

CITY OF NEW BERN
North Carolina



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

Prepared by:
City of New Bern Finance Department

Submitted by:
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Director of Finance

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INTRODUCTORY SECTION



NEW BERN
CITY OF NEW BERN

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Aldermen

Rick Prill
Hazel B. Royal
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Barbara J. Best
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Jeffrey T. Odham
Mayor
Foster Hughes
City Manager
Brenda E. Blanco
City Clerk
Kimberly A. Ostrom
Director of Finance

October 21, 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, 2022, 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 recreational 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

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 2022, the community had an unemployment rate of 3.7 percent compared to a statewide rate of 4.1 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 160 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. CarolinaEast Health System regularly receives awards and recognition for exceptional medical care and consistent patient satisfaction in a number of areas, including women's health, heart care, cancer care, surgery, and orthopedics. 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 June 2022, Moen was once again named one of the

winners of the National Preferred Partners Survey conducted by David Weekly 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 Corporation received the Top Employer United States of America 2022 Certification for the seventh consecutive year, consistently upholding an environment of growth and success.

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 various commercial structures, including climate controlled mini storage buildings, a convenience store, professional offices, and two new medical facilities as well as numerous renovations to existing buildings. An additional 31,000 square feet of medical and dental office space has received site plan approval and will be seeking building permits soon. There are currently three separate multi-family projects underway with over 650 units expected upon completion. Residential growth continued citywide with over 300 new single-family homes being constructed, primarily within the Lake View, Bluewater Rise, Lake Tyler, and West New Bern subdivisions. Existing neighborhoods such as Belle Oaks, Braeberne Forest, and Carolina Colours have been expanded to allow more opportunities for residential housing. The James City Project-upgrade to Interstate standard continues. Demolition has been completed, with numerous businesses relocating within the City of New Bern as well as within Craven County. Utility relocation, and water and sewer upgrades are almost complete. Travelers will begin to notice lane closures increasing within the next 23 months as progress continues. The NC 43 Connector, connecting US 70 to Business 17/MLK Jr. Blvd, will complete Right-of-Way efforts in 2023 with construction expected to begin in 2024. The New Bern Area MPO portion of US 17 North of Bridgeton remains funded, however a start date has not been determined. Efforts to alleviate the congestion caused by Chick-fil-a drive thru traffic are being discussed, with anticipated adjustments made in the upcoming calendar year. Multiple design meetings for numerous projects within the MPO boundary continue for future project considerations/funding. Also, the city has undertaken a bold approach to hazard mitigation with the adoption of the New Bern Resiliency and Hazard Mitigation Plan in March of 2022. In June, the city completed a 10-year Land Use Plan update to better provide elected officials with guidelines for development patterns and other important land use issues.

MAJOR INITIATIVES

Fiscal year 2021-2022 (FY22) included the planning and implementation phases of several initiatives as well as the continuation or completion of projects begun during previous fiscal years.

Resurfacing Project

Utilizing the City of New Bern's most recent Asphalt and Paving Rating Study, degraded roadways were selected for repair and resurfacing. The majority of the selected received Water, Sewer, and Stormwater infrastructure improvements as identified by the City Engineer. The roadways resurfaced included all roads within the Windy Trail Community, Court St., High Street, and a portion of River Drive, totaling \$420,000.

Sidewalk Projects

Expansion, connection, and repairs of the City of New Bern sidewalk system were continued during the fiscal year, totaling \$250,000. Repairs were completed to the sidewalks in the Council Bluffs section of East Front Street and North Craven Street. New sidewalk was installed to connect existing blocks of Cedar Street, Neuse Drive to National Avenue, at Pierce Park and one block of 5th Street connecting Spencer Avenue to YMCA. New Sidewalk was installed along Country Club Road in front of Pembroke Community.

City Hall Elevator Project

The Board of Aldermen approved funding in the amount of \$3,929,000 for the construction of an elevator annex to be added to the historic City Hall located at the corner of Craven Street and Pollock Street. The project had a groundbreaking on May 10, 2022, and is currently under construction, with a completion date scheduled for the Spring of 2023. Once completed, the City Hall Elevator Annex will provide access to the first and second floors for all residents, including those with disabilities, as well as accessible restrooms. These improvements will address access for those with disabilities with ingress/egress to first floor administration offices and the second floor Court Room which utilized for Board of Aldermen meetings and called public hearings.

ERP

Phase III Utility Bill (Customer Information System) is underway. The cross departmental project includes IT, Department of Utilities, Finance, GIS, and Public Works staff. Work is ongoing on the system build & validation and end user training, with technical support training and data conversion scheduled to begin shortly. Production cutover and post live support is currently slated for July 2023.

MAJOR INITIATIVES FOR THE FUTURE

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 early 2023. 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 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. Bids for the project will be opened in October 2022 and construction is scheduled to begin in January 2023. 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.

Southeast Water System Improvements

Through past water system evaluations, the Old Airport Road and Waterscape/Wilcox 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 of these 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 Southeast Water System Improvements project has been identified as the most efficient method of improving the southeastern 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 in this area. In July of 2022, this project was awarded to Herring-Rivenbark, Inc. of Kinston, NC with a bid of \$795,942.75 and construction is scheduled to be complete in December 2022.

Northwest Sewer Interceptor Rehabilitation

This portion of the City’s sewer collection system is a large outfall line that runs through long stretches of flood plain on its path the City’s WWTP. This is the City’s largest sewer outfall, with approximately 35% of the sewer flow generated in New Bern flowing through this infrastructure. Due to its proximity to flood prone areas, portions of this pipeline become completely inundated during major storm events, which leads to sanitary sewer overflows and impacts New Bern’s ability to provide sanitary sewer service to some of our customers. In 2011, New Bern identified the need to rehabilitate this outfall and completed phase one of the project, which included lining 3,100 feet of sewer pipe. Phase II and III of the projects will continue with 5,200 feet of living through the most frequently flooded areas and raise the manholes along this stretch to above flood elevations. The proposed work in the Phase-II & III project areas will reinforce the structural integrity of the pipe and eliminate the inflow and infiltration into the sanitary sewer collection system. At this point, the planning and preliminary engineering of this project have been completed and Phase-II is scheduled to be bid in late 2022, with construction starting in early 2023.

The estimated cost for Phase-II of the project is \$613,800 and the City has received a \$230,000 grant from NCDEQ to help fund the Phase-II construction.

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. Land and easement procurement is in progress. Engineering estimates have escalated to \$20,000,000. Staff to seek funding.

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. In progress with MetroNet. Additional broad band companies are forthcoming with projects which creates additional pressure on the utility.

North Carolina Department of Transportation (NCDOT) Project

The North Carolina Department of Transportation (NCDOT) requested the City of New Bern to relocate city owned water, sewer, 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. The City is responsible for 25% of the total cost of the water and sewer relocations. As of August 2020, the estimated costs for the electric and fiber relocations was \$2,301,814 and the estimated cost of the water and sewer relocations was \$2,230,715; however the project is ongoing. Trent River to Thurman Road: electric relocation is 75% complete, water and sewer is 10% complete, Fiber is 100% complete. Thurman Rd to Havelock is scheduled to begin January 2023.

Technology Improvement Projects

Telephone System Replacement - The city's internal Voice-over-IP (VoIP) phone system and contact center are being replaced during the current FY. The new phone system is VoIP-based but offers many new capabilities over the old system. The new contact center is cloud-based and offers significant capability upgrades over the existing system. The new contact center is expected to be live by early November 2022. The new phone system should be live during the first quarter of calendar year 2023.

Computer Processing and Electronic Data Storage Upgrade - The city's data processing infrastructure currently hosts 83 virtual servers and approximately 34 terabytes (34,000,000,000,000) of electronic data. This equipment will be reaching the end of its

manufacturer's support life during FY24. The IT Department is planning a project to replace this equipment. The technological options for this replacement have increased greatly as compared to previous years and will require significant analysis and research to determine which best suits the city's needs.

GIS Enterprise/Portal system - The GIS system was upgraded to ESRI's Enterprise Portal in early 2019. This solution requires extensive on-site infrastructure which requires specific expertise to effectively manage. GIS is utilized by personnel in all departments, some requiring 24 x 7 access, and is accessed by other city software systems that utilize spatial data, so it's critical that operational disruptions are kept to a minimum. During the current fiscal year, we experienced malfunctions that kept the system down for an extended period. To minimize the possibility of future outages we are researching managed services providers to assist with the operational support of the system. The exact nature of the required managed services support has not been determined, but all options are under consideration including migrating our system to a cloud-based solution.

American Rescue Plan (ARP) Enabled Projects

The City received \$6,704,351 in American Rescue Plan funding and qualifies for the revenue replacement standard allocation, which allows more flexibility without the constraints and administrative burden of ARP regulations. The Board of Aldermen voted to allocate \$1,117,392 to each of the six wards to support their initiatives and projects utilizing the ARP enabled funds. Projects will be underway in FY23 and consist of stormwater projects and drainage improvements, sidewalks, safety equipment, Police Department K9, electronic speed limit signs, traffic light, Union Point Park infrastructure improvements, Racetrack Road improvements, and cemetery shelter.

Salary Study

The City recognizes its employees are their greatest asset and with the current staffing shortage it is vital to provide competitive salary and benefit packages in order to retain employees. The City has contracted a consultant to perform a salary study, results are expected in October 2022, followed by a presentation to the Board of Aldermen in November/December 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>).

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 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

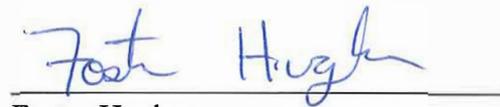
The City is required by the North Carolina General Statutes to have an annual independent audit of its financial statements. In addition, *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal

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
Director of Finance


Foster Hughes
City Manager

CITY OF NEW BERN, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
June 30, 2022

BOARD OF ALDERMEN

Mayor

Jeffery T. Odham

Mayor Pro Tem

Johnnie Ray Kinsey

Rick Prill

Hazel B. Royal

Robert "Bobby" Aster

Johnnie Ray Kinsey

Barbara J. Best

Robert "Bob" Brinson Jr.

CITY ADMINISTRATION

City Manager

Foster Hughes

Director of Finance

Kimberly Ostrom

Interim Director of Parks and Recreation

Kari Greene-Warren

Director of Utilities

Charles Bauschard

Interim Director of Development Services

Matthew Schelly

Fire Chief

Robert M. Boyd

Director of Human Resources

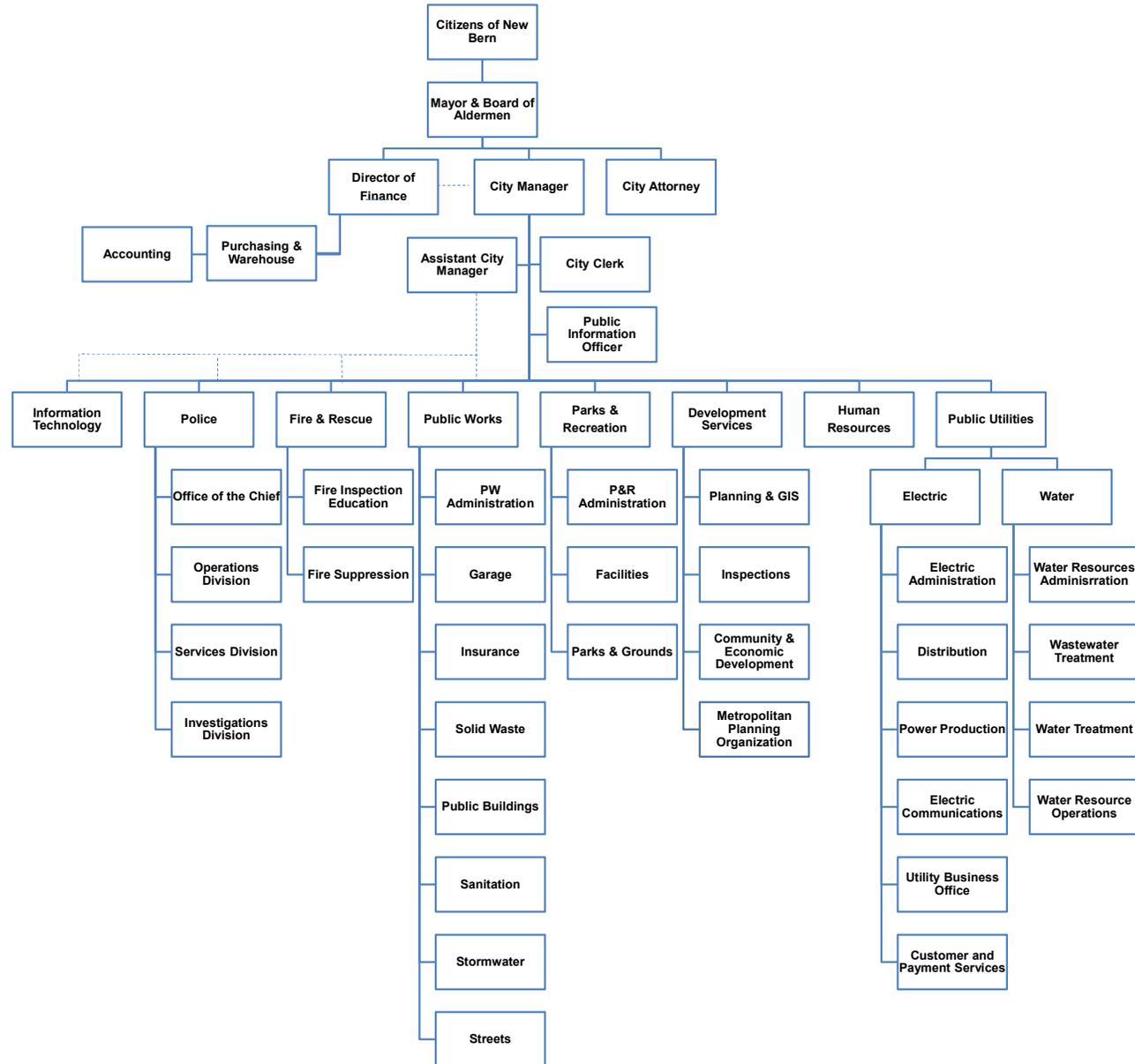
Sonya Hayes

Interim Director of Public Works

George Chiles

Chief of Police

Patrick Gallagher



FINANCIAL SECTION



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

**P.O Box 398
1626 S. Madison Street
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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Bern, North Carolina (the "City"), as of and for the year then ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information City of New Bern, North Carolina as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of New Bern and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Members

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

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 58 through 59, 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 60 through 61, and the Changes in Total OPEB Liability and Related Ratios page 62, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of New Bern, North Carolina's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare that basic financial statements. The information has been subject to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the introductory section, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section as well as the accompanying schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 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
November 7, 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, 2022. 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

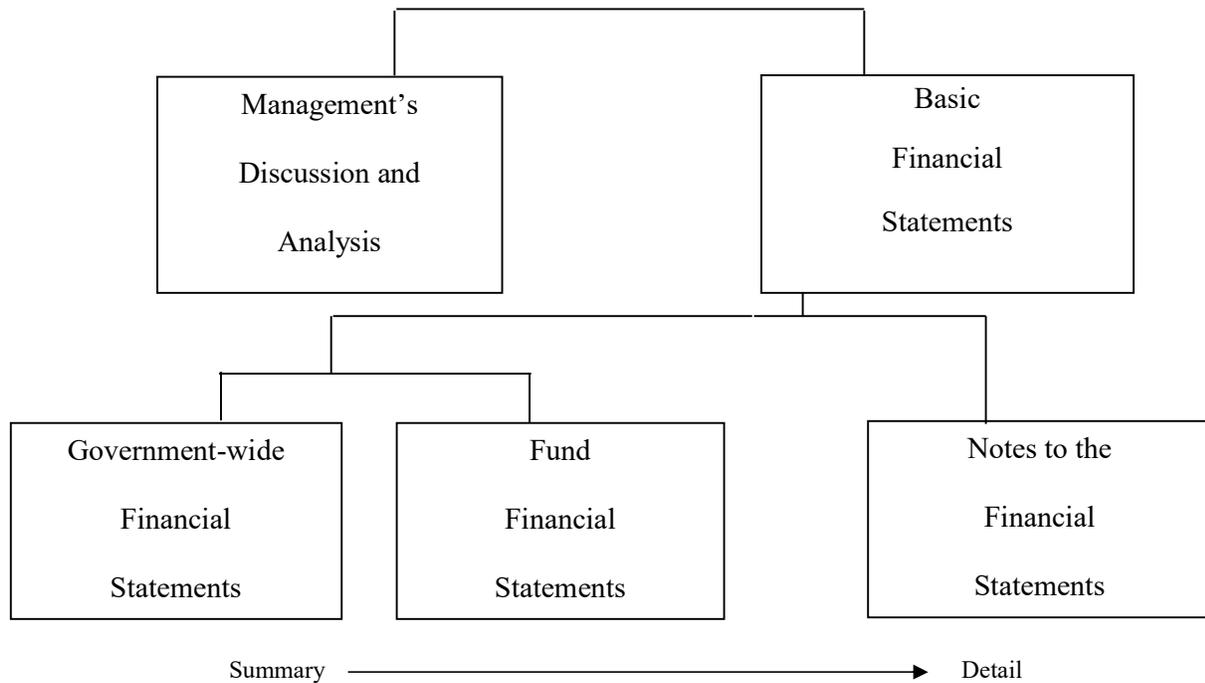
- The assets of the City of New Bern exceeded its liabilities at the close of the fiscal year by \$209,917,397 (net position).
- Total governments total net position increased by \$10,740,655. Governmental activities net position increased by \$4,438,638, while Business Type activities net position increased by \$6,302,017.
- As of the close of the current fiscal year, the City of New Bern's governmental funds reported combined ending fund balances of \$26,596,057, an increase of \$7,802,577 in comparison with the prior year. Approximately \$12 million (46.24 percent) is unavailable (nonspendable, restricted by state statute, restricted for Streets); Approximately 44 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 \$13,499,590 or 37.30 percent of total General Fund expenditures for the fiscal year; compared to \$9,823,280, or 30.34 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 \$7,788,630 (20.20 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 | |
|--|----------------------------|----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current assets | \$ 39,640,721 | \$ 29,158,678 | \$ 57,232,573 | \$ 55,154,224 | \$ 96,873,294 | \$ 84,312,902 |
| Capital assets and other noncurrent assets | 68,007,150 | 70,689,866 | 146,312,281 | 147,275,395 | 214,319,431 | 217,965,261 |
| Deferred outflows of resources | 16,197,138 | 16,269,746 | 2,202,818 | 1,875,484 | 18,399,956 | 18,145,230 |
| Total assets and deferred outflows of resources | <u>123,845,009</u> | <u>116,118,290</u> | <u>205,747,672</u> | <u>204,305,103</u> | <u>329,592,681</u> | <u>320,423,393</u> |
| Current and other liabilities | 12,682,010 | 10,570,637 | 14,388,270 | 13,910,828 | 27,070,280 | 24,481,465 |
| Non-current liabilities | 62,837,751 | 65,965,987 | 17,006,514 | 25,122,613 | 79,844,265 | 91,088,600 |
| Deferred inflows of resources | 9,890,042 | 5,585,098 | 2,870,697 | 91,488 | 12,760,739 | 5,676,586 |
| Total liabilities and deferred inflows of resources | <u>85,409,803</u> | <u>82,121,722</u> | <u>34,265,481</u> | <u>39,124,929</u> | <u>119,675,284</u> | <u>121,246,651</u> |
| Net position: | | | | | | |
| Invested in capital assets, net of related debt | 58,590,887 | 60,008,566 | 124,437,797 | 119,574,805 | 183,028,684 | 179,583,371 |
| Restricted | 13,519,815 | 16,628,350 | - | - | 13,519,815 | 16,628,350 |
| Unrestricted | (33,675,496) | (42,640,348) | 47,044,394 | 45,605,369 | 13,368,898 | 2,965,021 |
| Total net position | <u>\$ 38,435,206</u> | <u>\$ 33,996,568</u> | <u>\$ 171,482,191</u> | <u>\$ 165,180,174</u> | <u>\$ 209,917,397</u> | <u>\$ 199,176,742</u> |

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 \$209,917,397 as of June 30, 2022. The City's net position increased by \$10,740,655 for the fiscal year ended June 30, 2022. The largest portion of net position \$183,028,684 (87.19%) 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 \$13,519,815 (6.44%) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$13,368,898 (6.37%) 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 99.15% in the City-Wide tax districts.
- Continued low cost of debt due to the City's credit rating.
- Receiving reimbursements from FEMA and COVID related funding.

City of New Bern's Changes in Net Position
Figure 3

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1,898,420 | \$ 2,016,749 | \$ 78,811,306 | \$ 79,103,269 | \$ 80,709,726 | \$ 81,120,018 |
| Operating grants and contributions | 9,029,257 | 6,556,008 | - | - | 9,029,257 | 6,556,008 |
| Capital grants and contributions | 475,000 | - | 1,971,102 | 300,444 | 2,446,102 | 300,444 |
| General revenues: | | | | | | |
| Property taxes | 17,022,061 | 16,475,171 | - | - | 17,022,061 | 16,475,171 |
| Other taxes and licenses | 14,238,734 | 13,074,046 | - | - | 14,238,734 | 13,074,046 |
| Unrestricted investment earnings | 42,611 | 7,738 | 70,188 | 9,153 | 112,799 | 16,891 |
| Miscellaneous | 280,749 | 1,499,825 | 1,344,031 | 1,503,374 | 1,624,780 | 3,003,199 |
| Gain/Loss on disposal of fixed assets | - | 643,654 | 112 | 113,733 | 112 | 757,387 |
| Total revenues | 42,986,832 | 40,273,191 | 82,196,739 | 81,029,973 | 125,183,571 | 121,303,164 |
| Expenses | | | | | | |
| General government | 2,133,136 | 2,375,650 | - | - | 2,133,136 | 2,375,650 |
| Public safety | 23,517,320 | 22,270,074 | - | - | 23,517,320 | 22,270,074 |
| Public Works | 8,540,644 | 11,991,475 | - | - | 8,540,644 | 11,991,475 |
| Cultural and recreation | 3,900,416 | 4,185,666 | - | - | 3,900,416 | 4,185,666 |
| Economic Development | 2,801,511 | 3,401,595 | - | - | 2,801,511 | 3,401,595 |
| Interest on long-term debt and fees | 267,717 | 223,485 | - | - | 267,717 | 223,485 |
| Electric | - | - | 50,367,598 | 48,816,737 | 50,367,598 | 48,816,737 |
| Water | - | - | 8,545,789 | 8,275,079 | 8,545,789 | 8,275,079 |
| Sewer | - | - | 11,036,274 | 11,277,520 | 11,036,274 | 11,277,520 |
| Solid Waste | - | - | 3,332,511 | 3,333,612 | 3,332,511 | 3,333,612 |
| Total expenses | 41,160,744 | 44,447,945 | 73,282,172 | 71,702,948 | 114,442,916 | 116,150,893 |
| Change in net position before transfers | 1,826,088 | (4,174,754) | 8,914,567 | 9,327,025 | 10,740,655 | 5,152,271 |
| Transfers | 2,612,550 | 2,637,550 | (2,612,550) | (2,637,550) | - | - |
| Increase (Decrease) in Net Position | 4,438,638 | (1,537,204) | 6,302,017 | 6,689,475 | 10,740,655 | 5,152,271 |
| Net Position | | | | | | |
| Beginning of year - July 1 | 33,996,567 | 35,533,771 | 165,180,174 | 158,490,699 | 199,176,741 | 194,024,470 |
| Restatement | - | - | - | - | - | - |
| Beginning of year, as restated | 33,996,567 | 35,533,771 | 165,180,174 | 158,490,699 | 199,176,741 | 194,024,470 |
| End of year - June 30 | \$ 38,435,205 | \$ 33,996,567 | \$ 171,482,191 | \$ 165,180,174 | \$ 209,917,396 | \$ 199,176,741 |

Governmental activities. Governmental activities increased the City's net position by \$4,438,638. Key elements of this increase are as follows:

- Receiving reimbursements from FEMA for Hurricane Florence expenses and American Rescue Plan Funding, coupled with a decrease in expenditures due to the completion of several projects.

Business-type activities: Business-type activities increased the City's net position by \$6,302,017. Key elements of this increase are as follows:

- There was an increase of \$1.3 million in revenue from capital grants and contributions, which offset a slight decrease in charges for service (\$300 thousand). Expenditures experienced a modest increase, from \$71.7 million in 2021 to \$73.3 million in 2022 (an increase of \$1.6 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 \$13,499,590, while total fund balance reached \$26,473,854. 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 39.86% of total General Fund expenditures, while total fund balance represents 73.15% of that same amount.

At June 30, 2022, the governmental funds of the City of New Bern reported a combined fund balance of \$26,596,057, a 41.52% 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 decreased the General Fund budget by \$2,229,500.

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 \$21,559,730 in the Electric Fund, \$14,954,357 in the Water Fund, \$8,099,402 in the Sewer Fund, and \$1,172,382 in the Solid Waste Fund.

The Electric, Water, Sewer, and Solid Waste experienced growth in net position of \$1,708,294, \$2,663,963, \$1,562,924, and \$272,002, 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, 2022 totals \$213,411,441 (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 | |
|---|----------------------------|---------------|-----------------------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 17,147,588 | \$ 15,564,221 | \$ 14,513,446 | \$ 14,453,977 | \$ 31,661,034 | \$ 30,018,198 |
| Construction in progress | 7,210,102 | 8,421,610 | 4,776,358 | 11,390,101 | 11,986,460 | 19,811,711 |
| Building and systems | 18,263,353 | 19,774,096 | 205,812,119 | 203,660,817 | 224,075,472 | 223,434,913 |
| Equipment, furniture, and Infrastructure | 13,177,783 | 19,290,979 | 27,692,337 | 19,572,750 | 40,870,120 | 38,863,729 |
| Vehicles and Motorized | 40,116,194 | 40,031,641 | 4,995,862 | 4,896,356 | 45,112,056 | 44,927,997 |
| Total | 13,617,823 | 13,089,022 | 7,740,076 | 7,694,741 | 21,357,899 | 20,783,763 |
| Accumulated depreciation | 109,532,843 | 116,171,569 | 265,530,198 | 261,668,742 | 375,063,041 | 377,840,311 |
| Capital assets, net | (41,822,680) | (45,481,703) | (119,828,920) | (114,393,347) | (161,651,600) | (159,875,050) |
| | \$ 67,710,163 | \$ 70,689,866 | \$ 145,701,278 | \$ 147,275,395 | \$ 213,411,441 | \$ 217,965,261 |

Long-term Debt. As of June 30, 2022, the City of New Bern had total debt outstanding of \$30,772,194 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 | |
|---|----------------------------|---------------|-----------------------------|---------------|---------------|----------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Direct Placement Installment Purchases | \$ 9,115,894 | \$ 10,860,233 | \$ 1,171,328 | \$ 1,852,480 | \$ 10,287,222 | \$ 12,712,713 |
| Direct Borrowing Notes Payable | - | - | 14,842,812 | 17,824,037 | 14,842,812 | 17,824,037 |
| Revenue bonds | - | - | 5,248,235 | 8,024,074 | 5,248,235 | 8,024,074 |
| Lease Liabilities | 300,369 | - | 93,556 | - | 393,925 | - |
| OPEB and Net Pension Liability | 54,078,199 | 55,965,571 | 1,455,632 | 3,375,746 | 55,533,831 | 59,341,317 |
| Compensated Absences | 1,821,961 | 1,689,966 | 751,581 | 692,132 | 2,573,542 | 2,382,098 |
| Total | \$ 65,316,423 | \$ 68,515,770 | \$ 23,563,144 | \$ 31,768,469 | \$ 88,879,567 | \$ 100,284,239 |

The City of New Bern's total debt decreased by \$11,404,672 during the past fiscal year, due to principle payments and a decrease in the Net 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 \$240,149,303.

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 permits issued for more than 300 single-family homes and a 36 unit multi-family home. Residential estimated construction values increased to \$78.5 million, representing a 4% increase in value from 2021.
- Six new commercial structures were permitted, and an additional 31,000 square feet of medical and dental office space received
- The June 2022 unemployment rate for Craven County was 4.1%, compared to 4.1% for North Carolina and 3.8% for the nation.

Budget Highlights for the Fiscal Year Ending June 30, 2023

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 1.0% from fiscal year 2021-2022. No fund balance in the General Fund was appropriated in the FY23 budget.

The FY23 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 FY23 budget includes no additional employees, a cost-of-living adjustment (COLA) increase of 5%, and merit-based salary adjustments ranging from 0% - 2%.

Capital expenditures for vehicles, machinery, paving projects, sidewalk improvements, safety and technology equipment and upgrades, and Aquatic Center pool replastering are budgeted in the amount of \$5,213,840.

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 FY23. 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 FY23 budget continues these low rates with no adjustments.

The Water Fund shows an increase of 11.3% from FY22, with a budget of \$12,314,615. Reflective of the City's growth, the charges of sales and service have increased. The Water Fund budgeted for the replacement of a 250KW generator, one backhoe and three vehicles, and for water improvements. The Water Fund appropriated \$308,873 of fund balance.

The Sewer Fund shows an increase of 5.6% from FY22, with a budget of \$13,917,335. The budget reflects capital expenditures for sewer improvements, lateral launch sewer camera, replacement of vehicles and equipment, belt press and sludge building rehabilitation, and lift station rehabilitation. The Sewer Fund appropriated \$293,872 of fund balance.

The Electric Fund shows an increase of 7.1%, with a budget of \$58,979,455. No fund balance was appropriated for FY23. The budget includes replacement of vehicles, purchase of equipment, and utility business operation improvements.

The Solid Waste fund shows an increase of 8.0% from FY22, with a budget of \$3,641,871. Capital expenses include the replacement of an excavator and a chip trailer.

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 accountants@newbernnc.gov for more information.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

City of New Bern, North Carolina
Statement of Net Position
June 30, 2022

| | Primary Government | | |
|--|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 24,183,156 | \$ 38,997,068 | \$ 63,180,224 |
| Receivables, net of allowance for uncollectibles | 4,434,461 | 11,096,252 | 15,530,713 |
| Taxes receivables, net of allowance for uncollectibles | 250,133 | - | 250,133 |
| Notes Receivable | 82,000 | - | 82,000 |
| Leases Receivable | - | 212,814 | 212,814 |
| Due from other governments | 3,667,664 | - | 3,667,664 |
| Internal Balances | (1,258,523) | 1,258,523 | - |
| Inventories | 599,101 | 3,033,027 | 3,632,128 |
| Prepaid Items | 48,520 | - | 48,520 |
| Restricted Cash and Cash Equivalents | 7,634,209 | 2,634,889 | 10,269,098 |
| Total current assets | <u>39,640,721</u> | <u>57,232,573</u> | <u>96,873,294</u> |
| Non-Current assets: | | | |
| Leases Receivable | - | 518,553 | 518,553 |
| Capital Assets: | | | |
| Non-depreciable | 24,357,690 | 19,289,804 | 43,647,494 |
| Other capital assets, net of depreciation | 43,352,473 | 126,411,474 | 169,763,947 |
| Total capital assets | <u>67,710,163</u> | <u>145,701,278</u> | <u>213,411,441</u> |
| Right to use assets, net of amortization | 296,987 | 92,450 | 389,437 |
| Total non-current assets | <u>68,007,150</u> | <u>146,312,281</u> | <u>214,319,431</u> |
| Total assets | <u>107,647,871</u> | <u>203,544,854</u> | <u>311,192,725</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferrals | 6,810,523 | 2,202,818 | 9,013,341 |
| OPEB related deferrals | 9,386,615 | - | 9,386,615 |
| Total Deferred Outflows of Resources | <u>16,197,138</u> | <u>2,202,818</u> | <u>18,399,956</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 9,500,299 | 5,045,876 | 14,546,175 |
| Accrued liabilities | 102,784 | 150,874 | 253,658 |
| Customer deposits | - | 2,634,889 | 2,634,889 |
| Claims and judgements payable | 600,255 | - | 600,255 |
| Installment notes payable, due within one year | 1,854,254 | 465,364 | 2,319,618 |
| Notes payable, due within one year | - | 3,012,921 | 3,012,921 |
| Bonds payable, due within one year | - | 2,824,025 | 2,824,025 |
| Leases payable, due within one year | 77,830 | 28,846 | 106,676 |
| Compensated absences, due within one year | 546,588 | 225,475 | 772,063 |
| Total current liabilities | <u>12,682,010</u> | <u>14,388,270</u> | <u>27,070,280</u> |
| Long-term liabilities: | | | |
| Net pension liability (LGRS) | 3,675,780 | 1,455,632 | 5,131,412 |
| Total OPEB liability | 46,544,047 | - | 46,544,047 |
| Total pension obligation (LEOSSA) | 3,858,372 | - | 3,858,372 |
| Installment notes payable, due in more than one year | 7,261,640 | 705,964 | 7,967,604 |
| Notes payable, due in more than one year | - | 11,829,891 | 11,829,891 |
| Bonds payable, due in more than one year | - | 2,424,210 | 2,424,210 |
| Leases payable, due in more than one year | 222,539 | 64,710 | 287,249 |
| Compensated absences, due in more than one year | 1,275,373 | 526,107 | 1,801,480 |
| Total long-term liabilities | <u>62,837,751</u> | <u>17,006,514</u> | <u>79,844,265</u> |
| Total liabilities | <u>75,519,761</u> | <u>31,394,784</u> | <u>106,914,545</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension deferrals | 5,797,290 | 2,148,957 | 7,946,247 |
| Lease deferrals | - | 721,740 | 721,740 |
| OPEB related deferrals | 4,092,752 | - | 4,092,752 |
| Total Deferred Inflows of Resources | <u>9,890,042</u> | <u>2,870,697</u> | <u>12,760,739</u> |
| NET POSITION | | | |
| Net investment in capital assets | 58,590,887 | 124,437,797 | 183,028,684 |
| Restricted for: | | | |
| Stabilization by State Statute | 11,404,785 | - | 11,404,785 |
| Streets | 254,715 | - | 254,715 |
| Public Safety | 402,314 | - | 402,314 |
| Economic Development | 1,458,001 | - | 1,458,001 |
| Unrestricted | (33,675,496) | 47,044,394 | 13,368,898 |
| Total net position | <u>\$ 38,435,206</u> | <u>\$ 171,482,191</u> | <u>\$ 209,917,397</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, 2022**

| 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 | \$ 2,133,136 | \$ 368,078 | \$ 613,995 | \$ - | \$ (1,151,063) | \$ - | \$ (1,151,063) |
| Public safety | 23,517,320 | 82,410 | 888,224 | - | (22,546,686) | - | (22,546,686) |
| Public Works | 8,540,644 | 90,779 | 6,474,872 | 475,000 | (1,499,993) | - | (1,499,993) |
| Cultural and Recreational | 3,900,416 | 212,846 | 395,238 | - | (3,292,332) | - | (3,292,332) |
| Economic and physical development | 2,801,511 | 1,144,307 | 656,929 | - | (1,000,275) | - | (1,000,275) |
| Interest on long-term debt | 267,717 | - | - | - | (267,717) | - | (267,717) |
| Total governmental activities | 41,160,744 | 1,898,420 | 9,029,257 | 475,000 | (29,758,067) | - | (29,758,067) |
| Business-type activities: | | | | | | | |
| Electric | 50,367,598 | 52,777,339 | - | 1,971,102 | - | 4,380,843 | 4,380,843 |
| Water | 8,545,789 | 10,531,050 | - | - | - | 1,985,261 | 1,985,261 |
| Sewer | 11,036,274 | 11,900,375 | - | - | - | 864,101 | 864,101 |
| Solid Waste | 3,332,511 | 3,602,542 | - | - | - | 270,031 | 270,031 |
| Total business-type activities | 73,282,172 | 78,811,306 | - | 1,971,102 | - | 7,500,236 | 7,500,236 |
| Total primary government | \$ 114,442,916 | \$ 80,709,726 | \$ 9,029,257 | \$ 2,446,102 | (29,758,067) | 7,500,236 | (22,257,831) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Ad valorem taxes | | | | | 17,022,061 | - | 17,022,061 |
| Sales and use taxes | | | | | 10,320,084 | - | 10,320,084 |
| Utilities franchise tax | | | | | 226,185 | - | 226,185 |
| Payments in lieu of taxes | | | | | 1,247,021 | - | 1,247,021 |
| Other taxes | | | | | 2,445,444 | - | 2,445,444 |
| Investment earnings | | | | | 42,611 | 70,188 | 112,799 |
| Miscellaneous | | | | | 280,749 | 1,344,031 | 1,624,780 |
| Gain on disposal of fixed assets | | | | | - | 112 | 112 |
| Transfers | | | | | 2,612,550 | (2,612,550) | - |
| Total general revenues and transfers | | | | | 34,196,705 | (1,198,219) | 32,998,486 |
| Change in net position | | | | | 4,438,638 | 6,302,017 | 10,740,655 |
| Net position, beginning | | | | | 33,996,568 | 165,180,174 | 199,176,742 |
| Net position, ending | | | | | \$ 38,435,206 | \$ 171,482,191 | \$ 209,917,397 |

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, 2022

| | Major Funds | | | Non-major | Total |
|--|---------------|-------------------------------|---------------------------------|-----------------------|---------------|
| | General Fund | Hurricane Florence Fund | American Rescue Plan Fund | Governmental Funds | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 17,890,893 | \$ - | \$ - | \$ 2,110,875 | \$ 20,001,768 |
| Taxes receivable, net | 224,441 | - | - | - | 224,441 |
| Accounts Receivables, net | 3,883,996 | - | - | 543,726 | 4,427,722 |
| Notes Receivable | 82,000 | - | - | - | 82,000 |
| Due from other governments | 884,003 | 2,674,663 | - | 108,998 | 3,667,664 |
| Due from other funds | 4,510,541 | - | - | - | 4,510,541 |
| Restricted cash and cash equivalents | 929,858 | - | 6,704,351 | - | 7,634,209 |
| Inventory | 599,101 | - | - | - | 599,101 |
| Prepaid items | 40,520 | - | - | - | 40,520 |
| Total assets | \$ 29,045,353 | \$ 2,674,663 | \$ 6,704,351 | \$ 2,763,599 | \$ 41,187,966 |
| LIABILITIES | | | | | |
| Accounts payable and accrued liabilities | \$ 1,978,327 | \$ 209,617 | \$ 5,660 | \$ 595,901 | \$ 2,789,505 |
| Unearned revenues | - | - | 6,698,691 | - | 6,698,691 |
| Due to other funds | - | 3,868,444 | - | 642,097 | 4,510,541 |
| Total liabilities | 1,978,327 | 4,078,061 | 6,704,351 | 1,237,998 | 13,998,737 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property taxes receivable | 224,466 | - | - | - | 224,466 |
| Liens and other receivables | 286,706 | - | - | - | 286,706 |
| Notes Receivable | 82,000 | - | - | - | 82,000 |
| Total deferred inflows of resources | 593,172 | - | - | - | 593,172 |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Inventories | 599,101 | - | - | - | 599,101 |
| Prepaid items | 40,520 | - | - | - | 40,520 |
| Restricted: | | | | | |
| Stabilization by State Statute | 11,404,785 | - | - | - | 11,404,785 |
| Streets - Powell Bill | 254,715 | - | - | - | 254,715 |
| Public safety | - | - | - | 402,314 | 402,314 |
| Economic and physical developments | 675,143 | - | - | 782,858 | 1,458,001 |
| Assigned: | | | | | |
| Subsequent year's expenditures | - | - | - | - | - |
| Capital Projects | - | - | - | 703,844 | 703,844 |
| Unassigned | 13,499,590 | (1,403,398) | - | (363,415) | 11,732,777 |
| Total fund balances | 26,473,854 | (1,403,398) | - | 1,525,601 | 26,596,057 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 29,045,353 | \$ 2,674,663 | \$ 6,704,351 | \$ 2,763,599 | 41,187,966 |

City of New Bern, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

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. | 67,710,163 |
| Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds (net of accumulated amortization). | 296,987 |
| Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds. | 593,172 |
| Benefit payments and pension administration costs for LEOSSA | 99,206 |
| OPEB benefit payments and administrative costs made in the current fiscal year are not included in the Statement of Activities | 659,748 |
| Deferred outflows of resources are not reported in the funds | |
| Pension | 5,562,584 |
| LEOSSA | 1,148,733 |
| OPEB | 8,726,867 |
| Deferred inflows of resources are not recorded on the fund statements | |
| Pension | (5,426,573) |
| LEOSSA | (370,717) |
| OPEB | (4,092,752) |
| Accrued interest receivable less that amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements. | 25,692 |
| Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the governmental activities. | 2,325,246 |
| 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 | (9,115,894) |
| Lease liabilities | (300,369) |
| Compensated Absences | (1,821,961) |
| Net pension liability (LGERS) | (3,675,780) |
| Total pension liability (LEOSSA) | (3,858,372) |
| Total OPEB liability | (46,544,047) |
| Accrued interest payable | (102,784) |
| Net position of governmental activities | \$ 38,435,206 |

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

| | Major Funds | | | Non-major | Total |
|--|----------------------|---|--|-------------------------------|----------------------|
| | General Fund | FEMA Hurricane Florence Fund | American Rescue Plan Fund | Governmental Funds | |
| REVENUES | | | | | |
| Ad valorem taxes | \$ 16,915,838 | \$ - | \$ - | \$ - | \$ 16,915,838 |
| Unrestricted intergovernmental | 14,359,939 | - | - | - | 14,359,939 |
| Restricted intergovernmental | 986,171 | 6,506,177 | - | 2,011,909 | 9,504,257 |
| Licenses, permits and fees | 1,006,560 | - | - | - | 1,006,560 |
| Sales and services | 609,746 | - | - | - | 609,746 |
| Investment earnings | 35,965 | - | - | 555 | 36,520 |
| Miscellaneous | 279,669 | - | - | 1,080 | 280,749 |
| Total revenues | <u>34,193,888</u> | <u>6,506,177</u> | <u>-</u> | <u>2,013,544</u> | <u>42,713,609</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 1,671,329 | 113,502 | - | 782,225 | 2,567,056 |
| Public safety | 18,852,582 | - | - | 306,303 | 19,158,885 |
| Public Works | 5,655,149 | 1,888,320 | - | 244,592 | 7,788,061 |
| Cultural and recreation | 3,489,272 | 157,925 | - | - | 3,647,197 |
| Economic and Physical Development | 2,068,426 | 348 | - | 720,069 | 2,788,843 |
| Debt service: | | | | | |
| Principal | 2,042,793 | - | - | - | 2,042,793 |
| Interest and other charges | 205,653 | - | - | - | 205,653 |
| Total expenditures | <u>33,985,204</u> | <u>2,160,095</u> | <u>-</u> | <u>2,053,189</u> | <u>38,198,488</u> |
| Excess (deficiency) of revenues over expenditures | <u>208,684</u> | <u>4,346,082</u> | <u>-</u> | <u>(39,645)</u> | <u>4,515,121</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from sale of capital assets | 99,979 | - | - | - | 99,979 |
| Transfers (to) other funds | (2,879,472) | - | - | (69,996) | (2,949,468) |
| Transfers from other funds | 2,682,546 | - | - | 2,779,473 | 5,462,019 |
| Installment purchase obligations issued | 298,454 | - | - | - | 298,454 |
| Lease liabilities issued | 376,472 | - | - | - | 376,472 |
| Total other financing sources (uses) | <u>577,979</u> | <u>-</u> | <u>-</u> | <u>2,709,477</u> | <u>3,287,456</u> |
| Net Change in fund balance | 786,663 | 4,346,082 | - | 2,669,832 | 7,802,577 |
| Fund balances, beginning | <u>25,687,191</u> | <u>(5,749,480)</u> | <u>-</u> | <u>(1,144,231)</u> | <u>18,793,480</u> |
| Fund balances, ending | <u>\$ 26,473,854</u> | <u>\$ (1,403,398)</u> | <u>\$ -</u> | <u>\$ 1,525,601</u> | <u>\$ 26,596,057</u> |

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, 2022

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

| | | |
|---|-------------|--------------|
| Net changes in fund balances - total governmental funds | | \$ 7,802,577 |
| <p>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.</p> | | |
| Capital outlay expenditures which were capitalized | 3,193,644 | |
| Depreciation expense for governmental assets | (4,314,937) | |
| Gain/(Loss) on disposal of capital assets | (1,858,410) | (2,979,703) |
| Right to Use Assets - Leased Assets | 376,472 | |
| Amortization expense - Leased Assets | (79,485) | 296,987 |
| <p>Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities</p> | | |
| | | 2,019,524 |
| <p>OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities</p> | | |
| | | 659,748 |
| <p>Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position</p> | | |
| | | 99,206 |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p> | | |
| Change in unavailable revenue for tax revenues | | 80,531 |
| Change in accrued taxes receivable at year end | | 25,692 |
| Change in unavailable revenue for liens and other receivables | | (11,072) |
| Change in miscellaneous notes receivable | | (12,000) |
| <p>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.</p> | | |
| Loan proceeds | (298,454) | |
| Lease Liabilities | (376,472) | |
| Principal payments on debt | 2,042,793 | |
| Principal payments on leases | 76,103 | 1,443,970 |
| <p>Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)</p> | | |
| | | (62,064) |
| <p>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</p> | | |
| | | 475,894 |
| <p>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.</p> | | |
| Compensated absences | | (131,995) |
| Pension expense | | (1,899,398) |
| OPEB expense | | (3,369,259) |
| Total changes in net position of governmental activities | | \$ 4,438,638 |

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, 2022

| | Budget | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|--------------------|--------------------|----------------------|---|
| | Original | Final | | (Negative) |
| Revenues: | | | | |
| Ad valorem taxes | \$ 16,443,719 | \$ 16,822,019 | \$ 16,915,838 | \$ 93,819 |
| Unrestricted intergovernmental | 12,815,753 | 13,537,753 | 14,359,939 | 822,186 |
| Restricted intergovernmental | 813,000 | 986,000 | 986,171 | 171 |
| Licenses, permits and fees | 667,300 | 920,300 | 1,006,560 | 86,260 |
| Sales and services | 537,997 | 586,297 | 609,746 | 23,449 |
| Investment earnings | 4,160 | 4,160 | 35,965 | 31,805 |
| Miscellaneous | 273,800 | 279,800 | 279,669 | (131) |
| Total revenues | <u>31,555,729</u> | <u>33,136,329</u> | <u>34,193,888</u> | <u>1,057,559</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,214,204 | 2,274,115 | 1,671,329 | 602,786 |
| Public safety | 18,677,819 | 19,199,047 | 18,852,582 | 346,465 |
| Public Works | 9,350,382 | 6,862,997 | 5,655,149 | 1,207,848 |
| Cultural and recreation | 4,052,088 | 4,282,020 | 3,489,272 | 792,748 |
| Economic and physical development | 2,125,327 | 2,220,371 | 2,068,426 | 151,945 |
| Debt service: | | | | |
| Principal retirement | 1,792,175 | 2,046,781 | 2,042,793 | 3,988 |
| Interest and other charges | 221,377 | 208,741 | 205,653 | 3,088 |
| Total expenditures | <u>38,433,372</u> | <u>37,094,072</u> | <u>33,985,204</u> | <u>3,108,868</u> |
| Revenues over (under) expenditures | <u>(6,877,643)</u> | <u>(3,957,743)</u> | <u>208,684</u> | <u>4,166,427</u> |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 100,000 | 100,000 | 99,979 | (21) |
| Installment purchase obligations issued | 4,163,504 | 298,404 | 298,454 | 50 |
| Lease liabilities issued | - | - | 376,472 | 376,472 |
| Transfers (to) other funds | (166,721) | (3,040,046) | (2,889,948) | 150,098 |
| Transfer from other funds | 2,637,550 | 2,692,550 | 2,693,022 | 472 |
| Total other financing sources (uses) | <u>6,734,333</u> | <u>50,908</u> | <u>577,979</u> | <u>527,071</u> |
| Revenues and other sources over (under) expenditures and other uses | (143,310) | (3,906,835) | 786,663 | 4,693,498 |
| Appropriated fund balance | <u>143,310</u> | <u>3,906,835</u> | <u>-</u> | <u>(3,906,835)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>786,663</u> | <u>\$ 786,663</u> |
| Fund balances, beginning | | | <u>25,687,191</u> | |
| Fund balances, ending | | | <u>\$ 26,473,854</u> | |

City of New Bern, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2022

| | Major Funds | | | Non-Major Funds | Total | Internal Service Fund |
|---|---------------|---------------|--------------|------------------|---------------|-----------------------|
| | Electric Fund | Water Fund | Sewer Fund | Solid Waste Fund | | |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 15,944,733 | \$ 14,403,629 | \$ 7,125,769 | \$ 1,522,937 | \$ 38,997,068 | \$ 4,181,388 |
| Accounts receivable, net of allowances | 7,819,274 | 1,340,768 | 1,517,767 | 418,443 | 11,096,252 | 6,739 |
| Leases receivable | - | 212,814 | - | - | 212,814 | - |
| Prepaid items | - | - | - | - | - | 8,000 |
| Inventories | 2,925,422 | 12,464 | 95,141 | - | 3,033,027 | - |
| Restricted cash and cash equivalents | 2,634,889 | - | - | - | 2,634,889 | - |
| Total current assets | 29,324,318 | 15,969,675 | 8,738,677 | 1,941,380 | 55,974,050 | 4,196,127 |
| Non-current assets: | | | | | | |
| Leases receivable | - | 518,553 | - | - | 518,553 | - |
| Capital assets: | | | | | | |
| Land and other non-depreciable assets | 4,413,321 | 1,454,251 | 13,422,232 | - | 19,289,804 | - |
| Other capital assets, net of depreciation | 32,161,111 | 44,248,914 | 49,463,202 | 538,247 | 126,411,474 | - |
| Capital assets (net) | 36,574,432 | 45,703,165 | 62,885,434 | 538,247 | 145,701,278 | - |
| Right to use asset | 56,261 | 34,275 | 1,557 | 357 | 92,450 | - |
| Total assets | 65,955,011 | 62,225,668 | 71,625,668 | 2,479,984 | 202,286,331 | 4,196,127 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred outflows related to pensions | 1,050,562 | 527,277 | 548,997 | 75,982 | 2,202,818 | - |
| Total Deferred Outflows of Resources | 1,050,562 | 527,277 | 548,997 | 75,982 | 2,202,818 | - |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 4,007,274 | 235,735 | 100,815 | 702,052 | 5,045,876 | 12,103 |
| Accrued liabilities | 39,702 | - | 36,483 | - | 76,185 | - |
| Accrued interest payable | 13,306 | 53,442 | 7,838 | 103 | 74,689 | - |
| Customer deposits | 2,634,889 | - | - | - | 2,634,889 | - |
| Claims payable | - | - | - | - | - | 600,255 |
| Installment notes payable, current | 277,558 | 67,699 | 113,221 | 6,886 | 465,364 | - |
| Notes payable, current | - | 1,680,331 | 1,332,590 | - | 3,012,921 | - |
| Bonds payable, current | 1,204,576 | 730,125 | 889,324 | - | 2,824,025 | - |
| Lease payable, current | 17,125 | 10,920 | 652 | 149 | 28,846 | - |
| Compensated absences payable, current | 120,266 | 56,226 | 43,435 | 5,548 | 225,475 | - |
| Total current liabilities | 8,314,696 | 2,834,478 | 2,524,358 | 714,738 | 14,388,270 | 612,358 |

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, 2022

| | Major Funds | | | Non-Major Funds | Total | Internal Service Fund |
|---|---------------|---------------|---------------|------------------|----------------|-----------------------|
| | Electric Fund | Water Fund | Sewer Fund | Solid Waste Fund | | |
| Noncurrent liabilities: | | | | | | |
| Other non-current liabilities: | | | | | | |
| Installment notes payable | 645,878 | 26,600 | 26,601 | 6,885 | 705,964 | - |
| Notes payable | - | 11,762,319 | 67,572 | - | 11,829,891 | - |
| Bonds payable | 1,587,350 | 830,154 | 6,706 | - | 2,424,210 | - |
| Lease payable | 39,917 | 23,708 | 882 | 203 | 64,710 | - |
| Compensated absences payable | 280,622 | 131,194 | 101,347 | 12,944 | 526,107 | - |
| Net pension liability | 694,216 | 348,427 | 362,780 | 50,209 | 1,455,632 | - |
| Total non-current liabilities | 3,247,983 | 13,122,402 | 565,888 | 70,241 | 17,006,514 | - |
| Total liabilities | 11,562,679 | 15,956,880 | 3,090,246 | 784,979 | 31,394,784 | 612,358 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension deferrals | 1,024,875 | 514,384 | 535,574 | 74,124 | 2,148,957 | - |
| Lease deferrals | - | 721,740 | - | - | 721,740 | - |
| Total Deferred Inflows of Resources | 1,024,875 | 1,236,124 | 535,574 | 74,124 | 2,870,697 | - |
| NET POSITION | | | | | | |
| Net Investment in capital assets | 32,858,289 | 30,605,584 | 60,449,443 | 524,481 | 124,437,797 | - |
| Other restrictions | - | - | - | - | - | - |
| Unrestricted | 21,559,730 | 14,954,357 | 8,099,402 | 1,172,382 | 45,785,871 | 3,583,769 |
| Total net position | \$ 54,418,019 | \$ 45,559,941 | \$ 68,548,845 | \$ 1,696,863 | 170,223,668 | \$ 3,583,769 |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | | | 1,258,523 | |
| Net position of business-type activities | | | | | \$ 171,482,191 | |

City of New Bern, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

| | Major Funds | | | Nonmajor Funds | Total | Internal Service Fund |
|---|---------------|---------------|---------------|------------------|---------------|-----------------------|
| | Electric Fund | Water Fund | Sewer Fund | Solid Waste Fund | | |
| OPERATING REVENUES | | | | | | |
| Charges for services | \$ 52,777,339 | \$ 10,531,050 | \$ 11,900,375 | \$ 3,602,542 | \$ 78,811,306 | \$ - |
| Other operating revenues | 47,568 | 582,475 | 792,164 | - | 1,422,207 | 183,982 |
| Employee and retiree contributions | - | - | - | - | - | 577,901 |
| Employer and other contributions | - | - | - | - | - | 6,664,421 |
| Total operating revenues | 52,824,907 | 11,113,525 | 12,692,539 | 3,602,542 | 80,233,513 | 7,426,304 |
| OPERATING EXPENSES | | | | | | |
| Administrative and general | 6,242,853 | 2,352,745 | 2,349,461 | 116,925 | 11,061,984 | - |
| Operations and maintenance | 3,130,096 | 4,497,410 | 6,376,913 | 3,104,474 | 17,108,893 | - |
| Production | 38,684,107 | - | - | - | 38,684,107 | - |
| Depreciation and amortization | 2,356,879 | 1,716,739 | 2,332,633 | 115,771 | 6,522,022 | - |
| Claims and payments to third party administrators | - | - | - | - | - | 6,961,667 |
| Total operating expenses | 50,413,935 | 8,566,894 | 11,059,007 | 3,337,170 | 73,377,006 | 6,961,667 |
| Operating income (loss) | 2,410,972 | 2,546,631 | 1,633,532 | 265,372 | 6,856,507 | 464,637 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment earnings | 32,230 | 25,920 | 10,547 | 1,491 | 70,188 | 6,091 |
| Gain/(loss) on disposal of capital assets | (39,358) | 736 | 32,463 | 6,271 | 112 | - |
| Insurance proceeds | - | 488,400 | - | - | 488,400 | - |
| Interest and other charges | (94,102) | (377,724) | (93,618) | (1,132) | (566,576) | - |
| Total nonoperating revenues (expenses) | (101,230) | 137,332 | (50,608) | 6,630 | (7,876) | 6,091 |
| Income (loss) before contributions and transfers | 2,309,742 | 2,683,963 | 1,582,924 | 272,002 | 6,848,631 | 470,728 |
| Capital contributions | 1,971,102 | - | - | - | 1,971,102 | - |
| Transfer in (out) | (2,572,550) | (20,000) | (20,000) | - | (2,612,550) | 100,000 |
| Total income (loss) after contributions and transfers | 1,708,294 | 2,663,963 | 1,562,924 | 272,002 | 6,207,183 | 570,728 |
| Change in net position | 1,708,294 | 2,663,963 | 1,562,924 | 272,002 | 6,207,183 | 570,728 |
| Total net position , previously reported | 52,709,725 | 42,895,978 | 66,985,921 | 1,424,861 | | 3,013,041 |
| Total net position, ending | \$ 54,418,019 | \$ 45,559,941 | \$ 68,548,845 | \$ 1,696,863 | 6,207,183 | \$ 3,583,769 |
| Adjustment to reflect the consolidation of internal service fund activities to enterprise funds | | | | | 94,834 | |
| Change in Net position of Business-Type Activities | | | | | \$ 6,302,017 | |

City of New Bern, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

| | Major Funds | | | Non-Major Funds | Total | Internal Service Fund |
|--|----------------------|----------------------|---------------------|---------------------|----------------------|-----------------------|
| | Electric Fund | Water Fund | Sewer Fund | Solid Waste | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Payments from customers and users | \$ 52,782,738 | \$ 10,533,732 | \$ 11,804,637 | \$ 3,574,646 | \$ 78,695,753 | \$ 7,246,500 |
| Payments to suppliers | (41,802,651) | (3,935,002) | (5,879,264) | (2,287,974) | (53,904,891) | (114,387) |
| Payments to employees | (6,618,444) | (2,862,842) | (3,042,272) | (461,233) | (12,984,791) | (6,705,690) |
| Other revenues | 47,568 | 582,475 | 792,164 | - | 1,422,207 | 183,982 |
| Net cash provided (used) by operating activities | <u>4,409,211</u> | <u>4,318,363</u> | <u>3,675,265</u> | <u>825,439</u> | <u>13,228,278</u> | <u>610,405</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers (to) from other funds | <u>(2,572,550)</u> | <u>(20,000)</u> | <u>(20,000)</u> | <u>-</u> | <u>(2,612,550)</u> | <u>100,000</u> |
| Net cash provided (used) by noncapital financing activities | <u>(2,572,550)</u> | <u>(20,000)</u> | <u>(20,000)</u> | <u>-</u> | <u>(2,612,550)</u> | <u>100,000</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Acquisition and construction of capital assets | (3,058,077) | (364,057) | (1,543,224) | (14,800) | (4,980,158) | - |
| Capital contributions | 1,392,326 | - | - | - | 1,392,326 | - |
| Proceeds from debt | - | - | - | - | - | - |
| Principal paid on bonds and installment purchases | (1,652,046) | (2,476,068) | (2,288,923) | (49,467) | (6,466,504) | - |
| Insurance proceeds | - | 488,400 | - | - | 488,400 | - |
| Proceeds from sale of assets | 21,596 | 736 | 33,155 | 6,271 | 61,758 | - |
| Interest paid on bonds and installment purchases | (100,293) | (385,985) | (101,218) | (1,337) | (588,833) | - |
| Net cash provided (used) by capital and related financing activities | <u>(3,396,494)</u> | <u>(2,736,974)</u> | <u>(3,900,210)</u> | <u>(59,333)</u> | <u>(10,093,011)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest and dividends | 32,230 | 25,920 | 10,547 | 1,491 | 70,188 | 6,091 |
| Net cash provided (used) by investing activities | <u>32,230</u> | <u>25,920</u> | <u>10,547</u> | <u>1,491</u> | <u>70,188</u> | <u>6,091</u> |
| Net increase (decrease) in cash and investments | (1,527,603) | 1,587,309 | (234,398) | 767,597 | 592,905 | 716,496 |
| Balances, beginning | 20,107,225 | 12,816,320 | 7,360,167 | 755,340 | 41,039,052 | 3,464,892 |
| Balances, ending | <u>\$ 18,579,622</u> | <u>\$ 14,403,629</u> | <u>\$ 7,125,769</u> | <u>\$ 1,522,937</u> | <u>\$ 41,631,957</u> | <u>\$ 4,181,388</u> |

(continued)

City of New Bern, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

| | Major Funds | | | Non-Major Funds | Total | Internal Service Fund |
|--|---------------------|---------------------|---------------------|-------------------|----------------------|-----------------------|
| | Electric Fund | Water Fund | Sewer Fund | Solid Waste | | |
| Reconciliation of operating income to net cash provided by operating activities | | | | | | |
| Operating income | \$ 2,410,972 | \$ 2,546,631 | \$ 1,633,532 | \$ 265,372 | \$ 6,856,507 | \$ 464,637 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | | | |
| Depreciation and Amortization | 2,356,879 | 1,716,739 | 2,332,633 | 115,771 | 6,522,022 | - |
| Changes in assets and liabilities: | | | | | | |
| (Increase) decrease in accounts receivable | (71,014) | 2,682 | (95,738) | (27,896) | (191,966) | 4,178 |
| (Increase) decrease in due from other governments | - | - | - | - | - | - |
| (Increase) decrease in inventory | (351,951) | - | (55,101) | - | (407,052) | - |
| (Increase) decrease in prepaid expenses | - | - | - | - | - | - |
| (Increase) in deferred outflows of resources - pensions | (156,111) | (78,352) | (81,580) | (11,291) | (327,334) | - |
| Increase (decrease) in net pension liability | (915,736) | (459,607) | (478,540) | (66,231) | (1,920,114) | - |
| Increase (decrease) in deferred inflows of resources - pension | 981,243 | 492,485 | 512,773 | 70,968 | 2,057,469 | - |
| Increase (decrease) in accounts payable and accrued liabilities | 162,086 | 58,602 | (91,275) | 476,137 | 605,550 | 141,590 |
| Increase (decrease) in accrued payroll and payroll liabilities | (103,670) | - | 1,018 | (15) | (102,667) | - |
| Increase (decrease) in customer deposits | 76,413 | - | - | - | 76,413 | - |
| Increase (decrease) in accrued vacation pay | 20,100 | 39,183 | (2,457) | 2,624 | 59,450 | - |
| Total adjustments | <u>1,998,239</u> | <u>1,771,732</u> | <u>2,041,733</u> | <u>560,067</u> | <u>6,371,771</u> | <u>145,768</u> |
| Net cash provided by operating activities | <u>\$ 4,409,211</u> | <u>\$ 4,318,363</u> | <u>\$ 3,675,265</u> | <u>\$ 825,439</u> | <u>\$ 13,228,278</u> | <u>\$ 610,405</u> |

City of New Bern, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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, 2022, 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, 2022 the General Fund is reporting \$2,126,270 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.

F. Cash and Cash Equivalents

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 | \$ 675,143 |
| Restricted for Streets | 254,715 |
| Total General Fund | <u>929,858</u> |
| ARPA | 6,704,351 |
| Total Governmental Activities | <u>\$ 7,634,209</u> |
| Business-Type Activities | |
| Electric Fund - Customer Deposits | \$ 2,634,889 |
| Total Electric Fund | <u>2,634,889</u> |
| Total Business-Type Activities | <u>\$ 2,634,889</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, 2021.

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. Lease Receivable

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

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

K. 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."

L. 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.

M. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, 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.

N. 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 |

O. Right to Use Assets

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

P. 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.

Q. 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.

R. 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.

S. 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.

Leases - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable

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.

T. 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.

U. 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, 2022:

| Fund | Deficit | Cause: |
|---------------------------------|----------------|---|
| FEMA Hurricane Florence | \$ (1,403,398) | The negative fund balances for the various project funds consist of FEMA and grant related projects. 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. |
| FEMA Hurricane Dorian | (74,642) | |
| Grants Special Revenue | (19,270) | |
| CDBG - Coronavirus Grant Fund | (4,022) | |
| Entitlement Cities CDBG Program | (51,394) | |

Because the deficit balances are associated with multi-year fund that the City is waiting on reimbursements for, they are not reported as findings, with the exception of the Grants Special Revenue Fund as that is an annually budgeted fund and there was no appropriation made in the subsequent year budget.

C. Expenditures in Excess of Appropriations

For the fiscal year ended June 30, 2022, the expenditures made in the City's General Fund exceeded the authorized appropriations made by the governing board for the Administration department (the level at which the City adopts its budget) by \$1,468 and the Public Education Television Department by \$3,106. The overexpenditure in the administration department was due to recognizing future lease payments for the implementation of GASB 87. The overexpenditure in the Public Education Television department was due to Professional Services exceeded their expected cost.

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, 2022, the City's deposits had a carrying amount of \$10,493,450 and a bank balance of \$13,536,061. Of the bank balance, \$250,000 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, 2022, the City's investment balances were as follows:

| Investment by Type | Valuation Measurement Method | Book Value at 06/30/2022 | Maturity | Rating |
|---|---|-------------------------------------|-----------------|---------------|
| NC Capital Management Trust - Government Portfolio | Fair Value Level 1 | \$62,948,522 | 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, 2022, 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, 2022, were as follows:

| | Accounts | Taxes | Leases | Due from other Governments | Total |
|---------------------------------|---------------|------------|------------|----------------------------|---------------|
| Governmental Activities: | | | | | |
| General | \$ 3,883,996 | \$ 404,830 | \$ - | \$ 884,003 | \$ 5,172,829 |
| FEMA Hurricane Florence | - | - | - | 2,674,663 | 2,674,663 |
| Other Governmental | 543,726 | - | - | 108,998 | 652,724 |
| Internal Service Fund | 6,739 | - | - | - | 6,739 |
| Total receivables | 4,434,461 | 404,830 | - | 3,667,664 | 8,506,955 |
| Allowance | - | (154,697) | - | - | (154,697) |
| Net receivables | \$ 4,434,461 | \$ 250,133 | \$ - | \$ 3,667,664 | \$ 8,352,258 |
| Business-type Activities | | | | | |
| Electric | \$ 7,885,881 | \$ - | \$ - | \$ - | \$ 7,885,881 |
| Water | 1,414,251 | - | 731,367 | - | 2,145,618 |
| Sewer | 1,636,790 | - | - | - | 1,636,790 |
| Solid Waste | 424,060 | - | - | - | 424,060 |
| Total receivables | 11,360,982 | - | 731,367 | - | 12,092,349 |
| Allowance | (264,730) | - | - | - | (264,730) |
| Net receivables | \$ 11,096,252 | \$ - | \$ 731,367 | \$ - | \$ 11,827,619 |

Due from other governments consisted of the following:

| | |
|-------------------------------------|---------------------|
| State & Federal Grants | \$ 2,783,661 |
| Sales tax | 810,074 |
| Motor Vehicle - Due from the County | 73,929 |
| | <u>\$ 3,667,664</u> |

Lease Receivable

On 11/23/2021, City of New Bern, NC entered into a 144 month lease as Lessor for the use of MetroNet Pole Attachment . An initial lease receivable was recorded in the amount of \$130. As of 06/30/2022, the value of the lease receivable is \$123. The lessee is required to make monthly fixed payments of \$1. The lease has an interest rate of 1.7822%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$123, and City of New Bern recognized lease revenue of \$7 during the fiscal year.

On 07/01/2021, City of New Bern, NC entered into a 39 month lease as Lessor for the use of New Cingular Wireless PCS, LLC. An initial lease receivable was recorded in the amount of \$101,191. As of 06/30/2022, the value of the lease receivable is \$71,332. The lessee is required to make monthly fixed payments of \$2,492. The lease has an interest rate of 0.9006%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$70,056, and City of New Bern recognized lease revenue of \$31,136 during the fiscal year. The lessee has 2 extension option(s), each for 60 months. The lessee had a termination period of 2 months as of the lease commencement. City of New Bern had a termination period of 12 months as of the lease commencement.

Principal and Interest Expected to Maturity

| Fiscal Year | Business-Type Activities | | |
|-------------|--------------------------|-------------------|-------------------|
| | Principal Payments | Interest Payments | Total Payments |
| 2023 | \$ 212,814 | \$ 6,422 | \$ 219,236 |
| 2024 | 199,489 | 4,440 | 203,929 |
| 2025 | 122,910 | 2,602 | 125,512 |
| 2026 | 43,617 | 1,833 | 45,450 |
| 2027 | 44,072 | 1,377 | 45,449 |
| 2028 - 2032 | 108,449 | 1,419 | 109,868 |
| 2033 - 2035 | 16 | - | 16 |
| | <u>\$ 731,367</u> | <u>\$ 18,093</u> | <u>\$ 749,460</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, 2022 was as follows:

| | <u>Beginning</u> <u>Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending</u> <u>Balances</u> |
|--|-------------------------------------|-----------------------|---------------------|---------------------|----------------------------------|
| Governmental activities: | | | | | |
| Capital assets not being depreciated: | | | | | |
| Land | \$ 15,564,221 | \$ 1,991,482 | \$ (408,115) | \$ - | \$ 17,147,588 |
| Construction in Progress | 8,421,610 | 1,099,634 | (2,311,142) | - | 7,210,102 |
| Total capital assets not being depreciated | <u>23,985,831</u> | <u>3,091,116</u> | <u>(2,719,257)</u> | <u>-</u> | <u>24,357,690</u> |
| Capital assets being depreciated: | | | | | |
| Buildings and improvements | 19,774,096 | 112,593 | (1,623,336) | - | 18,263,353 |
| Equipment | 13,085,597 | 1,042,588 | (5,458,405) | - | 8,669,780 |
| Furniture and fixtures | 6,205,382 | 224,816 | (1,922,195) | - | 4,508,003 |
| Transformers | 70,275 | - | - | - | 70,275 |
| Infrastructure | 39,961,366 | 84,553 | - | - | 40,045,919 |
| Vehicles | 13,089,022 | 949,120 | (557,984) | 137,665 | 13,617,823 |
| Total capital assets being depreciated | <u>92,185,738</u> | <u>2,413,670</u> | <u>(9,561,920)</u> | <u>137,665</u> | <u>85,175,153</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (8,230,773) | (616,495) | 1,069,791 | - | (7,777,477) |
| Equipment | (8,343,964) | (1,135,517) | 4,732,883 | - | (4,746,598) |
| Furniture and fixtures | (5,827,640) | (70,167) | 1,768,207 | - | (4,129,600) |
| Transformers | (46,381) | (2,811) | - | - | (49,192) |
| Infrastructure | (14,552,672) | (1,459,700) | - | - | (16,012,372) |
| Vehicles | (8,480,273) | (1,030,247) | 540,744 | (137,665) | (9,107,441) |
| Total accumulated depreciation | <u>(45,481,703)</u> | <u>\$ (4,314,937)</u> | <u>\$ 8,111,625</u> | <u>\$ (137,665)</u> | <u>(41,822,680)</u> |
| Total capital assets being depreciated, net | <u>46,704,035</u> | | | | <u>43,352,473</u> |
| Governmental activity capital assets, net | <u>\$ 70,689,866</u> | | | | <u>\$ 67,710,163</u> |

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

| | | |
|-----------------------------------|----|------------------|
| General government | \$ | 310,751 |
| Public safety | | 1,959,815 |
| Public works | | 1,364,399 |
| Economic and Physical Development | | 126,113 |
| Cultural and recreational | | 553,859 |
| | \$ | <u>4,314,937</u> |

| | <u>Beginning</u> | | <u>Increases</u> | | <u>Decreases</u> | | <u>Transfers</u> | | <u>Ending</u> | |
|--|------------------|---------------------|------------------|--------------------|------------------|--------------------|------------------|------------------|-----------------|---------------------|
| | <u>Balances</u> | | | | | | | | <u>Balances</u> | |
| Business-type activities: | | | | | | | | | | |
| Electric Fund | | | | | | | | | | |
| Capital assets not being depreciated: | | | | | | | | | | |
| Land | \$ | 1,211,987 | \$ | 45,000 | \$ | - | \$ | - | \$ | 1,256,987 |
| Construction in Progress | | 8,839,890 | | 1,285,073 | | (6,968,629) | | - | | 3,156,334 |
| Total capital assets not being depreciated | | <u>10,051,877</u> | | <u>1,330,073</u> | | <u>(6,968,629)</u> | | - | | <u>4,413,321</u> |
| Capital assets being depreciated: | | | | | | | | | | |
| Buildings | | 5,520,202 | | 95,392 | | - | | - | | 5,615,594 |
| Equipment | | 9,248,357 | | 730,987 | | (411,441) | | - | | 9,567,903 |
| Furniture and fixtures | | 296,823 | | 6,770,483 | | - | | - | | 7,067,306 |
| Transformers | | 4,781,851 | | 99,506 | | - | | - | | 4,881,357 |
| Distribution systems | | 53,041,365 | | 927,965 | | - | | - | | 53,969,330 |
| Vehicles | | 4,132,766 | | 72,300 | | (361,743) | | (129,676) | | 3,713,647 |
| Total capital assets being depreciated | | <u>77,021,364</u> | | <u>8,696,633</u> | | <u>(773,184)</u> | | <u>(129,676)</u> | | <u>84,815,137</u> |
| Less accumulated depreciation for: | | | | | | | | | | |
| Buildings | | (1,525,432) | | (182,170) | | - | | - | | (1,707,602) |
| Equipment | | (6,587,837) | | (403,094) | | 350,487 | | - | | (6,640,444) |
| Furniture and fixtures | | (263,417) | | (15,389) | | - | | - | | (278,806) |
| Transformers | | (3,767,695) | | (87,800) | | - | | - | | (3,855,495) |
| Distribution systems | | (36,230,905) | | (1,402,923) | | - | | - | | (37,633,828) |
| Vehicles | | (2,779,841) | | (249,429) | | 361,743 | | 129,676 | | (2,537,851) |
| Total accumulated depreciation | | <u>(51,155,127)</u> | \$ | <u>(2,340,805)</u> | \$ | <u>712,230</u> | \$ | <u>129,676</u> | | <u>(52,654,026)</u> |
| Total capital assets being depreciated, net | | <u>25,866,237</u> | | | | | | | | <u>32,161,111</u> |
| Electric fund capital assets, net | \$ | <u>35,918,114</u> | | | | | | | \$ | <u>36,574,432</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 | 776,924 | 201,243 | (376,395) | - | 601,772 |
| Total capital assets not being depreciated | 1,629,403 | 201,243 | (376,395) | - | 1,454,251 |
| Capital assets being depreciated: | | | | | |
| Buildings | 35,655,357 | 12,997 | - | (220,756) | 35,447,598 |
| Equipment | 5,469,347 | 31,366 | (1,970) | 695,169 | 6,193,912 |
| Furniture and fixtures | 7,731 | - | (3,843) | - | 3,888 |
| Distribution systems | 26,475,622 | 363,997 | - | (474,413) | 26,365,206 |
| Vehicles | 1,023,219 | 130,849 | - | (26,759) | 1,127,309 |
| Total capital assets being depreciated | 68,631,276 | 539,209 | (5,813) | (26,759) | 69,137,913 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (8,890,834) | (965,630) | - | 132,505 | (9,723,959) |
| Equipment | (1,795,494) | (102,936) | 1,970 | (379,821) | (2,276,281) |
| Furniture and fixtures | (7,731) | - | 3,843 | - | (3,888) |
| Distribution systems | (11,646,082) | (566,284) | - | 247,316 | (11,965,050) |
| Vehicles | (876,540) | (70,040) | - | 26,759 | (919,821) |
| Total accumulated depreciation | (23,216,681) | \$ (1,704,890) | \$ 5,813 | \$ 26,759 | (24,888,999) |
| Total capital assets being depreciated, net | 45,414,595 | | | | 44,248,914 |
| Water Fund capital assets, net | \$ 47,043,998 | | | | \$ 45,703,165 |
| 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 | \$ 14,469 | \$ - | \$ - | \$ 12,403,980 |
| Construction in progress | 1,773,287 | 439,786 | (1,194,821) | - | 1,018,252 |
| Total capital assets not being depreciated | 14,162,798 | 454,255 | (1,194,821) | - | 13,422,232 |
| Capital assets being depreciated: | | | | | |
| Buildings | 40,575,063 | 556,098 | - | - | 41,131,161 |
| Equipment | 4,153,582 | 342,083 | (35,223) | - | 4,460,442 |
| Furniture and fixtures | 89,039 | - | (12,824) | - | 76,215 |
| Distribution systems | 42,393,208 | 890,022 | - | - | 43,283,230 |
| Vehicles | 2,045,562 | 495,587 | (153,993) | (22,777) | 2,364,379 |
| Total capital assets being depreciated | 89,256,454 | 2,283,790 | (202,040) | (22,777) | 91,315,427 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (21,922,681) | (1,115,157) | - | - | (23,037,838) |
| Equipment | (3,017,684) | (219,123) | 34,531 | - | (3,202,276) |
| Furniture and fixtures | (78,725) | (8,250) | 12,824 | - | (74,151) |
| Distribution systems | (13,061,627) | (859,976) | - | - | (13,921,603) |
| Vehicles | (1,664,196) | (128,931) | 153,993 | 22,777 | (1,616,357) |
| Total accumulated depreciation | (39,744,913) | \$ (2,331,437) | \$ 201,348 | \$ 22,777 | (41,852,225) |
| Total capital assets being depreciated, net | 49,511,541 | | | | 49,463,202 |
| Sewer Fund capital assets, net | \$ 63,674,339 | | | | \$ 62,885,434 |

| | <u>Beginning</u> <u>Balances</u> | <u>Increases</u> | <u>Decreases</u> | <u>Transfers</u> | <u>Ending</u> <u>Balances</u> |
|--|-------------------------------------|------------------|------------------|------------------|----------------------------------|
| Solid Waste Fund | | | | | |
| 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 | 14,800 | - | - | 322,671 |
| Vehicles | 493,194 | - | - | 41,547 | 534,741 |
| Total capital assets being depreciated | 915,570 | 14,800 | - | 41,547 | 971,917 |
| Less accumulated depreciation for: | | | | | |
| Lines | (10,824) | (4,136) | - | - | (14,960) |
| Equipment | (141,501) | (56,714) | - | - | (198,215) |
| Vehicles | (124,301) | (54,647) | - | (41,547) | (220,495) |
| Total accumulated depreciation | (276,626) | \$ (115,497) | \$ - | \$ (41,547) | (433,670) |
| Total capital assets being depreciated, net | 638,944 | | | | 538,247 |
| Solid Waste Fund capital assets, net | \$ 638,944 | | | | \$ 538,247 |
| Business-type activities capital assets, net | \$ 147,275,395 | | | | \$ 145,701,278 |

Right to Use Leased Assets

The City has recorded five right to use leased assets. The assets are right to use assets for leased copiers, postage machines, towers and land. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

| | <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------------|------------------|------------------|-----------------------|
| Right to use assets | | | | |
| Leased infrastructure | \$ - | \$ 141,723 | \$ - | \$ 141,723 |
| Leased equipment | - | 79,917 | - | 79,917 |
| Leased land | - | 154,832 | - | 154,832 |
| Total right to use assets | - | 376,472 | - | 376,472 |
| Less accumulated amortization for: | | | | |
| Leased infrastructure | - | 27,926 | - | 27,926 |
| Leased equipment | - | 29,440 | - | 29,440 |
| Leased land | - | 22,119 | - | 22,119 |
| Total accumulated amortization | - | 79,485 | - | 79,485 |
| Right to use assets, net | \$ - | \$ 296,987 | \$ - | \$ 296,987 |

Right to use asset activity for the Electric Fund for the year ended June 30, 2022, was as follows:

| | <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|------------------------------------|------------------------------------|------------------|------------------|-----------------------|
| Right to use assets | | | | |
| Leased infrastructure | \$ - | \$ 27,609 | \$ - | \$ 27,609 |
| Leased equipment | - | 14,563 | - | 14,563 |
| Leased land | - | 30,162 | - | 30,162 |
| Total right to use assets | - | 72,334 | - | 72,334 |
| Less accumulated amortization for: | | | | |
| Leased infrastructure | - | 5,440 | - | 5,440 |
| Leased equipment | - | 6,324 | - | 6,324 |
| Leased land | - | 4,309 | - | 4,309 |
| Total accumulated amortization | - | 16,073 | - | 16,073 |
| Right to use assets, net | \$ - | \$ 56,261 | \$ - | \$ 56,261 |

Right to use asset activity for the Water Fund for the year ended June 30, 2022, was as follows:

| | <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|------------------------------------|------------------------------------|------------------|------------------|-----------------------|
| Right to use assets | | | | |
| Leased infrastructure | \$ - | \$ 14,724 | \$ - | \$ 14,724 |
| Leased equipment | - | 15,314 | - | 15,314 |
| Leased land | - | 16,086 | - | 16,086 |
| Total right to use assets | - | 46,124 | - | 46,124 |
| Less accumulated amortization for: | | | | |
| Leased infrastructure | - | 2,901 | - | 2,901 |
| Leased equipment | - | 6,650 | - | 6,650 |
| Leased land | - | 2,298 | - | 2,298 |
| Total accumulated amortization | - | 11,849 | - | 11,849 |
| Right to use assets, net | \$ - | \$ 34,275 | \$ - | \$ 34,275 |

Right to use asset activity for the Sewer Fund for the year ended June 30, 2022, was as follows:

| | <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|------------------------------------|------------------------------------|------------------|------------------|-----------------------|
| Right to use assets | | | | |
| Leased equipment | \$ - | \$ 2,753 | \$ - | \$ 2,753 |
| Total right to use assets | - | 2,753 | - | 2,753 |
| Less accumulated amortization for: | | | | |
| Leased equipment | - | 1,196 | - | 1,196 |
| Total accumulated amortization | - | 1,196 | - | 1,196 |
| Right to use assets, net | \$ - | \$ 1,557 | \$ - | \$ 1,557 |

Right to use asset activity for the Solid Waste Fund for the year ended June 30, 2022, was as follows:

| | <u>Beginning</u> <u>Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|------------------------------------|------------------------------------|------------------|------------------|-----------------------|
| Right to use assets | | | | |
| Leased equipment | \$ - | \$ 631 | \$ - | \$ 631 |
| Total right to use assets | - | 631 | - | 631 |
| Less accumulated amortization for: | | | | |
| Leased equipment | - | 274 | - | 274 |
| Total accumulated amortization | - | 274 | - | 274 |
| Right to use assets, net | \$ - | \$ 357 | \$ - | \$ 357 |

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 of 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 Stature 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, 2022, was 12.04% of compensation for law enforcement officers and 11.41% 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 \$2,819,268 for the year ended June 30, 2022.

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, 2022, the City reported a liability of \$5,131,412 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022 (measurement date), the City's proportion was 0.3346% which was an increase of 0.0016% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense of \$2,149,551. At June 30, 2022, 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 | \$ 1,632,487 | \$ - |
| Changes of assumptions | 3,223,838 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 7,331,247 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 89,809 | 244,283 |
| Employer contributions subsequent to the measurement date | 2,819,268 | - |
| Total | <u>\$ 7,765,402</u> | <u>\$ 7,575,530</u> |

\$2,819,268 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June | |
|------------------------|-----------------------|
| 2023 | \$ 409,487 |
| 2024 | (226,121) |
| 2025 | (569,356) |
| 2026 | (2,243,406) |
| 2027 | - |
| Thereafter | - |
| | <u>\$ (2,629,396)</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.50 percent |
| Salary increases | 3.25 to 8.25 percent, which includes a 3.25% inflation and productivity |
| Investment rate of return | 6.50 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income 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, 2022 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 2020 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 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the 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 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

| | 1% Decrease (5.50%) | Discount Rate (6.50%) | 1% Increase (7.50%) |
|---|--------------------------------|----------------------------------|--------------------------------|
| City's proportionate share of the net pension liability (asset) | \$ 19,919,715 | \$ 5,131,412 | \$ (7,038,502) |

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, 2020, the Separation Allowance’s membership consisted of:

| | |
|-----------------------------|------------------|
| Retirees receiving benefits | 14 |
| Active plan members | <u>84</u> |
| Total | <u><u>98</u></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, 2020 valuation. The total pension liability in the December 31, 2020 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 | 2.25 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, 2022 was \$245,369.

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

At June 30, 2022, the City reported a total pension liability of \$3,858,372. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the City recognized pension expense of \$359,612.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 469,567 | \$ 256,239 |
| Changes of assumptions | 679,166 | 114,478 |
| City benefit payments and plan administrative expense made subsequent to the measurement date | 99,206 | - |
| Total | \$ 1,247,939 | \$ 370,717 |

\$99,206 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: | |
|----------------------------|------------|
| 2023 | \$ 188,392 |
| 2024 | 212,302 |
| 2025 | 204,029 |
| 2026 | 145,203 |
| 2027 | 28,090 |
| Thereafter | - |

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 2.25 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 (1.25 percent) and 1-percentage-point higher (3.25 percent) than the current rate.

| | 1% Decrease (1.25%) | Discount Rate (2.25%) | 1% Increase (3.25%) |
|-------------------------|------------------------|--------------------------|------------------------|
| Total pension liability | \$ 4,204,917 | \$ 3,858,372 | \$ 3,542,930 |

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

| | 2022 |
|---|--------------|
| Beginning balance | \$ 3,630,645 |
| Service Cost | 230,462 |
| Interest on the total pension liability | 67,704 |
| Changes of benefit terms | - |
| Differences | 282,348 |
| Changes of assumptions or other inputs | (107,418) |
| Benefit payments | (245,369) |
| Other changes | - |
| Net Change | 227,727 |
| Ending balance of the total pension liability | \$ 3,858,372 |

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, 2020 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 | \$ 2,149,551 | \$ 359,612 | \$ 2,509,163 |
| Pension Liability | 5,131,412 | 3,858,372 | 8,989,784 |
| Proportionate share of the net pension liability | 0.3346% | n/a | |

Deferred Outflows of Resources

| | | | |
|--|-----------|---------|-----------|
| Differences between expected and actual experience | 1,632,487 | 469,567 | 2,102,054 |
| Changes of assumptions | 3,223,838 | 679,166 | 3,903,004 |
| Net difference between projected and actual earnings on plan investments | - | - | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 89,809 | - | 89,809 |
| Benefit payments and administrative costs paid subsequent to the measurement date | 2,819,268 | 99,206 | 2,918,474 |

Deferred Inflows of Resources

| | | | |
|--|-----------|---------|-----------|
| Differences between expected and actual experience | - | 256,239 | 256,239 |
| Changes of assumptions | - | 114,478 | 114,478 |
| Net difference between projected and actual earnings on plan investments | 7,331,247 | - | 7,331,247 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 244,283 | - | 244,283 |

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, 2022 were \$365,147, which consisted of \$253,754 from the City and \$111,393 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, 2022 were \$1,302,345, which consisted of \$922,610 from the City and \$379,735 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 \$46,544,047 was measured as of June 30, 2021 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 | 0.75 percent |
| Wage inflation | 3.25 percent |
| Salary increase, including wage inflation | |
| General employees | 3.25 - 8.41 percent, including inflation |
| Firefighters | 3.25 - 8.15 percent, including inflation |
| Law Enforcement Officers | 3.25 - 7.90 percent, including inflation |
| Discount rate | 2.16% |
| 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 | \$ 43,810,450 |
| Changes for the year | |
| Service cost | 2,013,197 |
| Interest | 1,004,632 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (37,068) |
| Changes in assumptions or other inputs | 487,213 |
| Benefit payments | (734,377) |
| Net changes | <u>2,733,597</u> |
| Balance at June 30, 2021 | <u>\$ 46,544,047</u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, 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 (1.16%) | 2.16% Discount Rate | 1% Increase (3.16%) |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB liability | \$ 57,312,637 | \$ 46,544,047 | \$ 38,401,128 |

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 | \$ 37,166,710 | \$ 46,544,047 | \$ 59,313,189 |

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$3,369,259. At June 30, 2022, 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 | \$ 127,634 | \$ 1,711,577 |
| Changes of assumptions | 8,599,233 | 2,381,175 |
| Benefit payments and administrative costs made subsequent to the measurement date | 659,748 | - |
| Total | <u>\$ 9,386,615</u> | <u>\$ 4,092,752</u> |

\$659,748 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

| | |
|------------|------------|
| 2023 | \$ 459,724 |
| 2024 | 459,724 |
| 2025 | 459,724 |
| 2026 | 736,118 |
| 2027 | 916,164 |
| Thereafter | 1,602,661 |

F. Deferred Outflows and Inflows of Resources

| | Deferred Outflows of <u>Resources</u> | Deferred Inflows of <u>Resources</u> |
|--|---|--|
| Difference between expected and actual experience | | |
| LGERS | \$ 1,632,487 | \$ - |
| LEOSSA | 469,567 | 256,239 |
| OPEB | 127,634 | 1,711,577 |
| Changes of assumptions | | |
| LGERS | 3,223,838 | - |
| LEOSSA | 679,166 | 114,478 |
| OPEB | 8,599,233 | 2,381,175 |
| Difference between projected and actual investment | | |
| LGERS | - | 7,331,247 |
| Change in proportion and difference between employer | | |
| LGERS | 89,809 | 244,283 |
| Contributions to pension plan in current fiscal year | | |
| LGERS | 2,819,268 | - |
| Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA) | 99,206 | - |
| Benefit payments/administration costs paid subsequent to the measurement date (OPEB) | 659,748 | - |
| Taxes receivable, net (General) | - | 224,466 |
| Lease receivable (Enterprise) | - | 721,740 |
| Liens and other receivables (General) | - | 286,706 |
| Miscellaneous (General) | - | 82,000 |
| Total | <u>\$ 18,399,956</u> | <u>\$ 13,353,911</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 \$5,623,885 in claims and changes in estimates were incurred for benefits during the year ended June 30, 2022. Changes in the fund's claims liability amounts in the years ended June 30, 2022 and 2021, 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 | |
| 2022 | \$ 419,101 | \$ 5,422,904 | \$ 5,291,750 | \$ 550,255 |
| 2021 | 418,106 | 5,132,359 | 5,131,364 | 419,101 |

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 | |
| 2022 | \$ 50,000 | \$ 200,981 | \$ 200,981 | \$ 50,000 |
| 2021 | 60,000 | 282,493 | 292,493 | 50,000 |

NOTE 8: LONG-TERM OBLIGATIONS

a. Leases

The City has entered into agreements to lease certain equipment, land and infrastructure. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 09/22/2021, City of New Bern, NC entered into a 60 month lease as Lessee for the use of Lease Pitney Bowes. An initial lease liability was recorded in the amount of \$18,268. As of 06/30/2022, the value of the lease liability is \$14,658. City of New Bern is required to make quarterly fixed payments of \$940. The lease has an interest rate of 1.2245%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$18,268 with accumulated amortization of \$2,831 is included with Equipment on the Lease Class activities table found above.

On 07/01/2021, City of New Bern, NC entered into a 60 month lease as Lessee for the use of American Tower. An initial lease liability was recorded in the amount of \$184,056. As of 06/30/2022, the value of the lease liability is \$150,201. City of New Bern is required to make monthly fixed payments of \$2,818. The lease has an interest rate of 0.3081%. The Infrastructure estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$184,056 with accumulated amortization of \$36,2677 is included with Infrastructure on the Lease Class activities table found above. City of New Bern has 1 extension option(s), each for 60 months.

On 07/01/2021, City of New Bern, NC entered into a 84 month lease as Lessee for the use of Crown Castle & Crown Castle Pinnacle Tower. An initial lease liability was recorded in the amount of \$227,707. As of 06/30/2022, the value of the lease liability is \$199,282. City of New Bern is required to make monthly fixed payments of \$2,610. The lease has an interest rate of 1.4773%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$227,707 with accumulated amortization of \$32,530 is included with Land on the Lease Class activities table

On 07/01/2021, City of New Bern, NC entered into a 27 month lease as Lessee for the use of CopyPro. An initial lease liability was recorded in the amount of \$91,477. As of 06/30/2022, the value of the lease liability is \$50,973. City of New Bern is required to make monthly fixed payments of \$3,413. The lease has an interest rate of 0.6399%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$91,477 with accumulated amortization of \$39,725 is included with Equipment on the Lease Class activities table found

On 07/01/2021, City of New Bern, NC entered into a 31 month lease as Lessee for the use of Copyro Addition. An initial lease liability was recorded in the amount of \$3,433. As of 06/30/2022, the value of the lease liability is \$2,112. City of New Bern is required to make monthly fixed payments of \$112. The lease has an interest rate of 0.9006%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$3,433 with accumulated amortization of \$1,328 is included with Equipment on the Lease Class activities table found above.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Government Activites:

| <u>Year</u> | | | | |
|---|-------------------|-----------------|-------------------|--|
| <u>Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 2023 | \$ 77,830 | \$ 2,493 | \$ 80,323 | |
| 2024 | 59,765 | 1,926 | 61,691 | |
| 2025 | 54,443 | 1,468 | 55,911 | |
| 2026 | 56,475 | 1,000 | 57,475 | |
| 2027 | 26,633 | 567 | 27,200 | |
| 2028-2029 | 25,223 | 202 | 25,425 | |
| Present value of the minimum lease payments | <u>\$ 300,369</u> | <u>\$ 7,656</u> | <u>\$ 308,025</u> | |

Business-Type Activities:

| <u>Year</u> <u>Ending</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|------------------|-----------------|------------------|
| 2023 | \$ 28,846 | \$ 728 | \$ 29,574 |
| 2024 | 18,305 | 541 | 18,846 |
| 2025 | 15,161 | 416 | 15,577 |
| 2026 | 15,754 | 290 | 16,044 |
| 2027 | 7,955 | 169 | 8,124 |
| 2028-2029 | 7,535 | 60 | 7,595 |
| Present value of the minimum lease payments | <u>\$ 93,556</u> | <u>\$ 2,204</u> | <u>\$ 95,760</u> |

b. 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, 2022 were comprised of the following individual agreements:

| Governmental Activities: | Balance as of June 30, 2022 |
|--|--|
| 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. | \$ 393,128 |
| 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. | 186,126 |
| 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. | 378,317 |
| 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. | 389,170 |
| 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. | 1,392,000 |

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. 1,553,585

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. 720,024

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. 1,608,555

The City entered into a direct placement note issued by Truist Bank for \$1,210,748 was issued in November 2020 with annual payments of \$249,675 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 1.19% and matures in 2025. 969,757

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, 2022 the City has only received \$1,525,232. 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. 1,525,232

The City entered into a direct placement note issued by Truist Bank for \$3,900,000 was issued May 2022, with varying annual payments for the completion of the City Hall elevator. The property and all monies on deposit in the project fund are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.86% and matures in 2037. The funds are drawn down as needed for the project. At June 30, 2022, \$0 had been drawn down for the project. -

Total governmental activities \$ 9,115,894

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. \$ 132,154

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. 745,507

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. 293,667

Total business-type activities \$ 1,171,328

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, 2022 for the installment purchase contracts are as follows:

| For the Year Ending June 30 | Governmental Activities | | Business-Type Activities | |
|--------------------------------|-------------------------|---------------------|--------------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 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 | 1,131,690 | 108,689 | 186,377 | 3,145 |
| 2027 | 890,156 | 82,991 | - | - |
| 2028-2032 | 2,133,341 | 163,261 | - | - |
| 2033-2037 | 507,333 | 137,934 | - | - |
| Total | \$ 9,115,894 | \$ 1,009,124 | \$ 1,171,328 | \$ 49,740 |

c. 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, 2022 are as follows:

| Business-Type activities: | Balance as of June 30, 2022 |
|--|--|
| 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. | \$ 1,265,017 |
| 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. | 135,145 |
| 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. | 13,442,650 |
| Total outstanding notes payable: | \$ 14,842,812 |

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

| Year Ending June 30, | Principal | Interest | Total |
|----------------------|----------------------|---------------------|----------------------|
| 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 | 1,680,331 | 152,238 | 1,832,569 |
| 2028-2032 | 5,040,994 | 228,357 | 5,269,351 |
| Total: | \$ 14,842,812 | \$ 1,408,046 | \$ 16,250,858 |

d. 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. \$ 1,840,206

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. 1,035,598

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. 2,372,431

| | | | |
|---------------------|------------------|-----------------|--------------|
| | | | \$ 5,248,235 |
| Total revenue bonds | | | |
| Year | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 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 | - | - | - |
| 2027 | - | - | - |
| Total: | \$ 5,248,235 | \$ 163,417 | \$ 5,411,652 |

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, 2022, are as follows:

The debt service coverage ratio calculation for the year ended June 30, 2022 is as follows:

| | |
|--|---------------|
| Operating revenues | \$ 52,824,907 |
| Operating expenses | (50,413,935) |
| Add back: | |
| Investment earnings | 32,230 |
| Depreciation | 2,356,879 |
| Income available for debt service | \$ 4,800,081 |
| Debt service principal and interest paid (Revenue bond only) | \$ 2,909,621 |
| Debt service coverage ratio | 165% |

The City's debt service coverage ratio is greater than 120% of the debt service requirement for the year ended June 30, 2022.

e. Changes in Long-Term Liabilities

A summary of changes in long-term obligations follows:

| | Balance July 1, 2021 | Increases | Decreases | Balance June 30, 2022 | Current Portion of Balance |
|--|-------------------------|---------------------|---------------------|--------------------------|-------------------------------|
| Governmental activities: | | | | | |
| Direct placement installment purchases | \$ 10,860,233 | \$ 298,454 | \$ 2,042,793 | \$ 9,115,894 | \$ 1,854,254 |
| Lease liabilities | - | 376,472 | 76,103 | 300,369 | \$ 77,830 |
| Compensated absences | 1,689,966 | 131,995 | - | 1,821,961 | 546,588 |
| Net pension liability (LGERS) | 8,524,476 | - | 4,848,696 | 3,675,780 | - |
| Total pension liability | 3,630,645 | 227,727 | - | 3,858,372 | - |
| Total OPEB Liability | 43,810,450 | 2,733,597 | - | 46,544,047 | - |
| Total Governmental activities | \$ 68,515,770 | \$ 3,768,245 | \$ 6,967,592 | \$ 65,316,423 | \$ 2,478,672 |
| Business-type activities: | | | | | |
| Direct borrowing notes payable | \$ 17,824,037 | \$ - | \$ 2,981,225 | \$ 14,842,812 | \$ 3,012,921 |
| Direct placement installment purchases | 1,852,480 | - | 681,152 | 1,171,328 | 465,364 |
| Revenue bonds | 8,024,074 | - | 2,775,839 | 5,248,235 | 2,824,025 |
| Lease liabilities | - | 121,843 | 28,287 | 93,556 | 28,846 |
| Net pension liability | 3,375,746 | - | 1,920,114 | 1,455,632 | - |
| Compensated absences | 692,132 | 59,449 | - | 751,581 | 225,474 |
| Total Business-type activities | \$ 31,768,469 | \$ 181,292 | \$ 8,386,617 | \$ 23,563,144 | \$ 6,556,630 |

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, 2022, the City of New Bern had a legal debt margin of \$240,149,303.

NOTE 9: INTERFUND BALANCES AND ACTIVITY

The comparison of interfund balances as of June 30, 2022 is as follows:

Due To/From Other Funds

| Receivable Fund | Payable Fund | Amount |
|-----------------|-------------------------|---------------------|
| General Fund | FEMA Hurricane Florence | \$ 3,868,444 |
| General Fund | FEMA Hurricane Dorian | 424,424 |
| General Fund | MPO Plan | 76,640 |
| General Fund | Grants Special Revenue | 85,138 |
| General Fund | CDBG Entitlement | 51,873 |
| General Fund | CDBG-Coronavirus | 4,022 |
| | | <u>\$ 4,510,541</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, 2022, consists of the following:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>Amount</u> |
|----------------------------|---------------------------|---------------------|
| General Fund | Electric Fund | \$ 2,572,550 |
| General Fund | Water Fund | 20,000 |
| General Fund | Sewer Fund | 20,000 |
| General Fund | Neuse River Gateway | 39,450 |
| General Fund | FEMA Hurricane Irene | 14,550 |
| General Fund | Garage Relocation Project | 15,996 |
| | | <u>\$ 2,682,546</u> |
| Grants Fund | General Fund | \$ 12,505 |
| Public Private Partnership | General Fund | 10,000 |
| Redevelopment Fund | General Fund | 20,000 |
| MPO Plan Grant Fund | General Fund | 25,580 |
| Road Improvements | General Fund | 2,420,887 |
| City Hall Elevator Project | General Fund | 290,500 |
| OPEB Fund | General Fund | 100,000 |
| | | <u>\$ 2,879,472</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 and Right to Use | \$ 68,007,150 | \$ 145,793,728 |
| less: long-term debt | (9,416,263) | (21,355,931) |
| add: unexpended debt proceeds | - | - |
| Net Investment in Capital Assets | <u>\$ 58,590,887</u> | <u>\$ 124,437,797</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 | \$ 26,473,854 |
| Less restricted for: | |
| Inventories | 599,101 |
| Prepays | 40,520 |
| Stabilization by State statute | 11,404,785 |
| Streets | 254,715 |
| Economic and Physical Development | 675,143 |
| Subsequent year's expenditures | - |
| Remaining Fund Balance | <u>\$ 13,499,590</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 | <u>\$ 26,473,854</u> |
| Less: | |
| Nonspendable (Inventory, Prepaids) | 639,621 |
| Stabilization by State Statute | 11,404,785 |
| Streets | 254,715 |
| Economic & Physical Development | 675,143 |
| Fund Balance Policy (25% of CY expenditures, including transfers out) | 9,216,169 |
| Remaining Fund Balance | <u><u>\$ 4,283,421</u></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 |
|--------------|--------------|----------------|------------|---------------|------------|
| | \$ 2,126,270 | \$ 101,178 | \$ 113,957 | \$ 290,794 | \$ 219,614 |

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 \$0 to the Council during the fiscal year ended June 30, 2022.

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, 2022. The City contributed \$75,000 to the library during the fiscal year ended June 30, 2022.

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.

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 Nine Fiscal Years***

Local Government Employees' Retirement System

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|----------------|---------------|---------------|
| City's proportion of the net liability (asset) (%) | 0.33460% | 0.33302% | 0.35700% | 0.33250% | 0.33240% |
| City's proportion of the net pension liability (asset) (\$) | \$ 5,131,412 | \$ 11,900,223 | \$ 9,749,392 | \$ 7,888,037 | \$ 5,078,151 |
| City's covered payroll | \$ 23,325,826 | \$ 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 | 22.00% | 51.57% | 41.68% | 36.62% | 24.39% |
| Plan fiduciary net position as a percentage of the total pension liability** | 95.51% | 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 Nine Fiscal Years**

Local Government Employees' Retirement System

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|------------------|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 2,819,268 | \$ 2,412,259 | \$ 2,114,442 | \$ 1,864,644 | \$ 1,666,638 |
| Contributions in relation to the contractually required contribution | <u>2,819,268</u> | <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> |
| City's covered payroll | \$ 24,432,811 | \$ 23,325,826 | \$ 23,075,394 | \$ 23,392,399 | \$ 21,540,082 |
| Contributions as a percentage of covered payroll | 11.54% | 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 Six Fiscal Years

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Beginning balance | \$ 3,630,645 | \$ 2,966,769 | \$ 2,383,204 | \$ 2,767,704 |
| Service Cost | 230,462 | 130,539 | 125,573 | 119,819 |
| Interest on the total pension liability | 67,704 | 92,576 | 82,774 | 84,313 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience in the measurement of the total pension liability | 282,348 | (252,482) | 511,459 | (299,975) |
| Changes of assumptions or other inputs | (107,418) | 947,261 | 82,172 | (89,532) |
| Benefit payments | (245,369) | (254,018) | (218,413) | (199,125) |
| Other changes | - | - | - | - |
| Ending balance of the total pension liability | <u>\$ 3,858,372</u> | <u>\$ 3,630,645</u> | <u>\$ 2,966,769</u> | <u>\$ 2,383,204</u> |
| | | | | |
| | <u>2018</u> | <u>2017</u> | | |
| 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 Seven Fiscal Years

| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|--------------|--------------|--------------|--------------|
| Total pension liability | \$ 3,858,372 | \$ 3,630,645 | \$ 2,966,769 | \$ 2,383,204 |
| Covered Payroll | 5,269,348 | 4,845,097 | 5,131,526 | 4,520,892 |
| Total pension liability as a percentage of covered payroll | 73.22% | 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 Five Fiscal Years

| Total OPEB Liability | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Service cost | \$ 2,013,197 | \$ 1,204,822 | \$ 1,068,074 | \$ 1,142,446 | \$ 1,315,824 |
| Interest | 1,004,632 | 1,270,516 | 1,215,366 | 1,118,600 | 991,387 |
| Changes in benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (37,068) | (2,102,869) | (85,385) | 45,256 | 260,722 |
| Changes of assumptions | 487,213 | 8,639,338 | 2,300,267 | (1,893,219) | (3,439,284) |
| Benefit payments | (734,377) | (588,934) | (701,503) | (483,111) | (802,639) |
| Net change in total OPEB liability | 2,733,597 | 8,422,873 | 3,796,819 | (70,028) | (1,673,990) |
| Total OPEB liability - beginning | 43,810,450 | 35,387,577 | 31,590,758 | 31,660,786 | 33,334,776 |
| Total OPEB liability - ending | \$ 46,544,047 | \$ 43,810,450 | \$ 35,387,577 | \$ 31,590,758 | \$ 31,660,786 |
| Covered payroll | \$ 22,348,027 | \$ 22,348,027 | \$ 19,173,918 | \$ 19,173,918 | \$ 18,184,909 |
| Total OPEB liability as a percentage of covered payroll | 208.27% | 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 |
|--------------------|-------------|
| 2022 | 2.16% |
| 2021 | 2.21% |
| 2020 | 3.50% |
| 2019 | 3.89% |
| 2018 | 3.56% |

**SUPPLEMENTARY STATEMENTS
AND SCHEDULES**

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

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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---------------------------------------|-------------------|-------------------|------------------------------------|
| Revenues: | | | |
| Ad valorem taxes | | | |
| Current year | \$ 16,502,198 | \$ 16,611,831 | \$ 109,633 |
| Prior year | 86,050 | 53,255 | (32,795) |
| Municipal service district | 201,950 | 202,358 | 408 |
| Penalties and interest | 31,821 | 48,394 | 16,573 |
| Total ad valorem taxes | <u>16,822,019</u> | <u>16,915,838</u> | <u>93,819</u> |
| Unrestricted intergovernmental | | | |
| Local option sales tax | 9,523,375 | 10,320,084 | 796,709 |
| Video programming tax | 221,000 | 226,185 | 5,185 |
| Payments in lieu of taxes | 1,241,355 | 1,247,021 | 5,666 |
| Telecommunications sales tax | 145,000 | 129,802 | (15,198) |
| Utilities franchise tax | 2,072,600 | 2,072,567 | (33) |
| Piped natural gas tax | 70,000 | 93,282 | 23,282 |
| Public Education Television | 27,000 | 25,808 | (1,192) |
| Beer and wine tax | 129,000 | 123,985 | (5,015) |
| Fire protection reimbursement | 423 | 12,492 | 12,069 |
| ABC distributions | 108,000 | 108,713 | 713 |
| Total unrestricted intergovernmental | <u>13,537,753</u> | <u>14,359,939</u> | <u>822,186</u> |
| Restricted intergovernmental | | | |
| Powell Bill allocation | 986,000 | 986,171 | 171 |
| Total restricted intergovernmental | <u>986,000</u> | <u>986,171</u> | <u>171</u> |
| License, permits and fees | | | |
| Building permits and inspection fees | 863,000 | 910,273 | 47,273 |
| Auto and taxi fees | 33,000 | 67,455 | 34,455 |
| Beer and wine licenses | 2,000 | 480 | (1,520) |
| Other permits | 22,300 | 28,352 | 6,052 |
| Total licenses, permits and fees | <u>920,300</u> | <u>1,006,560</u> | <u>86,260</u> |
| Sales and services | | | |
| Public works fees | 70,300 | 67,225 | (3,075) |
| Refuse collection fees | 23,000 | 23,554 | 554 |
| Planning and inspections | 225,000 | 234,034 | 9,034 |
| Public safety fees | 40,787 | 41,566 | 779 |
| Cultural and recreation fees | 196,550 | 201,646 | 5,096 |
| Rent income | 2,800 | 3,285 | 485 |
| Other sales and services | 27,860 | 38,436 | 10,576 |
| Total sales and services | <u>586,297</u> | <u>609,746</u> | <u>23,449</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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|------------|------------|------------------------------------|
| Investment earnings | 4,160 | 35,965 | 31,805 |
| Other revenues | | | |
| Proceeds from insurance | 25,000 | 30,710 | 5,710 |
| Cemetery | 137,000 | 136,030 | (970) |
| Other revenues | 117,800 | 112,929 | (4,871) |
| Total other revenues | 279,800 | 279,669 | (131) |
| Total Revenues | 33,136,329 | 34,193,888 | 1,057,559 |
| Expenditures: | | | |
| General government: | | | |
| Governing body | | | |
| Salaries and employee benefits | 146,669 | 146,079 | 590 |
| Special appropriations | 124,700 | 96,760 | 27,940 |
| Operating expenditures | 168,695 | 98,514 | 70,181 |
| Total | 440,064 | 341,353 | 98,711 |
| Administration | | | |
| Salaries and employee benefits | 620,746 | 626,947 | (6,201) |
| Operating expenditures | 199,600 | 136,749 | 62,851 |
| Capital outlay | - | 58,118 | (58,118) |
| Total | 820,346 | 821,814 | (1,468) |
| Public Education Television (PEG) | | | |
| Operating expenditures | 50,900 | 54,006 | (3,106) |
| Total | 50,900 | 54,006 | (3,106) |
| Information technology | | | |
| Salaries and employee benefits | 731,413 | 711,040 | 20,373 |
| Operating expenditures | 1,064,620 | 832,021 | 232,599 |
| Capital outlay | 153,000 | 9,643 | 143,357 |
| Total | 1,949,033 | 1,552,704 | 396,329 |
| Finance | | | |
| Salaries and employee benefits | 1,094,626 | 1,030,332 | 64,294 |
| Operating expenditures | 490,493 | 459,263 | 31,230 |
| Capital outlay | 25,000 | 31,314 | (6,314) |
| Total | 1,610,119 | 1,520,909 | 89,210 |
| Legal | | | |
| Operating expenditures | 290,151 | 285,736 | 4,415 |
| Total | 290,151 | 285,736 | 4,415 |

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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|--------------------|--------------------|------------------------------------|
| Human resources | | | |
| Salaries and employee benefits | 546,954 | 533,672 | 13,282 |
| Operating expenditures | 133,288 | 124,922 | 8,366 |
| Capital outlay | - | 3,311 | |
| Total | <u>680,242</u> | <u>661,905</u> | <u>18,337</u> |
| Reimbursement from enterprise funds | <u>(3,566,740)</u> | <u>(3,567,098)</u> | <u>358</u> |
| Total general government | <u>2,274,115</u> | <u>1,671,329</u> | <u>602,786</u> |
| Public Safety: | | | |
| Police | | | |
| Salaries and employee benefits | 9,676,325 | 9,675,558 | 767 |
| Operating expenditures | 1,523,482 | 1,213,105 | 310,377 |
| Capital outlay | 668,057 | 836,374 | (168,317) |
| Total | <u>11,867,864</u> | <u>11,725,037</u> | <u>142,827</u> |
| Fire department | | | |
| Salaries and employee benefits | 6,340,255 | 6,299,208 | 41,047 |
| Operating expenditures | 769,286 | 588,217 | 181,069 |
| Capital outlay | 71,978 | 97,513 | (25,535) |
| Total | <u>7,181,519</u> | <u>6,984,938</u> | <u>196,581</u> |
| E911 Support: | | | |
| Salaries and employee benefits | 149,364 | 142,607 | 6,757 |
| Operating expenditures | 300 | - | 300 |
| Total | <u>149,664</u> | <u>142,607</u> | <u>7,057</u> |
| Total public safety | <u>19,199,047</u> | <u>18,852,582</u> | <u>346,465</u> |
| Public works | | | |
| Streets | | | |
| Salaries and employee benefits | 1,152,936 | 1,094,854 | 58,082 |
| Operating expenditures | 1,492,511 | 778,433 | 714,078 |
| Capital outlay | 384,570 | 378,345 | 6,225 |
| Total | <u>3,030,017</u> | <u>2,251,632</u> | <u>778,385</u> |
| Public buildings | | | |
| Salaries and employee benefits | 471,673 | 444,912 | 26,761 |
| Operating expenditures | 533,815 | 448,755 | 85,060 |
| Total | <u>1,011,282</u> | <u>899,461</u> | <u>111,821</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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|-------------|------------|------------------------------------|
| Administration | | | |
| Salaries and employee benefits | 746,116 | 753,352 | (7,236) |
| Operating expenditures | 1,299,389 | 1,024,025 | 275,364 |
| Capital outlay | 500 | 7,867 | (7,367) |
| Total | 2,046,005 | 1,785,244 | 260,761 |
| Stormwater | | | |
| Salaries and employee benefits | 415,833 | 396,666 | 19,167 |
| Operating expenditures | 279,860 | 241,515 | 38,345 |
| Capital outlay | 80,000 | 80,631 | (631) |
| Total | 775,693 | 718,812 | 56,881 |
| Total Public Works | 6,862,997 | 5,655,149 | 1,207,848 |
| Cultural and recreational: | | | |
| Parks and recreation | | | |
| Salaries and employee benefits | 2,218,983 | 2,087,027 | 131,956 |
| Operating expenditures | 1,263,396 | 931,121 | 332,275 |
| Capital outlay | 799,641 | 471,124 | 328,517 |
| Total Cultural and Recreational | 4,282,020 | 3,489,272 | 792,748 |
| Economic and physical development | | | |
| Planning | | | |
| Salaries and employee benefits | 1,523,847 | 1,467,696 | 56,151 |
| Operating expenditures | 353,024 | 264,589 | 88,435 |
| Capital outlay | 72,000 | 76,662 | (4,662) |
| Total | 1,948,871 | 1,808,947 | 139,924 |
| Municipal service district | | | |
| Operating expenditures | 44,500 | 32,933 | 11,567 |
| Capital outlay | 227,000 | 226,546 | 454 |
| Total | 271,500 | 259,479 | 12,021 |
| Total economic and physical development | 2,220,371 | 2,068,426 | 151,945 |
| Debt service: | | | |
| Principal retirement | 2,046,781 | 2,042,793 | 3,988 |
| Interest and other charges | 208,741 | 205,653 | 3,088 |
| Total debt service | 2,255,522 | 2,248,446 | 7,076 |
| Total expenditures | 37,094,072 | 33,985,204 | 3,108,868 |
| Revenues over (under) expenditures | (3,957,743) | 208,684 | 4,166,427 |

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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|-------------|---------------|------------------------------------|
| Other financing sources (uses): | | | |
| Proceeds from sale of capital assets | 100,000 | 99,979 | (21) |
| Transfers in | 2,692,550 | 2,682,546 | (10,004) |
| Transfers out | (3,040,046) | (2,879,472) | 160,574 |
| Installment purchase obligations issued | 298,404 | 298,454 | 50 |
| Lease liabilities issued | - | 376,472 | 376,472 |
| Appropriated fund balance | 3,906,835 | - | (3,906,835) |
| Total other financing sources (uses) | 3,957,743 | 577,979 | (3,379,764) |
| Revenues and other financing sources over expenditures and other financing uses | \$ - | 786,663 | \$ 786,663 |
| Fund balance, beginning | | 25,687,191 | |
| Fund balance, ending | | \$ 26,473,854 | |

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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|--|--------------------------|-------------------|------------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | | | | | |
| Federal Public Disaster Assistance Grant | \$ 20,925,000 | \$ 9,130,951 | \$ 4,879,633 | \$ 14,010,584 | \$ (6,914,416) |
| State Public Disaster Assistance Grant | 6,975,000 | 2,733,386 | 1,626,544 | 4,359,930 | (2,615,070) |
| Insurance Proceeds | 2,100,000 | 2,735,836 | - | 2,735,836 | 635,836 |
| Total revenues | <u>30,000,000</u> | <u>14,600,173</u> | <u>6,506,177</u> | <u>21,106,350</u> | <u>(8,893,650)</u> |
| Expenditures | | | | | |
| General government | | | | | |
| Administration | | | | | |
| Salaries and employee benefits | 27,486 | 27,483 | - | 27,483 | 3 |
| Operating expenditures | 2,080,351 | 1,776,339 | 113,470 | 1,889,809 | 190,542 |
| 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 | 38,334 | - | 38,334 | (438) |
| Operating expenditures | 11 | 3,165 | 32 | 3,197 | (3,186) |
| 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 | 182,055 | - | 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 | 1,126,491 | 719,710 | 3,490 | 723,200 | 403,291 |
| Administration | | | | | |
| Salaries and employee benefits | 66,111 | 79,057 | 1,401 | 80,458 | (14,347) |
| 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, 2022

| | 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 | 5,281,719 | 4,859,903 | 1,883,429 | 6,743,332 | (1,461,613) |
| 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 | 3,094,391 | - | 3,094,391 | 183,100 |
| Cultural and Recreation | | | | | |
| Salaries and employee benefits | 140,207 | 144,537 | 4,591 | 149,128 | (8,921) |
| Operating expenditures | 9,169,738 | 986,141 | 153,334 | 1,139,475 | 8,030,263 |
| Economic and physical development | | | | | |
| Salaries and employee benefits | 45,664 | 45,659 | - | 45,659 | 5 |
| Operating expenditures | 88,975 | 116,860 | 348 | 117,208 | (28,233) |
| Total expenditures | <u>30,000,000</u> | <u>20,349,653</u> | <u>2,160,095</u> | <u>22,509,748</u> | <u>7,490,252</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(5,749,480)</u> | <u>4,346,082</u> | <u>(1,403,398)</u> | <u>(1,403,398)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (5,749,480)</u> | <u>4,346,082</u> | <u>\$ (1,403,398)</u> | <u>\$ (1,403,398)</u> |
| Fund Balance (Deficit), beginning of year | | | <u>(5,749,480)</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ (1,403,398)</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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|---|--------------------------|-------------|--------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | | | | | |
| ARP Revenue | \$ 6,704,351 | \$ - | \$ 5,660 | \$ 5,660 | \$ (6,698,691) |
| Total revenues | <u>6,704,351</u> | <u>-</u> | <u>5,660</u> | <u>5,660</u> | <u>(6,698,691)</u> |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Other Professional Services | - | - | - | - | - |
| Capital outlay - Stormwater | - | - | 5,660 | 5,660 | (5,660) |
| Total expenditures | <u>-</u> | <u>-</u> | <u>5,660</u> | <u>5,660</u> | <u>(5,660)</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 | (6,704,351) | - | - | - | 6,704,351 |
| 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 Funds
June 30, 2022

| | <u>Special Revenue Funds</u> | <u>Capital Project Funds</u> | <u>Total</u> |
|--|--------------------------------------|----------------------------------|---------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 1,053,081 | \$ 1,057,794 | \$ 2,110,875 |
| Accounts receivable, net | 543,726 | - | 543,726 |
| Due from other governments | 108,998 | - | 108,998 |
| Restricted cash and cash equivalents | - | - | - |
| Total assets | <u>\$ 1,705,805</u> | <u>\$ 1,057,794</u> | <u>\$ 2,763,599</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable and accrued liabilities | \$ 27,864 | \$ 568,037 | \$ 595,901 |
| Due to Other Funds | <u>642,097</u> | - | <u>642,097</u> |
| Total liabilities | <u>669,961</u> | <u>568,037</u> | <u>1,237,998</u> |
| Fund balances | | | |
| Restricted: | | | |
| Public safety | 402,314 | - | 402,314 |
| Economic and physical development | 666,283 | - | 666,283 |
| Assigned: | | | |
| Capital projects | - | 703,844 | 703,844 |
| Unassigned | <u>(32,753)</u> | <u>(214,087)</u> | <u>(246,840)</u> |
| Total fund balances | <u>1,035,844</u> | <u>489,757</u> | <u>1,525,601</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,705,805</u> | <u>\$ 1,057,794</u> | <u>\$ 2,763,599</u> |

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Funds
For the Year Ended June 30, 2022

| | Special Revenue Funds | Capital Projects Funds | Total |
|---|--------------------------------------|---------------------------------------|---------------------|
| Revenues | | | |
| Restricted intergovernmental | \$ 1,536,909 | \$ 475,000 | \$ 2,011,909 |
| Miscellaneous | 1,080 | - | 1,080 |
| Investment earnings | 410 | 145 | 555 |
| Total revenues | <u>1,538,399</u> | <u>475,145</u> | <u>2,013,544</u> |
| Expenditures | | | |
| General government | 83,776 | 698,449 | 782,225 |
| Cultural and recreational | - | - | - |
| Public safety | 306,303 | - | 306,303 |
| Public works | 3,200 | 241,392 | 244,592 |
| Economical and physical development | 707,843 | 12,226 | 720,069 |
| Total expenditures | <u>1,101,122</u> | <u>952,067</u> | <u>2,053,189</u> |
| Excess (deficiency) of revenues over expenditures | 437,277 | (476,922) | (39,645) |
| Other financing sources (uses) | | | |
| Transfers in | 53,535 | 2,711,388 | 2,764,923 |
| Transfers out | (39,450) | (15,996) | (55,446) |
| Installment purchase obligations issued | - | - | - |
| Total other financing sources (uses) | <u>14,085</u> | <u>2,695,392</u> | <u>2,709,477</u> |
| Net change in fund balances | 451,362 | 2,218,470 | 2,669,832 |
| Fund balances (deficit), beginning of year | <u>584,482</u> | <u>(1,728,713)</u> | <u>(1,144,231)</u> |
| Fund balances (deficit), end of year | <u>\$ 1,035,844</u> | <u>\$ 489,757</u> | <u>\$ 1,525,601</u> |

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2022

Exhibit C-3

| | Community Development | Emergency Telephone System | Police Special Revenue | Grants Special Revenue | Public- Private Partnership |
|---|----------------------------------|---|---------------------------------------|---------------------------------------|--|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 5,829 | \$ 238,905 | \$ 79,085 | \$ - | \$ 9,812 |
| Accounts receivable, net | 90 | 15,300 | - | 65,868 | - |
| Due from other governments | - | - | - | - | - |
| Restricted cash and cash equivalents | - | - | - | - | - |
| Total assets | <u>\$ 5,919</u> | <u>\$ 254,205</u> | <u>\$ 79,085</u> | <u>\$ 65,868</u> | <u>\$ 9,812</u> |
| LIABILITIES AND FUND | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to Other Funds | - | - | - | 85,138 | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>85,138</u> | <u>-</u> |
| Fund balances | | | | | |
| Restricted: | | | | | |
| Public safety | - | 254,205 | 79,085 | - | - |
| Economic and physical development | 5,919 | - | - | - | 9,812 |
| Unassigned | - | - | - | (19,270) | - |
| Total fund balances | <u>5,919</u> | <u>254,205</u> | <u>79,085</u> | <u>(19,270)</u> | <u>9,812</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 5,919</u> | <u>\$ 254,205</u> | <u>\$ 79,085</u> | <u>\$ 65,868</u> | <u>\$ 9,812</u> |

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2022

Exhibit C-3
(continued)

| | FEMA Hurricane Irene | MPO Plan | Entitlement Cities CDBG Program | Equitable Sharing U.S. Department of Justice | Neuse River Gateway |
|---|----------------------------|-------------------|---------------------------------------|---|------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 69,024 | \$ - |
| Accounts receivable, net | - | - | 1,000 | - | - |
| Due from other governments | - | 108,998 | - | - | - |
| Restricted cash and cash equivalents | - | - | - | - | - |
| Total assets | <u>\$ -</u> | <u>\$ 108,998</u> | <u>\$ 1,000</u> | <u>\$ 69,024</u> | <u>\$ -</u> |
| LIABILITIES AND FUND | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 14,681 | \$ 521 | \$ - | \$ - |
| Due to Other Funds | - | 76,640 | 51,873 | - | - |
| Total liabilities | <u>-</u> | <u>91,321</u> | <u>52,394</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | | |
| Restricted: | | | | | |
| Public safety | - | - | - | 69,024 | - |
| Economic and physical development | - | 17,677 | - | - | - |
| Unassigned | - | - | (51,394) | - | - |
| Total fund balances | <u>-</u> | <u>17,677</u> | <u>(51,394)</u> | <u>69,024</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ -</u> | <u>\$ 108,998</u> | <u>\$ 1,000</u> | <u>\$ 69,024</u> | <u>\$ -</u> |

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2022

Exhibit C-3
(continued)

| | City Market Workforce Development | Resiliency and Hazard Mitigation | FEMA Hurricane Dorian | CDBG - Coronavirus Grant Fund | FEMA Hurricane Isaias |
|---|--|---|--------------------------------------|--|--------------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ - | \$ 264,853 | \$ - | \$ - | \$ 4,889 |
| Accounts receivable, net | - | - | 349,782 | - | 111,686 |
| Due from other governments | - | - | - | - | - |
| Restricted cash and cash equivalents | - | - | - | - | - |
| Total assets | <u>\$ -</u> | <u>\$ 264,853</u> | <u>\$ 349,782</u> | <u>\$ -</u> | <u>\$ 116,575</u> |
| LIABILITIES AND FUND | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | \$ - | \$ 12,662 | \$ - | \$ - | \$ - |
| Due to Other Funds | - | - | 424,424 | 4,022 | - |
| Total liabilities | <u>-</u> | <u>12,662</u> | <u>424,424</u> | <u>4,022</u> | <u>-</u> |
| Fund balances | | | | | |
| Restricted: | | | | | |
| Public safety | - | - | - | - | - |
| Economic and physical development | - | 252,191 | - | - | 116,575 |
| Unassigned | - | - | (74,642) | (4,022) | - |
| Total fund balances | <u>-</u> | <u>252,191</u> | <u>(74,642)</u> | <u>(4,022)</u> | <u>116,575</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ -</u> | <u>\$ 264,853</u> | <u>\$ 349,782</u> | <u>\$ -</u> | <u>\$ 116,575</u> |

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2022

Exhibit C-3
(continued)

| | Redevelopment Fund | Total |
|---|-------------------------------|--------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 380,684 | \$ 1,053,081 |
| Accounts receivable, net | | 543,726 |
| Due from other governments | | 108,998 |
| Restricted cash and cash equivalents | | - |
| Total assets | \$ 380,684 | \$ 1,705,805 |
| LIABILITIES AND FUND | | |
| Liabilities | | |
| Accounts payable and accrued liabilities | \$ - | \$ 27,864 |
| Due to Other Funds | - | 642,097 |
| Total liabilities | - | 669,961 |
| Fund balances | | |
| Restricted: | | |
| Public safety | - | 402,314 |
| Economic and physical development | 380,684 | 782,858 |
| Unassigned | - | (149,328) |
| Total fund balances | 380,684 | 1,035,844 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 380,684 | \$ 1,705,805 |

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, 2022

Exhibit C-4

| | <u>Community Development</u> | <u>Emergency Telephone System</u> | <u>Police Special Revenue</u> | <u>Grants Special Revenue</u> | <u>Public- Private Partnership</u> |
|--|----------------------------------|---|-----------------------------------|---------------------------------------|--|
| Revenues | | | | | |
| Restricted intergovernmental | \$ - | \$ 183,596 | \$ 41,885 | \$ 201,403 | \$ - |
| Miscellaneous | 1,080 | - | - | - | - |
| Investment earnings | 6 | 248 | 79 | - | - |
| Total revenues | <u>1,086</u> | <u>183,844</u> | <u>41,964</u> | <u>201,403</u> | <u>-</u> |
| Expenditures | | | | | |
| General government | - | - | - | 2,450 | - |
| Public safety | - | 81,716 | 23,474 | 194,791 | - |
| Public works | - | - | - | 3,200 | - |
| Economical and physical development | - | - | - | 15,000 | 3,534 |
| Total expenditures | <u>-</u> | <u>81,716</u> | <u>23,474</u> | <u>215,441</u> | <u>3,534</u> |
| Excess (deficiency) of revenues over expenditures | 1,086 | 102,128 | 18,490 | (14,038) | (3,534) |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | - | 12,505 | 10,000 |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,505</u> | <u>10,000</u> |
| Net change in fund balances | 1,086 | 102,128 | 18,490 | (1,533) | 6,466 |
| Fund balances (deficit), beginning of year | <u>4,833</u> | <u>152,077</u> | <u>60,595</u> | <u>(17,737)</u> | <u>3,346</u> |
| Fund balances (deficit), end of year | <u>\$ 5,919</u> | <u>\$ 254,205</u> | <u>\$ 79,085</u> | <u>\$ (19,270)</u> | <u>\$ 9,812</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, 2022

Exhibit C-4
(continued)

| | FEMA Hurricane Irene | MPO Plan | Entitlement Cities CDBG Program | Equitable Sharing U.S. Department of Justice | Neuse River Gateway |
|--|-------------------------------------|------------------|--|---|--------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | \$ - | \$ 194,442 | \$ 269,750 | \$ - | \$ - |
| Miscellaneous | - | - | - | - | - |
| Investment earnings | - | - | - | 77 | - |
| Total revenues | <u>-</u> | <u>194,442</u> | <u>269,750</u> | <u>77</u> | <u>-</u> |
| Expenditures | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | - | 6,322 | - |
| Public works | - | - | - | - | - |
| Economical and physical development | - | 214,175 | 322,845 | - | - |
| Total expenditures | <u>-</u> | <u>214,175</u> | <u>322,845</u> | <u>6,322</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | (19,733) | (53,095) | (6,245) | - |
| Other financing sources (uses) | | | | | |
| Transfers in | - | 25,580 | - | - | - |
| Transfers out | (14,550) | - | - | - | (39,450) |
| Total other financing sources (uses) | <u>(14,550)</u> | <u>25,580</u> | <u>-</u> | <u>-</u> | <u>(39,450)</u> |
| Net change in fund balances | (14,550) | 5,847 | (53,095) | (6,245) | (39,450) |
| Fund balances (deficit), beginning of year | <u>14,550</u> | <u>11,830</u> | <u>1,701</u> | <u>75,269</u> | <u>39,450</u> |
| Fund balances (deficit), end of year | <u>\$ -</u> | <u>\$ 17,677</u> | <u>\$ (51,394)</u> | <u>\$ 69,024</u> | <u>\$ -</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, 2022

Exhibit C-4
(continued)

| | City Market Workforce Development | Resiliency and Hazard Mitigation | FEMA Hurricane Dorian | CDBG - Coronavirus Grant Fund | FEMA Hurricane Isaias |
|--|--|---|--------------------------------------|--|--------------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | \$ - | \$ 70,000 | \$ 349,782 | \$ 57,616 | \$ 168,435 |
| Miscellaneous | - | - | - | - | - |
| Investment earnings | - | - | - | - | - |
| Total revenues | <u>-</u> | <u>70,000</u> | <u>349,782</u> | <u>57,616</u> | <u>168,435</u> |
| Expenditures | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Economical and physical development | - | 114,309 | - | 37,980 | - |
| Total expenditures | <u>-</u> | <u>114,309</u> | <u>-</u> | <u>37,980</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | (44,309) | 349,782 | 19,636 | 168,435 |
| Other financing sources (uses) | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | (44,309) | 349,782 | 19,636 | 168,435 |
| Fund balances (deficit), beginning of year | <u>-</u> | <u>296,500</u> | <u>(424,424)</u> | <u>(23,658)</u> | <u>(51,860)</u> |
| Fund balances (deficit), end of year | <u>\$ -</u> | <u>\$ 252,191</u> | <u>\$ (74,642)</u> | <u>\$ (4,022)</u> | <u>\$ 116,575</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, 2022

Exhibit C-4
(continued)

| | Redevelopment Fund | Total |
|--|-------------------------------|--------------|
| Revenues | | |
| Restricted intergovernmental | \$ - | \$ 1,536,909 |
| Miscellaneous | - | 1,080 |
| Investment earnings | - | 410 |
| Total revenues | - | 1,538,399 |
| Expenditures | | |
| General government | 81,326 | 83,776 |
| Public safety | - | 306,303 |
| Public works | - | 3,200 |
| Economical and physical development | - | 707,843 |
| Total expenditures | 81,326 | 1,101,122 |
| Excess (deficiency) of revenues over expenditures | (81,326) | 437,277 |
| Other financing sources (uses) | | |
| Transfers in | 20,000 | 68,085 |
| Transfers out | - | (54,000) |
| Total other financing sources (uses) | 20,000 | 14,085 |
| Net change in fund balances | (61,326) | 451,362 |
| Fund balances (deficit), beginning of year | 442,010 | 584,482 |
| Fund balances (deficit), end of year | \$ 380,684 | \$ 1,035,844 |

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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|---------------|-----------------|------------------------------------|
| Revenues | | | |
| Program Income | \$ - | \$ 1,080 | \$ 1,080 |
| Investment earnings | - | 6 | 6 |
| Total revenues | <u>-</u> | <u>1,086</u> | <u>1,086</u> |
| Expenditures | | | |
| Economic and physical development | | | |
| Operating expenditures | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>1,086</u> | <u>1,086</u> |
| Other financing sources (uses) | | | |
| Appropriated fund balance | - | - | - |
| Transfers in | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>1,086</u> | <u>\$ 1,086</u> |
| Fund Balance (Deficit), beginning of year | | <u>4,833</u> | |
| Fund Balance (Deficit), end of year | | <u>\$ 5,919</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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|------------|------------|------------------------------------|
| Revenues | | | |
| Restricted intergovernmental | | | |
| Wireless 911 funds | \$ 183,596 | \$ 183,596 | \$ - |
| Investment earnings | - | 248 | 248 |
| Total revenues | 183,596 | 183,844 | 248 |
| Expenditures | | | |
| Public safety | | | |
| Operating expenditures | 183,596 | 81,716 | 101,880 |
| Total expenditures | 183,596 | 81,716 | 101,880 |
| Excess (deficiency) of revenues over expenditures | - | 102,128 | 102,128 |
| Net change in fund balance | \$ - | 102,128 | \$ 102,128 |
| Fund Balance (Deficit), beginning of year | | 152,077 | |
| Fund Balance (Deficit), end of year | | \$ 254,205 | |

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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|---|-----------|-----------|------------------------------------|
| Revenues | | | |
| Restricted intergovernmental | | | |
| Policerevenue | \$ 31,229 | \$ 41,885 | \$ 10,656 |
| Investment earnings | - | 79 | 79 |
| Total revenues | 31,229 | 41,964 | 10,735 |
| Expenditures | | | |
| Public safety | | | |
| Operating expenditures | 31,229 | 23,474 | 7,755 |
| Total expenditures | 31,229 | 23,474 | 7,755 |
| Net change in fund balance | \$ - | 18,490 | \$ 18,490 |
| Fund Balance (Deficit), beginning of year | | 60,595 | |
| Fund Balance (Deficit), end of year | | \$ 79,085 | |

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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---|-----------------|--------------------|------------------------------------|
| Revenues | | | |
| Restricted intergovernmental | | | |
| Police grants | \$ 165,127 | \$ 115,403 | \$ (49,724) |
| Fire grants | 71,000 | 71,000 | - |
| Cultural and recreational | 147,746 | - | (147,746) |
| Development Services | - | 15,000 | 15,000 |
| Public Works | 50,000 | - | (50,000) |
| Total revenues | <u>433,873</u> | <u>201,403</u> | <u>(232,470)</u> |
| Expenditures | | | |
| Police | | | |
| Operating expenditures | 178,472 | 124,908 | 53,564 |
| Fire | | | |
| Operating expenditures | 71,000 | 69,883 | 1,117 |
| Cultural and recreational | | | |
| Operating expenditures | 147,746 | - | 147,746 |
| Governing Board | | | |
| Operating expenditures | - | 2,450 | (2,450) |
| Economic and physical development | | | |
| Operating expenditures | 15,000 | 15,000 | - |
| Public Works | | | |
| Operating expenditures | 50,000 | 3,200 | 46,800 |
| Total expenditures | <u>462,218</u> | <u>215,441</u> | <u>246,777</u> |
| Excess (deficiency) of revenues over expenditures | <u>(28,345)</u> | <u>(14,038)</u> | <u>14,307</u> |
| Other financing sources (uses) | | | |
| Transfers in | 12,505 | 12,505 | - |
| Appropriated fund balance | 15,840 | - | (15,840) |
| Total other financing sources (uses) | <u>28,345</u> | <u>12,505</u> | <u>(15,840)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(1,533)</u> | <u>\$ (1,533)</u> |
| Fund Balance (Deficit), beginning of year | | <u>(17,737)</u> | |
| Fund Balance (Deficit), end of year | | <u>\$ (19,270)</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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---|-----------------|-----------------|------------------------------------|
| Expenditures | | | |
| Economic and physical development | | | |
| Operating expenditures | \$ 10,000 | \$ 3,534 | \$ (6,466) |
| Total expenditures | <u>10,000</u> | <u>3,534</u> | <u>(6,466)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(10,000)</u> | <u>(3,534)</u> | <u>6,466</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> | 6,466 | <u>\$ 6,466</u> |
| Fund Balance (Deficit), beginning of year | | <u>3,346</u> | |
| Fund Balance (Deficit), end of year | | <u>\$ 9,812</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, 2022

| | 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 | \$ - | \$ - | \$ - | \$ - | \$ (127,599) |
| State Public Assistance | | | | | | |
| Disaster grant | 47,383 | - | - | - | - | (47,383) |
| Miscellaneous | 78,112 | - | - | - | - | (78,112) |
| Total revenues | <u>253,094</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(253,094)</u> |
| Expenditures | | | | | | |
| Public works | | | | | | |
| Operating expenditures | 253,094 | - | - | - | - | 253,094 |
| Total expenditures | <u>253,094</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>253,094</u> |
| Excess (deficiency) of revenues over expenditures | - | - | - | - | - | - |
| Other financing sources (uses) | | | | | | |
| Transfers in | 14,550 | 14,550 | - | - | 14,550 | - |
| Transfers out | <u>(14,550)</u> | <u>-</u> | <u>(14,550)</u> | <u>-</u> | <u>(14,550)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>14,550</u> | <u>(14,550)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 14,550</u> | <u>(14,550)</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balance (Deficit), beginning of year | | | <u>14,550</u> | | | |
| Fund Balance (Deficit), end of year | | | <u>\$ -</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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---|----------------|------------------|------------------------------------|
| Revenues | | | |
| Restricted intergovernmental | | | |
| NC Department of Transportation | \$ 229,952 | \$ 194,442 | \$ (35,510) |
| Total revenues | <u>229,952</u> | <u>194,442</u> | <u>(35,510)</u> |
| Expenditures | | | |
| Economic and physical development | | | |
| Salaries and employee benefits | 177,420 | 155,365 | 22,055 |
| Operating expenditures | <u>78,112</u> | <u>58,810</u> | <u>19,302</u> |
| Total expenditures | <u>255,532</u> | <u>214,175</u> | <u>41,357</u> |
| Excess (deficiency) of revenues over expenditures | (25,580) | (19,733) | 5,847 |
| Other financing sources (uses) | | | |
| Transfers in | <u>25,580</u> | <u>25,580</u> | <u>-</u> |
| Total other financing sources (uses) | <u>25,580</u> | <u>25,580</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | 5,847 | <u>\$ 5,847</u> |
| Fund Balance (Deficit), beginning of year | | <u>11,830</u> | |
| Fund Balance (Deficit), end of year | | <u>\$ 17,677</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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|---|--------------------------|--------------|--------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | | | | | |
| NC Department of Commerce | \$ 2,003,165 | \$ 1,340,706 | \$ 269,750 | \$ 1,610,456 | \$ (392,709) |
| Total revenues | 2,003,165 | 1,340,706 | 269,750 | 1,610,456 | (392,709) |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Operating expenditures | 2,003,165 | 1,339,005 | 322,845 | 1,661,850 | 341,315 |
| Total expenditures | 2,003,165 | 1,339,005 | 322,845 | 1,661,850 | 341,315 |
| Excess (deficiency) of revenues over expenditures | - | 1,701 | (53,095) | (51,394) | (51,394) |
| Net change in fund balance | \$ - | \$ 1,701 | (53,095) | \$ (51,394) | \$ (51,394) |
| Fund Balance (Deficit), beginning of year | | | 1,701 | | |
| Fund Balance (Deficit), end of year | | | \$ (51,394) | | |

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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---|---------------|------------------|------------------------------------|
| Revenues | | | |
| Restricted intergovernmental | | | |
| Police grants | \$ 8,308 | \$ - | \$ (8,308) |
| Investment earnings | <u>-</u> | <u>77</u> | <u>77</u> |
| Total revenues | <u>8,308</u> | <u>77</u> | <u>(8,231)</u> |
| Expenditures | | | |
| Public safety | | | |
| Operating expenditures | <u>8,308</u> | <u>6,322</u> | <u>1,986</u> |
| Total expenditures | <u>8,308</u> | <u>6,322</u> | <u>1,986</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(6,245)</u> | <u>(6,245)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>(6,245)</u> | <u>\$ (6,245)</u> |
| Fund Balance (Deficit), beginning of year | | <u>75,269</u> | |
| Fund Balance (Deficit), end of year | | <u>\$ 69,024</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, 2022

| | 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 | 85,550 | 65,550 | - | 65,550 | 20,000 |
| Total expenditures | <u>85,550</u> | <u>65,550</u> | <u>-</u> | <u>65,550</u> | <u>20,000</u> |
| Excess (deficiency) of revenues over expenditures | (10,550) | (10,550) | - | (10,550) | - |
| Other financing sources (uses) | | | | | |
| Transfers in | 50,000 | 50,000 | - | 50,000 | - |
| Transfers out | <u>(39,450)</u> | <u>-</u> | <u>(39,450)</u> | <u>(39,450)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>10,550</u> | <u>50,000</u> | <u>(39,450)</u> | <u>10,550</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 39,450</u> | <u>(39,450)</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balance (Deficit), beginning of year | | | <u>39,450</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ -</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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|---|--------------------------|------------------|-----------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | | | | | |
| State grant | \$ 1,340,249 | \$ 1,340,249 | \$ - | \$ 1,340,249 | \$ - |
| Golden Leaf Grant | 549,000 | 549,000 | - | 549,000 | - |
| Interest Income | 53 | 53 | - | 53 | - |
| Total revenues | <u>1,889,302</u> | <u>1,889,302</u> | <u>-</u> | <u>1,889,302</u> | <u>-</u> |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Capital outlay - construction | <u>2,823,552</u> | <u>2,823,552</u> | <u>-</u> | <u>2,823,552</u> | <u>-</u> |
| Total expenditures | <u>2,823,552</u> | <u>2,823,552</u> | <u>-</u> | <u>2,823,552</u> | <u>-</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
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, 2022

| | 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 | <u>608,500</u> | <u>383,500</u> | <u>70,000</u> | <u>453,500</u> | <u>(155,000)</u> |
| Total revenues | <u>641,500</u> | <u>416,500</u> | <u>70,000</u> | <u>486,500</u> | <u>(155,000)</u> |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Other Professional Services | <u>641,500</u> | <u>120,000</u> | <u>114,309</u> | <u>234,309</u> | <u>407,191</u> |
| Total expenditures | <u>641,500</u> | <u>120,000</u> | <u>114,309</u> | <u>234,309</u> | <u>407,191</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>296,500</u> | <u>(44,309)</u> | <u>252,191</u> | <u>252,191</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 296,500</u> | <u>(44,309)</u> | <u>\$ 252,191</u> | <u>\$ 252,191</u> |
| Fund Balance (Deficit), beginning of year | | | <u>296,500</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ 252,191</u> | | |

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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|------------------------------------|--------------------------|------------------|-----------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | | | | | |
| Federal Public Disaster Assistance | | | | | |
| Grant | \$ 1,125,000 | \$ 806,580 | \$ 265,143 | \$ 1,071,723 | \$ (53,277) |
| State Public Disaster Assistance | | | | | |
| Grant | 375,000 | 268,860 | 84,639 | 353,499 | (21,501) |
| Total revenues | <u>1,500,000</u> | <u>1,075,440</u> | <u>349,782</u> | <u>1,425,222</u> | <u>(74,778)</u> |
| Expenditures | | | | | |
| General government | | | | | |
| Administration | | | | | |
| Salaries and employee benefits | 9,115 | 9,115 | - | 9,115 | - |
| 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 | 14,596 | - | 14,596 | (675) |
| Operating expenditures | 790 | 790 | - | 790 | - |
| Human resources | | | | | |
| Salaries and employee benefits | 6,745 | 6,745 | - | 6,745 | - |
| 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 | - |
| 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, 2022

| | 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 | 401,348 | - | 401,348 | 40,829 |
| Cultural and Recreation | | | | | |
| Salaries and employee benefits | 38,934 | 38,926 | - | 38,926 | 8 |
| Operating expenditures | 3,097 | 21,745 | - | 21,745 | (18,648) |
| Economic and physical development | | | | | |
| Salaries and employee benefits | 10,086 | 10,084 | - | 10,084 | 2 |
| Total expenditures | <u>1,500,000</u> | <u>1,499,864</u> | <u>-</u> | <u>1,499,864</u> | <u>136</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(424,424)</u> | <u>349,782</u> | <u>(74,642)</u> | <u>(74,642)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (424,424)</u> | <u>349,782</u> | <u>\$ (74,642)</u> | <u>\$ (74,642)</u> |
| Fund Balance (Deficit), beginning of year | | | <u>(424,424)</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ (74,642)</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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|---|--------------------------|--------------------|-------------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Restricted intergovernmental | | | | | |
| NC Department of Commerce | \$ 346,735 | \$ 26,084 | \$ 57,616 | \$ 83,700 | \$ (263,035) |
| Total revenues | <u>346,735</u> | <u>26,084</u> | <u>57,616</u> | <u>83,700</u> | <u>(263,035)</u> |
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Other Professional Services | 346,735 | 49,742 | 37,980 | 87,722 | 259,013 |
| Total expenditures | <u>346,735</u> | <u>49,742</u> | <u>37,980</u> | <u>87,722</u> | <u>259,013</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(23,658)</u> | <u>19,636</u> | <u>(4,022)</u> | <u>(4,022)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (23,658)</u> | <u>19,636</u> | <u>\$ (4,022)</u> | <u>\$ (4,022)</u> |
| Fund Balance (Deficit), beginning of year | | | <u>(23,658)</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ (4,022)</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, 2022

| | 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 | \$ 126,326 | \$ 505,305 | \$ (57,195) |
| State Public Disaster Assistance Grant | 187,500 | 126,326 | 42,109 | 168,435 | (19,065) |
| Total revenues | <u>750,000</u> | <u>505,305</u> | <u>168,435</u> | <u>673,740</u> | <u>(76,260)</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 |
| 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 |
| Water Fund | | | | | |
| Salaries and employee benefits | 30,200 | 25,641 | - | 25,641 | 4,559 |
| Operating expenditures | 5,200 | 4,441 | - | 4,441 | 759 |

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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|---|--------------------------|--------------------|-------------------|--------------------------|------------------------------------|
| 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>557,165</u> | <u>-</u> | <u>557,165</u> | <u>192,835</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(51,860)</u> | <u>168,435</u> | <u>116,575</u> | <u>116,575</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (51,860)</u> | <u>168,435</u> | <u>\$ 116,575</u> | <u>\$ 116,575</u> |
| Fund Balance (Deficit), beginning of year | | | <u>(51,860)</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ 116,575</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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|-----------|------------|------------------------------------|
| Expenditures | | | |
| General Government | | | |
| Operating expenditures | \$ 45,000 | \$ 81,326 | \$ (36,326) |
| Total expenditures | 45,000 | 81,326 | (36,326) |
| Other Financing Sources (Uses) | | | |
| Transfers in | 20,000 | 20,000 | - |
| Total other financing sources (uses) | 20,000 | 20,000 | - |
| Revenues over (under) expenditures and other financing sources (uses) | (25,000) | (61,326) | (36,326) |
| Fund balance appropriated | 25,000 | - | (25,000) |
| Net change in fund balance | \$ - | (61,326) | \$ (61,326) |
| Fund Balance (Deficit), beginning of year | | 442,010 | |
| Fund Balance (Deficit), end of year | | \$ 380,684 | |

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2022

Exhibit D-1

| | 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 | \$ 9,216 | \$ 143,733 | \$ 68,453 | \$ 241,712 | \$ - |
| Total assets | <u>\$ 51,614</u> | <u>\$ 9,216</u> | <u>\$ 143,733</u> | <u>\$ 68,453</u> | <u>\$ 241,712</u> | <u>\$ -</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable & accrued liabilities | \$ - | \$ - | \$ - | \$ 4,829 | \$ 6,300 | \$ - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,829</u> | <u>6,300</u> | <u>-</u> |
| Fund balances | | | | | | |
| Restricted: | | | | | | |
| Public Works | - | - | 143,733 | 63,624 | - | - |
| Assigned: | | | | | | |
| Capital projects | 51,614 | 9,216 | - | - | 235,412 | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances | <u>51,614</u> | <u>9,216</u> | <u>143,733</u> | <u>63,624</u> | <u>235,412</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 51,614</u> | <u>\$ 9,216</u> | <u>\$ 143,733</u> | <u>\$ 68,453</u> | <u>\$ 241,712</u> | <u>\$ -</u> |

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2022

Exhibit D-1
(continued)

| | Drainage Improvement Project | City Hall Renovation Project | North Hills Drainage Study Fund | Total |
|---|---|---|--|--------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 407,602 | \$ 135,464 | \$ - | \$ 1,057,794 |
| Total assets | \$ 407,602 | \$ 135,464 | \$ - | \$ 1,057,794 |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities | | | | |
| Accounts payable & accrued liabilities | \$ - | \$ 542,538 | \$ 14,370 | \$ 568,037 |
| Total liabilities | - | 542,538 | 14,370 | 568,037 |
| Fund balances | | | | |
| Restricted: | | | | |
| Public Works | - | - | - | 207,357 |
| Assigned: | | | | |
| Capital projects | 407,602 | - | - | 703,844 |
| Unassigned | - | (407,074) | (14,370) | (421,444) |
| Total fund balances | 407,602 | (407,074) | (14,370) | 489,757 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 407,602 | \$ 135,464 | \$ - | \$ 1,057,794 |

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, 2022

| | General Capital Project | IT Network Merger | Roadway Improvement Project | Martin Marietta Park Project | ERP Project | Garage Relocation Project |
|--|--|------------------------------|--|---|--------------------|--|
| Revenues | | | | | | |
| Restricted intergovernmental | \$ - | \$ - | \$ - | \$ 475,000 | \$ - | \$ - |
| Miscellaneous | - | - | - | - | - | - |
| Investment earnings | - | - | - | - | 48 | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>475,000</u> | <u>48</u> | <u>-</u> |
| Expenditures | | | | | | |
| General government | - | - | - | - | - | - |
| Public works | - | - | 63,025 | 130,872 | 34,825 | - |
| Economic and physical development | - | 12,226 | - | - | - | - |
| Total expenditures | <u>-</u> | <u>12,226</u> | <u>63,025</u> | <u>130,872</u> | <u>34,825</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | - | (12,226) | (63,025) | 344,128 | (34,777) | - |
| Other financing sources (uses) | | | | | | |
| Transfers in | - | - | 2,420,888 | - | - | - |
| Transfers out | - | - | - | - | - | (15,996) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>2,420,888</u> | <u>-</u> | <u>-</u> | <u>(15,996)</u> |
| Net change in fund balances | - | (12,226) | 2,357,863 | 344,128 | (34,777) | (15,996) |
| Fund balances (deficit), beginning 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> |
| Fund balances (deficit), end of year | <u>\$ 51,614</u> | <u>\$ 9,216</u> | <u>\$ 143,733</u> | <u>\$ 63,624</u> | <u>\$ 235,412</u> | <u>\$ -</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, 2022

| | Drainage Improvement Project | City Hall Renovation Project | North Hills Drainage Study Fund | Total |
|--|---|---|--|--------------------|
| Revenues | | | | |
| Restricted intergovernmental | \$ - | \$ - | \$ - | \$ 475,000 |
| Miscellaneous | - | - | - | - |
| Investment earnings | 97 | - | - | 145 |
| Total revenues | <u>97</u> | <u>-</u> | <u>-</u> | <u>475,145</u> |
| Expenditures | | | | |
| General government | - | 698,449 | - | 698,449 |
| Public works | (1,700) | - | 14,370 | 241,392 |
| Economic and physical development | - | - | - | 12,226 |
| Total expenditures | <u>(1,700)</u> | <u>698,449</u> | <u>14,370</u> | <u>952,067</u> |
| Excess (deficiency) of revenues over expenditures | 1,797 | (698,449) | (14,370) | (476,922) |
| Other financing sources (uses) | | | | |
| Transfers in | - | 290,500 | - | 2,711,388 |
| Transfers out | - | - | - | (15,996) |
| Total other financing sources (uses) | <u>-</u> | <u>290,500</u> | <u>-</u> | <u>2,695,392</u> |
| Net change in fund balances | 1,797 | (407,949) | (14,370) | 2,218,470 |
| Fund balances (deficit), beginning of year | <u>405,805</u> | <u>875</u> | <u>-</u> | <u>(1,728,713)</u> |
| Fund balances (deficit), end of year | <u>\$ 407,602</u> | <u>\$ (407,074)</u> | <u>\$ (14,370)</u> | <u>\$ 489,757</u> |

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, 2022

| | 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 | | | <u>51,614</u> | | |
| 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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|--|--------------------------|------------------|-----------------|--------------------------|------------------------------------|
| Expenditures | | | | | |
| Economic and physical development | | | | | |
| Engineering services | \$ 150,000 | \$ 127,154 | \$ 12,226 | \$ 139,380 | \$ 10,620 |
| 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>12,226</u> | <u>511,284</u> | <u>9,216</u> |
| Deficiency of revenues under expenditures | (520,500) | (499,058) | (12,226) | (511,284) | 9,216 |
| 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>(12,226)</u> | <u>\$ 9,216</u> | <u>\$ 9,216</u> |
| Fund Balance (Deficit), beginning of year | | | <u>21,442</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ 9,216</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, 2022

| | 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 | 6,081,269 | 63,025 | 6,144,294 | 165,706 |
| Total expenditures | <u>6,310,000</u> | <u>6,081,269</u> | <u>63,025</u> | <u>6,144,294</u> | <u>165,706</u> |
| Deficiency of revenues under expenditures | (5,623,000) | (5,394,130) | (63,025) | (5,457,155) | 165,845 |
| Other financing sources (uses) | | | | | |
| Transfers in | 4,000,888 | 1,580,000 | 2,420,888 | 4,000,888 | - |
| Installment purchase obligations issued | 1,622,112 | 1,600,000 | - | 1,600,000 | (22,112) |
| Total other financing sources (uses) | <u>5,623,000</u> | <u>3,180,000</u> | <u>2,420,888</u> | <u>5,600,888</u> | <u>(22,112)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (2,214,130)</u> | 2,357,863 | <u>\$ 143,733</u> | <u>\$ 143,733</u> |
| Fund Balance (Deficit), beginning of year | | | <u>(2,214,130)</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ 143,733</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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|--|--------------------------|---------------------|------------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| NC PARTF Grant | \$ 475,000 | \$ - | \$ 475,000 | \$ 475,000 | \$ - |
| Miscellaneous | 97,500 | 97,500 | - | 97,500 | - |
| Total revenues | <u>572,500</u> | <u>97,500</u> | <u>475,000</u> | <u>572,500</u> | <u>-</u> |
| Expenditures | | | | | |
| Public works | | | | | |
| Capital outlay | 655,000 | 460,504 | 130,872 | 591,376 | 63,624 |
| Total expenditures | <u>655,000</u> | <u>460,504</u> | <u>130,872</u> | <u>591,376</u> | <u>63,624</u> |
| Deficiency of revenues under expenditures | (82,500) | (363,004) | 344,128 | (18,876) | 63,624 |
| Other financing sources (uses) | | | | | |
| Transfers in | 82,500 | 82,500 | - | 82,500 | - |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (280,504)</u> | 344,128 | <u>\$ 63,624</u> | <u>\$ 63,624</u> |
| Fund Balance (Deficit), beginning of year | | | <u>(280,504)</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ 63,624</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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|--|--------------------------|-------------------|-------------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Investment earnings | \$ - | \$ 15,576 | \$ 48 | \$ 15,624 | \$ 15,624 |
| Total revenues | <u>-</u> | <u>15,576</u> | <u>48</u> | <u>15,624</u> | <u>15,624</u> |
| Expenditures | | | | | |
| Public works | | | | | |
| Capital outlay | 1,350,000 | 889,706 | 63,319 | 953,025 | 396,975 |
| Capital outlay - transferred to Enterprise Funds | - | (429,319) | (28,494) | (457,813) | 457,813 |
| Total expenditures | <u>1,350,000</u> | <u>460,387</u> | <u>34,825</u> | <u>495,212</u> | <u>854,788</u> |
| Deficiency of revenues under expenditures | (1,350,000) | (444,811) | (34,777) | (479,588) | 870,412 |
| 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) | <u>1,350,000</u> | <u>715,000</u> | <u>-</u> | <u>715,000</u> | <u>(635,000)</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ 270,189</u> | <u>(34,777)</u> | <u>\$ 235,412</u> | <u>\$ 235,412</u> |
| Fund Balance (Deficit), beginning of year | | | <u>270,189</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ 235,412</u> | | |

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, 2022

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

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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|--|--------------------------|-------------------|-------------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Investment earnings | \$ 250,000 | \$ 51,872 | \$ 97 | \$ 51,969 | \$ (198,031) |
| Total revenues | <u>250,000</u> | <u>51,872</u> | <u>97</u> | <u>51,969</u> | <u>(198,031)</u> |
| Expenditures | | | | | |
| Public works | | | | | |
| Capital outlay | 1,925,000 | 1,321,067 | (1,700) | 1,319,367 | 605,633 |
| Total expenditures | <u>1,925,000</u> | <u>1,321,067</u> | <u>(1,700)</u> | <u>1,319,367</u> | <u>605,633</u> |
| Deficiency of revenues under expenditures | (1,675,000) | (1,269,195) | 1,797 | (1,267,398) | 407,602 |
| 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>\$ 405,805</u> | 1,797 | <u>\$ 407,602</u> | <u>\$ 407,602</u> |
| Fund Balance (Deficit), beginning of year | | | <u>405,805</u> | | |
| Fund Balance (Deficit), end of year | | | <u>\$ 407,602</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, 2022

| | Project Authorization | Prior Years | Current Year | Total Project to Date | Variance Positive (Negative) |
|--|--------------------------|-------------|--------------|--------------------------|------------------------------------|
| Revenues | | | | | |
| Investment earnings | | \$ - | \$ - | \$ - | \$ - |
| Total revenues | - | - | - | - | - |
| Expenditures | | | | | |
| General Government | | | | | |
| Capital outlay | 5,306,000 | 114,625 | 698,449 | 813,074 | 4,492,926 |
| Total expenditures | 5,306,000 | 114,625 | 698,449 | 813,074 | 4,492,926 |
| Deficiency of revenues under expenditures | (5,306,000) | (114,625) | (698,449) | (813,074) | 4,492,926 |
| Other financing sources (uses) | | | | | |
| Transfers in | 406,000 | 115,500 | 290,500 | 406,000 | - |
| Installment purchase obligations issued | 4,900,000 | - | - | - | (4,900,000) |
| Total other financing sources (uses) | 5,306,000 | 115,500 | 290,500 | 406,000 | (4,900,000) |
| Net change in fund balance | \$ - | \$ 875 | (407,949) | \$ (407,074) | \$ (407,074) |
| Fund Balance (Deficit), beginning of year | | | 875 | | |
| Fund Balance (Deficit), end of year | | | \$ (407,074) | | |

**City of New Bern, North Carolina
 North Hills Drainage Study Fund
 Schedule of Revenues and Expenditures
 Budget and Actual (Non-GAAP)
 From Inception and for the Fiscal Year Ended June 30, 2022**

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|---|--------------------------|-------------|--------------------|--------------------|------------------------------------|
| | | Prior Years | Current Years | Total | |
| Revenues | | | | | |
| NC DEQ Funding | \$ 75,000 | \$ - | \$ - | \$ - | \$ (75,000) |
| Expenditures | | | | | |
| Other Professional Services | 75,000 | - | 14,370 | 14,370 | 60,630 |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | (14,370) | <u>\$ (14,370)</u> | <u>\$ (14,370)</u> |
| Fund Balance (Deficit), beginning of year | | | - | | |
| Fund Balance (Deficit), end of year | | | <u>\$ (14,370)</u> | | |

City of New Bern, North Carolina
Electric Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|--------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Operating revenues | | | |
| Electric charges | \$ 52,996,095 | \$ 52,736,131 | \$ (259,964) |
| Miscellaneous | 35,500 | 47,568 | 12,068 |
| Nonoperating revenues | | | |
| Investment earnings | 90,350 | 32,044 | (58,306) |
| Interfund reimbursements | <u>1,571,156</u> | <u>1,571,086</u> | <u>(70)</u> |
| Total revenues | <u>54,693,101</u> | <u>54,386,829</u> | <u>(306,272)</u> |
| Expenditures: | | | |
| Administration | 6,917,624 | 5,887,756 | 1,029,868 |
| Production | 36,696,146 | 38,684,107 | (1,987,961) |
| Distribution | 4,843,361 | 4,324,378 | 518,983 |
| Reimbursed expenditures - General Fund | 1,654,533 | 1,560,730 | 93,803 |
| Capital outlay | 946,922 | 550,367 | 396,555 |
| Debt service | <u>1,781,737</u> | <u>1,752,395</u> | <u>29,342</u> |
| Total expenditures | <u>52,840,323</u> | <u>52,759,733</u> | <u>80,590</u> |
| Revenues over (under) expenditures | <u>1,852,778</u> | <u>1,627,096</u> | <u>(225,682)</u> |
| Other financing sources (uses): | | | |
| Gain/(loss) on sale of assets | 1,000 | (39,358) | (40,358) |
| Lease liabilities issued | - | 72,344 | 72,344 |
| Appropriated fund balance | 4,304,241 | - | (4,304,241) |
| Transfers in | 382,015 | 341,426 | (40,589) |
| Transfers out | (6,137,550) | (6,137,550) | - |
| Transfers out - payments in lieu of taxes | <u>(402,484)</u> | <u>(408,743)</u> | <u>(6,259)</u> |
| Total other financing sources (uses) | <u>(1,852,778)</u> | <u>(6,171,881)</u> | <u>(4,319,103)</u> |
| Revenues and other sources over expenditures and other uses | <u>\$ -</u> | <u>(4,544,785)</u> | <u>\$ (4,544,785)</u> |
| Reconciliation from budgetary basis (modified accrual to full accrual): | | | |
| Capital outlays | | 1,773,004 | |
| Payments of debt service - principal | | 1,636,755 | |
| Proceeds from lease liabilities issued | | (72,344) | |
| Right to use leased assets | | 72,344 | |
| Amortization on Right to use leased assets | | (16,073) | |
| Payments of lease liabilities - principal | | 15,291 | |
| Change in accrued interest | | 6,247 | |
| Increase in compensated absences | | (20,100) | |
| Bad debt expense | | (29,054) | |
| Change in net pension liability and related deferred inflows / outflows | | 90,604 | |
| Depreciation expense | | (2,340,806) | |
| Electric Rate Stabilization Fund - interest income | | 186 | |
| Electric Rate Stabilization Fund - transfer out | | (341,426) | |
| 2019 Electrical Improvements Fund - foundation grants | | 232,817 | |
| 2019 Electrical Improvements Fund - expenses not capitalized | | (98,859) | |
| 2019 Electrical Improvements Fund - reimbursements from other governments | | 1,738,285 | |
| 2021 Electrical System Capacity Improvements - Transfers in | | 500,000 | |
| Make Ready Broadband - Transfers In | | 3,065,000 | |
| Make Ready Broadband - Sales and Services | | <u>41,208</u> | |
| Total reconciling items | | <u>6,253,079</u> | |
| Change in net position | | <u>\$ 1,708,294</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, 2022**

| | Budget | Actual | Variance Positive (Negative) |
|--|-----------|--------------|------------------------------------|
| Revenues | | | |
| Interest | \$ - | \$ 186 | \$ 186 |
| Total | - | 186 | 186 |
| Revenues over (under) expenditures | - | 186 | 186 |
| Other financing sources (uses): | | | |
| Appropriated fund balance | 382,015 | - | (382,015) |
| Transfers out | (382,015) | (341,426) | 40,589 |
| Total financing sources (uses) | - | (341,426) | (341,426) |
| Revenues and other sources over (under) expenditures and other uses | \$ - | \$ (341,240) | \$ (341,240) |

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, 2022

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|--------------------|-------------------|---------------------|------------------------------------|
| Revenues | | | | | |
| Foundation Grants | \$ 448,716 | \$ - | \$ 232,817 | \$ 232,817 | \$ (215,899) |
| Total revenues | <u>448,716</u> | <u>-</u> | <u>232,817</u> | <u>232,817</u> | <u>(215,899)</u> |
| Expenditures | | | | | |
| Electrical Improvements | 2,081,542 | 1,436,541 | 391,707 | 1,828,248 | 253,294 |
| NCDOT Improvements | 2,301,814 | 362,087 | 698,555 | 1,060,642 | 1,241,172 |
| Total expenditures | <u>4,383,356</u> | <u>1,798,628</u> | <u>1,090,262</u> | <u>2,888,890</u> | <u>1,494,466</u> |
| Revenues over (under) expenditures | <u>(3,934,640)</u> | <u>(1,798,628)</u> | <u>(857,445)</u> | <u>(2,656,073)</u> | <u>1,278,567</u> |
| Other financing sources (uses): | | | | | |
| Transfer in - Electric Fund | 1,632,826 | 1,632,826 | - | 1,632,826 | - |
| Other Reimbursements | 2,301,814 | 300,444 | 1,738,285 | 2,038,729 | (263,085) |
| Total financing sources (uses) | <u>3,934,640</u> | <u>1,933,270</u> | <u>1,738,285</u> | <u>3,671,555</u> | <u>(263,085)</u> |
| Revenues and other sources over (under) expenditures and other uses | <u>\$ -</u> | <u>\$ 134,642</u> | <u>\$ 880,840</u> | <u>\$ 1,015,482</u> | <u>\$ 1,015,482</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, 2022

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Positive (Negative) |
|--|--------------------------|-------------|-------------------|-------------------|------------------------------------|
| Expenditures | | | | | |
| Electrical Improvements | \$ 500,000 | \$ - | \$ 102,298 | \$ 102,298 | \$ 397,702 |
| Total expenditures | <u>500,000</u> | <u>-</u> | <u>102,298</u> | <u>102,298</u> | <u>397,702</u> |
| Revenues over (under) expenditures | <u>(500,000)</u> | <u>-</u> | <u>(102,298)</u> | <u>(102,298)</u> | <u>397,702</u> |
| Other financing sources (uses): | | | | | |
| Transfer in - Electric Fund | <u>500,000</u> | <u>-</u> | <u>500,000</u> | <u>500,000</u> | <u>-</u> |
| Total financing sources (uses) | <u>500,000</u> | <u>-</u> | <u>500,000</u> | <u>500,000</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures and other uses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 397,702</u> | <u>\$ 397,702</u> | <u>\$ 397,702</u> |

City of New Bern, North Carolina
Make Ready Broadband Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2022

| | Project Authorization | Prior Years | Current Year | Completed Projects | Total to Date | Variance Positive (Negative) |
|--|--------------------------|-------------|---------------------|-----------------------|--------------------|------------------------------------|
| Revenues | | | | | | |
| Customer Fees | \$ - | \$ - | \$ 41,208 | \$ - | \$ 41,208 | \$ 41,208 |
| Total revenues | <u>-</u> | <u>-</u> | <u>41,208</u> | <u>-</u> | <u>41,208</u> | <u>41,208</u> |
| Expenditures | | | | | | |
| Capital Outlay | | | | | | |
| Water Fund | 20,000 | - | 17,769 | (12,398) | 5,371 | 14,629 |
| Sewer Fund | 20,000 | - | 14,854 | (12,398) | 2,456 | 17,544 |
| General Fund (Stormwater) | 25,000 | - | - | - | - | 25,000 |
| Electric Fund | 3,000,000 | - | 175,542 | (103,240) | 72,302 | 2,927,698 |
| Total expenditures | <u>3,065,000</u> | <u>-</u> | <u>208,165</u> | <u>(128,036)</u> | <u>80,129</u> | <u>2,984,871</u> |
| Revenues over (under) expenditures | <u>(3,065,000)</u> | <u>-</u> | <u>(166,957)</u> | <u>128,036</u> | <u>(38,921)</u> | <u>3,026,079</u> |
| Other financing sources (uses): | | | | | | |
| Transfer in - Electric Fund | <u>3,065,000</u> | <u>-</u> | <u>3,065,000</u> | <u>3,065,000</u> | <u>3,065,000</u> | <u>-</u> |
| Total financing sources (uses) | <u>3,065,000</u> | <u>-</u> | <u>3,065,000</u> | <u>3,065,000</u> | <u>3,065,000</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures and other uses | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,898,043</u> | <u>\$3,193,036</u> | <u>\$3,026,079</u> | <u>\$3,026,079</u> |

Note - This fund has allocations to the Water, Sewer, Electric Fund, and General Fund

City of New Bern, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year End June 30, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------|---------------|------------------------------------|
| Revenues: | | | |
| Operating revenues | | | |
| Rates and charges | \$ 10,030,000 | \$ 10,531,050 | \$ 501,050 |
| Miscellaneous | 540,000 | 582,475 | 42,475 |
| Nonoperating revenues | | | |
| Investment earnings | 75,100 | 23,960 | (51,140) |
| Interfund reimbursements | 320,000 | 304,045 | (15,955) |
| Total revenues | 10,965,100 | 11,441,530 | 476,430 |
| Expenditures: | | | |
| Administration | 680,027 | 642,196 | 37,831 |
| System maintenance and extensions | 2,164,546 | 2,097,691 | 66,855 |
| Reimbursed expenditures - General Fund | 1,742,173 | 1,706,367 | 35,806 |
| Treatment | 2,566,732 | 2,422,429 | 144,303 |
| Capital outlay | 705,975 | 287,026 | 418,949 |
| Debt Service | 2,851,291 | 2,862,057 | (10,766) |
| Bad Debt Expense | 200,000 | 16,670 | 183,330 |
| Total expenditures | 10,910,744 | 10,034,436 | 876,308 |
| Revenues over (under) expenditures | 54,356 | 1,407,094 | 1,352,738 |
| Other financing sources (uses): | | | |
| Proceeds from sale of capital assets | 6,500 | 736 | (5,764) |
| Lease liabilities issued | - | 46,124 | 46,124 |
| Transfers out | (45,000) | (20,000) | 25,000 |
| Transfers out - payment in lieu of taxes | (333,865) | (337,681) | (3,816) |
| Budgeted use of fund balance | 412,389 | - | (412,389) |
| Contingency | (94,380) | - | 94,380 |
| Total other financing sources (uses) | (54,356) | (310,821) | (256,465) |
| Revenues and other sources over expenditures and other uses | \$ - | 1,096,273 | \$ 1,096,273 |
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| Capital outlays | | 303,445 | |
| Proceeds from lease liabilities issued | | (46,124) | |
| Right to use leased assets | | 46,124 | |
| Amortization on Right to use leased assets | | (11,849) | |
| Payments of lease liabilities - principal | | 11,497 | |
| Payments of debt service - principal | | 2,464,571 | |
| Change in compensated absences | | (39,183) | |
| Change in net pension liability and related deferred inflows / outflows | | 45,474 | |
| Change in accrued interest | | 8,265 | |
| Depreciation expense | | (1,704,890) | |
| Water Capital Reserve Fund - Interest | | 1,960 | |
| Southeast Water System Improvement - Insurance proceeds | | 488,400 | |
| Net income (loss) | | \$ 2,663,963 | |

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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|---|--------------|-----------------|------------------------------------|
| Revenues | | | |
| Interest | \$ 5,025 | \$ 1,960 | \$ (3,065) |
| Total revenues | <u>5,025</u> | <u>1,960</u> | <u>(3,065)</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>1,960</u> | <u>1,960</u> |
| Revenues and other sources over (under) expenditures and other uses | <u>\$ -</u> | <u>\$ 1,960</u> | <u>\$ 1,960</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, 2022

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|---|--------------------------|-------------|---------------|------------|------------------------------------|
| | | Prior Years | Current Years | Total | |
| Expenditures | | | | | |
| Capital outlays | \$ 770,000 | \$ 323,956 | \$ 36,512 | \$ 360,468 | \$ 409,532 |
| Revenues over (under) expenditures | (770,000) | (323,956) | (36,512) | (360,468) | 409,532 |
| 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 | \$ - | \$ 61,044 | \$ (36,512) | \$ 24,532 | \$ 24,532 |

City of New Bern, North Carolina
Water Resources Relocation Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2022

| | Actual | | | | Variance Positive (Negative) | |
|---|--------------------------|-------------|------------------|-------------------------|------------------------------------|--------------|
| | Project Authorization | Prior Years | Current Years | Capitalized Projects | | Total |
| Expenditures | | | | | | |
| Capital Outlay | \$ 1,440,000 | \$ - | \$ - | \$ - | \$ - | \$ 1,440,000 |
| Revenues over (under) expenditures | (1,440,000) | - | - | - | - | 1,440,000 |
| Other financing sources (uses): | | | | | | |
| Transfer in | 1,440,000 | - | - | - | - | (1,440,000) |
| Total other financing sources (uses) | 1,440,000 | - | - | - | - | (1,440,000) |
| Net change in fund balance | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

City of New Bern, North Carolina
Southeast Water System Improvement
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2022

| | Project Authorization | Actual | | | Variance Positive (Negative) |
|---------------------------------------|--------------------------|-------------|------------------|------------|------------------------------------|
| | | Prior Years | Current Years | Total | |
| Revenues | | | | | |
| Insurance proceeds | \$ 488,400 | \$ - | \$ 488,400 | \$ 488,400 | \$ - |
| Expenditures | | | | | |
| Water Improvements | 488,400 | - | - | - | 488,400 |
| Revenues over (under) expenditures | - | - | 488,400 | 488,400 | 488,400 |
| Net change in fund balance | \$ - | \$ - | \$ 488,400 | \$ 488,400 | \$ 488,400 |

City of New Bern, North Carolina
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2022

| | Budget | Actual | Variance Positive (Negative) |
|---|-------------------|-------------------|------------------------------------|
| Revenues: | | | |
| Operating revenues | | | |
| Sewer charges | \$ 11,362,500 | \$ 11,900,375 | \$ 537,875 |
| Nonoperating revenues | | | |
| Interest | 50,100 | 9,123 | (40,977) |
| Miscellaneous | 580,000 | 792,164 | 212,164 |
| Total revenues | <u>11,992,600</u> | <u>12,701,662</u> | <u>709,062</u> |
| Expenditures: | | | |
| System maintenance and extension | 3,690,401 | 3,280,353 | 410,048 |
| Reimbursed Expenditures | 196,293 | 196,293 | - |
| Treatment | 3,144,678 | 2,974,295 | 170,383 |
| Shared services | 1,889,585 | 1,852,631 | 36,954 |
| Capital outlay | 1,750,723 | 1,446,440 | 304,283 |
| Debt Service | 2,389,114 | 2,390,141 | (1,027) |
| Total expenditures | <u>13,060,794</u> | <u>12,140,153</u> | <u>920,641</u> |
| Revenues over (under) expenditures | (1,068,194) | 561,509 | 1,629,703 |
| Other financing sources (uses): | | | |
| Appropriation of net position | 1,440,409 | - | (1,440,409) |
| Lease liabilities issued | - | 2,753 | 2,753 |
| Proceeds from sale of capital assets | 5,000 | 32,463 | 27,463 |
| Transfers out - payment in lieu of taxes | (466,610) | (492,508) | (25,898) |
| Transfers out | (192,223) | (192,223) | - |
| Transfers in | 281,618 | 281,618 | - |
| Total other financing sources (uses) | <u>1,068,194</u> | <u>(367,897)</u> | <u>(1,436,091)</u> |
| Revenues and other sources over (under) expenditures and other uses | <u>\$ -</u> | 193,612 | <u>\$ 193,612</u> |

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

| | |
|---|---------------------|
| Capital outlays | 1,470,664 |
| Donated capital assets | |
| Proceeds from lease liabilities issued | (2,753) |
| Right to use leased assets | 2,753 |
| Amortization on Right to use leased assets | (1,196) |
| Payments of lease liabilities - principal | 1,219 |
| Payments of debt service - principal | 2,287,704 |
| Increase in compensated absences | 2,457 |
| Change in net pension liability and related deferred inflows / outflows | 47,347 |
| Bad debt expense | (7,075) |
| Depreciation expense | (2,331,437) |
| Change in accrued interest payable | 7,600 |
| Sewer Debt Service Reserve Fund - Interest | 494 |
| Sewer Debt Service Reserve Fund - Transfer Out | (281,618) |
| Township 7 Sewer Improvements Capital Project Fund - Transfer In | 172,223 |
| Sewer Capital Reserve Fund - Interest | 930 |
| Change in net position | <u>\$ 1,562,924</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, 2022

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|------------------------------------|---------------|---------------|------------------------------------|
| Revenues | | | |
| Interest | \$ 3,475 | \$ 930 | \$ (2,545) |
| Total revenues | <u>3,475</u> | <u>930</u> | <u>(2,545)</u> |
| Expenditures: | | | |
| Capital outlay | <u>3,475</u> | - | <u>3,475</u> |
| Total expenditures | <u>3,475</u> | <u>-</u> | <u>(3,475)</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ 930</u> | <u>\$ 930</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, 2022

| | Project Authorization | Actual | | | Total | Variance Positive (Negative) |
|---|--------------------------|-------------|------------------|-------------------------|------------|------------------------------------|
| | | Prior Years | Current Years | Capitalized Projects | | |
| Revenue | | | | | | |
| Golden Leaf Foundation Grant | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ (500,000) |
| Expenditures | | | | | | |
| Treatment | 1,187,223 | 516,365 | 23,914 | - | 540,279 | 646,944 |
| Land Right-of-Way | 172,223 | - | 27,459 | (14,469) | 12,990 | 159,233 |
| Total expenditures | 1,359,446 | 516,365 | 51,373 | (14,469) | 553,269 | 806,177 |
| Revenues over (under) expenditures | (859,446) | (516,365) | (51,373) | 14,469 | (553,269) | (1,306,177) |
| Other financing sources (uses): | | | | | | |
| Transfer in | 859,446 | 515,000 | 172,223 | - | 687,223 | (172,223) |
| Revenues and other financing sources over (under) expenditures and other uses | \$ - | \$ (1,365) | \$ 120,850 | \$ 14,469 | \$ 133,954 | \$ 133,954 |

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, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|----------------|---------------------|------------------------------------|
| Revenues | | | |
| Interest | \$ - | \$ 494 | \$ 494 |
| Total revenues | <u>-</u> | <u>494</u> | <u>494</u> |
| Other financing sources (uses): | | | |
| Transfers out | (281,618) | (281,618) | - |
| Fund balance appropriated | <u>281,618</u> | <u>-</u> | <u>(281,618)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>(281,618)</u> | <u>(281,618)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ (281,124)</u> | <u>\$ (281,124)</u> |

City of New Bern, North Carolina
Northwest Interceptor Rehabilitation Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2022

| | Project Authorization | Actual | | Total | Variance Positive (Negative) |
|----------------------------|--------------------------|-------------|------------------|-------|------------------------------------|
| | | Prior Years | Current Years | | |
| Revenues | | | | | |
| NC DEQ Funding | \$ 230,000 | \$ - | \$ - | \$ - | \$ (230,000) |
| Expenditures | | | | | |
| Sewer Improvements | 230,000 | - | - | - | 230,000 |
| Net change in fund balance | \$ - | \$ - | \$ - | \$ - | \$ - |

City of New Bern, North Carolina
Solid Waste
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2022

| | Budget | Actual | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| Revenues: | | | |
| Operating revenues | | | |
| Collection fees | \$ 3,372,082 | \$ 3,602,542 | \$ 230,460 |
| Nonoperating revenues | | | |
| Interest | - | 1,491 | 1,491 |
| Total revenues | <u>3,372,082</u> | <u>3,604,033</u> | <u>231,951</u> |
| Expenditures: | | | |
| Administration | 3,167,613 | 3,093,069 | 74,544 |
| Shared services | 113,953 | 110,874 | 3,079 |
| Reimbursed Expenditures | 15,334 | 15,334 | - |
| Capital outlay | 194,000 | 15,431 | 178,569 |
| Debt Service | 51,186 | 50,803 | 383 |
| Total expenditures | <u>3,542,086</u> | <u>3,285,511</u> | <u>(256,575)</u> |
| Revenues over (under) expenditures | (170,004) | 318,522 | 488,526 |
| Other financing sources (uses): | | | |
| Appropriated fund balance | 180,000 | - | (180,000) |
| Proceeds from sale of fixed assets | - | 6,271 | 6,271 |
| Transfers out - payment in lieu of taxes | (9,996) | (4,415) | 5,581 |
| Lease liabilities issued | - | 631 | 631 |
| Total other financing sources (uses) | <u>170,004</u> | <u>2,487</u> | <u>(167,517)</u> |
| Revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | 321,009 | <u>\$ 321,009</u> |

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

| | |
|---|-------------------|
| Capital outlays | 14,800 |
| Proceeds from lease liabilities issued | (631) |
| Right to use leased assets | 631 |
| Amortization on Right to use leased assets | (274) |
| Payments of lease liabilities - principal | 280 |
| Payments of debt service - principal | 49,187 |
| Change in compensated absences | (2,624) |
| Change in net pension liability and related deferred inflows / outflows | 6,553 |
| Bad debt expense | (1,636) |
| Depreciation expense | (115,497) |
| Change in accrued interest payable | 204 |
| Change in net position | <u>\$ 272,002</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, 2022

| Fiscal Year | Uncollected Balance July 1, 2021 | Additions | Collections and Credits | Uncollected Balance June 30, 2022 |
|--|-------------------------------------|----------------------|----------------------------|--------------------------------------|
| 2021-2022 | \$ - | \$ 16,604,678 | \$ 16,464,310 | \$ 140,368 |
| 2020-2021 | 90,052 | - | 40,138 | 49,914 |
| 2019-2020 | 48,100 | - | 14,615 | 33,485 |
| 2018-2019 | 31,370 | - | 5,468 | 25,902 |
| 2017-2018 | 18,613 | - | 1,627 | 16,986 |
| 2016-2017 | 17,488 | - | 1,568 | 15,920 |
| 2015-2016 | 12,165 | - | 652 | 11,513 |
| 2014-2015 | 11,326 | - | 724 | 10,602 |
| 2013-2014 | 26,858 | - | 760 | 26,098 |
| 2012-2013 | 35,348 | - | 823 | 34,525 |
| 2011-2012 | 26,311 | - | 26,311 | - |
| | <u>\$ 317,631</u> | <u>\$ 16,604,678</u> | <u>\$ 16,556,996</u> | <u>\$ 365,313</u> |
| Plus: Municipal Service District taxes receivable, all years, net of allowance | | | | 735 |
| Plus: Ad Valorem Un-Tagged MV-Current | | | | 4,490 |
| Plus: Penalties | | | | 8,429 |
| Less allowance for uncollectible accounts - General Fund | | | | (154,525) |
| Ad valorem taxes receivable - net | | | | <u>\$ 224,441</u> |
| Reconciliation with Revenues: | | | | |
| Ad valorem taxes - General Fund | | | | \$ 16,915,838 |
| Reconciling items: | | | | |
| Interest collected | | | | (47,992) |
| Amounts written off per statute | | | | 26,311 |
| Releases, ad valorem | | | | 16,539 |
| MV Fee, Adjustments | | | | (150,940) |
| Less: Municipal Service District taxes, penalty, and interest collected in all years | | | | (202,760) |
| Total collections and credits | | | | <u>\$ 16,556,996</u> |

City of New Bern, North Carolina
Analysis of Current Tax Levy
City - Wide Levy
For the Year Ended June 30, 2022

| | 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 | \$ 3,090,198,119 | 0.4822 | \$ 16,495,093 | \$ 14,899,832 | \$ 1,595,261 |
| Total | 3,090,198,119 | | 16,495,093 | 14,899,832 | 1,595,261 |
| Discoveries | | | | | |
| Current year taxes | 34,565,902 | 0.4822 | 164,303 | 164,303 | - |
| Penalties | - | 0.4822 | 25,736 | 25,736 | - |
| Total | 34,565,902 | | 190,039 | 190,039 | - |
| Adjustments | (4,025,000) | 0.4822 | (80,454) | (80,454) | - |
| Total Property Valuation | <u>\$ 3,120,739,021</u> | | | | |
| Net levy | | | 16,604,678 | 15,009,417 | 1,595,261 |
| Uncollected taxes at June 30, 2022 | | | 140,368 | 140,368 | - |
| Current year's taxes collected | | | \$ 16,464,310 | \$ 14,869,049 | \$ 1,595,261 |
| Current levy collection percentage | | | 99.15% | 99.06% | 100.00% |

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> 130 |
|-------------------------|---------------------------|

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 | 134 |
|-------------------------|------------|

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

| | |
|----------------------|------------|
| Debt Capacity | 146 |
|----------------------|------------|

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 | 149 |
|---|------------|

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 | 152 |
|------------------------------|------------|

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)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 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 | \$ 58,590,887 |
| Restricted | 5,611,591 | 5,672,057 | 6,181,074 | 5,857,526 | 6,961,125 | 6,853,285 | 21,920,878 | 13,277,311 | 17,387,846 | 13,519,815 |
| Unrestricted | 4,312,131 | 6,345,271 | 10,288,946 | 8,732,911 | 5,842,111 | (21,498,772) | (47,350,282) | (36,374,703) | (43,399,844) | (33,675,496) |
| Total governmental activities net assets | \$ 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 | \$ 38,435,206 |
| Business-type activities: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 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 | \$ 124,437,797 |
| Restricted | - | - | - | - | 1,163,329 | 1,413,444 | 1,148,415 | - | - | - |
| Unrestricted | 25,922,244 | 31,462,602 | 34,398,515 | 39,952,276 | 39,653,748 | 41,547,705 | 39,599,697 | 43,135,677 | 45,655,062 | 47,044,394 |
| Total business-type activities net assets | \$ 109,719,187 | \$ 117,860,466 | \$ 122,722,007 | \$ 132,139,468 | \$ 137,901,638 | \$ 148,933,922 | \$ 156,189,350 | \$ 158,490,699 | \$ 165,229,867 | \$ 171,482,191 |
| Primary government: | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 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 | \$ 183,028,684 |
| Restricted | 5,611,591 | 5,672,057 | 6,181,074 | 5,857,526 | 8,124,454 | 8,266,729 | 23,069,293 | 13,277,311 | 17,387,846 | 13,519,815 |
| Unrestricted | 30,234,375 | 37,807,873 | 44,687,461 | 48,685,187 | 45,495,859 | 20,048,933 | (7,750,585) | 6,760,974 | 2,255,218 | 13,368,898 |
| Total primary government net assets | \$ 156,026,047 | \$ 166,572,673 | \$ 174,799,960 | \$ 194,737,252 | \$ 201,366,975 | \$ 186,425,110 | \$ 182,900,013 | \$ 194,024,470 | \$ 199,226,435 | \$ 209,917,397 |

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)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Expenses: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 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 | \$ 2,133,136 |
| Public safety | 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 | 23,517,320 |
| Public Works | 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 | 8,540,644 |
| Environmental protection | 1,663,347 | 1,825,829 | 1,616,542 | 2,152,786 | 2,669,329 | - | - | - | - | - |
| Culture and recreation | 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 | 3,900,416 |
| Economic and physical development | 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 | 2,801,511 |
| Interest on long-term debt | 365,826 | 342,703 | 384,309 | 283,245 | 173,584 | 160,982 | 215,138 | 171,712 | 223,485 | 267,717 |
| Total governmental activities expenses | 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 | 41,160,744 |
| Business-type activities: | | | | | | | | | | |
| Electric | 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 | 50,367,598 |
| Water | 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 | 8,545,789 |
| Sewer | 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 | 11,036,274 |
| Stormwater | 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 | 3,332,511 |
| Total business-type activities expenses | 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 | 73,282,172 |
| Total primary government expenses | 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 | 114,442,916 |
| Program revenue: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 1,554,015 | 1,591,361 | 1,282,636 | 642,598 | 269,579 | 297,137 | 128,798 | 376,563 | 403,725 | 368,078 |
| Public safety | 519,536 | 337,912 | 270,426 | 225,570 | 250,973 | 299,447 | 301,999 | 461,020 | 289,691 | 82,410 |
| Public Works | 987 | 11,000 | 2,878,437 | 141,675 | 85,165 | 2,991,246 | 41,031 | 51,223 | 53,076 | 90,779 |
| Environmental protection | 2,280,468 | 2,817,704 | - | 2,837,409 | 2,998,906 | - | - | - | - | - |
| Culture and recreation | 152,022 | 227,068 | 133,290 | 139,581 | 29,096 | 152,624 | 191,078 | 143,108 | 129,089 | 212,846 |
| Economic and physical development | 962,406 | 550,112 | 519,918 | 674,188 | 479,897 | 692,032 | 603,685 | 729,223 | 1,141,168 | 1,144,307 |
| Operating grants and contributions: | | | | | | | | | | |
| General government | - | 174,765 | 353,805 | 50,000 | 479,267 | 283,414 | 51,491 | 864,608 | 313,902 | 613,995 |
| Public safety | 1,526,387 | 676,810 | 417,906 | 410,522 | 420,677 | 357,923 | 356,214 | 1,343,908 | 933,904 | 888,224 |
| Public Works | 812,542 | 871,986 | 49,700 | - | 9,164 | - | 865,707 | 8,142,475 | 3,016,062 | 6,474,872 |
| Environmental protection | - | - | - | - | - | - | - | - | - | - |
| Culture and recreation | - | - | 143,168 | 2,256 | - | - | - | 609,405 | 956,701 | 395,238 |
| Economic and physical development | 1,290,569 | 110,661 | 714,850 | 911,759 | 238,346 | 405,005 | 403,958 | 564,284 | 1,335,439 | 656,929 |
| Capital grants and contributions: | | | | | | | | | | |
| General government | - | - | 929,785 | - | - | - | - | - | - | - |
| Public Safety | - | - | 26,845 | - | - | - | - | - | - | - |
| Public Works | 323,776 | - | 187,745 | 11,005,003 | 3,503,246 | 2,234,401 | 687,000 | - | - | 475,000 |
| 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 | 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 | 11,402,678 |

City of New Bern, North Carolina

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Electric | \$ 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 | \$ 52,777,339 |
| Water | 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 | 10,531,050 |
| Sewer | 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 | 11,900,375 |
| Stormwater | 712,500 | 675,590 | 673,773 | 681,209 | 716,117 | 693,316 | 671,788 | - | - | - |
| Solid Waste | - | - | - | - | - | - | 3,348,190 | 3,425,276 | 3,550,121 | 3,602,542 |
| Capital grants and contributions: | | | | | | | | | | |
| Electric | - | - | 33,208 | - | - | - | 422,447 | - | - | 1,971,102 |
| 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 | 539,058 | 171,545 | 24,883 | - | - | - | - | - | - | - |
| Water | 177,669 | 245,689 | 295,774 | - | - | - | - | - | - | - |
| Sewer | 358,422 | 422,744 | 978,027 | - | - | - | - | - | - | - |
| Stormwater | 452 | - | 240 | - | - | - | - | - | - | - |
| Solid Waste | - | - | - | - | - | - | - | - | - | - |
| Total business-type activities program revenues | 86,074,596 | 88,772,145 | 85,945,081 | 75,509,783 | 74,776,886 | 76,362,096 | 79,123,972 | 76,571,245 | 79,457,316 | 80,782,408 |
| Total primary government program revenues | 95,497,304 | 96,209,948 | 93,933,852 | 93,385,809 | 83,541,202 | 85,725,325 | 82,754,933 | 91,287,111 | 88,030,073 | 92,185,086 |
| Net (expense) revenue: | | | | | | | | | | |
| Governmental activities | (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) | (29,758,066) |
| Business-type activities | 8,158,115 | 10,032,532 | 9,070,073 | 10,361,377 | 7,191,026 | 10,527,219 | 8,113,982 | 6,425,281 | 7,754,368 | 7,500,236 |
| Total primary government net expense | (10,963,380) | (12,119,050) | (12,553,096) | (4,385,179) | (19,845,763) | (17,513,011) | (32,383,764) | (19,457,410) | (28,120,820) | (22,257,830) |

(Continued)

City of New Bern, North Carolina

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|-----------------------|----------------------|---------------------|----------------------|
| General revenues and other changes in net assets: | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Ad valorem taxes | \$ 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 | \$ 17,022,061 |
| Sales taxes | 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 | 10,320,084 |
| Utility franchise tax | 1,406,786 | 1,573,495 | 2,013,029 | 2,064,744 | 2,000,811 | 2,018,691 | 233,295 | 225,426 | 219,681 | 226,185 |
| 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 | 1,247,021 |
| Other taxes | 315,351 | 278,850 | 1,055,904 | 833,698 | 716,339 | 699,167 | 2,543,511 | 2,447,499 | 2,444,494 | 2,445,444 |
| Grants & contributions not restricted to specific programs | - | - | - | - | - | - | - | - | - | - |
| Investment earnings | 18,930 | 12,210 | 12,470 | 91,606 | 186,846 | 474,950 | 618,976 | 271,460 | 7,738 | 42,611 |
| Miscellaneous | - | - | 189,166 | 154,638 | 856,701 | 260,563 | 1,015,503 | 1,953,925 | 1,499,825 | 280,749 |
| Gain on sale of capital assets | - | - | - | 12,344 | - | 24,656 | (7,142) | (24,307) | 643,654 | - |
| Transfers | 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 | 2,612,550 |
| Total governmental activities | 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 | 34,196,705 |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 11,506 | 5,199 | 6,115 | 47,609 | 142,667 | 275,167 | 598,351 | 508,868 | 9,153 | 70,188 |
| Miscellaneous | - | - | - | - | 156,405 | - | 162,777 | 392,046 | 1,553,067 | 1,344,031 |
| Gain on sale of capital assets | - | - | - | 16,631 | 26,754 | 43,184 | 60,108 | 15,034 | 60,130 | 112 |
| Transfers | (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) | (2,612,550) |
| Total business-type activities | (2,428,613) | (1,891,253) | (3,238,607) | (2,702,176) | (2,326,201) | (2,555,880) | (1,147,364) | (1,693,052) | (1,015,200) | (1,198,219) |
| Total primary government | 21,903,283 | 22,665,676 | 23,756,777 | 24,322,471 | 25,903,546 | 26,306,828 | 28,858,667 | 30,581,868 | 33,322,784 | 32,998,486 |
| Changes in net position: | | | | | | | | | | |
| Governmental activities | 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) | 4,438,638 |
| Business-type activities | 5,729,502 | 8,141,279 | 5,831,466 | 7,659,201 | 4,864,825 | 8,283,682 | 6,966,618 | 4,732,229 | 6,739,168 | 6,302,017 |
| Total primary government | \$ 10,939,903 | \$ 10,546,626 | \$ 11,203,681 | \$ 19,937,292 | \$ 6,057,783 | \$ 9,106,160 | \$ (3,525,098) | \$ 11,124,458 | \$ 5,201,965 | \$ 10,740,655 |

City of New Bern, North Carolina

Program Revenues by Function/Program
Last Ten Fiscal Years*
(Accrual Basis of Accounting)
(Unaudited)

| Function / Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|---------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$ (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) | \$ (1,151,063) |
| Public safety | (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) | (22,546,686) |
| Transportation | - | - | - | - | - | - | - | - | - | - |
| Public Works | (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) | (1,499,993) |
| Environmental protection | 617,121 | 991,875 | (1,616,542) | 684,623 | 329,577 | - | - | - | - | - |
| Culture and recreation | (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) | (3,292,332) |
| Economic and physical development | (125,053) | (1,347,960) | (639,429) | (857,237) | (1,593,945) | (805,805) | (1,599,754) | 330,968 | (924,988) | (1,000,275) |
| Interest on long-term debt | (365,826) | (342,703) | (384,309) | (283,245) | (173,584) | (160,982) | (215,138) | (171,712) | (223,485) | (267,717) |
| Total governmental activities | (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) | (29,758,066) |
| Business-type activities: | | | | | | | | | | |
| Electric | 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 | 4,380,843 |
| Water | 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 | 1,985,261 |
| Sewer | 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 | 864,101 |
| Stormwater | 41,261 | 1,057,089 | 127,663 | 70,390 | 54,437 | 377,399 | 32,112 | - | - | - |
| Solid Waste | - | - | - | - | - | - | 381,269 | 202,204 | 216,509 | 270,031 |
| Total business-type activities | 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 | 7,500,236 |
| Total government | \$ (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) | \$ (22,257,830) |

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)**

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|-----------------------|-----------------------|----------------------|
| General Fund: | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved: | | | | | | | | | | |
| Non Spendable | 140,908 | 148,408 | 138,418 | 106,353 | 125,566 | 132,738 | 103,144 | 1,860,476 | 294,458 | 639,621 |
| Restricted | 4,261,890 | 4,731,384 | 5,373,068 | 5,370,614 | 6,978,767 | 5,574,926 | 21,590,110 | 12,488,839 | 16,185,639 | 12,334,643 |
| Committed | - | - | - | 2,000,000 | - | - | - | - | - | - |
| Unassigned | 7,449,776 | 9,496,813 | 14,753,694 | 12,976,430 | 13,816,378 | 13,864,240 | 1,136,141 | 7,331,940 | 9,207,094 | 13,499,590 |
| Total General Fund | \$ 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 | \$ 26,473,854 |
| All Other Governmental Funds: | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | - | - | - | - |
| Major Capital projects funds | - | - | - | - | - | - | - | - | - | - |
| Capital projects funds | - | - | - | - | - | - | - | - | - | - |
| Permanent fund | - | - | - | - | - | - | - | - | - | - |
| Non Spendable in Permanent Fund | 735,341 | 304,226 | 418,676 | 34,092 | - | - | - | - | - | - |
| Restricted in Capital Project | 324,372 | 455,346 | - | - | 232,315 | 2,051,189 | - | - | - | - |
| Committed in Capital Project | 289,988 | 181,101 | 185,277 | - | - | - | - | - | - | - |
| Assigned in Capital Project | - | - | - | 195,745 | 161,762 | 827,873 | - | 1,061,562 | 765,921 | 703,844 |
| Unassigned in Capital Project | (33,941) | - | - | - | - | - | - | - | - | - |
| Restricted in Special Revenue Fund | - | - | 389,330 | 476,420 | 543,575 | 453,642 | 330,768 | 657,584 | 1,202,207 | 1,185,172 |
| Assigned in Special Revenue Fund | - | - | - | - | - | 336,702 | - | - | - | - |
| Unassigned in Special Revenue Fund | (368,626) | (460,273) | (539,445) | (1,024,785) | (39,195) | (6,810) | (11,490,799) | (5,005,193) | (8,861,839) | (1,766,813) |
| Total all other government funds | \$ 947,134 | \$ 480,400 | \$ 453,838 | \$ (318,528) | \$ 898,457 | \$ 3,662,596 | \$ (11,160,031) | \$ (3,286,047) | \$ (6,893,711) | \$ 122,203 |

City of New Bern, North Carolina

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|---------------------|--------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 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 | \$ 16,915,838 |
| Other taxes | 264,417 | 278,850 | 264,759 | - | - | - | - | - | 13,181,626 | 14,359,939 |
| Intergovernmental | 12,628,746 | 10,570,520 | 12,035,516 | 12,285,133 | 13,335,018 | 12,535,666 | 13,890,353 | 24,709,227 | 6,556,008 | 9,504,257 |
| Permits and fees | 584,906 | 629,737 | 473,631 | 614,305 | 461,845 | 661,904 | 558,380 | 675,417 | 1,050,580 | 1,006,560 |
| Charges for services | 4,154,506 | 4,697,698 | 4,610,076 | 4,046,716 | 3,651,771 | 3,770,582 | 670,742 | 949,770 | 705,361 | 609,746 |
| Investment Earnings | 17,917 | 11,353 | 11,636 | 91,606 | 186,846 | 474,950 | 618,976 | 229,326 | 5,795 | 36,520 |
| Other | 240,121 | 186,493 | 490,433 | 175,875 | 393,324 | 378,629 | 1,258,805 | 1,953,925 | 1,499,825 | 280,749 |
| Total revenues | 31,188,137 | 30,179,274 | 31,662,290 | 31,057,189 | 32,207,627 | 32,422,643 | 31,925,768 | 44,270,663 | 39,527,579 | 42,713,609 |
| Expenditures: | | | | | | | | | | |
| General government | 4,490,858 | 4,503,448 | 4,127,567 | 1,941,707 | 2,160,235 | 2,257,005 | 2,043,154 | 2,076,009 | 1,810,062 | 2,567,056 |
| Public safety | 15,543,189 | 15,596,236 | 16,633,524 | 16,019,236 | 16,564,796 | 16,867,070 | 18,880,995 | 19,118,873 | 21,915,740 | 19,158,885 |
| Public works | 4,436,086 | 4,947,552 | 5,462,756 | 6,160,541 | 6,567,295 | 10,261,544 | 17,518,064 | 10,670,395 | 13,853,805 | 7,788,061 |
| Environmental protection | 1,792,211 | 1,772,657 | 1,805,268 | 2,035,216 | 2,615,028 | - | - | - | - | - |
| Culture and recreation | 2,956,433 | 2,460,377 | 2,519,151 | 2,849,572 | 2,925,043 | 3,001,879 | 3,369,140 | 4,214,524 | 3,889,224 | 3,647,197 |
| Economic and physical development | 3,222,067 | 2,121,975 | 2,559,305 | 3,461,395 | 2,345,856 | 2,057,081 | 3,995,964 | 2,894,843 | 3,043,015 | 2,788,843 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Interfund Reimbursements | (2,891,799) | (3,310,269) | (3,412,228) | - | - | - | - | - | - | - |
| Capital outlay | 1,052,794 | 1,857,062 | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | | | |
| Principal | 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 | 2,042,793 |
| Interest | 380,588 | 349,093 | 369,686 | 301,704 | 183,672 | 164,535 | 200,966 | 171,841 | 221,579 | 205,653 |
| Total expenditures | 32,979,885 | 31,759,320 | 31,815,747 | 37,745,369 | 34,909,962 | 36,597,893 | 47,951,648 | 41,223,705 | 46,525,596 | 38,198,488 |
| Excess of revenues (under) expenditures | (1,791,748) | (1,580,046) | (153,457) | (6,688,180) | (2,702,335) | (4,175,250) | (16,025,880) | 3,046,958 | (6,998,017) | 4,515,121 |
| Other financing sources (uses): | | | | | | | | | | |
| Transfers in | 2,980,737 | 2,193,282 | 3,503,154 | 3,812,981 | 3,430,178 | 4,158,767 | 1,982,523 | 3,812,885 | 3,413,610 | 5,462,019 |
| Transfers out | (161,701) | (296,830) | (258,432) | (764,257) | (778,151) | (1,284,536) | (13,923) | (1,203,885) | (776,060) | (2,949,468) |
| Proceeds from sales of capital assets | - | - | 801,075 | 74,540 | 74,607 | 138,817 | 31,970 | 4,735 | 600,592 | 99,979 |
| Issuance of long-term debt | 465,315 | 1,740,891 | 1,969,673 | 2,980,767 | 1,660,000 | 2,577,534 | 3,949,467 | - | 4,158,147 | 298,454 |
| Lease liabilities issued | - | - | - | - | - | - | - | - | - | 376,472 |
| Total other financing sources | 3,284,351 | 3,637,343 | 6,015,470 | 6,104,031 | 4,386,634 | 5,590,582 | 5,950,037 | 2,613,735 | 7,396,289 | 3,287,456 |
| Net changes in fund balance | \$ 1,492,603 | \$ 2,057,297 | \$ 5,862,013 | \$ (584,149) | \$ 1,684,299 | \$ 1,415,332 | \$ (10,075,843) | \$ 5,660,693 | \$ 398,272 | \$ 7,802,577 |
| Debt service as a percentage of noncapital expenditures | 7.8% | 6.2% | 7.2% | 14.2% | 5.0% | 6.1% | 5.3% | 6.2% | 5.2% | 6.4% |

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 |
|-------------|---------------|---------------|-----------------------|---------------------------------|-------------------|-----------------|--------------|----------------|-----------------------------------|---------------------|
| 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 |
| 2021-2022 | 472,282,663 | \$37,544,418 | 253,010,423 | 198,934,238 | 5,087,387 | 457,032,048 | 15,250,615 | 3% | \$0.0795 | 1,293,925 |

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 | | | | | | | | | |
|-----------------------------|---------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Residential | \$0.1307 | \$0.1439 | \$0.1214 | \$0.1165 | \$0.1010 | \$0.1133 | \$0.1014 | \$0.1135 | \$0.1201 | \$0.1207 |
| Commercial | 0.1331 | 0.1305 | 0.1391 | 0.1216 | 0.1175 | 0.1156 | 0.1134 | 0.1168 | 0.1167 | 0.1167 |
| Large Commercial/Industrial | 0.0827 | 0.0842 | 0.0861 | 0.0771 | 0.0792 | 0.0755 | 0.0763 | 0.0742 | 0.0727 | 0.0734 |
| Other | 0.1738 | 0.1275 | 0.1284 | 0.1110 | 0.1062 | 0.1046 | 0.1142 | 0.1679 | 0.2745 | 0.3204 |

Source: City Records

City of New Bern, North Carolina

Electric System - Major Users
Current Year and Nine Years Ago

| 2022 | | | | |
|--------|---------------------------------------|------------------------|--------------------|---|
| Rank | Customer | Annual KWH | Annual Revenues | Percentage of Total Electric Sales |
| 1 | Carolina East Medical Center -P-53206 | 19975200 | \$1,059,564 | 2.01% |
| 2 | Craven Community P-53209 | 9165600 | \$516,184 | 0.98% |
| 3 | White River Marine Group P-53208 | 4773600 | \$269,792 | 0.51% |
| 4 | Carolina East Medical Center P 11493 | 3319633 | \$261,160 | 0.50% |
| 5 | City of New Bern STP P-22026 | 4316160 | \$237,026 | 0.45% |
| 6 | Wal-Mart Stores Inc P-73875 | 3740400 | \$215,201 | 0.41% |
| 7 | Craven Terrace LP P-15457 | 2660880 | \$151,268 | 0.29% |
| 8 | Schlaadt Plastics-53211 | 2169000 | \$173,794 | 0.33% |
| 9 | NC Dept of Cultural Res P-26850 | 2051400 | \$164,386 | 0.31% |
| 10 | Carolina Telephone & Telegraph P-1522 | 1874000 | \$150,194 | 0.29% |
| Totals | | <u>54,045,873</u> | <u>\$3,198,569</u> | |
| | | <u>Revenue for All</u> | | |
| | | <u>\$52,691,908</u> | | |

| 2013 | | | | |
|--------|------------------------------------|------------------------|--------------------|---|
| Rank | Customer | Annual KWH | Annual Revenues | Percentage of Total Electric Sales |
| 1 | Carolina East Medical Center P-532 | 18643200 | \$1,197,381.00 | 1.99% |
| 2 | Craven Community College P-53209 | 8206800 | \$555,538.00 | 0.92% |
| 3 | Maola-23749-53205 | 5928000 | \$401,947.00 | 0.67% |
| 4 | Hatteras Yachts P-53208 | 6672000 | \$343,339.00 | 0.57% |
| 5 | Wal-Mart Havelock-73875 | 4551600 | \$305,691.00 | 0.51% |
| 6 | Craven Terrace P-15457 | 3247200 | \$235,961.00 | 0.39% |
| 7 | Lowe's of New Bern P-56517 | 2634400 | \$183,557.00 | 0.31% |
| 8 | Sheraton | 1421952 | \$137,236.00 | 0.23% |
| 9 | Food Lion - Glenburnie | 1486560 | \$108,667.00 | 0.18% |
| 10 | Food Lion - Hwy 70E | 1289480 | \$94,418.00 | 0.16% |
| Totals | | <u>54,081,192</u> | <u>\$3,563,735</u> | |
| | | <u>Revenue for All</u> | | |
| | | <u>\$60,114,718</u> | | |

City of New Bern, North Carolina

Water System - Major Users

Current Year and Nine Years Ago

| 2022 | | | | | 2013 | | | | |
|-----------------|-----------------------------------|----------------|-----------------|---------------------------------|-----------------|-----------------------------------|----------------|-----------------|---------------------------------|
| Rank | Customer | Annual Gallons | Annual Revenues | Percentage of Total Water Sales | Rank | Customer | Annual Gallons | Annual Revenues | Percentage of Total Water Sales |
| 01 | Carolina East Medical Center P-53 | 51235 | \$298,536.15 | 2.87% | 01 | Craven County Wood Energy P-67 | 48434 | \$304,953.58 | 2.98% |
| 02 | Craven County Wood Energy P-96 | 12302 | \$87,314.16 | 0.84% | 02 | CarolinaEast Medical Center P-53 | 25051 | \$120,529.55 | 1.18% |
| 03 | Craven Terrace P-15457 | 10012 | \$45,100.77 | 0.43% | 03 | New Bern Housing Authority P-154 | 14368 | \$66,840.10 | 0.65% |
| 04 | Express Wash Holding P-11113 | 5951 | \$27,011.67 | 0.26% | 04 | Moen Inc. P- 67797 | 12165 | \$74,206.95 | 0.72% |
| 05 | New Bern Housing Authority P-154 | 5806 | \$29,067.76 | 0.28% | 05 | Town of Cove City P- 26039 | 11475 | \$57,315.45 | 0.56% |
| 06 | Schlaadt Plastics P-53211 | 5760 | \$25,506.72 | 0.25% | 06 | Housing Authority of New Bern P-1 | 9902 | \$50,472.90 | 0.49% |
| 07 | Craven Terrace P-15458 | 5751 | \$30,477.16 | 0.29% | 07 | New Bern Housing Authority P-154 | 9251 | \$44,660.25 | 0.44% |
| 08 | BSH Home Appliances P-23028 | 5658 | \$25,100.24 | 0.24% | 08 | New Bern Housing Authority P-154 | 7319 | \$39,236.85 | 0.38% |
| 09 | Housing Authority of New Bern P-1 | 5481 | \$29,370.92 | 0.28% | 09 | Norfolk Southern Railway Compan | 5823 | \$27,402.45 | 0.27% |
| 10 | Moen Inc. P-67797 | 5102 | \$35,299.92 | 0.34% | 10 | UHS Pruitt Corp P-26813 | 5180 | \$26,951.40 | 0.26% |
| Revenue for All | | | | | Revenue for All | | | | |
| Totals | \$10,405,486 | 113,058 | \$632,785 | | Totals | \$10,236,238 | 148,968 | \$812,569 | |

Source: City Records

City of New Bern, North Carolina

Sewer System - Major Users
Current Year and Nine Years Ago

| 2022 | | | | | 2013 | | | | |
|--------|-----------------------------------|--|-----------------|---------------------------------|--------|-----------------------------------|--|-----------------|---------------------------------|
| Rank | Customer | Annual Gallons | Annual Revenues | Percentage of Total Sewer Sales | Rank | Customer | Annual Gallons | Annual Revenues | Percentage of Total Sewer Sales |
| 1 | Carolina East Medical Center P-53 | 51235 | \$405,796.96 | 3.61% | 1 | Carolina Regional Medical Center | 25051 | \$142,451.09 | 1.40% |
| 2 | Craven County Wood Energy P-96 | 30791 | \$286,472.65 | 2.55% | 2 | New Bern Housing Authority P-154 | 14368 | \$91,266.15 | 0.90% |
| 3 | Craven Terrace LP P-15457 | 10012 | \$59,785.88 | 0.53% | 3 | Moen Inc. P- 67797 | 12165 | \$114,284.67 | 1.13% |
| 4 | Coastal Regional Solid Waste P-50 | 9336 | \$86,264.64 | 0.77% | 4 | Housing Authority of New Bern P-1 | 9902 | \$64,274.66 | 0.63% |
| 5 | Craven County Government P-868 | 7868 | \$62,054.55 | 0.55% | 5 | New Bern Housing Authority P-154 | 9251 | \$58,102.99 | 0.57% |
| 6 | New Bern Housing Authority P-154 | 5806 | \$36,695.12 | 0.33% | 6 | New Bern Housing Authority P-154 | 7319 | \$48,609.19 | 0.48% |
| 7 | Craven Terrace LP P-15458 | 5751 | \$37,497.60 | 0.33% | 7 | Coastal Region Solid Waste P-500 | 6741 | \$108,395.28 | 1.07% |
| 8 | BSH Home Appliances P-23027 | 5658 | \$40,343.22 | 0.36% | 8 | Norfolk Southern Railway Co. P-13 | 5823 | \$36,129.57 | 0.36% |
| 9 | Housing Authority of New Bern P-1 | 5481 | \$35,961.33 | 0.32% | 9 | UHS Pruitt Corp P-26813 | 5180 | \$33,914.12 | 0.33% |
| 10 | Moen Inc.P-67797 | 5102 | \$44,118.26 | 0.39% | 10 | Craven County Government P-868 | 4580 | \$41,127.98 | 0.40% |
| Totals | | <u>Revenue for All</u> <u>\$11,254,246</u> 137,040 \$1,094,990 | | | Totals | | <u>Revenue for All</u> <u>\$10,158,305</u> 100,380 \$738,556 | | |

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 | | | | | |
| 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 | 1,756,129,303 | 1,022,041,633 | 235,673,549 | 286,274,025 | 17,569,333 | 3,282,549,177 | 0.41 | 3,035,643,746 | 108.13% |
| 2017 | 1,539,695,349 | 1,062,464,443 | 260,779,493 | 184,576,735 | 17,036,205 | 3,030,479,815 | 0.46 | 2,797,677,093 | 108.32% |
| 2018 | 1,550,950,898 | 998,754,218 | 267,717,313 | 317,086,179 | 18,079,727 | 3,116,428,881 | 0.46 | 2,922,954,615 | 106.62% |
| 2019 | 1,564,190,598 | 1,025,949,748 | 268,448,089 | 328,764,151 | 19,224,468 | 3,168,128,118 | 0.46 | 3,051,331,189 | 103.83% |
| 2020 | 1,580,474,281 | 1,030,293,928 | 287,343,822 | 344,345,009 | 19,190,589 | 3,223,266,451 | 0.4822 | 3,280,360,479 | 98.26% |
| 2021 | 1,650,528,896 | 1,042,124,898 | 298,902,064 | 326,135,328 | 19,764,070 | 3,297,927,116 | 0.4822 | 3,391,411,345 | 97.24% |
| 2022 | 1,802,499,377 | 962,366,111 | 348,205,393 | 310,944,799 | 19,403,837 | 3,404,611,843 | 0.4822 | 3,468,863,160 | 98.15% |

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 |
| 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% |
| 2022 | 15,031,744 | 14,891,377 | 99.07% | - | 14,891,377 | 99.07% |

Source: City property tax records

City of New Bern, North Carolina

Principal Taxpayers
Current Year and Nine Years Ago

| 2022 | | | | | 2013 | | | | |
|--|------------------------------|-------------------------|------|------------------------------------|--|------------------------------|-------------------------|------|------------------------------------|
| 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 | Home Appliance Manufacturing | \$ 114,865,684 | 1 | 3.37% | BSH Home Appliances | Home Appliance Manufacturing | 76,229,617 | 1 | 2.39% |
| New Bern Apartments LLC | Real Estate Development | 17,819,870 | 2 | 0.52% | New Bern Riverfront | Developer | 32,175,197 | 2 | 1.01% |
| NC New Bern LLC | Real Estate Development | 24,236,280 | 3 | 0.71% | Hatteras Yachts, Inc. | Boat Manufacturing | 25,344,296 | 3 | 0.79% |
| Duke Energy Progress Inc | Utility | 17,756,564 | 4 | 0.52% | DDR Xenia & New Bern LLC | Retail Sales | 23,280,378 | 4 | 0.73% |
| 2701 Amhurst Boulevard LLC | Residential Rental | 14,366,000 | 5 | 0.42% | Carolina Telephone | Telephone Services | 17,579,521 | 5 | 0.55% |
| Piedmont Natural Gas Co Inc | Utility | 12,977,103 | 6 | 0.38% | Carolina Creek | Retail Sales | 16,051,420 | 6 | 0.50% |
| Wal-mart Real Estate Business Trust | Real Estate Development | 11,771,750 | 7 | 0.35% | Trent Neuse Hotel LLC | Hotel | 15,748,666 | 7 | 0.49% |
| Navis Hcy Real Estate LLC | Real Estate Development | 11,725,780 | 8 | 0.34% | Thomas F & Karen Webb | Developer | 13,899,600 | 8 | 0.44% |
| White River Marine Group LLC | Boat Manufacturing | 11,725,780 | 9 | 0.34% | Piedmont Natural Gas | Natural Gas | 11,510,420 | 9 | 0.36% |
| New Bern Associates LLC | Real Estate Development | 11,027,010 | 10 | 0.32% | Atta Holdings | Medical Offices | 11,156,908 | 10 | 0.35% |
| Total Assessed Valuation of Top Ten Taxpayer | | <u>\$ 248,271,821</u> | | 7.29% | Total Assessed Valuation of Top Ten Taxpayer | | <u>\$ 242,976,023</u> | | 7.61% |
| Balance of Assessed Valuation | | <u>\$ 3,156,340,022</u> | | 92.71% | Balance of Assessed Valuation | | <u>\$ 2,951,483,658</u> | | 92.39% |
| Total Assessed Valuation | | <u>\$ 3,404,611,843</u> | | 100.00% | Total Assessed Valuation | | <u>\$ 3,194,459,681</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 | Direct Rate City | Overlapping Rate Craven County | Overlapping Rate Craven County |
|---|---------------------------------|---------------------------------|---|---|
| 2013 | 0.4100 | 0.4100 | 0.4728 | 0.4700 |
| 2014 | 0.4100 | 0.4100 | 0.4675 | 0.4675 |
| 2015 | 0.4100 | 0.4100 | 0.4675 | 0.4675 |
| 2016 | 0.4100 | 0.4100 | 0.4675 | 0.4675 |
| 2017 | 0.4600 | 0.4600 | 0.5394 | 0.5394 |
| 2018 | 0.4600 | 0.4600 | 0.5394 | 0.5394 |
| 2019 | 0.4822 | 0.4600 | 0.5494 | 0.5394 |
| 2020 | 0.4822 | 0.4822 | 0.5494 | 0.5494 |
| 2021 | 0.4822 | 0.4822 | 0.5600 | 0.5494 |
| 2022 | 0.4822 | 0.4822 | 0.5600 | 0.5600 |

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

- (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 | Total Debt as a Percentage of Personal Income | Personal Income (3) |
| 2013 | - | - | 12,449,882 | - | 41,847,545 | 3,868,205 | - | 17,180,000 | 75,345,632 | 2,485 | 1.964% | 1.840% | 4,094,203 |
| 2014 | - | - | 12,729,584 | - | 38,862,038 | 4,209,693 | - | 15,576,277 | 71,377,592 | 2,360 | 1.743% | 1.741% | 4,100,424 |
| 2015 | - | - | 12,948,539 | - | 35,843,939 | 3,648,020 | - | 17,608,515 | 70,049,013 | 2,316 | 1.305% | 1.700% | 4,121,440 |
| 2016 | - | - | 7,926,663 | - | 32,792,386 | 6,166,443 | - | 21,207,039 | 68,092,531 | 2,918 | 1.361% | 1.623% | 4,195,496 |
| 2017 | - | - | 8,038,626 | - | 29,447,558 | 5,107,437 | - | 18,662,107 | 61,255,728 | 2,605 | 1.224% | 1.411% | 4,340,800 |
| 2018 | - | - | 8,627,381 | - | 26,585,374 | 3,859,046 | - | 16,070,782 | 55,142,583 | 2,292 | 1.314% | 1.269% | 4,345,888 |
| 2019 | - | - | 10,571,478 | - | 23,694,553 | 3,423,227 | - | 13,434,534 | 51,123,791 | 1,878 | 1.177% | 1.129% | 4,529,336 |
| 2020 | - | - | 8,494,257 | - | 20,774,358 | 2,564,381 | - | 10,752,567 | 42,585,563 | 1,420 | 0.421% | 0.898% | 4,743,930 |
| 2021 | - | - | 10,860,233 | - | 17,824,036 | 1,852,480 | - | 8,024,074 | 38,560,823 | 1,232 | | 0.780% | 4,943,453 |
| 2022 | - | - | 13,300,961 | - | 14,842,812 | 1,164,847 | - | 5,250,235 | 34,558,855 | 1,102 | | (4) | (6) |

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, 2022
(Unaudited)**

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--|----------------------|---------------------------------------|--|
| Craven County Debt | \$ 36,885,592 | 34.50% | \$ 12,725,275 |
| Subtotal, overlapping debt | \$ 36,885,592 | | \$ 12,725,275 |
| City Direct Debt | 13,300,961 | 100% | 13,300,961 |
| Total direct and overlapping debt | \$ 50,186,553 | | \$ 26,026,236 |

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 \$9,045,801,227
- (3) Amount in debt outstanding column multiplied by percentage applicable.

City of New Bern, North Carolina

**Legal Debt Margin Information
Last Ten Fiscal Years**

(Unaudited)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 255,556,774 | \$ 247,806,601 | \$ 242,008,494 | \$ 243,750,050 | \$ 221,576,026 | \$ 249,314,310 | \$ 231,602,117 | \$ 234,873,810 | \$ 239,922,004 | \$ 249,659,122 |
| Total net debt applicable to limit | 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 | 9,509,819 |
| Legal debt margin | <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>\$ 228,171,726</u> | <u>\$ 229,061,771</u> | <u>\$ 240,149,303</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 5.12% | 5.42% | 5.65% | 3.36% | 3.76% | 3.58% | 4.63% | 2.94% | 4.74% | 3.96% |

Notes:

Debt includes Installment proceeds and Notes payable

Legal Debt Margin Calculation for Fiscal Year 2022

| | |
|----------------------|-----------------------|
| Assessed Valuation | \$ 3,120,739,021 |
| 8% | 249,659,122 |
| Less applicable debt | <u>(9,509,819)</u> |
| Debt margin | <u>\$ 240,149,303</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) (in thousands of dollars) | Public School Enrollment (4) | Unemployment Rate (5) |
|---------------------------|----------------|--------------------------------|---|------------------------------|-----------------------|
| 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% |
| 2022 | 31,346 | (6) | (6) | 12,713 | 5.0% |

Notes:

- (1) Population provided US Census Bureau. (2017 is estimate)
<https://www.census.gov/quickfacts/fact/table/newberncitynorthcarolina/PST045221>
- (2) Provided by U.S Census
<https://www.census.gov/quickfacts/fact/table/newberncitynorthcarolina/INC910220>
- (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://d4.nccommerce.com/LausSelection.aspx>
- (6) Information is not presently available

City of New Bern, North Carolina

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

| Employer | 2022 | | | 2013 | | | |
|-----------------------------|---------------|------|---|-----------------------------|---------------|---|---------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment | |
| Department of Defense | 5,324 | 1 | 13.39% | Department of Defense | 5,274 | 1 | 13.34% |
| CarolinaEast Health Systems | 2,759 | 2 | 6.94% | CarolinaEast Health Systems | 2,192 | 2 | 5.55% |
| BSH Home Appliances | 1,724 | 3 | 4.34% | Craven County Schools | 1,942 | 3 | 4.91% |
| Craven County Schools | 1,439 | 4 | 3.62% | Moen Incorporated | 935 | 4 | 2.37% |
| Moen Incorporated | 835 | 5 | 2.10% | BSH Home Appliances | 884 | 5 | 2.24% |
| State of North Carolina | 801 | 6 | 2.01% | State of North Carolina | 817 | 6 | 2.07% |
| Craven County | 694 | 7 | 1.75% | Craven County | 587 | 7 | 1.48% |
| Wal-Mart | 537 | 8 | 1.35% | Craven Community College | 533 | 8 | 1.35% |
| Craven Community College | 524 | 9 | 1.32% | Wal-Mart | 481 | 9 | 1.22% |
| City of New Bern | 477 | 10 | 1.20% | City of New Bern | 479 | 10 | 1.21% |
| | <u>15,114</u> | | <u>38.02%</u> | | <u>14,124</u> | | <u>35.74%</u> |

Source: Craven County Economic Development, NC Department of Commerce LEAD County Profile

City of New Bern, North Carolina

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

| Functions/Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
| General Government: | | | | | | | | | | |
| Governing Board | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Administration | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 4 | 4 | 5 |
| Information Technology | 8 | 8 | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 8 |
| Finance: | | | | | | | | | | |
| Accounting | 10 | 10 | 10 | 9 | 9 | 9 | 9 | 9 | 10 | 10 |
| Warehouse | 4 | 4 | 4 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Tax Collection | 3 | 1 | - | - | - | - | - | - | - | - |
| Human Resources: | | | | | | | | | | |
| Police: | 112 | 112 | 116 | 109.5 | 113 | 115 | 117.5 | 117.5 | 117.5 | 118.5 |
| E911 Support | - | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire: | 67 | 67 | 67 | 67 | 66 | 73 | 73 | 73 | 73 | 75 |
| Parks and Recreation: | | | | | | | | | | |
| Administration | 2 | 2 | 2 | 3 | 5 | 7 | 7 | 8 | 8 | 8 |
| Facilities | - | - | - | - | 11 | 9 | 9 | 8 | 8 | 8 |
| West New Bern Recreation Center | 5 | 5 | 5 | 4 | - | - | - | - | - | - |
| Stanley White Recreation Center | 4 | 4 | 4 | 4 | - | - | - | - | - | - |
| Parks | 14 | 14 | 14 | 13 | 13 | 13 | 13 | 13 | 13 | 14 |
| Aquatics | - | - | - | - | - | - | - | - | - | - |
| Athletics | 3.0 | 3.0 | 3.0 | 3 | - | - | - | - | - | - |
| Planning & Inspections: | | | | | | | | | | |
| Planning & Inspections | 16 | 17 | 17 | 15 | 16 | 16 | 16 | 16 | 16 | 19 |
| GIS | 1 | - | - | - | - | - | - | - | - | - |
| Public Works: | | | | | | | | | | |
| Administration | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 5 |
| Garage | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Public Buildings | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Streets | 25 | 25 | 25 | 21 | 21 | 21 | 20 | 19 | 20 | 20 |
| Cemeteries | - | - | - | - | - | - | - | - | - | - |
| Leaf & Limb | 7 | 7 | 7 | 7 | 7 | 7 | 8 | - | - | - |
| Stormwater | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water: | | | | | | | | | | |
| Water Resources Administration | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 |
| Water Treatment | 11 | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 12 | 12 |
| Water Distribution System Maintenance | 30 | 30 | 30 | 27 | 25 | 25 | 19 | 19 | 19 | 22 |
| Sewer: | | | | | | | | | | |
| Sewer Treatment | 21 | 21 | 20 | 19 | 19 | 19 | 20 | 20 | 20 | 20 |
| Sewer Collection System Maintenance | 16 | 14 | 14 | 12 | 16 | 16 | 20 | 21 | 21 | 21 |
| Electric: | | | | | | | | | | |
| Electric Administration | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 7 | 8 | 12 |
| Utility Billing | 5 | 5 | - | - | - | - | - | - | - | - |
| Utility Service | 15 | 10 | - | - | - | - | - | - | - | - |
| Distribution O&M | 32 | 36 | 36 | 34 | 34 | 34 | 34 | 34 | 34 | 37 |
| Power Supply | 4 | 4 | 4 | 3 | 4 | 4 | 5 | 5 | 5 | 6 |
| Communications Control | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Utility Business Office | 16 | 16 | 30 | 29 | 27 | 27 | 27 | 27 | 27 | 25 |
| Solid Waste: | | | | | | | | | | |
| Solid Waste | - | - | - | - | - | - | - | 8 | 8 | 8 |
| Other: | | | | | | | | | | |
| Emergency Telephone System (E911) | 2 | 2 | 2 | 1.5 | - | - | - | - | - | - |
| Metropolitan Planning Organization | - | - | - | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 481 | 477 | 479 | 453 | 460 | 469 | 472.5 | 474.5 | 477.5 | 497.5 |

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 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|------------------|---------------|--------------|
| Police: | | | | | | | | | | |
| Calls for service | 48,532 | 42,819 | 43,113 | 42,525 | 45,002 | 46,160 | 45,403 | 46,020 | 44,299 | 44,905 |
| Conduct DUI/Traffic Check Points | 70 | 118 | 157 | 48 | 34 | 54 | 42 | 22 | 29 | 25 |
| 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% | 96.85% |
| Dispatch Emergency call in 90 seconds | 85.30% | 91.15% | 72.35% | 89.80% | 70.15% | 78.50% | 80.00% | 46.40% | 63.87% | 72.13% |
| 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% | 94.23% |
| 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% | 95.34% |
| Conduct directed traffic enforcement | ** | ** | ** | 362 | 196 | 370 | 1,361 | 1888 | 1,884 | 2,366 |
| Conduct directed radar enforcement campaigns | 1 | 4 | 21 | **** | 12 | 230 | 580 | 712 | 942 | 1,610 |
| Arrests | 1,944 | 1,750 | 1,595 | 1,545 | 1,497 | 1,774 | 1,478 | 1,290 | 1,328 | 1,408 |
| Fire: | | | | | | | | | | |
| Calls for service | 992 | 1,115 | 1,223 | 1,251 | 1,485 | 1,683 | 1,982 | 1,770 | 2,058 | 2,283 |
| 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 | 266,174,522 |
| Value of Property Loss | \$ 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 | \$ 3,482,262 |
| Fire Inspections | 1,787 | 1,519 | 1,568 | 1,420 | 1,606 | 1,743 | 1,978 | 1,946 | 1,693 | 1,504 |
| Fire Investigations | 32 | 36 | 33 | 31 | 27 | 30 | 27 | 44 | 41 | 45 |
| People Educated by Fire Education Programs | 7,298 | 8,857 | 9,929 | 11,065 | 13,697 | 9,360 | 8,453 | 2,179 | 4,712 | 6,939 |
| Child Passenger Safety Seat Inspections | 295 | 268 | 227 | 236 | 220 | 173 | 189 | 42 | 91 | 72 |
| Permits Issued | 82 | 126 | 91 | 113 | 131 | 101 | 58 | 75 | 108 | 95 |
| Firefighter Training Hours | | 19,176 | 19,522 | 18,503 | 18,568 | 19,803 | 29,051 | 19,502 | 23,858 | 23,597 |
| Recreation program attendance: | | | | | | | | | | |
| Athletics | 98,500 | 99,000 | 99,500 | 100,000 | 0 | 0 | 0 | 40,000 | 15,000 | 15,000 |
| Centers & Parks | 286,000 | 286,500 | 306,000 | 310,000 | 0 | 0 | 0 | 344,000 | 250,000 | 300,000 |
| Other Programs | 97,000 | 97,225 | 100,000 | 105,000 | 0 | 0 | 0 | 55,000 | 25,000 | 25,000 |
| Planning & Development: | | | | | | | | | | |
| Total building permits | 605 | 529 | 511 | 317 | 290 | 517 | 774 | 258 | 795 | 661 |
| Total value of all permits | \$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 | \$93,207,761 |
| Public service: | | | | | | | | | | |
| Garbage collected (ton) | 7,626 | 7,854 | 8,135 | 8,521 | 8,303 | 8,561 | 8,814 | 3,087 | 9,094 | 9,067 |
| Recycle collected (ton) *** | 1,795 | 2,191 | 2,222 | 2,185 | 2,188 | 2,102 | 1,625 | 576.92 | 1,758 | 1,848 |
| Stormwater | | | | | | | | | | |
| Calls for service | 450 | 178 | 264 | 355 | 248 | 216 | 209 | 150 | 232 | 93 |
| Yearly rainfall | 43.99" | 37.14" | 54.91" | 67.15" | 63.14" | 55.81" | 39.08" | 47.75" | 65.13" | 42.97" |
| Stormwater fee | \$2.10 / ERU | \$2.10 / ERU | n/a | n/a | n/a |
| Residential ERU's | ** | 12,516 | 12,756 | 12,906 | 12,966 | 13,182 | 12,753 | n/a | n/a | n/a |
| Commercial ERU's | ** | 20,452 | 20,006 | 19,923 | 19,420 | 22,972 | 14,290 | n/a | 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 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Police: | | | | | | | | | | |
| Buildings/Land | 5 | 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 | 350 | 360 | 363 | 363 | 1251 | 1251 | 1254 | 1254 | 1254 |
| Parks | 21 | 23 | 24 | 24 | 24 | 25 | 25 | 25 | 27 | 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 | 6 | 6 | 6 | 6 | 7 |
| Tennis Courts | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 2 | 2 |
| Pickleball Courts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 6 |
| Swimming pools | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks with Playground Equipment | 10 | 11 | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Picnic Shelters | 9 | 10 | 10 | 11 | 11 | 11 | 11 | 14 | 15 | 15 |
| Community Centers | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 1 | 1 |
| Natural Sites | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Gymnasium | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 1 |
| Spray Ground | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 1 | 1 |
| Dog Park | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Boat Launch/Ramp/Pier | 8 | 8 | 10 | 11 | 11 | 11 | 11 | 15 | 15 | 15 |
| Picnic Tables | 87 | 90 | 95 | 98 | 98 | 98 | 98 | 104 | 118 | 118 |
| Park Benches | 126 | 130 | 138 | 143 | 143 | 143 | 143 | 148 | 172 | 172 |
| Multi-purpose Fields | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Walking Trails | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 10 | 10 |
| Outdoor Restrooms | 9 | 9 | 9 | 9 | 10 | 10 | 10 | 11 | 10 | 10 |
| Public Parking Lots | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 14 | 14 | 14 |
| Public Art | 4 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 6 | 6 |
| Horseshoe Courts | 3 | 3 | 3 | 3 | 3 | 9 | 9 | 9 | 9 | 9 |
| Outdoor Volleyball Courts | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Bike Racks | 7 | 25 | 25 | 25 | 25 | 25 | 25 | 27 | 27 | 27 |
| Wastewater: | | | | | | | | | | |
| *Sanitary Sewers (miles) | 211.7 | 414.88 | 416.77 | 417.58 | 419.11 | 437.02 | 437.02 | 438.42 | 440.55 | 441.96 |
| *Storm Sewers (miles) | 62.5 | 74.35 | 74.62 | 76.58 | 77.56 | 76.94 | 76.94 | 78.48 | 78.5 | 78.5 |
| *Average Daily Flow | 3.63 | 3.89 | 3.88 | 4.55 | 4.25 | 4.26 | 4.26 | 4.19 | 4.79 | 3.815 |
| Electric: | | | | | | | | | | |
| Average Daily Purchased Usage (kWh) | 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 | 1,293,925 |
| Mile of Distribution Lines | 518 | 520 | 630 | 550 | 550 | 550 | 550 | 550 | 1072 | 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
Members of the City Council
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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of New Bern, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises City of New Bern's basic financial statements, and have issued our report thereon dated November 7, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of New Bern's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as item [2022-001 and 2022-002] that we consider to be significant deficiencies.

Members

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items [2022-001].

City of New Bern's Response to Findings

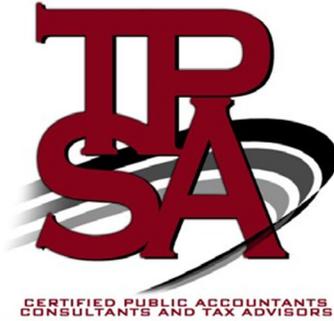
Government Auditing Standards requires the auditor to perform limited procedures on City of New Bern's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied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

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 7, 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 Honorable Mayor and
Members of the City Council
City of New Bern, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of New Bern, North Carolina, 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, 2022. City of New Bern's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Members

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

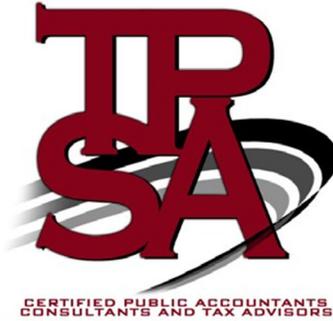
Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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
November 7, 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 Honorable Mayor and
Members of the City Council
City of New Bern, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of New Bern, North Carolina, 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 City of New Bern's major State programs for the year ended June 30, 2022. City of New Bern's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the 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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. 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
November 7, 2022

City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

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

**City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022**

Section I. Summary of Auditor's Results (continued)

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

Section II – Financial Statement Findings

Finding 2022-001 Budget Violation

NONCOMPLIANCE / SIGNIFICANT DEFICENCY

Criteria: In accordance with North Carolina General Statutes § 143C, Budget revisions must be requested and approved prior to any commitment and/or expenditure that would exceed the amount budgeted. Entities should not overspend the authorized budget.

Condition: For the fiscal year ended June 30, 2022, the expenditures made in the City's General Fund exceeded the authorized appropriations made by the governing board for the Administration department (the level at which the City adopts its budget) by \$1,468 and the Public Education Television Department by \$3,106. The overexpenditure in the administration department was due to recognizing future lease payments for the implementation of GASB 87. The overexpenditure in the Public Education Television department was due to Professional Services exceeded their expected cost.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: City oversight on the new accounting standard.

Recommendation: The finance office should review the General Statutes and GASB Statement more carefully to ensure that new pronouncements are presented correctly in the financials and appropriately budgeted.

Views of responsible officials: The City agrees with the finding.

Finding 2022-002 Deficit Fund Balance

SIGNIFICANT DEFICENCY

Criteria: In accordance with North Carolina General Statutes § 143C, local government should maintain a positive fund balance in each of its funds.

City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section II – Financial Statement Findings (continued)

Condition: The Grants Special Revenue Fund, as that is an annually budgeted fund, had negative fund balance and there was no appropriation made in the subsequent year budget.

Effect: When the City has a fund with a negative fund balance, the General Fund advances the money to the fund to pay expenditures.

Cause: The City did not request grant reimbursement timely and did not have other methods to avoid deficit.

Recommendation: The City should be more aware of spending in each of the funds to avoid deficit fund balance.

Views of responsible officials: The City agrees with the finding.

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



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, 2022**

Section II – Financial Statement Findings

Finding: 2022-001

Name of contact person: Kimberly A. Ostrom

Corrective Action: The over expenditure in the Administration Division was due to a journal entry to meet GASB 87 compliance, which was effective FY22. Due to staffing shortage, the implementation process was difficult and extended beyond the anticipated project period and as a result, the impact of the GASB 87 journal entries were not recognized prior to the final budget amendment. Staff have implemented a process moving forward to post journal entries monthly and reconcile annually (prior to the final budget amendment). The over expenditure within the PEG Divisions was addressed and was a result of an honest error. Management has worked diligently to comply with GASB Standards and will continue to educate all City staff in effort to minimize the risk of this finding in the future. Finance Staff will also continue seeking professional development opportunities.

Proposed Completion Date: June 30, 2023

Finding: 2022-002

Name of contact person: Kimberly A. Ostrom

Corrective Action: The City was awarded a reimbursing grant towards the end of the fiscal year. The grant allowed a single payout reimbursement; expenses were paid on 6/30 and additional training expenses were expected. The additional expenses were not finalized within the timeline allowed for FY22 reimbursement; therefore, resulting in a negative balance. The fund established for this activity was originally established as an annually adopted budget fund rather than a multi-year fund. Staff have begun to correct the fund type as multi-year, which will resolve this issue in the future.

Proposed Completion Date: June 30, 2023

Section III – Federal Award Findings and Questioned Costs

None Reported.

Section IV – State Award Findings and Questioned Costs

None Reported.

Everything Comes Together Here

City of New Bern, North Carolina
Summary Schedule of Prior Year's Findings
For the Year Ended June 30, 2022

Finding: 2021-001
Status: Corrected.

City of New Bern, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal Assistance Listing No.</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 | \$ 322,845 | \$ - | \$ - | \$ - |
| COVID-19 - CDBG | 14.218 | | 37,981 | - | - | - |
| Total CDBG | | | 360,826 | - | - | - |
| <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 | | 15,000 | - | - | - |
| <u>U.S. Department of Justice</u> | | | | | | |
| Passed-through N.C. Department of Public Safety | | | | | | |
| Bulletproof Vest Program | 16.607 | | 16,065 | - | - | - |
| Edward Byrne Memorial Justice Assistance Grant (JAG) Program | 16.738 | | 46,698 | - | - | - |
| Equitable Sharing Program | 16.922 | | 6,322 | - | - | - |
| <u>U.S. Department of Transportation</u> | | | | | | |
| Passed-through N.C. Department of Transportation | | | | | | |
| Highway Planning and Construction | 20.505 | DOT-11 36230.42.8.6 | 21,364 | 2,671 | - | - |
| Highway Planning and Construction - Metropolitan Planning Program | 20.205-5 | 49599.1.16 | 190,140 | - | - | - |
| Total Highway Planning and Construction | | | 211,504 | 2,671 | - | - |
| State and Community Highway Safety | 20.600 | 22021.6.11 | 8,899 | - | - | - |
| State and Community Highway Safety | 20.600 | 22022.6.2 | 5,547 | - | - | - |
| Total State and Community Highway Safety | | | 14,446 | - | - | - |
| <u>U.S. Department of Treasury</u> | | | | | | |
| Coronavirus State and Local Fiscal Recovery Fund | 21.027 | | 5,660 | - | - | - |
| <u>U.S. Department of Homeland Security</u> | | | | | | |
| Passed-through N.C. Department of Public Safety | | | | | | |
| Disaster Grants - Public Assistance | 97.036 | 4393DR-NC | 2,048,150 | 682,717 | - | - |
| Homeland Security Grant Program | 97.067 | | 65,000 | - | - | - |
| Total Federal Awards | | | \$ 2,789,671 | \$ 685,388 | \$ - | \$ - |
| State Grants: | | | | | | |
| Cash Assistance: | | | | | | |
| <u>N.C. Department of Transportation:</u> | | | | | | |
| Powell Bill | | DOT-4 32570 | \$ - | \$ 1,108,424 | \$ - | \$ - |
| <u>N.C. Department of Commerce</u> | | | | | | |
| Rural Economic Development Grant | | | | 3,200 | | |
| <u>N.C. Department of Public Safety</u> | | | | | | |
| JCPC Grant | | | - | 1,355 | - | - |
| NC Office of Recovery and Resiliency (NCORR) Special Appropriation | | | - | 82,209 | - | - |

City of New Bern, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal Assistance Listing No.</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> |
|--|---|---|---------------------------------|-------------------------------|--------------------------------------|-------------------------------|
| <u>N.C. Department of Environmental Quality</u> ElectriCities of NC | | | - | 142,531 | - | - |
| <u>Golden LEAF Foundation</u> Golden LEAF Grant | | | - | 229,571 | - | - |
| <u>N.C. Department of Natural & Cultural Resources</u> NC Land and Water Fund | | | - | 1,700 | - | - |
| Parks and Recreation Trust Fund | | | - | 130,872 | - | - |
| Total Federal and State Awards | | | <u>\$ 2,789,671</u> | <u>\$ 2,385,250</u> | <u>\$ -</u> | <u>\$ -</u> |

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, 2022. 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 as of FY 22, which include expenditures incurred in prior years that were covered by local funds and reimbursed by FEMA funds in FY 22.