

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

City of New Bern, North Carolina
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INTRODUCTORY SECTION

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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

Everything Comes Together Here

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

ECONOMIC CONDITION AND OUTLOOK

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

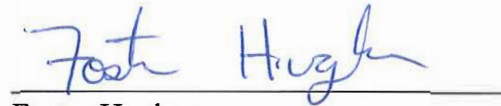
The City is required by the North Carolina General Statutes to have an annual independent audit of its financial statements. In addition, *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal

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

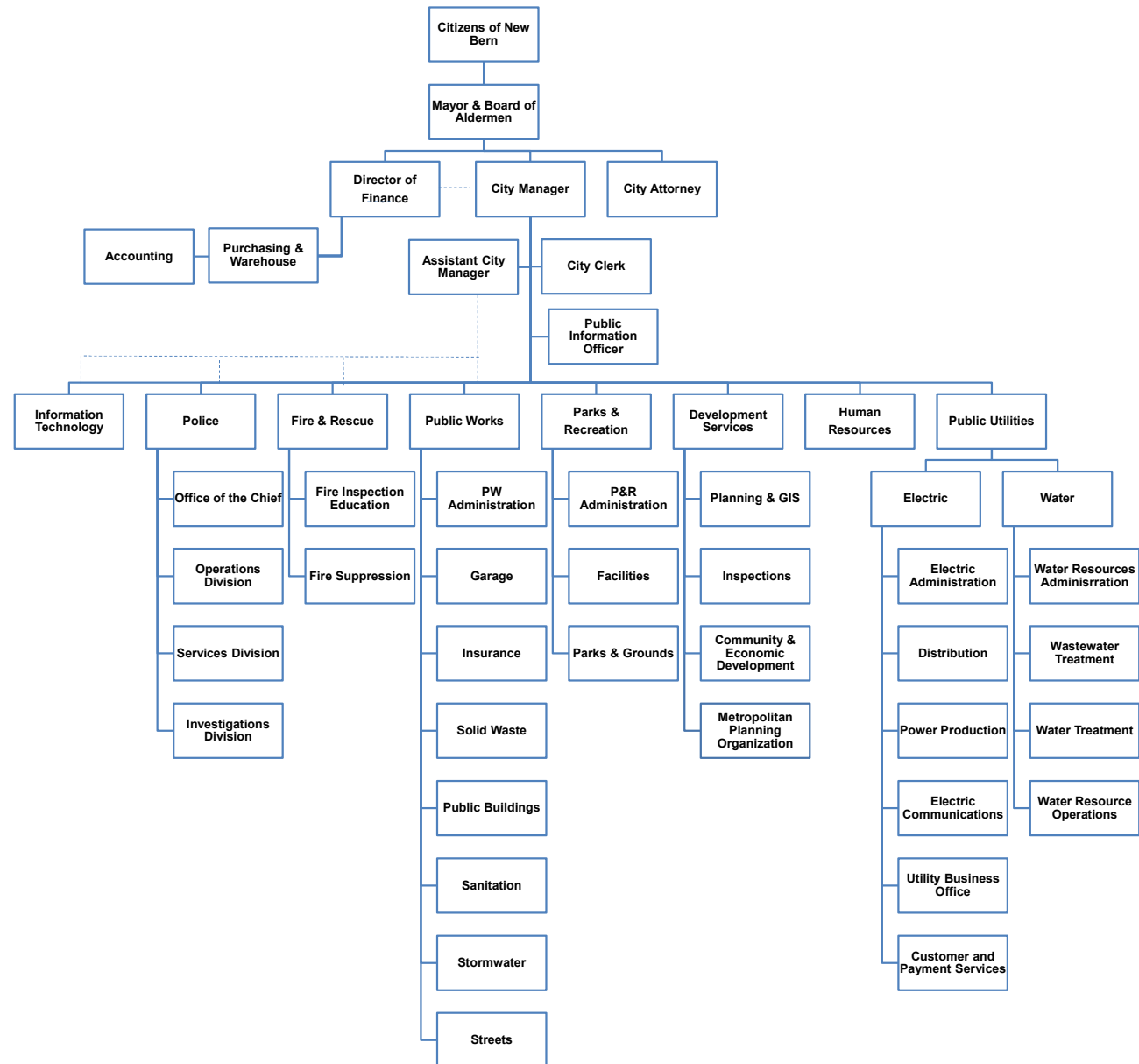
Sonya Hayes

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

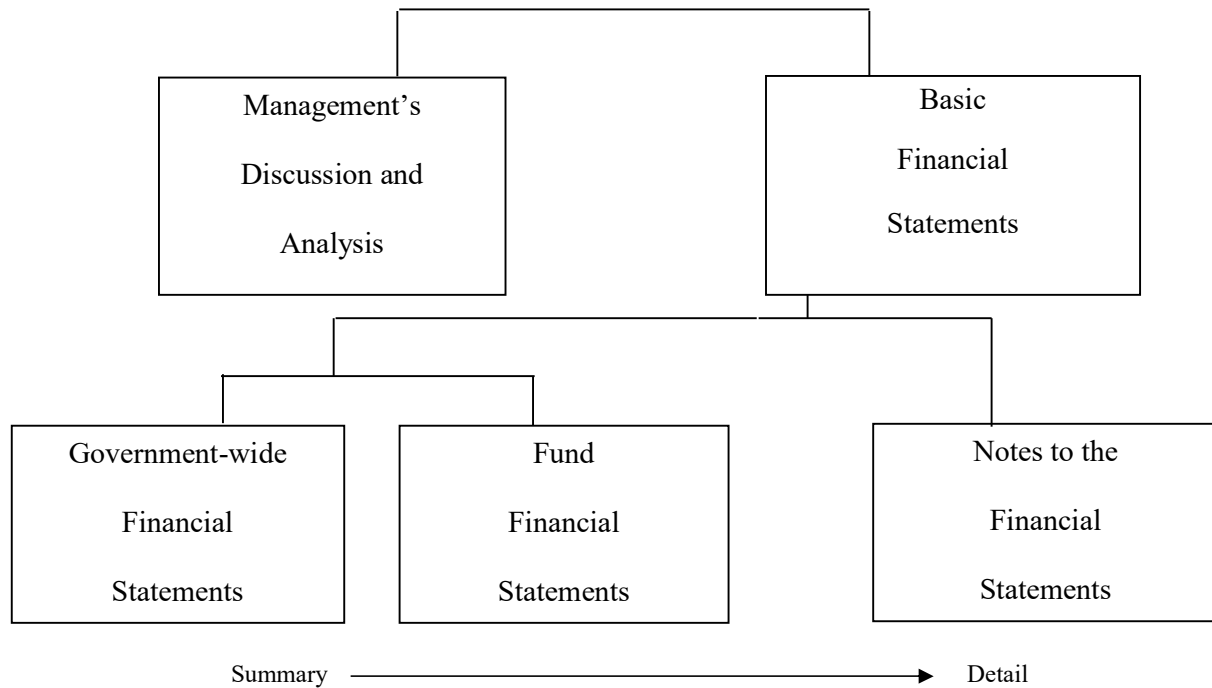
- The assets of the City of New Bern exceeded its liabilities at the close of the fiscal year by \$209,917,397 (net position).
- Total governments total net position increased by \$10,740,655. Governmental activities net position increased by \$4,438,638, while Business Type activities net position increased 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	123,845,009	116,118,290	205,747,672	204,305,103	329,592,681	320,423,393
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	85,409,803	82,121,722	34,265,481	39,124,929	119,675,284	121,246,651
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	\$ 38,435,206	\$ 33,996,568	\$ 171,482,191	\$ 165,180,174	\$ 209,917,397	\$ 199,176,742

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	13,177,783	19,290,979	27,692,337	19,572,750	40,870,120	38,863,729
Infrastructure	40,116,194	40,031,641	4,995,862	4,896,356	45,112,056	44,927,997
Vehicles and Motorized	13,617,823	13,089,022	7,740,076	7,694,741	21,357,899	20,783,763
Total	109,532,843	116,171,569	265,530,198	261,668,742	375,063,041	377,840,311
Accumulated depreciation	(41,822,680)	(45,481,703)	(119,828,920)	(114,393,347)	(161,651,600)	(159,875,050)
Capital assets, net	\$ 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	
	General Fund	Hurricane Florence Fund	American Rescue Plan Fund	Governmental Funds	Total 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	<u>\$ 29,045,353</u>	<u>\$ 2,674,663</u>	<u>\$ 6,704,351</u>	<u>\$ 2,763,599</u>	<u>\$ 41,187,966</u>
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	<u>1,978,327</u>	<u>4,078,061</u>	<u>6,704,351</u>	<u>1,237,998</u>	<u>13,998,737</u>
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	<u>593,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,172</u>
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	<u>26,473,854</u>	<u>(1,403,398)</u>	<u>-</u>	<u>1,525,601</u>	<u>26,596,057</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,045,353</u>	<u>\$ 2,674,663</u>	<u>\$ 6,704,351</u>	<u>\$ 2,763,599</u>	<u>41,187,966</u>

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	<u>\$ 38,435,206</u>

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	
	FEDERAL	AMERICAN			
	Florence Fund	Rescue Plan Fund		Governmental Funds	Total Governmental Funds
	General Fund				
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	34,193,888	6,506,177	-	2,013,544	42,713,609
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	33,985,204	2,160,095	-	2,053,189	38,198,488
Excess (deficiency) of revenues over expenditures	208,684	4,346,082	-	(39,645)	4,515,121
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)	577,979	-	-	2,709,477	3,287,456
Net Change in fund balance	786,663	4,346,082	-	2,669,832	7,802,577
Fund balances, beginning	25,687,191	(5,749,480)	-	(1,144,231)	18,793,480
Fund balances, ending	\$ 26,473,854	\$ (1,403,398)	\$ -	\$ 1,525,601	\$ 26,596,057

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
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay expenditures which were capitalized	3,193,644	
Depreciation expense for governmental assets	(4,314,937)	
Gain/(Loss) on disposal of capital assets	<u>(1,858,410)</u>	(2,979,703)
Right to Use Assets - Leased Assets	376,472	
Amortization expense - Leased Assets	<u>(79,485)</u>	296,987
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		2,019,524
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		659,748
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		99,206
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue for tax revenues		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)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Loan proceeds	(298,454)	
Lease Liabilities	(376,472)	
Principal payments on debt	2,042,793	
Principal payments on leases	<u>76,103</u>	1,443,970
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		(62,064)
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		475,894
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		(131,995)
Pension expense		(1,899,398)
OPEB expense		<u>(3,369,259)</u>
Total changes in net position of governmental activities		<u>\$ 4,438,638</u>

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
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	31,555,729	33,136,329	34,193,888	1,057,559
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	38,433,372	37,094,072	33,985,204	3,108,868
Revenues over (under) expenditures	(6,877,643)	(3,957,743)	208,684	4,166,427
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)	6,734,333	50,908	577,979	527,071
Revenues and other sources over (under) expenditures and other uses	(143,310)	(3,906,835)	786,663	4,693,498
Appropriated fund balance	143,310	3,906,835	-	(3,906,835)
Net change in fund balances	\$ -	\$ -	786,663	\$ 786,663
Fund balances, beginning			25,687,191	
Fund balances, ending			\$ 26,473,854	

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

	Major Funds			Non-Major Funds		
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Internal Service 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		
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Internal Service 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		
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Internal Service 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	<u>52,824,907</u>	<u>11,113,525</u>	<u>12,692,539</u>	<u>3,602,542</u>	<u>80,233,513</u>	<u>7,426,304</u>
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	<u>50,413,935</u>	<u>8,566,894</u>	<u>11,059,007</u>	<u>3,337,170</u>	<u>73,377,006</u>	<u>6,961,667</u>
Operating income (loss)	<u>2,410,972</u>	<u>2,546,631</u>	<u>1,633,532</u>	<u>265,372</u>	<u>6,856,507</u>	<u>464,637</u>
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)	<u>(101,230)</u>	<u>137,332</u>	<u>(50,608)</u>	<u>6,630</u>	<u>(7,876)</u>	<u>6,091</u>
Income (loss) before contributions and transfers	<u>2,309,742</u>	<u>2,683,963</u>	<u>1,582,924</u>	<u>272,002</u>	<u>6,848,631</u>	<u>470,728</u>
Capital contributions	1,971,102	-	-	-	1,971,102	-
Transfer in (out)	<u>(2,572,550)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(2,612,550)</u>	<u>100,000</u>
Total income (loss) after contributions and transfers	<u>1,708,294</u>	<u>2,663,963</u>	<u>1,562,924</u>	<u>272,002</u>	<u>6,207,183</u>	<u>570,728</u>
Change in net position	<u>1,708,294</u>	<u>2,663,963</u>	<u>1,562,924</u>	<u>272,002</u>	<u>6,207,183</u>	<u>570,728</u>
Total net position , previously reported	<u>52,709,725</u>	<u>42,895,978</u>	<u>66,985,921</u>	<u>1,424,861</u>		<u>3,013,041</u>
Total net position, ending	<u>\$ 54,418,019</u>	<u>\$ 45,559,941</u>	<u>\$ 68,548,845</u>	<u>\$ 1,696,863</u>	<u>6,207,183</u>	<u>\$ 3,583,769</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					<u>94,834</u>	
Change in Net position of Business-Type Activities					<u>\$ 6,302,017</u>	

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

	<u>Major Funds</u>			<u>Non-Major Funds</u>		<u>Internal Service Fund</u>
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste</u>	<u>Total</u>	
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	(2,572,550)	(20,000)	(20,000)	-	(2,612,550)	100,000
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

	<u>Major Funds</u>			<u>Non-Major Funds</u>		<u>Internal Service Fund</u>
	<u>Electric Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Solid Waste</u>	<u>Total</u>	
Reconciliation of operating income to net cash provided by operating activities						
Operating income	\$ 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	1,998,239	1,771,732	2,041,733	560,067	6,371,771	145,768
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	Book Value at 06/30/2022	Maturity	Rating
	Measurement Method			
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>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Business-type activities:					
Electric Fund					
Capital assets not being depreciated:					
Land	\$ 1,211,987	\$ 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>-</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

Solid Waste Fund	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:					
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-	-
Capital assets being depreciated:					
Lines	114,505	-	-	-	114,505
Equipment	307,871	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 or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of New Bern employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of New Bern contractually required contribution rate for the year ended June 30, 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	84
Total	<u>98</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	<u>\$ 1,247,939</u>	<u>\$ 370,717</u>

\$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	<u>227,727</u>
Ending balance of the total pension liability	<u>\$ 3,858,372</u>

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

The actuarial assumptions used in the December 31, 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><u>\$ 46,544,047</u></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 Resources	Deferred Inflows of Resources
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.

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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 Activities:

<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	\$ 300,369	\$ 7,656	\$ 308,025	

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 and 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	<u>\$ 9,115,894</u>
Business-Type Activities:	
A direct placement note was issued by BB&T for \$1,701,977 in May 2008 with varying semiannual payments for the downtown utility improvements. The property is pledged as collateral while the debt is outstanding. The note bears an interest rate of 3.31% and matures in 2023. In April 2012 the City modified the loan to reduce the interest rate to 2.92% on the outstanding balance of \$1,331,764.	\$ 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	<u>\$ 1,171,328</u>

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	<u>\$ 9,115,894</u>	<u>\$ 1,009,124</u>	<u>\$ 1,171,328</u>	<u>\$ 49,740</u>

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:

	Balance as of June 30, 2022
Business-Type activities:	
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:	<u>\$ 14,842,812</u>

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:	<u>\$ 14,842,812</u>	<u>\$ 1,408,046</u>	<u>\$ 16,250,858</u>

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

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

The City is in compliance with the covenants as to rates, fees, rentals and charges in Section 704 and Section 711 of the Bond Order, authorizing the issuance of the Electric, Water and Sewer Revenue Bonds, Series 2013, Series 2014, and Series 2016, secured solely by the pledge of net revenue of the City's combined enterprise funds (Electric, Water and Sewer). Pursuant to Section 704(a) of the Bond and related agreements, the City has made certain covenants that provide for rates to be set at levels to provide annually to maintain a debt service coverage ratio of 120% (1.20) for parity indebtedness and 100% (1.0) for parity and subordinated indebtedness. In addition, pursuant to Section 711 of the Bond agreement, the principal amount of installment debt (liens) cannot exceed 15% of net investment in capital assets. The debt service coverage requirements for the year ended June 30, 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	<u><u>\$ 4,800,081</u></u>
Debt service principal and interest	
paid (Revenue bond only)	<u><u>\$ 2,909,621</u></u>
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				Balance		Current Portion			
	July 1, 2021		Increases		Decreases	June 30, 2022		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, local 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	\$ 26,473,854
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>\$ 4,283,421</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

	2022	2021	2020	2019	2018
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	2,819,268	2,412,259	2,114,442	1,864,644	1,666,638
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<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%
	2017	2016	2015	2014	
Contractually required contribution	\$ 1,565,018	\$ 1,419,969	\$ 1,486,944	\$ 1,461,830	
Contributions in relation to the contractually required contribution	1,565,018	1,419,969	1,486,944	1,461,830	
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

	2022	2021	2020	2019
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>

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

Notes to the Schedule:

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

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

	<u>Budget</u>	<u>Actual</u>	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	<u>279,800</u>	<u>279,669</u>	<u>(131)</u>
Total Revenues	<u>33,136,329</u>	<u>34,193,888</u>	<u>1,057,559</u>
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	<u>440,064</u>	<u>341,353</u>	<u>98,711</u>
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	<u>820,346</u>	<u>821,814</u>	<u>(1,468)</u>
Public Education Television (PEG)			
Operating expenditures	50,900	54,006	(3,106)
Total	<u>50,900</u>	<u>54,006</u>	<u>(3,106)</u>
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	<u>1,949,033</u>	<u>1,552,704</u>	<u>396,329</u>
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	<u>1,610,119</u>	<u>1,520,909</u>	<u>89,210</u>
Legal			
Operating expenditures	290,151	285,736	4,415
Total	<u>290,151</u>	<u>285,736</u>	<u>4,415</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

	<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

	<u>Budget</u>	<u>Actual</u>	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	<u>2,046,005</u>	<u>1,785,244</u>	<u>260,761</u>
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	<u>775,693</u>	<u>718,812</u>	<u>56,881</u>
Total Public Works	<u>6,862,997</u>	<u>5,655,149</u>	<u>1,207,848</u>
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	<u>4,282,020</u>	<u>3,489,272</u>	<u>792,748</u>
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	<u>1,948,871</u>	<u>1,808,947</u>	<u>139,924</u>
Municipal service district			
Operating expenditures	44,500	32,933	11,567
Capital outlay	227,000	226,546	454
Total	<u>271,500</u>	<u>259,479</u>	<u>12,021</u>
Total economic and physical development	<u>2,220,371</u>	<u>2,068,426</u>	<u>151,945</u>
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	<u>2,255,522</u>	<u>2,248,446</u>	<u>7,076</u>
Total expenditures	<u>37,094,072</u>	<u>33,985,204</u>	<u>3,108,868</u>
Revenues over (under) expenditures	<u>(3,957,743)</u>	<u>208,684</u>	<u>4,166,427</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

	<u>Budget</u>	<u>Actual</u>	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	<u>3,906,835</u>	<u>-</u>	<u>(3,906,835)</u>
Total other financing sources (uses)	<u>3,957,743</u>	<u>577,979</u>	<u>(3,379,764)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	786,663	<u>\$ 786,663</u>
Fund balance, beginning		<u>25,687,191</u>	
Fund balance, ending		<u>\$ 26,473,854</u>	

City of New Bern, North Carolina
FEMA Hurricane Florence
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 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	30,000,000	14,600,173	6,506,177	21,106,350	(8,893,650)
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	6,704,351	-	5,660	5,660	(6,698,691)
Expenditures					
Economic and physical development					
Other Professional Services	-	-	-	-	-
Capital outlay - Stormwater	-	-	5,660	5,660	(5,660)
Total expenditures	-	-	5,660	5,660	(5,660)
Excess (deficiency) of revenues over expenditures	6,704,351	-	-	-	(6,704,351)
Other financing sources (uses)					
Transfers out	(6,704,351)	-	-	-	6,704,351
Total other financing sources (uses)	(6,704,351)	-	-	-	6,704,351
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance (Deficit), beginning of year			-		
Fund Balance (Deficit), end of year			\$ -		

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

	Special Revenue Funds	Capital Project Funds	Total
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	642,097	-	642,097
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	(32,753)	(214,087)	(246,840)
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	<u>\$ 380,684</u>	<u>\$ 1,705,805</u>
LIABILITIES AND FUND		
Liabilities		
Accounts payable and accrued liabilities	\$ -	\$ 27,864
Due to Other Funds	<u>-</u>	<u>642,097</u>
Total liabilities	<u>-</u>	<u>669,961</u>
Fund balances		
Restricted:		
Public safety	-	402,314
Economic and physical development	380,684	782,858
Unassigned	<u>-</u>	<u>(149,328)</u>
Total fund balances	<u>380,684</u>	<u>1,035,844</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 380,684</u>	<u>\$ 1,705,805</u>

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

Exhibit C-4

	Community Development	Emergency Telephone System	Police Special Revenue	Grants Special Revenue	Public- Private Partnership
Revenues					
Restricted intergovernmental	\$ -	\$ 183,596	\$ 41,885	\$ 201,403	\$ -
Miscellaneous	1,080	-	-	-	-
Investment earnings	6	248	79	-	-
Total revenueus	<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 revenueus	-	194,442	269,750	77	-
Expenditures					
General government	-	-	-	-	-
Public safety	-	-	-	6,322	-
Public works	-	-	-	-	-
Economical and physical development	-	214,175	322,845	-	-
Total expenditures	-	214,175	322,845	6,322	-
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)	(14,550)	25,580	-	-	(39,450)
Net change in fund balances	(14,550)	5,847	(53,095)	(6,245)	(39,450)
Fund balances (deficit), beginning of year	14,550	11,830	1,701	75,269	39,450
Fund balances (deficit), end of year	\$ -	\$ 17,677	\$ (51,394)	\$ 69,024	\$ -

(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 Isaías
Revenues					
Restricted intergovernmental	\$ -	\$ 70,000	\$ 349,782	\$ 57,616	\$ 168,435
Miscellaneous	-	-	-	-	-
Investment earnings	-	-	-	-	-
Total revenueus	-	70,000	349,782	57,616	168,435
Expenditures					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Economical and physical development	-	114,309	-	37,980	-
Total expenditures	-	114,309	-	37,980	-
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)	-	-	-	-	-
Net change in fund balances	-	(44,309)	349,782	19,636	168,435
Fund balances (deficit), beginning of year	-	296,500	(424,424)	(23,658)	(51,860)
Fund balances (deficit), end of year	\$ -	\$ 252,191	\$ (74,642)	\$ (4,022)	\$ 116,575

(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

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

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

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

City of New Bern, North Carolina
Police Special Revenue
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

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

City of New Bern, North Carolina
Grants Special Revenue
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2022

	Budget	Actual	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	<u>15,840</u>	<u>-</u>	<u>(15,840)</u>
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>	<u>Variance Positive (Negative)</u>
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

	Budget	Actual	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	<u>2,003,165</u>	<u>1,340,706</u>	<u>269,750</u>	<u>1,610,456</u>	<u>(392,709)</u>
Expenditures					
Economic and physical development					
Operating expenditures	<u>2,003,165</u>	<u>1,339,005</u>	<u>322,845</u>	<u>1,661,850</u>	<u>341,315</u>
Total expenditures	<u>2,003,165</u>	<u>1,339,005</u>	<u>322,845</u>	<u>1,661,850</u>	<u>341,315</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,701</u>	<u>(53,095)</u>	<u>(51,394)</u>	<u>(51,394)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,701</u>	<u>(53,095)</u>	<u>\$ (51,394)</u>	<u>\$ (51,394)</u>
Fund Balance (Deficit), beginning of year			<u>1,701</u>		
Fund Balance (Deficit), end of year			<u>\$ (51,394)</u>		

City of New Bern, North Carolina
Equitable Sharing U.S. Department of Justice
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 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></u>	<u>(6,245)</u>	<u><u>\$ (6,245)</u></u>
Fund Balance (Deficit), beginning of year		<u>75,269</u>	
Fund Balance (Deficit), end of year		<u><u>\$ 69,024</u></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	<u>85,550</u>	<u>65,550</u>	<u>-</u>	<u>65,550</u>	<u>20,000</u>
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	608,500	383,500	70,000	453,500	(155,000)
Total revenues	641,500	416,500	70,000	486,500	(155,000)
Expenditures					
Economic and physical development					
Other Professional Services	641,500	120,000	114,309	234,309	407,191
Total expenditures	641,500	120,000	114,309	234,309	407,191
Excess (deficiency) of revenues over expenditures	-	296,500	(44,309)	252,191	252,191
Net change in fund balance	\$ -	\$ 296,500	(44,309)	\$ 252,191	\$ 252,191
Fund Balance (Deficit), beginning of year			296,500		
Fund Balance (Deficit), end of year			\$ 252,191		

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	<u>346,735</u>	<u>49,742</u>	<u>37,980</u>	<u>87,722</u>	<u>259,013</u>
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	750,000	557,165	-	557,165	192,835
Excess (deficiency) of revenues over expenditures	-	(51,860)	168,435	116,575	116,575
Net change in fund balance	\$ -	\$ (51,860)	168,435	\$ 116,575	\$ 116,575
Fund Balance (Deficit), beginning of year			(51,860)		
Fund Balance (Deficit), end of year			\$ 116,575		

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

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

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	<u>\$ 407,602</u>	<u>\$ 135,464</u>	<u>\$ -</u>	<u>\$ 1,057,794</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable & accrued liabilities	\$ -	\$ 542,538	\$ 14,370	\$ 568,037
Total liabilities	<u>-</u>	<u>542,538</u>	<u>14,370</u>	<u>568,037</u>
Fund balances				
Restricted:				
Public Works	-	-	-	207,357
Assigned:				
Capital projects	407,602	-	-	703,844
Unassigned	<u>-</u>	<u>(407,074)</u>	<u>(14,370)</u>	<u>(421,444)</u>
Total fund balances	<u>407,602</u>	<u>(407,074)</u>	<u>(14,370)</u>	<u>489,757</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 407,602</u>	<u>\$ 135,464</u>	<u>\$ -</u>	<u>\$ 1,057,794</u>

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects
For the Year Ended June 30, 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 revenue	-	-	-	475,000	48	-
Expenditures						
General government	-	-	-	-	-	-
Public works	-	-	63,025	130,872	34,825	-
Economic and physical development	-	12,226	-	-	-	-
Total expenditures	-	12,226	63,025	130,872	34,825	-
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)	-	-	2,420,888	-	-	(15,996)
Net change in fund balances	-	(12,226)	2,357,863	344,128	(34,777)	(15,996)
Fund balances (deficit), beginning of year	51,614	21,442	(2,214,130)	(280,504)	270,189	15,996
Fund balances (deficit), end of year	\$ 51,614	\$ 9,216	\$ 143,733	\$ 63,624	\$ 235,412	\$ -

(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			51,614		
Fund Balance (Deficit), end of year			<u>\$ 51,614</u>		

City of New Bern, North Carolina
IT Network Merger
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 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	<u>520,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(520,500)</u>
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	<u>6,310,000</u>	<u>6,081,269</u>	<u>63,025</u>	<u>6,144,294</u>	<u>165,706</u>
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	<u>1,622,112</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>(22,112)</u>
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>	<u>2,357,863</u>	<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	-	15,576	48	15,624	15,624
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	1,350,000	460,387	34,825	495,212	854,788
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)	1,350,000	715,000	-	715,000	(635,000)
Net change in fund balance	\$ -	\$ 270,189	(34,777)	\$ 235,412	\$ 235,412
Fund Balance (Deficit), beginning of year			270,189		
Fund Balance (Deficit), end of year			\$ 235,412		

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

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
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

	Budget	Actual	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	1,571,156	1,571,086	(70)
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	1,781,737	1,752,395	29,342
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	(402,484)	(408,743)	(6,259)
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		41,208	
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

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

City of New Bern, North Carolina
2019 Electrical Improvements Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 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	500,000	-	102,298	102,298	397,702
Revenues over (under) expenditures	(500,000)	-	(102,298)	(102,298)	397,702
Other financing sources (uses):					
Transfer in - Electric Fund	500,000	-	500,000	500,000	-
Total financing sources (uses)	500,000	-	500,000	500,000	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	\$ 397,702	\$ 397,702	\$ 397,702

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	-	-	41,208	-	41,208	41,208
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	3,065,000	-	208,165	(128,036)	80,129	2,984,871
Revenues over (under) expenditures	(3,065,000)	-	(166,957)	128,036	(38,921)	3,026,079
Other financing sources (uses):						
Transfer in - Electric Fund	3,065,000	-	3,065,000	3,065,000	3,065,000	-
Total financing sources (uses)	3,065,000	-	3,065,000	3,065,000	3,065,000	-
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ -	\$ 2,898,043	\$3,193,036	\$3,026,079	\$3,026,079

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	<u>10,965,100</u>	<u>11,441,530</u>	<u>476,430</u>
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	<u>10,910,744</u>	<u>10,034,436</u>	<u>876,308</u>
Revenues over (under) expenditures	<u>54,356</u>	<u>1,407,094</u>	<u>1,352,738</u>
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)	<u>(54,356)</u>	<u>(310,821)</u>	<u>(256,465)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>1,096,273</u>	<u>\$ 1,096,273</u>
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)		<u>\$ 2,663,963</u>	

City of New Bern, North Carolina
Water Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 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	<u>5,025</u>	<u>-</u>	<u>5,025</u>
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

		Actual			Variance
	Project	Prior Years	Current Years	Total	Positive
	Authorization				(Negative)
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
	Project Authorization	Prior Years	Current Years	Capitalized Projects	Total	Positive (Negative)
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

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
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>	<u>193,612</u>	<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>	<u>Variance Positive (Negative)</u>
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>-</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

		Actual				Variance
	Project Authorization	Prior Years	Current Years	Capitalized Projects	Total	Positive (Negative)
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	-	494	494
Other financing sources (uses):			
Transfers out	(281,618)	(281,618)	-
Fund balance appropriated	281,618	-	(281,618)
Total other financing sources (uses)	-	(281,618)	(281,618)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (281,124)	\$ (281,124)

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

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
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

	<u>Budget</u>	<u>Actual</u>	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

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2021</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2022</u>
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	<u>3,090,198,119</u>		<u>16,495,093</u>	<u>14,899,832</u>	<u>1,595,261</u>
Discoveries					
Current year taxes	34,565,902	0.4822	164,303	164,303	-
Penalties	-	0.4822	25,736	25,736	-
Total	<u>34,565,902</u>		<u>190,039</u>	<u>190,039</u>	<u>-</u>
Adjustments	<u>(4,025,000)</u>	0.4822	<u>(80,454)</u>	<u>(80,454)</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 3,120,739,021</u></u>				
Net levy			16,604,678	15,009,417	1,595,261
Uncollected taxes at June 30, 2022			<u>140,368</u>	<u>140,368</u>	<u>-</u>
Current year's taxes collected			<u>\$ 16,464,310</u>	<u>\$ 14,869,049</u>	<u>\$ 1,595,261</u>
Current levy collection percentage			<u>99.15%</u>	<u>99.06%</u>	<u>100.00%</u>

Statistical Section

STATISTICAL SECTION

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

Financial Trends	<u>Page</u> 130
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	134
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These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity	146
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information	149
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information	152
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

City of New Bern, North Carolina

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

	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%
Revenue for All				
Totals	\$52,691,908	54,045,873	\$3,198,569	

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%
Revenue for All				
Totals	\$60,114,718	54,081,192	\$3,563,735	

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-500	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%
Revenue for All					Revenue for All				
Totals	\$11,254,246	137,040	\$1,094,990		Totals	\$10,158,305	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	Real Property		Personal Property		Less	Total Taxable	Total	Estimated	Assessed
Year							Direct	Actual	Value as a
Ended	Residential	Commercial	Motor		Tax Exempt	Assessed	Tax	Taxable	Percentage of
June 30,	Property	Property	Vehicles	Other	Real Property	Value	Rate	Value (1)	Actual Value (2)
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										Personal Income (3)
	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		
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)	
									10.38%					

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	<u>\$ 36,885,592</u>		<u>\$ 12,725,275</u>
City Direct Debt	13,300,961	100%	13,300,961
Total direct and overlapping debt	<u><u>\$ 50,186,553</u></u>		<u><u>\$ 26,026,236</u></u>

Sources:

Notes:

- (1) Includes general obligation bonds for Enterprise Fund and General Long-Term Debt Account Group.
- (2) Determined by ratio of assessed valuation of property subject to taxation in Craven County \$9,045,801,227
- (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			Employer	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:	5	6	6	5	5	5	5	5	5	5
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 class 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	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$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

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

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

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

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.

Members

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

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



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

**City of New Bern, North Carolina
Corrective Action Plan
For the Year Ended June 30, 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						
		DOT-11				
Highway Planning and Construction	20.505	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.