u>	<u>-</u>	<u>49,742</u>	<u>49,742</u>	<u>296,993</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(23,658)</u>	<u>(23,658)</u>	<u>(23,658)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(23,658)</u>	<u>\$ (23,658)</u>	<u>\$ (23,658)</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ (23,658)</u>		

City of New Bern, North Carolina
FEMA Hurricane Isaias
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal Public Disaster Assistance Grant	\$ 562,500	\$ -	\$ 378,979	\$ 378,979	\$ (183,521)
State Public Disaster Assistance Grant	187,500	-	126,326	126,326	(61,174)
Total revenues	<u>750,000</u>	<u>-</u>	<u>505,305</u>	<u>505,305</u>	<u>(244,695)</u>
Expenditures					
General government					
Administration					
Salaries and employee benefits	6,100	-	4,820	4,820	1,280
Operating expenditures	20,000	-	-	-	20,000
Information technology					
Salaries and employee benefits	7,200	-	5,122	5,122	2,078
Operating expenditures	300	-	225	225	75
Finance					
Salaries and employee benefits	5,650	-	4,119	4,119	1,531
Operating expenditures	700	-	332	332	368
Human resources					
Salaries and employee benefits	1,250	-	611	611	639
Operating expenditures	500	-	-	-	500
Public Safety					
Police					
Salaries and employee benefits	39,350	-	37,922	37,922	1,428
Operating expenditures	31,000	-	3,567	3,567	27,433
Fire					
Salaries and employee benefits	33,300	-	18,083	18,083	15,217
Operating expenditures	25,000	-	41	41	24,959
E911					
Salaries and employee benefits	-	-	-	-	-
Operating expenditures	-	-	-	-	-
Public works					
Streets					
Salaries and employee benefits	16,700	-	14,734	14,734	1,966
Operating expenditures	2,500	-	1,869	1,869	631
Public buildings					
Salaries and employee benefits	5,000	-	3,713	3,713	1,287
Operating expenditures	10,000	-	173	173	9,827
Administration					
Salaries and employee benefits	11,700	-	8,986	8,986	2,714
Operating expenditures	1,000	-	211	211	789

City of New Bern, North Carolina
FEMA Hurricane Isaias
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total Project to Date</u>	<u>Variance Positive (Negative)</u>
Water Fund					
Salaries and employee benefits	30,200	-	25,641	25,641	4,559
Operating expenditures	5,200	-	4,441	4,441	759
Solid Waste					
Salaries and employee benefits	26,500	-	19,786	19,786	6,714
Operating expenditures	1,500	-	173,328	173,328	(171,828)
Sewer Fund					
Salaries and employee benefits	26,300	-	22,715	22,715	3,585
Operating expenditures	3,000	-	1,684	1,684	1,316
Stormwater Fund					
Salaries and employee benefits	7,700	-	5,079	5,079	2,621
Operating expenditures	10,000	-	410	410	9,590
Electric Fund					
Salaries and employee benefits	92,250	-	75,226	75,226	17,024
Operating expenditures	201,700	-	100,836	100,836	100,864
Cultural and Recreation					
Salaries and employee benefits	25,250	-	20,322	20,322	4,928
Operating expenditures	100,000	-	821	821	99,179
Economic and physical development					
Salaries and employee benefits	2,650	-	2,348	2,348	302
Operating expenditures	500	-	-	-	500
Total expenditures	<u>750,000</u>	<u>-</u>	<u>557,165</u>	<u>557,165</u>	<u>192,835</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(51,860)</u>	<u>(51,860)</u>	<u>(51,860)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(51,860)</u>	<u>\$ (51,860)</u>	<u>\$ (51,860)</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ (51,860)</u>		

City of New Bern, North Carolina
Redevelopment Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
General Government			
Operating expenditures	\$ 455,000	\$ 12,990	\$ 442,010
Total expenditures	<u>455,000</u>	<u>12,990</u>	<u>442,010</u>
Other Financing Sources (Uses)			
Transfers in	455,000	455,000	-
Total other financing sources (uses)	<u>455,000</u>	<u>455,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	442,010	<u>\$ 442,010</u>
Fund Balance (Deficit), beginning of year		<u>-</u>	
Fund Balance (Deficit), end of year		<u>\$ 442,010</u>	

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2021

	General Capital Project	IT Network Merger	Roadway Improvement Project	Martin Marietta Park Project	ERP Project	Garage Relocation Project
ASSETS						
Cash and cash equivalents	\$ 51,614	\$ 21,442	\$ -	\$ -	\$ 283,745	\$ 15,996
Accounts receivable, net	-	-	-	-	814	-
Due from other governments	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Total assets	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,559</u>	<u>\$ 15,996</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable & accrued liabilities	\$ -	\$ -	\$ 134,865	\$ 1,840	\$ 14,370	\$ -
Due to Other Funds	-	-	2,079,265	278,664	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,214,130</u>	<u>280,504</u>	<u>14,370</u>	<u>-</u>
Fund balances						
Restricted:						
Public safety	-	-	-	-	-	-
Streetscape projects	-	-	-	-	-	-
ERP Systems	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Assigned:						
Capital projects	51,614	21,442	-	-	270,189	15,996
Unassigned	-	-	(2,214,130)	(280,504)	-	-
Total fund balances	<u>51,614</u>	<u>21,442</u>	<u>(2,214,130)</u>	<u>(280,504)</u>	<u>270,189</u>	<u>15,996</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 284,559</u>	<u>\$ 15,996</u>

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2021

	Drainage Improvement Project	City Hall Renovation Project	MSD Improvement Fund	Alexander Thalmann Field Project	Total
ASSETS					
Cash and cash equivalents	\$ 290,091	\$ 875	\$ -	\$ -	\$ 663,763
Accounts receivable, net	-	-	-	-	814
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	178,933	-	-	-	178,933
Total assets	<u>\$ 469,024</u>	<u>\$ 875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843,510</u>
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable & accrued liabilities	\$ 63,219	\$ -	\$ -	\$ -	\$ 214,294
Due to Other Funds	-	-	-	-	2,357,929
Total liabilities	<u>63,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,572,223</u>
Fund balances					
Restricted:					
Public safety	-	-	-	-	-
Streetscape projects	-	-	-	-	-
ERP Systems	-	-	-	-	-
Public Works	-	-	-	-	-
Assigned:					
Capital projects	405,805	875	-	-	765,921
Unassigned	-	-	-	-	(2,494,634)
Total fund balances	<u>405,805</u>	<u>875</u>	<u>-</u>	<u>-</u>	<u>(1,728,713)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 469,024</u>	<u>\$ 875</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843,510</u>

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects
For the Year Ended June 30, 2021

	General Capital Project	IT Network Merger	Roadway Improvement Project	Martin Marietta Park Project	ERP Project	Garage Relocation Project
Revenues						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Investment earnings	-	-	-	-	194	79
Total revenues	-	-	-	-	194	79
Expenditures						
General government	-	-	-	-	-	-
Public works	-	-	2,281,801	315,555	25,569	156
Economical and physical development	-	-	-	-	-	-
Total expenditures	-	-	2,281,801	315,555	25,569	156
Excess (deficiency) of revenues over expenditures	-	-	(2,281,801)	(315,555)	(25,375)	(77)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Installment purchase obligations issued	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	-	-	(2,281,801)	(315,555)	(25,375)	(77)
Fund balances (deficit), beginning of year	51,614	21,442	67,671	35,051	295,564	16,073
Fund balances (deficit), end of year	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ (2,214,130)</u>	<u>\$ (280,504)</u>	<u>\$ 270,189</u>	<u>\$ 15,996</u>

(continued)

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects
For the Year Ended June 30, 2021

	Drainage Improvement Project	City Hall Renovation Project	MSD Improvement Fund	Alexander Thalmann Field Project	Total
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-
Investment earnings	174	-	-	-	447
Total revenues	174	-	-	-	447
Expenditures					
General government	-	114,625	-	-	114,625
Public works	168,516	-	-	-	2,791,597
Economical and physical development	-	-	-	-	-
Total expenditures	168,516	114,625	-	-	2,906,222
Excess (deficiency) of revenues over expenditures	(168,342)	(114,625)	-	-	(2,905,775)
Other financing sources (uses)					
Transfers in	-	115,500	-	-	115,500
Transfers out	-	-	-	-	-
Installment purchase obligations issued	-	-	-	-	-
Total other financing sources (uses)	-	115,500	-	-	115,500
Net change in fund balances	(168,342)	875	-	-	(2,790,275)
Fund balances (deficit), beginning of year	574,147	-	-	-	1,061,562
Fund balances (deficit), end of year	\$ 405,805	\$ 875	\$ -	\$ -	\$ (1,728,713)

City of New Bern, North Carolina
General Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Expenditures					
General government					
Capital outlay	\$ 930,370	\$ 878,754	\$ -	\$ 878,754	\$ 51,616
Total expenditures	<u>930,370</u>	<u>878,754</u>	<u>-</u>	<u>878,754</u>	<u>51,616</u>
Deficiency of revenues under expenditures	(930,370)	(878,754)	-	(878,754)	51,616
Other financing sources (uses)					
Transfers in	930,370	930,368	-	930,368	(2)
Total other financing sources (uses)	<u>930,370</u>	<u>930,368</u>	<u>-</u>	<u>930,368</u>	<u>(2)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 51,614</u>	<u>-</u>	<u>\$ 51,614</u>	<u>\$ 51,614</u>
Fund Balance (Deficit), beginning of year			51,614		
Fund Balance (Deficit), end of year			<u>\$ 51,614</u>		

City of New Bern, North Carolina
IT Network Merger
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Expenditures					
Economic and physical development					
Engineering services	\$ 150,000	\$ 127,154	\$ -	\$ 127,154	\$ 22,846
Capital outlay	335,500	371,904	-	371,904	(36,404)
Contingency	35,000	-	-	-	35,000
Total expenditures	<u>520,500</u>	<u>499,058</u>	<u>-</u>	<u>499,058</u>	<u>21,442</u>
Deficiency of revenues under expenditures	(520,500)	(499,058)	-	(499,058)	21,442
Other financing sources (uses)					
Transfer from other funds	-	520,500	-	520,500	520,500
Installment purchase obligations issued	520,500	-	-	-	(520,500)
Total other financing sources (uses)	<u>520,500</u>	<u>520,500</u>	<u>-</u>	<u>520,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 21,442</u>	<u>-</u>	<u>\$ 21,442</u>	<u>\$ 21,442</u>
Fund Balance (Deficit), beginning of year			<u>21,442</u>		
Fund Balance (Deficit), end of year			<u>\$ 21,442</u>		

City of New Bern, North Carolina
2017 Roadway Improvements Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
NC Department of Transportation	\$ 687,000	\$ 687,000	\$ -	\$ 687,000	\$ -
Interest Income	-	139	-	139	139
Total revenues	<u>687,000</u>	<u>687,139</u>	<u>-</u>	<u>687,139</u>	<u>139</u>
Expenditures					
Public works					
Capital outlay	6,310,000	3,799,468	2,281,801	6,081,269	228,731
Total expenditures	<u>6,310,000</u>	<u>3,799,468</u>	<u>2,281,801</u>	<u>6,081,269</u>	<u>228,731</u>
Deficiency of revenues under expenditures	(5,623,000)	(3,112,329)	(2,281,801)	(5,394,130)	228,870
Other financing sources (uses)					
Transfers in	1,580,000	1,580,000	-	1,580,000	-
Installment purchase obligations issued	4,043,000	1,600,000	-	1,600,000	(2,443,000)
Total other financing sources (uses)	<u>5,623,000</u>	<u>3,180,000</u>	<u>-</u>	<u>3,180,000</u>	<u>(2,443,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 67,671</u>	<u>(2,281,801)</u>	<u>\$ (2,214,130)</u>	<u>\$ (2,214,130)</u>
Fund Balance (Deficit), beginning of year			<u>67,671</u>		
Fund Balance (Deficit), end of year			<u>\$ (2,214,130)</u>		

City of New Bern, North Carolina
Martin Meriatta Park Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
NC PARTF Grant	\$ 475,000	\$ -	\$ -	\$ -	\$ (475,000)
Miscellaneous	97,500	97,500	-	97,500	-
Total revenues	<u>572,500</u>	<u>97,500</u>	<u>-</u>	<u>97,500</u>	<u>(475,000)</u>
Expenditures					
Public works					
Capital outlay	655,000	144,949	315,555	460,504	194,496
Total expenditures	<u>655,000</u>	<u>144,949</u>	<u>315,555</u>	<u>460,504</u>	<u>194,496</u>
Deficiency of revenues under expenditures	(82,500)	(47,449)	(315,555)	(363,004)	(280,504)
Other financing sources (uses)					
Transfers in	82,500	82,500	-	82,500	-
Net change in fund balance	<u>\$ -</u>	<u>\$ 35,051</u>	<u>(315,555)</u>	<u>\$ (280,504)</u>	<u>\$ (280,504)</u>
Fund Balance (Deficit), beginning of year			<u>35,051</u>		
Fund Balance (Deficit), end of year			<u>\$ (280,504)</u>		

City of New Bern, North Carolina
ERP Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 15,382	\$ 194	\$ 15,576	\$ 15,576
Total revenues	-	15,382	194	15,576	15,576
Expenditures					
Public works					
Capital outlay	1,350,000	840,535	49,171	889,706	460,294
Capital outlay - transferred to Enterprise Funds	-	(405,717)	(23,602)	(429,319)	429,319
Total expenditures	1,350,000	434,818	25,569	460,387	889,613
Deficiency of revenues under expenditures	(1,350,000)	(419,436)	(25,375)	(444,811)	905,189
Other financing sources (uses)					
Installment purchase obligations issued	1,350,000	1,300,000	-	1,300,000	(50,000)
Installment purchase obligations - transferred to Enterprise Fund	-	(585,000)	-	(585,000)	(585,000)
Total other financing sources (uses)	1,350,000	715,000	-	715,000	(635,000)
Net change in fund balance	\$ -	\$ 295,564	(25,375)	\$ 270,189	\$ 270,189
Fund Balance (Deficit), beginning of year			295,564		
Fund Balance (Deficit), end of year			\$ 270,189		

City of New Bern, North Carolina
Garage Relocation Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 28,225	\$ 79	\$ 28,304	\$ 28,304
Total revenues	-	28,225	79	28,304	28,304
Expenditures					
Public works					
Capital outlay	850,000	862,152	156	862,308	(12,308)
Total expenditures	850,000	862,152	156	862,308	(12,308)
Deficiency of revenues under expenditures	(850,000)	(833,927)	(77)	(834,004)	15,996
Other financing sources (uses)					
Installment purchase obligations issued	820,000	820,000	-	820,000	-
Transfers in	30,000	30,000	-	30,000	-
Total other financing sources (uses)	850,000	850,000	-	850,000	-
Net change in fund balance	\$ -	\$ 16,073	(77)	\$ 15,996	\$ 15,996
Fund Balance (Deficit), beginning of year			16,073		
Fund Balance (Deficit), end of year			\$ 15,996		

City of New Bern, North Carolina
Drainage Improvements Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 100,000	\$ 51,698	\$ 174	\$ 51,872	\$ (48,128)
Total revenues	<u>100,000</u>	<u>51,698</u>	<u>174</u>	<u>51,872</u>	<u>(48,128)</u>
Expenditures					
Public works					
Capital outlay	1,775,000	1,152,551	168,516	1,321,067	453,933
Total expenditures	<u>1,775,000</u>	<u>1,152,551</u>	<u>168,516</u>	<u>1,321,067</u>	<u>453,933</u>
Deficiency of revenues under expenditures	(1,675,000)	(1,100,853)	(168,342)	(1,269,195)	405,805
Other financing sources (uses)					
Installment purchase obligations issued	1,500,000	1,500,000	-	1,500,000	-
Transfers in	175,000	175,000	-	175,000	-
Total other financing sources (uses)	<u>1,675,000</u>	<u>1,675,000</u>	<u>-</u>	<u>1,675,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 574,147</u>	(168,342)	<u>\$ 405,805</u>	<u>\$ 405,805</u>
Fund Balance (Deficit), beginning of year			<u>574,147</u>		
Fund Balance (Deficit), end of year			<u>\$ 405,805</u>		

City of New Bern, North Carolina
City Hall Renovations
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
General Government					
Capital outlay	1,000,000	-	114,625	114,625	885,375
Total expenditures	1,000,000	-	114,625	114,625	885,375
Deficiency of revenues under expenditures	(1,000,000)	-	(114,625)	(114,625)	885,375
Other financing sources (uses)					
Transfers in	-	-	115,500	115,500	115,500
Installment purchase obligations issued	1,000,000	-	-	-	(1,000,000)
Total other financing sources (uses)	1,000,000	-	115,500	115,500	(884,500)
Net change in fund balance	\$ -	\$ -	875	\$ 875	\$ 875
Fund Balance (Deficit), beginning of year			-		
Fund Balance (Deficit), end of year			\$ 875		

City of New Bern, North Carolina
MSD Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 82	\$ -	\$ -	\$ -	\$ (82)
Total revenues	<u>82</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82)</u>
Expenditures					
General Government					
Capital outlay	<u>749,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>749,359</u>
Total expenditures	<u>749,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>749,359</u>
Deficiency of revenues under expenditures	(749,277)	-	-	-	749,277
Other financing sources (uses)					
Transfers to other Funds	(50,723)	-	-	-	50,723
Installment purchase obligations issued	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>
Total other financing sources (uses)	<u>749,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(749,277)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ -</u>		

City of New Bern, North Carolina
City Hall Renovations
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
General Government					
Capital outlay	175,503	-	-	-	175,503
Total expenditures	175,503	-	-	-	175,503
Deficiency of revenues under expenditures	(175,503)	-	-	-	175,503
Other financing sources (uses)					
Transfers in	175,503	-	-	-	(175,503)
Total other financing sources (uses)	175,503	-	-	-	(175,503)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance (Deficit), beginning of year			-		
Fund Balance (Deficit), end of year			\$ -		

City of New Bern, North Carolina
Electric Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating revenues			
Electric charges	\$ 52,934,408	\$ 53,475,524	\$ 541,116
Nonoperating revenues			
Investment earnings	90,350	4,894	(85,456)
Interfund reimbursements	1,571,156	1,571,086	(70)
Miscellaneous	169,720	282,889	113,169
Total revenues	<u>54,765,634</u>	<u>55,334,393</u>	<u>568,759</u>
Expenditures:			
Administration	4,576,778	3,928,935	647,843
Production	37,594,235	37,433,060	161,175
Distribution	4,572,260	4,181,534	390,726
Reimbursed expenditures - General Fund	1,654,533	1,654,533	-
Capital outlay	2,399,702	2,229,157	170,545
Debt service	1,784,837	1,781,072	3,765
Total expenditures	<u>52,582,345</u>	<u>51,208,291</u>	<u>1,374,054</u>
Revenues over (under) expenditures	<u>2,183,289</u>	<u>4,126,102</u>	<u>1,942,813</u>
Other financing sources (uses):			
Gain/(loss) on sale of assets	1,000	33,451	32,451
Appropriated fund balance	506,556	-	(506,556)
Transfers in	382,015	382,015	-
Transfers out	(2,670,376)	(2,670,376)	-
Transfers out - payments in lieu of taxes	(402,484)	(378,396)	24,088
Total other financing sources (uses)	<u>(2,183,289)</u>	<u>(2,633,306)</u>	<u>(450,017)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	1,492,796	<u>\$ 1,492,796</u>
Reconciliation from budgetary basis (modified accrual to full accrual):			
Capital outlays		2,011,840	
Payments of debt service - principal		1,649,121	
Change in accrued interest		4,934	
Increase in compensated absences		(25,796)	
Bad debt expense		(22,445)	
Change in net pension liability and related deferred inflows / outflows		(214,224)	
Depreciation expense		(2,346,443)	
Electric Rate Stabilization Fund		(381,813)	
2019 Electrical Improvements Fund		32,826	
Reimbursements from Other Governments		300,444	
Total reconciling items		<u>1,008,444</u>	
Change in net position		<u>\$ 2,501,240</u>	

City of New Bern, North Carolina
Electric Rate Stabilization Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ -	\$ 202	\$ 202
Total	<u>-</u>	<u>202</u>	<u>202</u>
Revenues over (under) expenditures	<u>-</u>	<u>202</u>	<u>202</u>
Other financing sources (uses):			
Appropriated fund balance	382,015	-	(382,015)
Transfers out	<u>(382,015)</u>	<u>(382,015)</u>	<u>-</u>
Total financing sources (uses)	<u>-</u>	<u>(382,015)</u>	<u>(382,015)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (381,813)</u>	<u>\$ (381,813)</u>

City of New Bern, North Carolina
2019 Electrical Improvements Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Years	Total to Date	Variance Positive (Negative)
Revenues					
Foundation Grants	\$ 448,716	\$ -	\$ -	\$ -	\$ (448,716)
Total revenues	<u>448,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(448,716)</u>
Expenditures					
Electrical Improvements	2,081,542	1,346,830	89,711	1,436,541	645,001
NCDOT Improvements	2,301,814	-	362,087	362,087	1,939,727
Total expenditures	<u>4,383,356</u>	<u>1,346,830</u>	<u>451,798</u>	<u>1,798,628</u>	<u>2,584,728</u>
Revenues over (under) expenditures	<u>(3,934,640)</u>	<u>(1,346,830)</u>	<u>(451,798)</u>	<u>(1,798,628)</u>	<u>2,136,012</u>
Other financing sources (uses):					
Transfer in - Electric Fund	1,632,826	1,600,000	32,826	1,632,826	-
Other Reimbursements	<u>2,301,814</u>	<u>-</u>	<u>300,444</u>	<u>300,444</u>	<u>(2,001,370)</u>
Total financing sources (uses)	<u>3,934,640</u>	<u>1,600,000</u>	<u>333,270</u>	<u>1,933,270</u>	<u>(2,001,370)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 253,170</u>	<u>\$ (118,528)</u>	<u>\$ 134,642</u>	<u>\$ 134,642</u>

City of New Bern, North Carolina
2021 Electrical System Capacity Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Years	Total to Date	Variance Positive (Negative)
Expenditures					
Electrical Improvements	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000
NCDOT Improvements		-	-	-	-
Total expenditures	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Revenues over (under) expenditures	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Other financing sources (uses):					
Transfer in - Electric Fund	500,000	-	-	-	(500,000)
Other Reimbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financing sources (uses)	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of New Bern, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year End June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues			
Rates and charges	\$ 9,570,000	\$ 10,212,978	\$ 642,978
Nonoperating revenues			
Investment earnings	34,100	2,021	(32,079)
Interfund reimbursements	304,045	304,045	-
Miscellaneous	542,761	902,731	359,970
Total revenues	<u>10,450,906</u>	<u>11,421,775</u>	<u>970,869</u>
Expenditures:			
Administration	639,400	629,892	9,508
System maintenance and extensions	2,040,495	1,940,951	99,544
Reimbursed expenditures - General Fund	1,742,173	1,742,173	-
Treatment	2,722,522	2,239,047	483,475
Capital outlay	291,708	278,348	13,360
Debt Service	2,889,481	2,889,480	1
Total expenditures	<u>10,325,779</u>	<u>9,719,891</u>	<u>605,888</u>
Revenues over (under) expenditures	<u>125,127</u>	<u>1,701,884</u>	<u>1,576,757</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	6,500	23,234	16,734
Proceeds from installment note issuance	130,000	-	(130,000)
Transfers out - payment in lieu of taxes	(333,865)	(317,394)	16,471
Budgeted use of fund balance	166,619	-	(166,619)
Contingency	(94,381)	-	94,381
Total other financing sources (uses)	<u>(125,127)</u>	<u>(294,160)</u>	<u>(169,033)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	1,407,724	<u>\$ 1,407,724</u>
Reconciliation from budgetary basis			
(modified accrual) to full accrual:			
Capital outlays		295,722	
Payments of debt service - principal		2,451,150	
Change in compensated absences		(2,964)	
Change in net pension liability and related deferred inflows / outflows		(107,519)	
Change in accrued interest		7,806	
Depreciation expense		(1,636,008)	
Bad debt expense		(13,976)	
Water Capital Reserve Fund		347	
Allocated share of AMI/DSM System Enterprise Capital Project Fund		3	
Net income (loss)		<u>\$ 2,402,285</u>	

City of New Bern, North Carolina
Water Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Capital recovery fee	\$ -	\$ -	\$ -
Interest	5,025	347	(4,678)
Total revenues	<u>5,025</u>	<u>347</u>	<u>(4,678)</u>
Expenditures:			
Capital outlays	5,025	-	5,025
Total expenditures	<u>5,025</u>	<u>-</u>	<u>5,025</u>
Revenues over (under) expenditures	<u>-</u>	<u>347</u>	<u>347</u>
Other financing sources (uses):			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 347</u>	<u>\$ 347</u>

City of New Bern, North Carolina
West New Bern Water System Improvement Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the fiscal Year Ended June 30, 2021

		Actual			Variance
	Project	Prior Years	Current Years	Total	Positive
	Authorization				(Negative)
Expenditures					
Capital outlays	\$ 770,000	\$ 318,880	\$ 5,076	\$ 323,956	\$ 446,044
Revenues over (under)					
expenditures	(770,000)	(318,880)	(5,076)	(323,956)	446,044
Other financing sources (uses):					
Transfer in	770,000	385,000	-	385,000	(385,000)
Total other financing					
sources (uses)	770,000	385,000	-	385,000	(385,000)
Net change in fund balance	\$ -	\$ 66,120	\$ (5,076)	\$ 61,044	\$ 61,044

City of New Bern, North Carolina
2017 Water Improvement Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

		Actual				Variance
	Project Authorization	Prior Years	Current Years	Capitalized Projects	Total	Positive (Negative)
Expenditures						
Treatment	\$ 2,187,737	\$ 2,102,057	\$ -	\$ -	\$ 2,102,057	\$ 85,680
Revenues over (under)						
expenditures	(2,187,737)	(2,102,057)	-	-	(2,102,057)	85,680
Other financing sources (uses):						
Transfer in	2,187,737	2,187,737	-	-	2,187,737	-
Total other financing sources (uses)	2,187,737	2,187,737	-	-	2,187,737	-
Net change in fund balance	\$ -	\$ 85,680	\$ -	\$ -	\$ 85,680	\$ 85,680

City of New Bern, North Carolina
AMI/DSM System Enterprise Capital Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Prior Years	Current Years	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 21,000	\$ 32,839	\$ 3	\$ 32,842	\$ 11,842
Total revenues	<u>21,000</u>	<u>32,839</u>	<u>3</u>	<u>32,842</u>	<u>11,842</u>
Expenditures					
Professional services - Electric Fund	107,253	153,580	-	153,580	(46,327)
Professional services - Water Fund	68,498	68,498	-	68,498	-
Capital outlay - Electric Fund	6,390,813	6,571,603	-	6,571,603	(180,790)
Capital outlay - Water Fund	3,444,136	3,122,269	89,964	3,212,233	231,903
Debt service - interest and fiscal charges	45,300	45,300	-	45,300	-
Total expenditures	<u>10,056,000</u>	<u>9,961,250</u>	<u>89,964</u>	<u>10,051,214</u>	<u>4,786</u>
Revenues over (under) expenditures	<u>(10,035,000)</u>	<u>(9,928,411)</u>	<u>(89,961)</u>	<u>(10,018,372)</u>	<u>7,056</u>
Other financing sources (uses):					
Transfer in	1,250,100	1,250,100	-	1,250,100	-
Debt issued - Electric Fund	5,677,000	5,677,000	-	5,677,000	-
Debt issued - Sewer Fund	3,107,900	3,107,900	-	3,107,900	-
Total financing sources (uses)	<u>10,035,000</u>	<u>10,035,000</u>	<u>-</u>	<u>10,035,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 106,589</u>	<u>\$ (89,961)</u>	<u>\$ 16,628</u>	<u>\$ 16,628</u>

Note: This project includes assets and debt that are reflected in the Water, Sewer and Electric Fund.

City of New Bern, North Carolina
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating revenues			
Sewer charges	\$ 11,103,600	\$ 11,918,249	\$ 814,649
Nonoperating revenues			
Interest	30,100	1,015	(29,085)
Miscellaneous	635,210	1,017,966	382,756
Total revenues	<u>11,768,910</u>	<u>12,937,230</u>	<u>1,168,320</u>
Expenditures:			
System maintenance and extension	3,313,361	3,339,385	(26,024)
Reimbursed Expenditures	196,293	196,293	-
Treatment	3,154,829	3,053,793	101,036
Shared services	1,889,585	1,889,585	-
Capital outlay	1,438,047	1,280,865	157,182
Debt Service	2,392,101	2,390,517	1,584
Total expenditures	<u>12,384,216</u>	<u>12,150,438</u>	<u>233,778</u>
Revenues over (under) expenditures	(615,306)	786,792	1,402,098
Other financing sources (uses):			
Appropriation of net position	793,855	-	(793,855)
Proceeds from installment purchase insurance	75,000	-	(75,000)
Proceeds from sale of capital assets	17,000	3,445	(13,555)
Transfers out - payment in lieu of taxes	(487,167)	(462,323)	24,844
Transfers out	(65,000)	(65,000)	-
Transfers in	281,618	281,618	-
Total other financing sources (uses)	<u>615,306</u>	<u>(242,260)</u>	<u>(857,566)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	544,532	<u>\$ 544,532</u>

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Capital outlays	1,280,864
Payments of debt service - principal	2,241,343
Increase in compensated absences	(13,726)
Change in net pension liability and related deferred inflows / outflows	(111,948)
Bad debt expense	4,930
Depreciation expense	(2,232,048)
Change in accrued interest payable	7,207
Sewer Debt Service Reserve Fund - Interest	241
Sewer Debt Service Reserve Fund - Transfer Out	(281,618)
Township 7 Sewer Improvements Capital Project Fund - Transfer In	65,000
Sewer Capital Reserve Fund	204
Change in net position	<u>\$ 1,504,981</u>

City of New Bern, North Carolina
Sewer Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Capital recovery fee	\$ -	\$ -	\$ -
Interest	3,475	204	(3,271)
Total revenues	<u>3,475</u>	<u>204</u>	<u>(3,271)</u>
Expenditures:			
Capital outlay	3,475	-	3,475
Total expenditures	<u>3,475</u>	<u>-</u>	<u>(3,475)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 204</u>	<u>\$ 204</u>

City of New Bern, North Carolina
Township 7 Sewer Improvements Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Years	Total	
Revenue					
Golden Leaf Foundation Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Expenditures					
Treatment	1,187,223	431,220	85,145	516,365	670,858
Revenues over (under) expenditures	(687,223)	(431,220)	(85,145)	(516,365)	170,858
Other financing sources (uses):					
Transfer in	687,223	450,000	65,000	515,000	(172,223)
Revenues and other financing sources over (under) expenditures and other uses	\$ -	\$ 18,780	\$ (20,145)	\$ (1,365)	\$ (1,365)

City of New Bern, North Carolina
Sewer Debt Service Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 241	\$ 241
Total revenues	-	241	241
Revenues over (under) expenditures	-	241	241
Other financing sources (uses):			
Transfers out	(281,618)	(281,618)	-
Fund balance appropriated	281,618	-	(281,618)
Total other financing sources (uses)	-	(281,618)	(281,618)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (281,377)	\$ (281,377)

City of New Bern, North Carolina
Solid Waste
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues			
Collection fees	\$ 3,332,082	\$ 3,496,518	\$ 164,436
Nonoperating revenues			
Interest	-	226	226
Miscellaneous	-	1,193	1,193
Total revenues	<u>3,332,082</u>	<u>3,497,937</u>	<u>165,855</u>
Expenditures:			
Administration	3,147,204	3,080,813	66,391
Shared services	113,953	113,953	-
Reimbursed Expenditures	15,334	15,334	-
Capital outlay	-	-	-
Debt Service	51,186	51,185	1
Total expenditures	<u>3,327,677</u>	<u>3,261,285</u>	<u>(66,392)</u>
Revenues over (under) expenditures	4,405	236,652	232,247
Other financing sources (uses):			
Proceeds from sale of fixed assets	-	53,603	53,603
Transfers out - payment in lieu of taxes	(4,405)	(3,500)	905
Total other financing sources (uses)	<u>(4,405)</u>	<u>50,103</u>	<u>54,508</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	286,755	<u>\$ 286,755</u>

**Reconciliation from budgetary basis
(modified accrual) to full accrual:**

Payments of debt service - principal	49,101
Change in compensated absences	9,766
Change in net pension liability and related deferred inflows / outflows	(15,494)
Bad debt expense	(4,091)
Depreciation expense	(114,140)
Change in accrued interest payable	187
Change in net position	<u>\$ 212,084</u>

OTHER SCHEDULES

This section contains additional information required
on property taxes.

Schedule of Ad Valorem Taxes Receivable
Analysis of Current Tax Levy - City-Wide

City of New Bern, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 16,123,847	\$ 16,033,795	\$ 90,052
2019-2020	143,260	-	95,160	48,100
2018-2019	53,582	-	22,212	31,370
2017-2018	24,516	-	5,903	18,613
2016-2017	20,661	-	3,173	17,488
2015-2016	13,096	-	931	12,165
2014-2015	11,939	-	613	11,326
2013-2014	28,133	-	1,275	26,858
2012-2013	38,629	-	3,281	35,348
2011-2012	26,369	-	58	26,311
2010-2011	22,112	-	22,112	-
	<u>\$ 382,297</u>	<u>\$ 16,123,847</u>	<u>\$ 16,188,513</u>	<u>\$ 317,631</u>
Plus: Municipal Service District taxes receivable, all years, net of allowance				60
Plus: Ad Valorem Un-Tagged MV-Current				1,250
Plus: Penalties				6,775
Less allowance for uncollectible accounts - General Fund				(182,183)
Ad valorem taxes receivable - net				<u>\$ 143,533</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 16,528,384
Reconciling items:				
Interest collected				(61,513)
Amounts written off per statute				22,112
Releases, ad valorem				17,839
MV Fee, Adjustments				(118,123)
Less: Municipal Service District taxes, penalty, and interest collected in all years				(200,186)
Total collections and credits				<u>\$ 16,188,513</u>

City of New Bern, North Carolina
Analysis of Current Tax Levy
City - Wide Levy
For the Year Ended June 30, 2021

	City-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 2,966,033,968	0.4822	\$ 15,852,344	\$ 14,302,217	\$ 1,550,127
Penalties	-		18,174	18,174	-
Total	<u>2,966,033,968</u>		<u>15,870,518</u>	<u>14,320,391</u>	<u>1,550,127</u>
Discoveries					
Current year taxes	57,256,391	0.4822	273,709	273,709	-
Penalties	-	0.4822	16,065	16,065	-
Addbacks	-		-	-	-
Total	<u>57,256,391</u>		<u>289,774</u>	<u>289,774</u>	<u>-</u>
Adjustments	<u>(7,095,311)</u>	0.4822	<u>(36,445)</u>	<u>(36,445)</u>	<u>-</u>
Total Property Valuation	<u>\$ 3,016,195,048</u>				
Net levy			16,123,847	14,573,720	1,550,127
Uncollected taxes at June 30, 2021			<u>90,052</u>	<u>90,052</u>	<u>-</u>
Current year's taxes collected			<u>\$ 16,033,795</u>	<u>\$ 14,483,668</u>	<u>\$ 1,550,127</u>
Current levy collection percentage			<u>99.44%</u>	<u>99.38%</u>	<u>100.00%</u>

Statistical Section

STATISTICAL SECTION

This part of the City of New Bern's Comprehensive annual financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends	<u>Page</u> 127
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	131
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These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity	143
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	146
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	150
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

City of New Bern, North Carolina

Net Position By Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Invested in capital assets, net of related debt	\$ 34,826,041	\$ 36,383,138	\$ 36,694,879	\$ 35,607,933	\$ 48,007,347	\$ 50,662,101	\$ 52,136,675	\$ 52,140,067	\$ 58,631,163	\$ 60,008,566
Restricted	4,317,526	5,611,591	5,672,057	6,181,074	5,857,526	6,961,125	6,853,285	21,920,878	13,277,311	16,628,350
Unrestricted	1,952,892	4,312,131	6,345,271	10,288,946	8,732,911	5,842,111	(21,498,772)	(47,350,282)	(36,374,703)	(42,640,348)
Total governmental activities net assets	\$ 41,096,459	\$ 46,306,860	\$ 48,712,207	\$ 52,077,953	\$ 62,597,784	\$ 63,465,337	\$ 37,491,188	\$ 26,710,663	\$ 35,533,771	\$ 33,996,568
Business-type activities:										
Invested in capital assets, net of related debt	\$ 80,159,948	\$ 83,796,943	\$ 86,397,864	\$ 88,323,492	\$ 92,187,192	\$ 97,084,561	\$ 105,972,773	\$ 115,441,238	\$ 115,355,022	\$ 119,574,805
Restricted	-	-	-	-	-	1,163,329	1,413,444	1,148,415	-	-
Unrestricted	23,829,737	25,922,244	31,462,602	34,398,515	39,952,276	39,653,748	41,547,705	39,599,697	43,135,677	45,605,369
Total business-type activities net assets	\$ 103,989,685	\$ 109,719,187	\$ 117,860,466	\$ 122,722,007	\$ 132,139,468	\$ 137,901,638	\$ 148,933,922	\$ 156,189,350	\$ 158,490,699	\$ 165,180,174
Primary government:										
Invested in capital assets, net of related debt	\$ 114,985,989	\$ 120,180,081	\$ 123,092,743	\$ 123,931,425	\$ 140,194,539	\$ 147,746,662	\$ 158,109,448	\$ 167,581,305	\$ 173,986,185	\$ 179,583,371
Restricted	4,317,526	5,611,591	5,672,057	6,181,074	5,857,526	8,124,454	8,266,729	23,069,293	13,277,311	16,628,350
Unrestricted	25,782,629	30,234,375	37,807,873	44,687,461	48,685,187	45,495,859	20,048,933	(7,750,585)	6,760,974	2,965,021
Total primary government net assets	\$ 145,086,144	\$ 156,026,047	\$ 166,572,673	\$ 174,799,960	\$ 194,737,252	\$ 201,366,975	\$ 186,425,110	\$ 182,900,013	\$ 194,024,470	\$ 199,176,742

GASB Statement No. 34 Implemented in Fiscal Year 2003

City of New Bern, North Carolina

**Changes In Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 2,737,701	\$ 2,980,543	\$ 3,175,305	\$ 3,687,719	\$ 2,200,210	\$ 2,370,566	\$ 2,837,204	\$ 2,041,271	\$ 2,491,368	\$ 2,375,650
Public safety	15,127,179	15,660,542	15,369,029	14,532,403	15,545,847	18,360,960	18,258,916	20,998,605	21,521,131	22,270,074
Public Works	5,223,903	2,998,765	4,295,470	4,927,792	5,694,763	6,969,663	10,829,385	14,746,304	9,425,062	11,991,475
Environmental protection	2,053,938	1,663,347	1,825,829	1,616,542	2,152,786	2,669,329	-	-	-	-
Culture and recreation	2,549,680	2,497,152	2,503,892	2,508,718	3,467,082	2,944,815	3,414,130	3,519,992	4,596,696	4,185,666
Economic and physical development	1,731,687	2,378,028	2,077,157	1,954,457	3,278,649	2,312,188	1,902,842	2,607,397	2,392,588	3,401,595
Interest on long-term debt	509,077	365,826	342,703	384,309	283,245	173,584	160,982	215,138	171,712	223,485
Total governmental activities expenses	29,933,165	28,544,203	29,589,385	29,611,940	32,622,582	35,801,105	37,403,459	44,128,707	40,598,557	44,447,945
Business-type activities:								-	-	
Electric	60,325,099	57,737,100	59,713,453	57,874,790	47,214,077	48,964,225	46,482,917	49,221,183	48,372,089	48,816,737
Water	9,195,478	8,677,687	8,665,646	8,503,552	7,916,627	8,395,327	8,338,702	7,752,532	8,112,404	8,275,079
Sewer	10,442,463	10,830,003	9,727,442	9,945,031	9,406,883	9,564,628	10,384,998	10,429,678	10,438,399	11,277,520
Stormwater	74,153	671,691	633,072	551,635	610,819	661,680	628,260	639,676	-	-
Solid Waste	-	-	-	-	-	-	-	2,966,921	3,223,072	3,333,612
Total business-type activities expenses	80,037,193	77,916,481	78,739,613	76,875,008	65,148,406	67,585,860	65,834,877	71,009,990	70,145,964	71,702,948
Total primary government expenses	109,970,358	106,460,684	108,328,998	106,486,948	97,770,988	103,386,965	103,238,336	115,138,697	110,744,521	116,150,893
Program revenue:										
Governmental activities:										
Charges for services:										
General government	1,945,596	1,554,015	1,591,361	1,282,636	642,598	269,579	297,137	128,798	376,563	403,725
Public safety	185,272	519,536	337,912	270,426	225,570	250,973	299,447	301,999	461,020	289,691
Public Works	130,132	987	11,000	2,878,437	141,675	85,165	2,991,246	41,031	51,223	53,076
Environmental protection	2,149,340	2,280,468	2,817,704	-	2,837,409	2,998,906	-	-	-	-
Culture and recreation	167,033	152,022	227,068	133,290	139,581	29,096	152,624	191,078	143,108	129,089
Economic and physical development	565,279	962,406	550,112	519,918	674,188	479,897	692,032	603,685	729,223	1,141,168
Operating grants and contributions:										
General government	-	-	174,765	353,805	50,000	479,267	283,414	51,491	864,608	313,902
Public safety	601,199	1,526,387	676,810	417,906	410,522	420,677	357,923	356,214	1,343,908	933,904
Public Works	1,320,993	812,542	871,986	49,700	-	9,164	-	865,707	8,142,475	3,016,062
Environmental protection	161,299	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	143,168	2,256	-	-	-	609,405	956,701
Economic and physical development	293,530	1,290,569	110,661	714,850	911,759	238,346	405,005	403,958	564,284	1,335,439
Capital grants and contributions:										
General government	-	-	-	929,785	-	-	-	-	-	-
Public Safety	397,053	-	-	26,845	-	-	-	-	-	-
Public Works	834,142	323,776	-	187,745	11,005,003	3,503,246	2,234,401	687,000	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	1,650,000	-	-	-
Economic and physical development	-	-	68,424	80,260	835,465	-	-	-	1,430,049	-
Total governmental activities program revenue	8,750,868	9,422,708	7,437,803	7,988,771	17,876,026	8,764,316	9,363,229	3,630,961	14,715,866	8,572,757

City of New Bern, North Carolina

**Changes In Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Electric	\$ 60,516,535	\$ 61,909,426	\$ 63,763,783	\$ 62,405,986	\$ 52,734,945	\$ 52,680,023	\$ 53,878,097	\$ 51,974,494	\$ 50,836,833	\$ 53,475,524
Water	10,890,900	10,431,265	10,423,585	10,582,049	10,147,159	10,025,195	10,157,044	9,843,507	10,055,832	10,212,978
Sewer	12,091,162	11,945,804	11,669,211	10,869,545	11,946,470	11,355,551	11,633,639	11,038,541	11,244,254	11,918,249
Stormwater	87,917	712,500	675,590	673,773	681,209	716,117	693,316	671,788	-	-
Solid Waste	-	-	-	-	-	-	-	3,348,190	3,425,276	3,496,518
Capital grants and contributions:										
Electric	-	-	-	33,208	-	-	-	422,447	-	-
Water	-	-	152,400	-	-	-	-	1,825,005	262,390	300,444
Sewer	-	-	233,027	76,311	-	-	-	-	746,660	-
Stormwater	-	-	1,014,571	5,285	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
Electric	1,417,005	539,058	171,545	24,883	-	-	-	-	-	-
Water	273,795	177,669	245,689	295,774	-	-	-	-	-	-
Sewer	382,268	358,422	422,744	978,027	-	-	-	-	-	-
Stormwater	-	452	-	240	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	85,659,582	86,074,596	88,772,145	85,945,081	75,509,783	74,776,886	76,362,096	79,123,972	76,571,245	79,403,713
Total primary government program revenues	94,410,450	95,497,304	96,209,948	93,933,852	93,385,809	83,541,202	85,725,325	82,754,933	91,287,111	87,976,470
Net (expense) revenue:										
Governmental activities	(21,182,297)	(19,121,495)	(22,151,582)	(21,623,169)	(14,746,556)	(27,036,789)	(28,040,230)	(40,497,746)	(25,882,691)	(35,875,188)
Business-type activities	5,622,389	8,158,115	10,032,532	9,070,073	10,361,377	7,191,026	10,527,219	8,113,982	6,425,281	7,700,765
Total primary government net expense	(15,559,908)	(10,963,380)	(12,119,050)	(12,553,096)	(4,385,179)	(19,845,763)	(17,513,011)	(32,383,764)	(19,457,410)	(28,174,423)

(Continued)

City of New Bern, North Carolina

Changes In Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 13,315,629	\$ 13,251,107	\$ 13,701,543	\$ 13,696,904	\$ 13,817,232	\$ 14,159,750	\$ 14,575,810	\$ 14,921,580	\$ 15,787,943	\$ 16,475,171
Sales taxes	5,331,248	6,039,107	6,231,042	5,881,437	6,352,004	6,589,457	6,837,929	7,571,708	7,842,360	9,248,257
Utility franchise tax	1,408,725	1,406,786	1,573,495	2,013,029	2,064,744	2,000,811	2,018,691	233,295	225,426	219,681
Payment in Lieu of Taxes	-	860,496	863,337	901,752	931,965	1,067,816	1,096,711	1,140,000	1,161,614	1,161,614
Other taxes	1,702,043	315,351	278,850	1,055,904	833,698	716,339	699,167	2,543,511	2,447,499	2,444,494
Grants & contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	16,472	18,930	12,210	12,470	91,606	186,846	474,950	618,976	271,460	7,738
Miscellaneous	-	-	-	189,166	154,638	856,701	260,563	1,015,503	1,953,925	1,499,825
Gain on sale of capital assets	-	-	-	-	12,344	-	24,656	(7,142)	(24,307)	643,654
Transfers	1,885,062	2,440,119	1,896,452	3,244,722	2,766,416	2,652,027	2,874,231	1,968,600	2,609,000	2,637,550
Total governmental activities	23,659,179	24,331,896	24,556,929	26,995,384	27,024,647	28,229,747	28,862,708	30,006,031	32,274,920	34,337,984
Business-type activities:										
Investment earnings	13,941	11,506	5,199	6,115	47,609	142,667	275,167	598,351	508,868	9,153
Miscellaneous	-	-	-	-	-	156,405	162,777	392,046	1,503,374	1,503,374
Gain on sale of capital assets	-	-	-	-	16,631	26,754	43,184	60,108	15,034	113,733
Transfers	(1,885,062)	(2,440,119)	(1,896,452)	(3,244,722)	(2,766,416)	(2,652,027)	(2,874,231)	(1,968,600)	(2,609,000)	(2,637,550)
Total business-type activities	(1,871,121)	(2,428,613)	(1,891,253)	(3,238,607)	(2,702,176)	(2,326,201)	(2,555,880)	(1,147,364)	(1,693,052)	(1,011,290)
Total primary government	21,788,058	21,903,283	22,665,676	23,756,777	24,322,471	25,903,546	26,306,828	28,858,667	30,581,868	33,326,694
Changes in net position:										
Governmental activities	2,476,882	5,210,401	2,405,347	5,372,215	12,278,091	1,192,958	822,478	(10,491,716)	6,392,229	(1,537,203)
Business-type activities	3,751,268	5,729,502	8,141,279	5,831,466	7,659,201	4,864,825	8,283,682	6,966,618	4,732,229	6,689,475
Total primary government	\$ 6,228,150	\$ 10,939,903	\$ 10,546,626	\$ 11,203,681	\$ 19,937,292	\$ 6,057,783	\$ 9,106,160	\$ (3,525,098)	\$ 11,124,458	\$ 5,152,272

City of New Bern, North Carolina

Program Revenues by Function/Program

Last Ten Fiscal Years*

(Accrual Basis of Accounting)

(Unaudited)

Function / Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ (792,105)	\$ (1,426,528)	\$ (1,409,179)	\$ (1,121,493)	\$ (1,507,612)	\$ (1,621,720)	\$ (2,256,653)	\$ (1,860,982)	\$ (1,250,197)	\$ (1,658,023)
Public safety	(13,943,655)	(13,614,619)	(14,354,307)	(13,817,226)	(14,909,755)	(17,689,310)	(17,601,546)	(20,340,392)	(19,716,203)	(21,046,479)
Transportation	-	-	-	-	-	-	-	-	-	-
Public Works	(2,938,636)	(1,861,460)	(3,412,484)	(1,811,910)	5,451,915	(3,372,088)	(5,603,738)	(13,152,566)	(1,231,364)	(8,922,337)
Environmental protection	256,701	617,121	991,875	(1,616,542)	684,623	329,577	-	-	-	-
Culture and recreation	(2,382,647)	(2,345,130)	(2,276,824)	(2,232,260)	(3,325,245)	(2,915,719)	(1,611,506)	(3,328,914)	(3,844,183)	(3,099,876)
Economic and physical development	(872,878)	(125,053)	(1,347,960)	(639,429)	(857,237)	(1,593,945)	(805,805)	(1,599,754)	330,968	(924,988)
Interest on long-term debt	(509,077)	(365,826)	(342,703)	(384,309)	(283,245)	(173,584)	(160,982)	(215,138)	(171,712)	(223,485)
Total governmental activities	(21,182,296)	(19,121,495)	(22,151,582)	(21,623,169)	(14,746,556)	(27,036,789)	(28,040,230)	(40,497,746)	(25,882,691)	(35,875,188)
Business-type activities:										
Electric	1,608,441	4,711,384	4,221,875	4,589,287	5,520,868	3,715,798	7,395,180	3,175,758	2,464,744	4,658,787
Water	1,969,217	1,931,247	2,156,028	2,374,271	2,230,532	1,629,868	1,818,342	3,915,980	2,205,818	2,238,343
Sewer	12,399,277	11,632,535	2,597,540	1,978,852	2,539,587	1,790,923	1,248,641	608,863	1,552,515	640,729
Stormwater	87,917	41,261	1,057,089	127,663	70,390	54,437	377,399	32,112	-	-
Solid Waste	-	-	-	-	-	-	-	381,269	202,204	216,509
Total business-type activities	16,064,852	18,316,427	10,032,532	9,070,073	10,361,377	7,191,026	10,839,562	8,113,982	6,425,281	7,754,368
Total government	\$ (5,117,444)	\$ (805,068)	\$ (12,119,050)	\$ (12,553,096)	\$ (4,385,179)	\$ (19,845,763)	\$ (17,200,668)	\$ (32,383,764)	\$ (19,457,410)	\$ (28,120,820)

GASB Statement No. 34 Implemented in fiscal year 2003

Source: City records.

City of New Bern, North Carolina

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Non Spendable	\$ 141,201	\$ 140,908	\$ 148,408	\$ 138,418	\$ 106,353	\$ 125,566	\$ 132,738	\$ 103,144	\$ 1,860,476	\$ 294,458
Restricted	3,397,888	4,261,890	4,731,384	5,373,068	5,370,614	6,978,767	5,574,926	21,590,110	12,488,839	15,426,143
Committed	-	-	-	-	2,000,000	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	143,310
Unassigned	6,786,387	7,449,776	9,496,813	14,753,694	12,976,430	13,816,378	13,864,240	1,136,141	7,331,940	9,823,280
Total General Fund	\$ 10,325,476	\$ 11,852,574	\$ 14,376,605	\$ 20,265,180	\$ 20,453,397	\$ 20,920,711	\$ 19,571,904	\$ 22,829,395	\$ 21,681,255	\$ 25,687,191
All Other Governmental Funds:										
Non Spendable in Permanent Fund	\$ -	\$ 735,341	\$ 304,226	\$ 418,676	\$ 34,092	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted in Capital Project	326,614	324,372	455,346	-	-	232,315	2,051,189	-	-	-
Committed in Capital Project	322,202	289,988	181,101	185,277	-	-	-	-	-	-
Assigned in Capital Project	-	-	-	-	195,745	161,762	827,873	-	1,061,562	765,921
Unassigned in Capital Project	(4,412)	(33,941)	-	-	-	-	-	-	-	-
Restricted in Special Revenue Fund	733,213	-	-	389,330	476,420	543,575	453,642	330,768	657,584	1,202,207
Assigned in Special Revenue Fund	-	-	-	-	-	-	336,702	-	-	-
Unassigned in Special Revenue Fund	(73,786)	(368,626)	(460,273)	(539,445)	(1,024,785)	(39,195)	(6,810)	(11,490,799)	(5,005,193)	(8,861,839)
Total all other government funds	\$ 1,303,831	\$ 947,134	\$ 480,400	\$ 453,838	\$ (318,528)	\$ 898,457	\$ 3,662,596	\$ (11,160,031)	\$ (3,286,047)	\$ (6,893,711)

City of New Bern, North Carolina

Changes In Fund Balances, Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 13,364,849	\$ 13,297,524	\$ 13,804,623	\$ 13,776,239	\$ 13,843,554	\$ 14,178,823	\$ 14,600,912	\$ 14,928,512	\$ 15,752,998	\$ 16,528,384
Other taxes	262,984	264,417	278,850	264,759	-	-	-	-	-	-
Intergovernmental	11,706,136	12,628,746	10,570,520	12,035,516	12,285,133	13,335,018	12,535,666	12,443,181	24,709,227	19,737,634
Permits and fees	601,753	584,906	629,737	473,631	614,305	461,845	661,904	558,380	675,417	1,050,580
Charges for services	4,214,282	4,154,506	4,697,698	4,610,076	4,046,716	3,651,771	3,770,582	670,742	949,770	705,361
Investment Earnings	-	17,917	11,353	11,636	91,606	186,846	474,950	593,409	229,326	5,795
Other	440,448	240,121	186,493	490,433	175,875	393,324	378,629	413,715	1,953,925	1,499,825
Total revenues	30,590,452	31,188,137	30,179,274	31,662,290	31,057,189	32,207,627	32,422,643	29,607,939	44,270,663	39,527,579
Expenditures:										
General government	962,957	4,490,858	4,503,448	4,127,567	1,941,707	2,160,235	2,257,005	1,010,449	2,076,009	1,810,062
Public safety	18,309,272	15,543,189	15,596,236	16,633,524	16,019,236	16,564,796	16,867,070	17,158,185	19,118,873	21,915,740
Public works	4,801,869	4,436,086	4,947,552	5,462,756	6,160,541	6,567,295	10,261,544	4,811,427	10,670,395	13,853,805
Environmental protection	1,952,131	1,792,211	1,772,657	1,805,268	2,035,216	2,615,028	-	-	-	3,889,224
Culture and recreation	2,123,400	2,956,433	2,460,377	2,519,151	2,849,572	2,925,043	3,001,879	3,014,102	4,214,524	3,043,015
Economic and physical development	1,872,267	3,222,067	2,121,975	2,559,305	3,461,395	2,345,856	2,057,081	1,527,204	2,894,843	-
Interfund Reimbursements	-	(2,891,799)	(3,310,269)	(3,412,228)	-	-	-	-	-	-
Capital outlay	538,108	1,052,794	1,857,062	-	-	-	-	-	-	-
Debt service:										
Principal	2,153,397	1,997,458	1,461,189	1,750,718	4,975,998	1,548,037	1,988,779	1,943,365	2,077,220	1,792,171
Interest	445,677	380,588	349,093	369,686	301,704	183,672	164,535	200,966	171,841	221,579
Total expenditures	33,159,078	32,979,885	31,759,320	31,815,747	37,745,369	34,909,962	36,597,893	29,665,698	41,223,705	46,525,596
Excess of revenues (under) expenditures	(2,568,626)	(1,791,748)	(1,580,046)	(153,457)	(6,688,180)	(2,702,335)	(4,175,250)	(57,759)	3,046,958	(6,998,017)
Other financing sources (uses):										
Transfers in	2,056,879	2,980,737	2,193,282	3,503,154	3,812,981	3,430,178	4,158,767	1,968,600	3,812,885	3,413,610
Transfers out	(664,812)	(161,701)	(296,830)	(258,432)	(764,257)	(778,151)	(1,284,536)	(13,923)	(1,203,885)	(776,060)
Proceeds from sales of capital assets	-	-	-	801,075	74,540	74,607	138,817	31,970	4,735	600,592
Issuance of long-term debt	4,052,576	465,315	1,740,891	1,969,673	2,980,767	1,660,000	2,577,534	1,629,798	-	4,158,147
Total other financing sources	5,444,643	3,284,351	3,637,343	6,015,470	6,104,031	4,386,634	5,590,582	3,616,445	2,613,735	7,396,289
Net changes in fund balance	\$ 2,876,017	\$ 1,492,603	\$ 2,057,297	\$ 5,862,013	\$ (584,149)	\$ 1,684,299	\$ 1,415,332	\$ 3,558,686	\$ 5,660,693	\$ 398,272
Debt service as a percentage of noncapital expenditures	9.0%	7.8%	6.2%	7.7%	15.4%	5.4%	6.3%	7.9%	5.8%	4.6%

City of New Bern, North Carolina

The Electric System
Electricity Purchased, Consumed & Unbilled
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	KWH Purchased	Power Cost FY	KWH Residential Usage	KWH Commercial/Industrial Usage	KWH Other Usage *	KWH Total Usage	KWH Unbilled	KWH Unbilled %	Purchased Electric Rate (.00/KWH)	Daily Average Usage
2011-2012	458,824,995	\$45,846,007	222,729,647	219,827,592	101,760	442,658,999	16,165,996	4%	\$0.0999	1,257,055
2012-2013	469,665,593	\$46,711,774	233,508,677	218,582,492	14,640	452,105,809	17,559,784	4%	\$0.0995	1,286,755
2013-2014	480,049,085	\$47,455,824	240,283,626	217,521,976	114,000	457,919,602	22,129,483	5%	\$0.0989	1,315,203
2014-2015	479,022,050	\$46,103,643	237,853,174	212,831,495	246,240	450,930,909	28,091,141	6%	\$0.0962	1,312,389
2015-2016	456,681,167	\$35,673,027	224,926,688	212,697,288	341,520	437,965,496	18,715,671	4%	\$0.0781	1,251,181
2016-2017	465,041,161	\$37,529,489	237,551,981	212,751,139	330,960	450,634,080	14,407,081	3%	\$0.0807	1,274,085
2017-2018	477,023,603	\$31,852,370	248,334,829	212,080,854	371,040	460,786,723	16,236,880	3%	\$0.0668	1,306,914
2018-2019	469,845,926	\$33,216,236	242,646,003	197,166,999	91,440	439,904,442	29,941,484	6%	\$0.0707	1,287,249
2019-2020	444,786,550	\$31,497,336	234,223,019	200,222,685	11,040	434,456,744	10,329,806	2%	\$0.0708	1,218,593
2020-2021	470,425,261	\$36,435,485	249,579,598	197,585,335	5,107,669	452,272,602	18,152,659	4%	\$0.0775	1,288,836

Source: City Records

* Started tracking all unmetered lighting in 2020-2021 using number of night time hours x light wattage.

City of New Bern, North Carolina

Electric Rates
Last Ten Fiscal Years

Electric Rates	Cents Per KWH									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential	\$0.1373	\$0.1307	\$0.1439	\$0.1214	\$0.1165	\$0.1010	\$0.1133	\$0.1014	\$0.1135	\$0.1201
Commercial	0.1334	0.1331	0.1305	0.1391	0.1216	0.1175	0.1156	0.1134	0.1168	0.1167
Large Commercial/Industrial	0.0837	0.0827	0.0842	0.0861	0.0771	0.0792	0.0755	0.0763	0.0742	0.0727
Other	0.1358	0.1738	0.1275	0.1284	0.1110	0.1062	0.1046	0.1142	0.1679	0.2745

Source: City Records

City of New Bern, North Carolina

Electric System - Major Users
Current Year and Nine Years Ago

2021									
Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales					
01	Carolina East Medical Center -P-53206	21766000	\$1,290,328.64	2.49%					
02	Craven Community P-53209	8865600	\$499,352.88	0.97%					
03	City of New Bern STP P-22026	4829520	\$291,241.03	0.56%					
04	White River Marine Group P-53208	4377600	\$247,648.04	0.48%					
05	Wal-Mart Stores Inc P-73875	3710700	\$210,162.99	0.41%					
06	Craven Terrace LP P-15457	2722080	\$154,701.41	0.30%					
07	Schlaadt Plastics-53211	2446700	\$196,009.60	0.38%					
08	Carolina Telephone & Telegraph P-1522	2005200	\$160,689.60	0.31%					
09	Lowe's of New Bern P-56517	1938800	\$117,508.76	0.23%					
10	NC Dept of Cultural Res P-26850	1877400	\$150,465.60	0.29%					
Revenue for All									
Totals	\$51,721,269	54,539,600	\$3,318,109						

2012									
Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales					
01	Carolina East Medical Center P-532	18360000	\$1,278,586.00	2.18%					
02	Craven Community College P-53209	7470000	\$664,380.00	1.13%					
03	Hatteras Yachts P-53208	7272090	\$520,007.00	0.89%					
04	Maola-23749-53205	5603520	\$449,219.00	0.77%					
05	Craven Terrace P-15457	3381360	\$407,681.00	0.69%					
06	Wal-Mart Stores-Havelock-73875	4546500	\$362,634.00	0.62%					
07	Lowe's of New Bern P-56517	2628800	\$220,071.00	0.38%					
08	Food Lion - Glenburnie	1505440	\$146,653.00	0.25%					
09	Sheraton	1422336	\$175,665.00	0.30%					
10	Food Lion - Hwy 70E	1390120	\$131,841.00	0.22%					
Revenue for All									
Totals	\$58,678,240	53,580,166	\$4,356,737						

City of New Bern, North Carolina

Water System - Major Users
Current Year and Nine Years Ago

2021									
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Water Sales					
01	Carolina East Medical Center P-53	49952	\$215,412.80	2.13%					
02	Craven Terrace P-15457	10302	\$46,288.67	0.46%					
03	Craven County Wood Energy P-96	10144	\$75,402.00	0.74%					
04	Housing Authority of New Bern P-1	8260	\$40,740.51	0.40%					
05	Express Wash Holding P-11113	6176	\$27,207.59	0.27%					
06	NB Housing Authority P-15460	6078	\$31,582.84	0.31%					
07	Schlaadt Plastics P-53211	5850	\$25,874.82	0.26%					
08	Moen Inc. P-67797	5103	\$31,925.58	0.32%					
09	BSH Home Appliances P-23028	4921	\$22,084.37	0.22%					
10	UHS Pruitt Corp P-26813	3961	\$20,355.46	0.20%					
Revenue for All									
Totals	\$10,128,020	110,747	\$536,875						

2012									
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Water Sales					
01	Craven County Wood Energy P-6	68753	\$424,226.11	3.90%					
02	CarolinaEast Medical Center P-53	29543	\$140,058.45	1.29%					
03	Housing Authority of New Bern P-	13447	\$65,893.65	0.61%					
04	Town of Cove City P- 26039	10963	\$55,088.25	0.51%					
05	Moen Inc. P- 67797	10679	\$71,119.33	0.65%					
06	UHS Pruitt Corp P-26813	5304	\$27,490.80	0.25%					
07	Norfolk Southern Railway Co. P-1	4791	\$29,346.90	0.27%					
08	Constant Care Service P-13327	3911	\$18,828.00	0.17%					
09	Bayview Nursing Center P-47901	3410	\$19,251.90	0.18%					
10	BSH Home Appliances P-23027	3396	\$16,845.00	0.15%					
Revenue for All									
Totals	\$10,890,900	154,197	\$868,148						

Source: City Records

City of New Bern, North Carolina

Sewer System - Major Users
Current Year and Nine Years Ago

2021				
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Sewer Sales
01	Carolina East Medical Center P-53	49952	\$291,479.60	2.65%
02	Craven County Wood Energy P-96	34238	\$275,961.94	2.51%
03	Coastal Regional Solid Waste P-50	13794	\$110,903.76	1.01%
04	Craven Terrace LP P-15457	10302	\$61,435.59	0.56%
05	Housing Authority of New Bern P-1	8260	\$51,750.84	0.47%
06	Craven County Government P-868	7972	\$62,352.43	0.57%
07	Express Wash Holding P-11113	6176	\$36,494.88	0.33%
08	New Bern Housing Authority P-154	6078	\$39,198.10	0.36%
09	Schlaadt Plastic P-53211	5850	\$31,143.42	0.28%
10	Moen Inc. P-67797	5103	\$41,820.19	0.38%
Revenue for All				
Totals	\$10,996,444	147,725	\$1,002,541	

2012				
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Sewer Sales
01	Carolina Regional Medical Center	29543	\$182,508.50	1.59%
02	Housing Authority of New Bern P-	13447	\$85,069.21	0.74%
03	Moen Inc. P- 67797	10679	\$85,086.13	0.74%
04	UHS Pruitt Corp P-26813	5304	\$34,616.76	0.30%
05	Coastal Region Solid Waste P-500	5011	\$74,563.68	0.65%
06	Norfolk Southern Railway Co. P-1	4791	\$38,789.22	0.34%
07	Craven County Government P-868	4070	\$33,563.86	0.29%
08	Trent Development Group P-2062	3987	\$30,810.12	0.27%
09	Constant Care Service P-13327	3911	\$25,746.48	0.22%
10	Hatteras Yachts P-27077	3617	\$31,970.04	0.28%
Revenue for All				
Totals	\$11,453,439	84,360	\$622,724	

Source: City Records

City of New Bern, North Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property		Personal Property		Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value (2)
	Residential Property	Commercial Property	Motor Vehicles	Other					
2012	1,691,989,475	1,004,138,358	227,578,581	221,190,195	14,850,508	3,130,046,101	0.41	2,931,029,217	106.79%
2013	1,699,293,395	1,007,925,555	233,561,483	269,508,198	15,828,950	3,194,459,681	0.41	2,826,455,212	113.02%
2014	1,721,521,337	1,007,745,243	133,550,747	251,038,877	16,273,696	3,097,582,508	0.41	2,737,831,455	113.14%
2015	1,740,351,357	1,012,722,260	236,218,399	305,526,099	17,492,541	3,277,325,574	0.41	2,742,616,664	119.50%
2016 (3)	1,756,129,303	1,022,041,633	235,673,549	286,274,025	17,569,333	3,046,875,628	0.41	3,035,643,746	100.37%
2017	1,539,695,349	1,062,464,443	260,779,493	184,576,735	17,036,205	2,769,700,322	0.46	2,797,677,093	99.00%
2018	1,550,950,898	998,754,218	267,717,313	317,086,179	18,079,727	2,848,711,568	0.46	2,922,954,615	97.46%
2019	1,564,190,598	1,025,949,748	268,448,089	328,764,151	19,224,468	2,899,680,029	0.46	3,051,331,189	95.03%
2020	1,580,474,281	1,030,293,928	287,343,822	344,345,009	19,190,589	2,934,241,459	0.4822	3,280,360,479	89.45%
2021	1,650,528,896	1,042,124,898	298,902,064	326,135,328	19,764,070	2,999,025,052	0.4822	3,391,411,345	88.43%

Source: Craven County Tax Office

Notes:

(1) Per \$100 of value

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

(3) Property tax is reassessed every eight years by Craven County. The last reassessment was on January 1, 2016 and was the basis for fiscal 2017 taxes.

City of New Bern, North Carolina

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	13,034,415	12,694,505	97.39%	312,683	13,007,188	99.79%
2013	13,113,654	12,801,046	97.62%	272,733	13,073,779	99.70%
2014	12,713,597	12,533,988	98.59%	150,441	12,684,429	99.77%
2015	12,411,797	11,974,859	96.48%	424,448	12,399,307	99.90%
2016	12,502,513	12,403,793	99.21%	81,810	12,485,603	99.86%
2017	12,728,310	12,633,582	99.26%	68,796	12,702,378	99.80%
2018	13,113,149	13,025,627	99.33%	50,987	13,076,614	99.72%
2019	13,334,950	13,238,731	99.28%	-	13,238,731	99.28%
2020	14,167,776	14,024,517	98.99%	-	14,024,517	98.99%
2021	14,573,721	14,483,669	99.38%	-	14,483,669	99.38%

Source: City property tax records

City of New Bern, North Carolina

Principal Taxpayers
Current Year and Nine Years Ago

2021					2012				
Name of Taxpayer	Nature of Property	Assessed Value	Rank	Percentage of Total Assessed Value	Name of Taxpayer	Nature of Property	Assessed Value	Rank	Percentage of Total Assessed Value
BSH Home Appliances	Household Appliances	\$ 114,733,651	1	3.83%	BSH Home Appliances	Household Appliances	78,224,563	1	2.48%
NC New Bern LLC	Retail Sales	33,546,890	2	1.12%	New Bern Riverfront	Developer	37,840,173	2	1.20%
New Bern Apartments LLC	Residential Rental	24,551,456	3	0.82%	Hatteras Yachts, Inc.	Boat Manufacturing	24,605,685	3	0.78%
Hatteras Cabo Yachts LLC	Boat Manufacturing	17,491,413	4	0.58%	DDR Xenia & New Bern LLC	Retail Sales	19,641,251	4	0.62%
New Bern Riverfront Development LLC	Developer (Condos)	16,834,064	5	0.56%	Carolina Telephone	Telephone Services	18,976,741	5	0.60%
Wal Mart Real Estate Business Trust	Retail Sales	15,937,440	6	0.53%	Carolina Creek	Retail Sales	14,911,002	6	0.47%
Duke Energy Progress Inc	Power Service	14,910,850	7	0.50%	Trent Neuse Hotel LLC	Hotel	14,668,841	7	0.47%
NIC 4 Courtyards of New Bern	Residential Rental	14,366,000	8	0.48%	Atta Holdings	Medical Offices	13,650,200	8	0.43%
Strata Woodcross LLC	Residential Rental	14,144,556	9	0.47%	Thomas F & Karen Webb	Developer	11,510,422	9	0.37%
Atta Holding Company LLC	Medical Offices	13,230,330	10	0.44%	Piedmont Natural Gas	Natural Gas	11,196,312	10	0.36%
Total Assessed Valuation of Top Ten Taxpayer		<u>\$ 279,746,650</u>		9.33%	Total Assessed Valuation of Top Ten Taxpayer		<u>\$ 245,225,190</u>		7.79%
Balance of Assessed Valuation		<u>\$ 2,719,278,402</u>		90.67%	Balance of Assessed Valuation		<u>\$ 2,904,670,791</u>		92.21%
Total Assessed Valuation		<u>\$ 2,999,025,052</u>		100.00%	Total Assessed Valuation		<u>\$ 3,149,895,981</u>		100.00%

Source: City property tax records

City of New Bern, North Carolina

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year Ending June 30	Direct Rate City	Overlapping Rate Craven County
2012	0.4100	0.4728
2013	0.4100	0.4728
2014	0.4100	0.4675
2015	0.4100	0.4675
2016	0.4100	0.4675
2017	0.4600	0.5394
2018	0.4600	0.5394
2019	0.4822	0.5494
2020	0.4822	0.5494
2021	0.4822	0.5600

Notes: <https://www.cravencountync.gov/220/Tax-Administratio>

(1) Source of County tax rates from Craven County Tax Office.

(2) City of New Bern tax rate excludes Municipal Service District tax rates.

This rate covers a small area and is nominal in amount.

(3) Real property was revalued on January 1, 2016.

City of New Bern, North Carolina

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities							
	General Obligation Bonds	Capitalized Leases	Installment Notes Payable	Capitalized Leases	Notes Payable	Installment Notes Payable	General Obligation Bonds	Revenue Bonds	Total Primary Government	Total Debt Per Capita	Total Debt as Percentage of Personal Income
2012	-	-	14,610,371	-	44,801,300	21,270,822	-	-	80,682,493	2,699	2.199%
2013	-	-	12,449,882	-	41,847,545	3,868,205	-	17,180,000	75,345,632	2,485	1.964%
2014	-	-	12,729,584	-	38,862,038	4,209,693	-	15,576,277	71,377,592	2,360	1.743%
2015	-	-	12,948,539	-	35,843,939	3,648,020	-	17,608,515	70,049,013	2,316	1.305%
2016	-	-	7,926,663	-	32,792,386	6,166,443	-	21,207,039	68,092,531	2,918	1.361%
2017	-	-	8,038,626	-	29,447,558	5,107,437	-	18,662,107	61,255,728	2,605	1.224%
2018	-	-	8,627,381	-	26,585,374	3,859,046	-	16,070,782	55,142,583	2,292	1.314%
2019	-	-	10,571,478	-	23,694,553	3,423,227	-	13,434,534	51,123,791	1,878	1.177%
2020	-	-	8,494,257	-	20,774,358	2,564,381	-	10,752,567	42,585,563	1,420	0.421%
2021	-	-	10,860,233	-	17,824,036	1,852,480	-	8,024,074	38,560,823	1,232	(4)

Notes:

- (1) Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.
- (2) The City has no outstanding general obligation bonds
- (3) Population can be found on the Demographic and Economic Statistics Table
- (4) Information is not yet available

City of New Bern, North Carolina

**Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2021
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Craven County Debt	\$ 43,938,651	30.01%	\$ 13,185,705
Subtotal, overlapping debt	<u>\$ 43,938,651</u>		<u>\$ 13,185,705</u>
City Direct Debt	10,860,233	100%	10,860,233
Total direct and overlapping debt	<u><u>\$ 54,798,884</u></u>		<u><u>\$ 24,045,938</u></u>

Sources:

Notes:

- (1) Includes general obligation bonds for Enterprise Fund and General Long-Term Debt Account Group.
- (2) Determined by ratio of assessed valuation of property subject to taxation in Craven County \$9,993,634,286
- (3) Amount in debt outstanding column multiplied by percentage applicable.

City of New Bern, North Carolina

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 251,991,678	\$ 255,556,774	\$ 247,806,601	\$ 242,008,494	\$ 243,750,050	\$ 221,576,026	\$ 249,314,310	\$ 231,602,117	\$ 234,739,317	\$ 241,295,604
Total net debt applicable to limit	14,610,371	12,449,882	12,729,584	12,948,539	7,926,663	8,038,626	8,627,381	10,249,000	6,702,084	10,860,233
Legal debt margin	<u>\$ 237,381,307</u>	<u>\$ 243,106,892</u>	<u>\$ 235,077,017</u>	<u>\$ 229,059,955</u>	<u>\$ 235,823,387</u>	<u>\$ 213,537,400</u>	<u>\$ 240,686,929</u>	<u>\$ 221,353,117</u>	<u>\$ 230,435,371</u>	<u>\$ 230,435,371</u>
Total net debt applicable to the limit as a percentage of debt limit	6.15%	5.12%	5.42%	5.65%	3.36%	3.76%	3.58%	4.63%	2.91%	4.71%

Notes:

Debt includes Installment proceeds and Notes payable

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Valuation	\$ 3,016,195,048
8%	241,295,604
Less applicable debt	<u>(10,860,233)</u>
Debt margin	<u><u>\$ 230,435,371</u></u>

City of New Bern, North Carolina

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Population (1)	Per Capita Personal Income (2)	Personal Income (3)	Public School Enrollment (4)	Unemployment Rate (5)
2012	30,316	22,762	3,910,918	14,749	9.2%
2013	30,242	23,235	4,094,203	14,606	9.9%
2014	30,291	22,555	4,100,424	14,472	7.1%
2015	30,070	23,335	4,121,440	14,297	6.3%
2016	30,101	23,511	4,195,496	14,120	4.9%
2017	29,590	24,062	4,340,800	14,002	4.3%
2018	29,942	25,878	4,345,888	13,778	3.1%
2019	30,113	27,224	4,529,336	13,584	4.0%
2020	29,994	27,224	4,743,930	13,113	4.8%
2021	31,291	29,459	4,943,453	12,542	4.8%

Notes:

- (1) Population provided US Census Bureau. (2017 is estimate)
<https://www.census.gov/quickfacts/fact/table/newberncitynorthcarolina/PST045218>
- (2) Provided by U.S Census
<https://www.census.gov/quickfacts/fact/table/newberncitynorthcarolina/INC910217>
- (3) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are as of the end of the calendar year ended during the fiscal year.
<https://apps.bea.gov/iTable/iTable.cfm?reqid=99&step=1#reqid=99&step=1&isuri=1>
- (4) Craven County Public Schools
<https://www.publicschoolreview.com/north-carolina/craven-county-schools/3703310-school-district>
- (5) Provided by U.S Bureau of Labor Statistics
<https://www.cravencountync.gov/2108/Workforce-Data>

City of New Bern, North Carolina

**Principal Employers
Current Year and Nine Years Ago
(Unaudited)**

Employer	2021				2012		
	Employees	Rank	Percentage		Employees	Rank	Percentage
			of Total County Employment				of Total County Employment
Department of Defense	5,324	1	13.86%	Department of Defense	5,361	1	13.96%
CarolinaEast Health Systems	2,687	2	7.00%	CarolinaEast Health Systems	2,035	2	5.30%
Craven County Schools	1,760	3	4.58%	Craven County Schools	1,912	3	4.98%
BSH Home Appliances	1,450	4	3.78%	State of North Carolina	993	4	2.59%
Moen Incorporated	830	5	2.16%	BSH Home Appliances	750	5	1.95%
State of North Carolina	809	6	2.11%	Moen Incorporated	630	6	1.64%
Craven County	679	7	1.77%	Craven County	597	7	1.55%
Wal-Mart	549	8	1.43%	Hatteras Yachts (Brunswick Corp)	550	8	1.43%
Craven Community College	525	9	1.37%	City of New Bern	490	9	1.28%
City of New Bern	458	10	1.19%	Craven Community College	467	10	1.22%
	15,071		39.25%		13,785		35.89%

Source: Craven County, NC Department of Commerce LEAD Division

City of New Bern, North Carolina

**Full-Time Equivalent City Government Employees By Functions/Programs
Last Ten Fiscal Years
(Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Functions/Program</u>										
General Government:										
Governing Board	1	1	1	1	1	-	-	-		
Administration	4	4	4	4	4	5	5	5	4	4
Information Technology	7	8	8	8	7	7	7	7	7	7
Finance:										
Accounting	10	10	10	10	9	9	9	9	9	10
Warehouse	4	4	4	4	3	3	3	4	4	4
Tax Collection	3	3	1	-	-	-	-	-	-	-
Human Resources:	5	5	6	6	5	5	5	5	5	5
Police:	114	112	112	116	109.5	113	115	115.5	115.5	115.5
E911 Support	-	-	-	-	-	2	2	2	2	2
Fire:	66	67	67	67	67	66	73	73	73	73
Parks and Recreation:										
Administration	2	2	2	2	3	5	7	7	8	8
Facilities	-	-	-	-	-	11	9	9	8	8
West New Bern Recreation Center	5	5	5	5	4	-	-	-	-	-
Stanley White Recreation Center	4	4	4	4	4	-	-	-	-	-
Parks	13	14	14	14	13	13	13	13	13	13
Aquatics	0.4	-	-	-	-	-	-	-	-	-
Athletics	3.6	3.0	3.0	3.0	3	-	-	-	-	-
Planning & Inspections:										
Planning & Inspections	17	16	17	17	15	16	16	18	18	18
GIS	1	1	-	-	-	-	-	-	-	-
Public Works:										
Administration	3	3	3	3	3	3	3	3	4	4
Garage	4	4	4	4	4	4	4	4	5	5
Public Buildings	5	6	6	6	6	6	6	6	6	7
Streets	25	25	25	25	21	21	21	20	19	19
Cemeteries	1	-	-	-	-	-	-	-	-	-
Leaf & Limb	8	7	7	7	7	7	7	8	-	-
Solid Waste									8	8
Water:										
Water Resources Administration	7	7	7	7	7	6	6	6	6	6
Water Treatment	12	11	11	11	11	12	12	12	12	12
Water Distribution System Maintenance	25	30	30	30	27	25	25	19	19	19
Sewer:										
Sewer Treatment	21	21	21	20	19	19	19	20	20	20
Sewer Collection System Maintenance	21	16	14	14	12	16	16	20	21	21
Electric:										
Electric Administration	7	7	7	7	6	6	6	6	7	8
Utility Billing	5	5	5	-	-	-	-	-	-	-
Utility Service	15	15	10	-	-	-	-	-	-	-
Distribution O&M	32	32	36	36	34	34	34	34	34	34
Power Supply	4	4	4	4	3	4	4	5	5	5
Communications Control	5	6	6	7	7	7	7	7	7	7
Utility Business Office	16	16	16	30	29	27	27	27	27	27
Stormwater:										
Stormwater	-	5	5	5	6	6	6	6	6	6
Other:										
Emergency Telephone System (E911)	2	2	2	2	1.5	-	-	-	-	-
Metropolitan Planning Organization	-	-	-	-	2	2	2	2	2	2
Total	478	481	477	479	453	460	469	472.5	474.5	477.5

Source: Prior years budget records

Note:

* Information is not readily available

City of New Bern, North Carolina

**Operating Indicators By Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Calls for service	36,818	48,532	42,819	43,113	42,525	45,002	46,160	45,403	46,020	44,299
Conduct DUI/Traffic Check Points	**	70	118	157	48	34	54	42	22	29
Answer 90% of 911 call in 10 seconds	**	99.6%	97.50%	98.05%	98.02%	98.21%	98.06%	97.61%	98.18%	98.05%
Dispatch Emergency call in 90 seconds	**	85.30%	91.15%	72.35%	89.80%	70.15%	78.50%	80.00%	46.40%	63.87%
Dispatch Non-Emergent call in 15 minutes	**	97.80%	75.00%	74.40%	76.10%	99.79%	99.91%	99.80%	93.80%	94.94%
Maintain 100% state certification for sworn and non-sworn	**	100.00%	98.78%	98.78%	98.78%	100.00%	100.00%	100.00%	0.00%	96.81%
Conduct directed traffic enforcement	**	**	**	**	362	196	370	1,361	1888	1,884
Conduct directed radar enforcement campaigns	**	1	4	21	****	12	230	580	712	942
Arrests	**	1,944	1,750	1,595	1,545	1,497	1,774	1,478	1,290	1,328
Fire:										
Calls for service	1,090	992	1,115	1,223	1,251	1,485	1,683	1,982	1,770	2,058
Value of Endangered Property	**	**	50,260,192	13,718,938	122,605,907	11,477,095	40,955,210	180,755,380	282,268,870	233,515,975
Value of Property Loss	\$ 6,131,061	\$ 1,389,713	\$ 2,811,003	\$ 656,825	\$ 1,201,657	\$ 1,691,425	\$ 10,326,546	\$ 1,765,436	\$ 1,616,775	\$ 1,863,460
Fire Inspections	1,860	1,787	1,519	1,568	1,420	1,606	1,743	1,978	1,946	1,693
Fire Investigations	43	32	36	33	31	27	30	27	44	41
People Educated by Fire Education Programs	7,033	7,298	8,857	9,929	11,065	13,697	9,360	8,453	2,179	4,712
Child Passenger Safety Seat Inspections	299	295	268	227	236	220	173	189	42	91
Permits Issued	140	82	126	91	113	131	101	58	75	108
Firefighter Training Hours			19,176	19,522	18,503	18,568	19,803	29,051	19,502	23,858
Recreation program attendance:										
Athletics	98,500	98,500	99,000	99,500	100,000	0	0	0	40,000	15,000
Centers & Parks	285,500	286,000	286,500	306,000	310,000	0	0	0	344,000	250,000
Other Programs	96,775	97,000	97,225	100,000	105,000	0	0	0	55,000	25,000
Planning & Development:										
Total building permits	652	605	529	511	317	290	517	774	258	795
Total value of all permits	\$47,994,419	\$37,189,233	\$40,634,053	\$32,604,601	\$65,763,473	\$33,242,973	\$120,929,581	\$102,353,540	\$102,527,556.00	\$102,120,217
Public service:										
Garbage collected (ton)	7,719	7,626	7,854	8,135	8,521	8,303	8,561	8,814	3,087	9,094
Recycle collected (ton) ***	2,403	1,795	2,191	2,222	2,185	2,188	2,102	1,625	576.92	1,758
Stormwater										
Calls for service	**	450	178	264	355	248	216	209	150	232
Yearly rainfall	**	43.99"	37.14"	54.91	67.15	63.14	55.81"	39.08"	47.75"	65.13"
Stormwater fee	**	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	n/a	n/a
Residential ERU's	**	**	12,516	12,756	12,906	12,966	13,182	12,753	n/a	n/a
Commercial ERU's	**	**	20,452	20,006	19,923	19,420	22,972	14,290	n/a	n/a

Source: Various City records

Note: * Includes Hurricane Irene Loss

** Data not available

*** Numbers are derived from Craven County Recycling tonnages.

Only totals were available, however based on the percentage of households in the city to county, 33.53% was used from the total collected to generate an approximate City value.

**** Tracking Changes Amended, stats unavailable

City of New Bern, North Carolina

**Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(Unaudited)**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Capital Assets	4	5	5	5	5	5	5	5	5	5
Fire & Rescue:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Training Academy Building	1	1	1	1	1	1	1	1	1	1
Fire Training Academy Classroom	1	1	1	1	1	1	1	1	1	1
Parks & Recreation:										
Acreage	312	312	350	360	363	363	1251	1251	1254	1254
Parks	21	21	23	24	24	24	25	25	25	27
Frisbee Golf Course	1	1	1	1	1	1	1	1	1	1
Baseball/Softball Diamonds	10	10	10	10	10	10	10	10	10	10
Soccer/Football Fields	2	2	2	2	2	2	2	2	2	2
Basketball Courts	4	4	4	4	4	4	6	6	6	6
Tennis Courts	4	4	4	4	4	4	4	4	2	2
Pickleball Courts	0	0	0	0	0	0	0	0	0	6
Swimming pools	1	1	1	1	1	1	1	1	1	1
Parks with Playground Equipment	9	10	11	12	13	13	13	13	13	13
Picnic Shelters	8	9	10	10	11	11	11	11	14	15
Community Centers	3	3	3	3	2	2	2	2	2	1
Natural Sites	4	4	4	4	4	4	4	4	4	4
Gymnasium	2	2	2	2	2	2	2	2	2	1
Spray Ground	1	1	1	1	1	2	2	2	2	1
Dog Park	1	1	1	1	1	1	1	1	1	2
Boat Launch/Ramp/Pier	8	8	8	10	11	11	11	11	15	15
Picnic Tables	75	87	90	95	98	98	98	98	104	118
Park Benches	108	126	130	138	143	143	143	143	148	172
Multi-purpose Fields	2	2	2	2	2	3	3	3	3	3
Walking Trails	6	6	6	6	6	6	7	7	7	10
Outdoor Restrooms	9	9	9	9	9	10	10	10	11	10
Public Parking Lots	11	11	11	11	12	12	12	12	14	14
Public Art	4	4	5	5	5	5	6	6	6	6
Horseshoe Courts	3	3	3	3	3	3	9	9	9	9
Outdoor Volleyball Courts	2	2	2	2	2	2	2	2	2	2
Bike Racks	7	7	25	25	25	25	25	25	27	27
Wastewater:										
*Sanitary Sewers (miles)	211.7	211.7	414.88	416.77	417.58	419.11	437.02	437.02	438.42	440.55
*Storm Sewers (miles)	62.5	62.5	74.35	74.62	76.58	77.56	76.94	76.94	78.48	78.5
*Average Daily Flow	3.63	3.63	3.89	3.88	4.55	4.25	4.26	4.26	4.19	4.79
Electric:										
Average Daily Purchased Usage (kWh)	1,257,055	1,286,755	1,254,574	1,304,406	1,251,181	1,274,085	1,306,914	1,287,249	1,218,593	1,288,836
Mile of Distribution Lines	515	518	520	630	550	550	550	550	550	1072

Source: Various City records

* Beginning in FY14 the STEP System and Vacuum System Sewer mains are included

Compliance Section



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

Independent Auditors' Report

To the Honorable Mayor and
Board of Aldermen
City of New Bern, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of New Bern, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the City of New Bern's basic financial statements, and have issued our report thereon dated January 12, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items [2021-001] that we consider to be significant deficiencies.

Members

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of New Bern's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement. 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 12, 2022



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**Report On Compliance With Requirements Applicable To Each Major Federal
Program And Internal Control Over Compliance In Accordance With OMB
Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of Aldermen
City of New Bern
New Bern, North Carolina

Report on Compliance for Each Major Federal Program

We have audited City of New Bern, North Carolina's, 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 City of New Bern's major federal programs for the year ended June 30, 2021. City of New Bern's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of New Bern's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Implementation Act*. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of New Bern's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of New Bern's compliance.

Members

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Opinion on Each Major Federal Program

In our opinion, City of New Bern 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, 2021.

Report on Internal Control Over Compliance

Management of City of New Bern is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of New Bern internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 12, 2022



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**Report On Compliance With Requirements Applicable To Each Major State
Program And Internal Control Over Compliance In Accordance With
OMB Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of Aldermen
City of New Bern
New Bern, North Carolina

Report on Compliance for Each Major State Program

We have audited the City of New Bern, North Carolina's, compliance with the types of compliance requirements described in 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 City of New Bern's major State programs for the year ended June 30, 2021. The City of New Bern's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of City of New Bern's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and applicable sections of *Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the *State Single Audit Implementation Act*. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about City of New Bern's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of City of New Bern's compliance.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Opinion on Each Major State Program

In our opinion, City of New Bern 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, 2021.

Report on Internal Control Over Compliance

Management of City of New Bern is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of New Bern's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 12, 2022

City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I. Summary of Auditor's Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes

☒ No

Significant deficiency(ies) identified

☒ Yes

☐ No

Noncompliance material to financial statements noted

☐ Yes

☒ No

Federal Awards

Internal control over major Federal programs:

Material Weakness(es) identified?

☐ Yes

☒ No

Significant Deficiency(s)

☐ Yes

☒ No

Type of auditor's report issued on compliance for major Federal

Unmodified

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

☐ Yes

☒ No

Identification of major Federal programs:

CFDA #

Program Name

97.036

Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B Program

\$ 750,000

Auditee qualified as low-risk auditee?

☐ Yes

☒ No

State Awards

Internal control over major State programs:

Material Weakness(es) identified?

☐ Yes

☒ No

Significant Deficiency(s)

☐ Yes

☒ No

Type of auditor's report issued on compliance for major State

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

☐ Yes

☒ No

Identification of major State programs:

Program Name

Disaster Grants - Public Assistance

Powell Bill

**City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021**

Section II – Financial Statement Findings

Finding 2021-001 Reconciliation of Records and Reporting

SIGNIFICANT DEFICIENCY

Criteria: Management should have a system in place to reduce the likelihood of errors in financial reporting and ensure the timeliness of financial reporting.

Condition: Effective financial reporting requires timely account reconciliation and access to information to management and other users of financial statements.

Effect: The City's management and other users of the financial statements do not have timely information for decision-making and monitoring of the City's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Cause: Significant turn over of finance staff caused delays in reconciling account information and preparing for the annual audit and preparation of the financial statements.

Recommendation: The City should evaluate the allocation of internal resources dedicated to financial reporting to ensure adequate resources are available for timely account reconciliations, year-end close and annual financial reporting purposes. Management should consult with outside accountants or auditors if additional assistance is required in order to prepare for the annual audit.

Views of responsible officials: The City is aware of the circumstances, which led to the late completion of the annual audit and issuance of the financial statements. Efforts are being made to ensure there are appropriate number of finance employees and training is on-going.

Section III – Federal Award Findings and Questioned Costs

None Reported.

Section IV – State Award Findings and Questioned Costs

None Reported.

Aldermen

Sabrina Bengel
Jameesha Harris
Robert V. Aster
Johnnie Ray Kinsey
Barbara J. Best
Jeffrey T. Odham



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Dana E. Outlaw
Mayor
Foster Hughes
City Manager
Brenda E. Blanco
City Clerk

**City of New Bern, North Carolina
Corrective Action Plan
For the Year Ended June 30, 2021**

Section II – Financial Statement Findings

Finding: 2021-001

Name of contact person: Kimberly Ostrom, Interim Finance Director

Corrective Action: During the spring and summer of 2021, the City experienced significant turnover within the Finance Department. Leading up to the audit the City had six vacancies and has since hired 3 new leadership staff and currently has 3 vacancies with strong prospective candidates to fill the positions. The Interim Finance Director reached out to local accounting firms to request assistance, but they were unable to provide assistance until after the audit season. Additionally, the City contracted with two temp service agencies to assist the Finance Department; however, this was unsuccessful due to the high level of experience needed. The staff have worked tirelessly to meet the audit deadline; however, the backlog conditions were significant. Additionally, the training and onboarding occurred during the prime of audit preparations. Although the circumstances were challenging, opportunities to address areas needing improvement were identified and proper internal controls, policies, and procedures have been and are continuously being implemented to improve oversight and accountability, minimizing the City's risk level. Staff continue to attend various trainings and workshops for professional development.

Proposed Completion Date: June 30, 2022

Section III – Federal Award Findings and Questioned Costs

None Reported.

Section IV – State Award Findings and Questioned Costs

None Reported.

City of New Bern, North Carolina
Summary Schedule of Prior Year's Findings
For the Year Ended June 30, 2021

Finding: 2020-001

Status: The City still reports deficit fund balances, but they are in multi-year project funds, so a finding was not repeated. The City is still attempting to collect FEMA reimbursements which would clean up most of the deficit fund balances.

City of New Bern, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL# CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
Federal Grants:						
Cash Programs:						
<u>U.S. Dept. of Housing and Urban Development</u>						
Direct Assistance						
CDBG Entitlement Cities	14.218	B-14-MC-37-0024	\$ 381,323	\$ -	\$ -	\$ -
COVID-19 - CDBG	14.218		49,742	-	-	-
Total CDBG			431,065	-	-	-
<u>U.S. Department of the Interior</u>						
Passed-through N.C. Department of Natural and Cultural Resources						
Historic Preservation Fund Grants-In-Aid	15.904		10,000	-	-	-
<u>U.S. Department of Justice</u>						
Passed-through N.C. Department of Public Safety						
Coronavirus Emergency Supplemental Funding Program	16.034		36,544	-	-	-
Bulletproof Vest Program	16.607		13,707	-	-	-
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		15,029	-	-	-
Equitable Sharing Program	16.922		5,151	-	-	-
<u>U.S. Department of Transportation</u>						
Passed-through N.C. Department of Transportation						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	DOT-11 36230.42.7.6	19,974	2,496	-	2,497
Highway Planning and Construction	20.205-5	40435.1.16	142,030	-	-	35,508
State and Community Highway Safety	20.600		5,086	-	-	-
<u>U.S. Department of Treasury</u>						
Passed-through the Office of State Budget and Management						
N.C. Pandemic Recovery Office						
Passed-through Craven County						
Coronavirus Relief Fund	21.019		497,477	-	-	-
<u>U.S. Department of Homeland Security</u>						
Passed-through N.C. Department of Public Safety						
Disaster Grants - Public Assistance	97.036	4393DR-NC	3,964,035	746,331	-	-
Disaster Grants - Public Assistance	97.036	4465DR-NC	1,050,337	350,112	-	-
Disaster Grants - Public Assistance	97.036	4568DR-NC	506,979	168,993	-	-
Total Disaster Grants - Public Assistance			5,521,351	1,265,436	-	-
Hazard Mitigation Grant	97.039		158,718	-	-	-
Total Federal Awards			\$ 6,856,132	\$ 1,267,932	\$ -	\$ 38,005
State Grants:						
Cash Assistance:						
<u>N.C. Department of Transportation:</u>						
Powell Bill		DOT-4 32570	\$ -	\$ 759,585	\$ -	\$ -
<u>N.C. Department of Commerce</u>						
Rural Housing Recovery - Infrastructure			-	350,000	-	-
<u>N.C. Department of Environmental Quality</u>						
Coastal Zone Management Administration Award			-	33,000	-	-
<u>N.C. Department of Justice</u>						
Environmental Enhancement Grant			-	70,000	-	-

City of New Bern, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>AL#</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Federal</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
<u>N.C. Department of Natural & Cultural Resources</u>						
Parks and Recreation Trust Fund			-	315,556	-	-
Total Federal and State Awards			\$ 6,856,132	\$ 2,796,073	\$ -	\$ 38,005

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of New Bern under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of New Bern, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of New Bern.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

The City of New Bern has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: FEMA Disaster Grant Expenditures

Expenditures reported for Disaster Grant - Public Assistance (CFDA 97.036) are for projects that were obligated during FY 21, which include expenditures occurred in FY 20 and FY 21.