

CITY OF NEW BERN

North Carolina



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2023

Prepared by:
City of New Bern Finance Department

Submitted by:
Kimberly A. Ostrom
Director of Finance



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INTRODUCTORY SECTION



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NEW BERN

CITY OF NEW BERN

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(252) 636-4000

Aldermen

Rick Prill
Hazel B. Royal
Robert V. Aster
Johnnie Ray Kinsey
Barbara J. Best
Robert Brinson, Jr.

Jeffrey T. Odham

Mayor

Foster Hughes

City Manager

Brenda E. Blanco

City Clerk

Kimberly A. O trom

Director of Finance

October 16, 2023

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, 2023, 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; stormwater 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 solid waste 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.

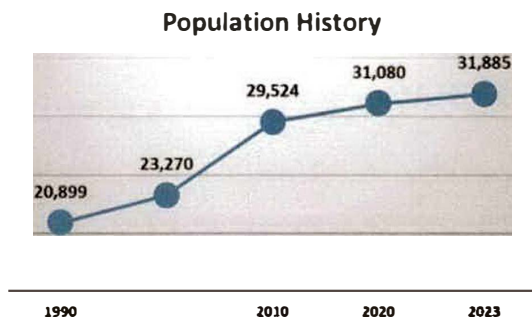
The City is a council-manager form of government with a Board of Aldermen and Mayor. The Board is composed of six members who are elected by ward, and a mayor who is elected at-large. Each serves for four-year coincident terms. The City Manager, Director of Finance, and City Attorney are appointed by 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. The Tourism Downtown Authority reported 617,000 visitors in 2022,

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. The U.S. News & World Report named CarolinaEast Medical Center on its 2023-24 Best Hospitals list as a high performing hospital for colon cancer surgery, chronic obstructive pulmonary disease, heart attack, heart failure, kidney failure, and knee replacement. 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. Once again Moen is recognized for its world-class customer

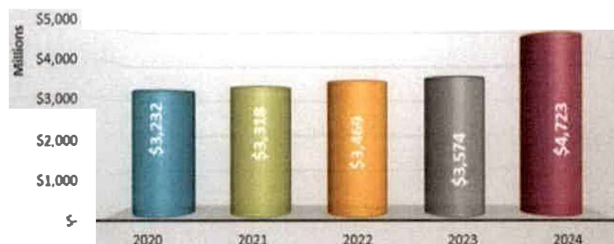
service and exceptional products, receiving the honor for the 11th year as a 2023 National Preferred Partner by David Weekly Homes. BSH Appliances, a German-based manufacturer, is the world's third largest home appliance manufacturer specializing in cooking, washing/drying, refrigeration/freezing, and 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 2023 Certification for the eighth consecutive year.

Since the 2020 Census, the City has had a steady increase in population and is expecting it to continue with the growth and development within the City and surrounding areas. The median household income (last reported in 2021) was \$45,829. As of June 2023, the community had an unemployment rate of 3.5 percent compared to a statewide rate of 3.3 percent.



New Bern is experiencing continued commercial and residential growth. Construction activities for new non-residential development was steady for the fiscal year with ten permits for commercial construction issued (5 new commercial structures & 5 office-type uses). Construction continued for residential development with 207 new construction permits being issued. Permits for accessory buildings, additions, repairs, renovations, and other miscellaneous permits remained at the same level as the previous fiscal year. Additionally, residential growth continued citywide with seven new phases in existing subdivisions. This includes Lake Tyler Phases 4 and 5, West New Bern 2A, B, C, & D, Belle Oaks V-B and Athens Acres/Derby Park Phase 1. This resulted in the creation of 272 new lots, compared to 160 new lots the previous fiscal year. While the issuance of permits has reduced, the approval of the seven final plats will likely result in an increase in permit submittals in the coming months. Investments in Community and Economic Development are still in focus and include the continued administration of several grants and redevelopment efforts. Construction of large transportation projects such as the James City Project, Havelock Bypass, and NC 43 Connector engender economic development opportunities due to improved connectivity, new jobs, redevelopment, and housing and retail possibilities. These opportunities are further complimented by the recent completion of a Retail Market Analysis and a Retail Inventory Report.

Five-Year Assessed Property Values



The City is empowered to levy taxes on real and certain personal property located within its boundaries and any annexations. North Carolina General Statutes require real estate reappraisals to be conducted at least every eight years. Craven County Tax Department conducted a countywide tax revaluation for the 2023 tax year; the results recognize an anticipated increase of 32%, estimating the tax base of \$4,722,540,000.

MAJOR INITIATIVES

Fiscal year 2022-2023 (FY23) 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

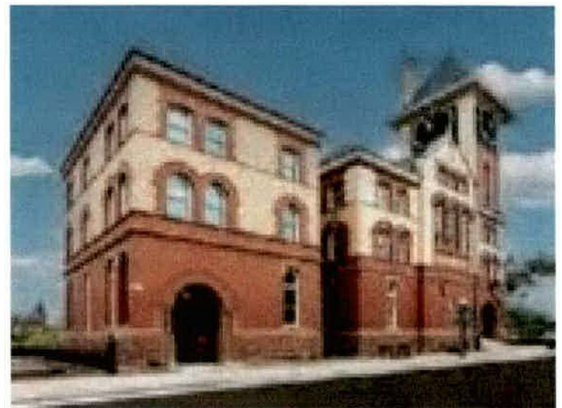
Utilizing the City of New Bern's most recent Asphalt and Paving Rating Study, degraded roadways were selected for repair and resurfacing. The majority of the selected received water, sewer, and stormwater infrastructure improvements as identified by the City Engineer. The roadways resurfaced included all roads within the Windy Trail Community, Court Street, 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. A 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 the YMCA. Additionally, a new sidewalk was installed along Country Club Road in front of the Pembroke Community.

City Hall Elevator Project

The construction of an elevator annex and accessible restrooms added to the historic City Hall was approved in FY21-22 in the amount of \$3,929,000. The annex provides access to the first and second floors for all residents and up to the third floor for employees, including those with disabilities. The project broke ground on May 10, 2022, and finished 17 months later with a ribbon cutting ceremony on October 10, 2023. Residents and staff now have easier access to attend Board of Aldermen and other public meetings that are held in the Court Room located on the second floor of City Hall.



ERP

The Hansen upgrade to the Utility Customer Information System began in FY23, with completion just over a year later, in September 2023. The cross departmental project included IT, Department of Utilities, Finance, GIS, and Public Works staff.

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 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. The project was completed in December 2022 at a total cost of \$775,312.



MAJOR INITIATIVES FOR THE FUTURE

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”. Bids for the project were opened in October 2022 construction began in January 2023, and is scheduled to be complete early 2024. The total anticipated cost of the entire project is \$6,400,000. However, the City has received a \$500,000 Golden Leaf grant to help in funding the relocation of lift station No. 10.

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 of the City’s Wastewater Treatment Plant (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 I 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 raising the manholes along this stretch to above flood elevations. The proposed work in the Phases II & III project areas will reinforce the structural integrity of the pipe and eliminate the inflow and infiltration into the sanitary sewer collection system. Phase II of the project was bid in May of 2022, and the project was awarded to Insituform Technologies, Inc. with a bid of \$1,244,166.60. Construction is scheduled to begin in November of 2023, with completion by the end of 2023. The City has received a \$230,000 grant from NCDEQ to help fund the Phase II construction.

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 winter of 2023, with bidding and construction to commence in the summer of 2024. While the funding has been approved for engineering and design, the funding for the actual construction has not been identified or appropriated. The estimated cost of the entire project is \$8,000,000.

Water & Sewer Rehabilitation on Pre-1960's Infrastructure

Much of the existing water and sewer infrastructure in the older New Bern neighborhoods (Duffyfield, Ghent, Sunnyside, Riverside, Downtown, etc.) was installed prior to 1960 and has well exceeded its anticipated service life. The City is beginning to see more repair needs in this area, especially with galvanized water lines and clay sewer mains. The purpose of the water and sewer rehabilitation projects will be to eliminate deteriorated mains and service lines, increase the available water for fire protection, reduce the potential for sewer backups within the project area, and eliminate infiltration and inflow into the sewer system. The City's engineering staff is currently working on the design for several projects in this area and several blocks can be grouped together to create a large capital project. The estimated cost for complete water and sewer rehabilitation and street reconstruction in this area is estimated to be \$250,000 - \$300,000 per block. In the FY23-24 budget, \$350,000 has been included for water system improvements and \$250,000 has been included for sewer system improvements.

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. 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 the preliminary work is \$500,000. Land and easement procurement is complete. Engineering estimates have escalated to \$20,000,000. Staff are working 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. Metro et is in progress and additional broadband companies have emerged with projects which creates additional pressure on the utility systems.

North Carolina Department of Transportation (NCDOT) Projects

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 actual water and sewer relocation costs, as required by NC general statutes; therefore, at conclusion of the construction the City will reimburse NCDOT.

The James City Phase I Water and Sewer Infrastructure Relocation is estimated to cost \$10,804,596 with the City's share of \$2,230,715. The prime contractor for the project began working on the water and sewer relocations in the fall of 2022 and plans to be complete within 18 months of starting construction.

The James City Phase II Relocation of Sewer Infrastructure is in the design phase, which is scheduled to be complete in early 2024, with the relocation work likely to begin in early 2025. Once the construction plans are complete, a total cost estimate will be prepared by NCDOT and incorporated into a Utility Construction Agreement (UCA). Based on pricing from the Phase I project, the anticipated construction cost is \$3,000,000, and the portion that the City will be responsible for is estimated at \$750,000 (25%).

The CDOT Highway 43 improvement project on the west side of New Bern requires relocation of infrastructure. To accommodate these necessary water and sewer relocations, the City has worked with the project engineers on the relocation design, which was completed in January 2020. The relocation work will likely begin in late 2024 or early 2025. A Utility Construction Agreement (UCA) was completed for the project in 2020, which included an estimated total relocation cost of \$1,627,559 with the City share of \$293,749 (25%). These figures were based on the estimated construction costs in 2020 and will likely be higher when the work is completed in 2025.

As of August 2020, the estimated costs related to the electric and fiber relocations were \$2,301,814; however, the project is ongoing. Trent River to Thurman Road electric relocation is 95% complete and fiber is 100% complete. Thurman Rd to Havelock is active with efforts toward roadway engineering and design; construction will follow and may begin in the spring of 2024.

Technology Improvement Projects

Telephone System Replacement – The cloud-based contact center has been in place and has been used for the last year. The software that runs the other parts of the phone system was upgraded

earlier in 2023. The remaining portions of this project include the move from the analog phone lines currently in use to new SIP (internet based) connections and the call recording for the Police Department. The call recording portion is anticipated to be complete by the end of the 2023 calendar year and the SIP connectivity should be fully implemented early 2024.

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 conducted extensive research and analysis on replacement options and has chosen a Nutanix solution that will be installed by 5S. The project will begin implementation in December 2023, with full migration by March 2024.

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 24/7 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 previous two fiscal years, we experienced malfunctions that kept the system down for an extended period. To minimize the possibility of future outages we researched managed services providers to assist with the operational support of the system. In 2022, we contracted with Innovate!, Inc. to provide support to our GIS Enterprise system. The contract expires November 2023. Staff continue to review all options related to our GIS system, including migrating our system to a cloud-based solution.

Stanley White Recreation Center

The Stanley White Recreation Center project is set to break ground in Fall 2023 and finish late Winter FY25. The estimated total project including architect and engineering costs, land purchase, and construction costs is approximately \$14.8 million and will be funded with FEMA and insurance reimbursement funds and debt proceeds. Debt will be issued in two components, long term in the amount of \$6.5M and short term in the amount of \$3.5M, which will address possible cash flow issues from delayed FEMA reimbursements.

American Rescue Plan (ARP) Enabled Projects

The City received \$6,704,351 in American Rescue Plan funding and qualified for the revenue replacement standard allocation, which allows more flexibility without the constraints and administrative burden of ARP regulations. The Federal ARP funds reimbursed prior years' expenditures for public safety salaries and benefits in the General Fund (GF) which increases the GF unrestricted fund balance in the amount of \$6,704,351. However, the Board of Aldermen then voted to allocate \$1,117,392 to each of the six wards to support their initiatives, which appropriated a total of \$6,704,351 from GF fund balance. Each ward allocated funds for various projects consisting of stormwater and drainage improvements, sidewalks, roadway improvements, safety equipment, Police Department K9, electronic speed limit signs, Union Point Park infrastructure improvements, cemetery shelter and headstone training, and the McCotter House project. Expenditures in FY23 were \$559,069 with the balance of \$6,145,282 remaining and assigned for the ARP Enabled Projects in FY24.

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 to retain employees. The City contracted with Piedmont Triad Regional Council to conduct a market pay study; results were presented to the Board of Aldermen in the fall of 2022, noting a full implementation of the recommended market study would cost approximately \$3.5 million. In December 2022, the Board approved a partial implementation of the market study in a two-step process. The first phase was effective December 22, 2022, with implementation of approximately 66% of the recommended market study. Additionally, the Classification Pay Plan was updated to reflect the increased pay rates. The second phase was implemented in FY23-24, resulting in the full implementation of the recommended market study.

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.

A budget retreat is held in February to review and discuss the economic forecast and confirm the Board's goals and objectives for the upcoming fiscal year. 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. After the retreat, finance staff distribute the budget calendar and budget preparation instructions to the Department Heads and Administrative Assistants. 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, requests for new positions, capital 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 or early May, 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. 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

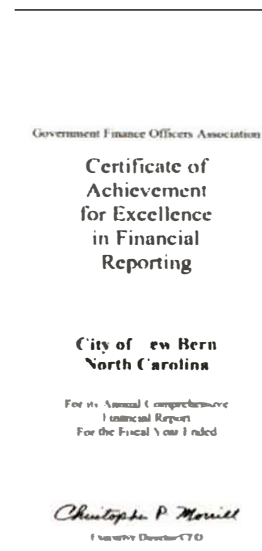
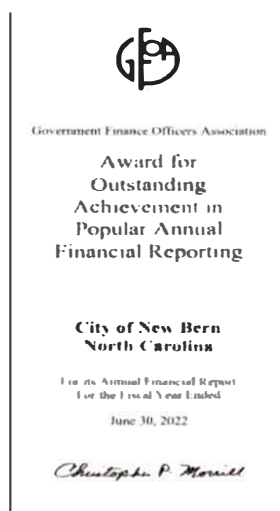
This report is the work of the efficient and dedicated services of the City of New Bern Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report and for their continued professional excellence in accounting for the fiscal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

Awards

The City of New Bern is a FY 2022 recipient of three (3) prestigious national awards through the Government Finance Officers Association of the United States and Canada (GFOA): Certificate of Achievement for Excellence in Financial Reporting, the Award for Outstanding Achievement in Popular Annual Financial Reporting, and the Distinguished Budget Presentation Award. Recipients of all three awards in a single year are also recognized as a GFOA Triple Crown Winner.

The **Certificate of Achievement for Excellence in Financial Reporting** recognizes 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 Annual Comprehensive Financial Report (ACFR)

whose contents conform to program standards. The ACFR must also satisfy both generally accepted accounting principles and applicable legal requirements.

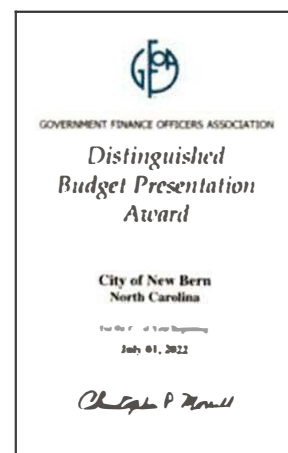


The **Award for Outstanding Achievement in Popular Annual Financial Reporting** (PAFR) represents a significant achievement by the City. Information is extracted from the ACFR to produce a high quality PAFR, also known as a Citizens Report, specifically designed to be readily accessible and easily understandable to the general public without a background in public finance. It is intended to increase awareness, transparency, and provide a summary of the City's overall financial condition in a user-friendly format. To be eligible for the PAFR Award, a government must also submit its Annual Comprehensive Financial Report (ACFR) and receive the Certificate of Achievement for Excellence in

Financial Reporting. Each eligible report is evaluated for reader appeal, understandability, distribution methods, creativity, and other elements.

The **Distinguished Budget Presentation Award** recognizes high quality budget documents that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting. To earn recognition, budget documents must meet program criteria and excel as a policy document, financial plan, operations guide, and communication tool. This award sets a very high standard and represents a significant achievement for the City. This is the first time the City has received the Distinguished Budget Presentation and PAFR awards.

We believe our current reports continue to conform to the requirements of the award programs. The City will be submitting to the GFOA to determine its eligibility for FY 2023.



Independent Audit

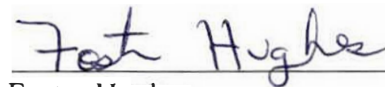
The City is required by the North Carolina General Statutes to have an annual independent audit of its financial statements. In addition, *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the 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, 2023

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

Director of Parks and Recreation

Kari Greene-Warren

Director of Utilities

Charles Bauschard

Director of Development Services

Jessica Rhue

Fire Chief

Jim McConnell

Director of Human Resources

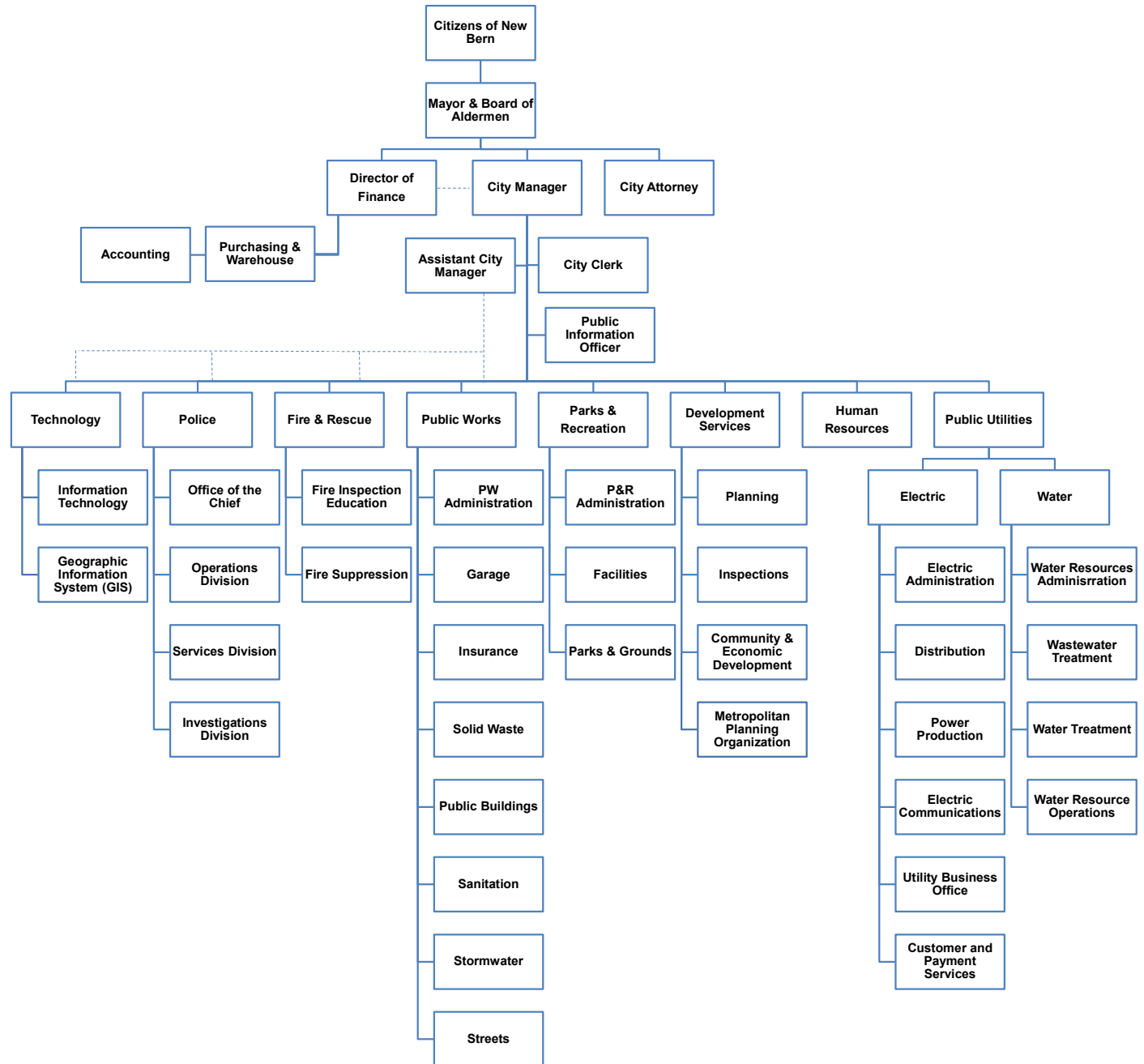
Sonya Hayes

Director of Public Works

George Chiles

Chief of Police

Patrick Gallagher





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FINANCIAL SECTION



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

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

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

Independent Auditors' Report

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

Report on the Financial Statements

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, 2023, 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, 2023, 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 an 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 13, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 62 through 63, 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 64 through 65, and the Changes in Total OPEB Liability and Related Ratios page 66, 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 21, 2023, 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 21, 2023

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, 2023. 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

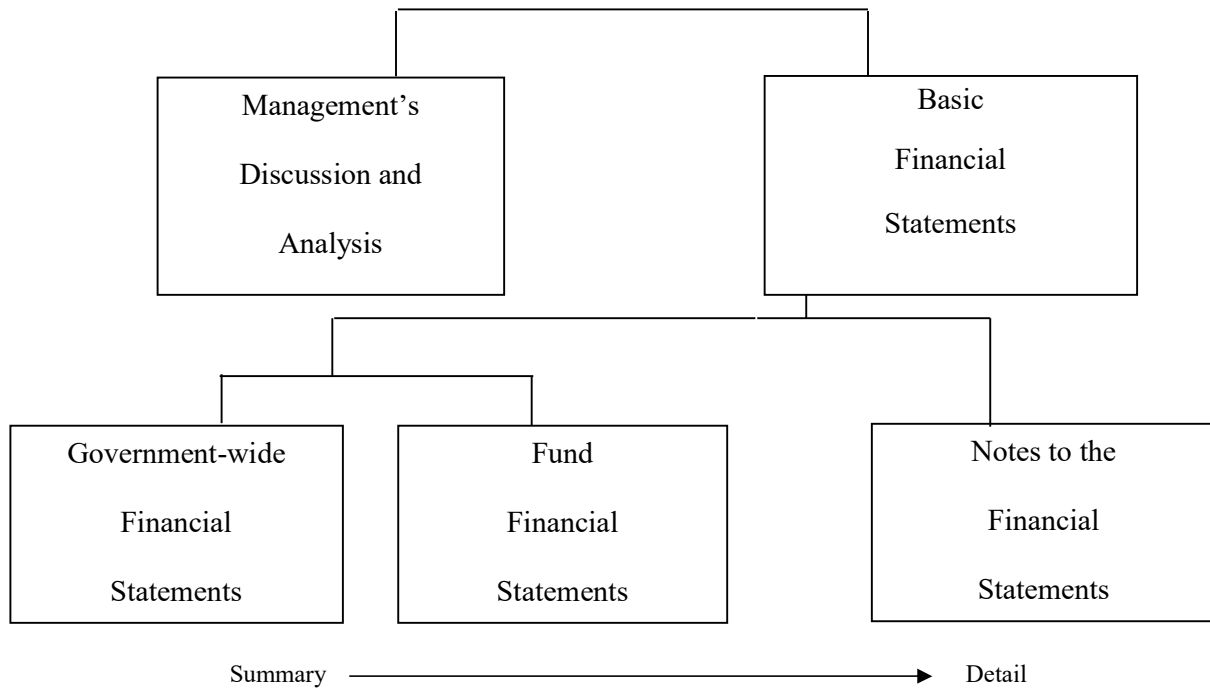
- The assets of the City of New Bern exceeded its liabilities at the close of the fiscal year by \$217,704,575 (net position).
- Total governments total net position increased by \$7,787,178. Governmental activities net position increased by \$8,194,796, while Business Type activities net position decreased by \$407,618.
- As of the close of the current fiscal year, the City of New Bern's governmental funds reported combined ending fund balances of \$36,022,976, an increase of \$9,426,917 in comparison with the prior year. Approximately \$12.5 million (34.57 percent) is unavailable (includes only nonspendable, restricted by state statute, restricted for Streets); Approximately 55 percent is unassigned and available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21,429,284 or 57.71 percent of total General Fund expenditures for the fiscal year; compared to \$13,499,590, or 37.30 percent the prior fiscal year.
- The City of New Bern's total debt (excluding compensated absences, net pension liability, total pension liability, and total OPEB liability) decreased by \$4,107,565 (13.35 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	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 42,287,685	\$ 39,640,721	\$ 48,900,086	\$ 57,232,573	\$ 91,187,771	\$ 96,873,294
Capital assets and other noncurrent assets	70,926,531	68,007,150	149,583,031	146,312,281	220,509,562	214,319,431
Deferred outflows of resources	17,686,366	16,197,138	3,505,831	2,202,818	21,192,197	18,399,956
Total assets and deferred outflows of resources	130,900,582	123,845,009	201,988,948	205,747,672	332,889,530	329,592,681
Current and other liabilities	5,650,861	12,682,010	12,186,530	14,388,270	17,837,391	27,070,280
Non-current liabilities	64,081,503	62,837,751	17,968,119	17,006,514	82,049,622	79,844,265
Deferred inflows of resources	14,538,216	9,890,042	759,726	2,870,697	15,297,942	12,760,739
Total liabilities and deferred inflows of resources	84,270,580	85,409,803	30,914,375	34,265,481	115,184,955	119,675,284
Net position:						
Invested in capital assets, net of related debt	59,925,734	58,590,887	133,630,457	124,437,797	193,556,191	183,028,684
Restricted	15,371,023	13,519,815	-	-	15,371,023	13,519,815
Unrestricted	(28,666,755)	(33,675,496)	37,444,116	47,044,394	8,777,361	13,368,898
Total net position	\$ 46,630,002	\$ 38,435,206	\$ 171,074,573	\$ 171,482,191	\$ 217,704,575	\$ 209,917,397

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 \$217,704,575 as of June 30, 2023. The City's net position increased by \$7,787,178 for the fiscal year ended June 30, 2023. The largest portion of net position \$193,556,191 (88.91%) 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 \$15,371,023 (7.06%) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$8,777,361 (4.03%) is unrestricted.

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

- Continued strong collection of sales taxes and maintaining a property tax collection of 99.29% in the City-Wide tax districts.
- Reduction of outstanding debt and increase in investment earnings.
- 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	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues:						
Charges for services	\$ 2,285,796	\$ 1,898,420	\$ 78,040,658	\$ 78,811,306	\$ 80,326,454	\$ 80,709,726
Operating grants and contributions	11,555,481	9,029,257	-	-	11,555,481	9,029,257
Capital grants and contributions	-	475,000	1,304,594	1,971,102	1,304,594	2,446,102
General revenues:						
Property taxes	17,557,808	17,022,061	-	-	17,557,808	17,022,061
Leases revenue	-	-	193,794	-	193,794	-
Other taxes and licenses	15,151,816	14,238,734	-	-	15,151,816	14,238,734
Unrestricted investment earnings	1,277,240	42,611	1,200,050	70,188	2,477,290	112,799
Miscellaneous	410,611	280,749	634,193	1,344,031	1,044,804	1,624,780
Gain/Loss on disposal of fixed assets	-	-	21,499	112	21,499	112
Total revenues	48,238,752	42,986,832	81,394,788	82,196,739	129,633,540	125,183,571
Expenses						
General government	3,020,424	2,133,136	-	-	3,020,424	2,133,136
Public safety	22,503,075	23,517,320	-	-	22,503,075	23,517,320
Public Works	9,212,747	8,540,644	-	-	9,212,747	8,540,644
Cultural and recreation	4,213,509	3,900,416	-	-	4,213,509	3,900,416
Economic Development	3,426,497	2,801,511	-	-	3,426,497	2,801,511
Interest on long-term debt and fees	313,146	267,717	-	-	313,146	267,717
Electric	-	-	52,372,073	50,367,598	52,372,073	50,367,598
Water	-	-	9,994,903	8,545,789	9,994,903	8,545,789
Sewer	-	-	13,066,506	11,036,274	13,066,506	11,036,274
Solid Waste	-	-	3,723,481	3,332,511	3,723,481	3,332,511
Total expenses	42,689,398	41,160,744	79,156,963	73,282,172	121,846,361	114,442,916
Change in net position before transfers	5,549,354	1,826,088	2,237,825	8,914,567	7,787,179	10,740,655
Transfers	2,645,443	2,612,550	(2,645,443)	(2,612,550)	-	-
Increase (Decrease) in Net Position	8,194,797	4,438,638	(407,618)	6,302,017	7,787,179	10,740,655
Net Position						
Beginning of year - July 1	38,435,205	33,996,567	171,482,191	165,180,174	209,917,396	199,176,741
Restatement	-	-	-	-	-	-
Beginning of year, as restated	38,435,205	33,996,567	171,482,191	165,180,174	209,917,396	199,176,741
End of year - June 30	\$ 46,630,002	\$ 38,435,205	\$ 171,074,573	\$ 171,482,191	\$ 217,704,575	\$ 209,917,396

Governmental activities. Governmental activities increased the City's net position by \$8,194,797. Key elements of this increase are as follows:

- Continued growth in property and sales tax revenues in the amount of \$2.1 million, increased unrestricted investment earnings in the amount of \$1.2 million, and reimbursement from American Rescue Plan (ARP) funding for public safety expenses in the amount of \$6,704,351.

Business-type activities: Business-type activities decreased the City's net position by \$407,618. Key elements of this decrease are as follows:

- There was a slight decrease in revenues of approx \$0.8 million, and an increase in operating expenditures of \$5.8 million.

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 \$21,429,284, while total fund balance reached \$35,621,566. 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 62.41% of total General Fund expenditures, while total fund balance represents 57.72% of that same amount.

At June 30, 2023, the governmental funds of the City of New Bern reported a combined fund balance of \$36,022,976, a 35.44% 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 increased the General Fund budget by \$7,051,551.

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 \$17,907,715 in the Electric Fund, \$15,204,640 in the Water Fund, \$2,231,686 in the Sewer Fund, and \$1,088,348 in the Solid Waste Fund.

The Water and Solid Waste experienced growth in net position of \$2,851,048 and \$246,436, respectively. The Electric & Sewer Funds had losses of \$1,584,600 and \$1,673,706, respectively. A primary driver for the increases in net position of proprietary 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, 2023 totals \$220,076,395 (net of accumulated depreciation and amortization). 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
- Completion of multiple Construction projects

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 17,483,778	\$ 17,147,588	\$ 14,538,446	\$ 14,513,446	\$ 32,022,224	\$ 31,661,034
Construction in progress	11,131,343	7,210,102	8,764,816	4,776,358	19,896,159	11,986,460
Building and systems	18,730,097	18,263,353	208,978,202	205,812,119	227,708,299	224,075,472
Equipment, furniture, and	12,093,805	13,177,783	28,448,905	27,692,337	40,542,710	40,870,120
Infrastructure	40,116,194	40,116,194	4,811,607	4,995,862	44,927,801	45,112,056
Vehicles and Motorized	14,680,162	13,617,823	8,373,154	7,740,076	23,053,316	21,357,899
Right to Use Assets	635,466	533,747	1,174,295	121,842	1,809,761	655,589
Total	114,870,845	110,066,590	275,089,425	265,652,040	389,960,270	375,718,630
Accumulated depreciation	(43,944,314)	(41,902,165)	(125,939,561)	(119,858,312)	(169,883,875)	(161,760,477)
Capital assets, net	\$ 70,926,531	\$ 68,164,425	\$ 149,149,864	\$ 145,793,728	\$ 220,076,395	\$ 213,958,153

Long-term Debt. As of June 30, 2023, the City of New Bern had total debt outstanding of \$26,526,767 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	
	2023	2022	2023	2022	2023	2022
Direct Placement Installment						
Purchases	\$ 10,695,219	\$ 9,115,894	\$ 712,444	\$ 1,171,328	\$ 11,407,663	\$ 10,287,222
Direct Borrowing Notes Payable	-	-	11,829,891	14,842,812	11,829,891	14,842,812
Revenue Bonds	-	-	2,426,211	5,248,235	2,426,211	5,248,235
Lease Liabilities	222,539	300,369	64,711	93,556	287,250	393,925
Subscription Liabilities	83,039	157,275	492,713	-	575,752	157,275
OPEB and Net Pension Liability	53,534,780	54,078,199	5,229,650	1,455,632	58,764,430	55,533,831
Compensated Absences	1,971,416	1,821,961	808,716	751,581	2,780,132	2,573,542
Total	\$ 66,506,993	\$ 65,473,698	\$ 21,564,336	\$ 23,563,144	\$ 88,071,329	\$ 89,036,842

The City of New Bern's total debt decreased by \$965,513 during the past fiscal year, due to principle payments.

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 \$244,518,936.

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 continues, with 207 new construction permits issued. Permits for accessory buildings, additions, repairs, renovations, and other miscellaneous permits remained at the same level as the previous fiscal year. Additionally, residential growth continued citywide with seven new phases in existing subdivisions. This includes Lake Tyler Phases 4 and 5, West New Bern 2A, B, C, & D, Belle Oaks V-B and Athens Acres/Derby Park Phase 1. This resulted in the creation of 272 new lots, compared to 160 new lots the previous fiscal year. While the issuance of permits has reduced from the previous year, the approval of the seven final plats will likely result in an increase in permit submittals in the coming months. The estimated construction values were 44,587,939.
- Commercial growth continues to be steady with ten new permits for construction, five commercial structures and five office-type uses. The estimated construction values were \$25,240,450.
- The June 2023 unemployment rate for Craven County was 3.5%, compared to 3.3% for North Carolina and 3.6% for the nation.
- The impact of inflationary costs was a factor in various budget amendments for procurement of supplies, equipment, and service contracts. The City also recognized providing a competitive salary and benefit package to retain and recruit employees is vital; therefore, the City contracted with a third-party consultant to conduct a market pay study and the results presented costs of approximately \$3.5 million to fully implement the recommended pay study. The Board approved a two-step process for full implementation over two fiscal years, with the first phase effective mid-December 2022 of approximately 66% of the recommended market study. Additionally, the Classification Pay Plan was updated to reflect the increased pay rates. The second phase completes the full implementation and was effective July 1, 2023.
- The impact of the City's growth from the prior year is reflected in the General Fund revenues of both property, sales, and motor vehicle taxes, with ad valorem taxes increase of 3% in the amount of \$483,000 and sales taxes increase of 8% in the amount of \$768,000, and motor vehicle taxes of 16% in the amount of \$250,000 from the prior year. The increase in investment rates resulted in a 30% increase in investment earnings of over \$1 million in revenue compared to FY22. Respectively the Enterprise Funds recognized revenue increases in customer service fees and investment earnings due to the City's overall growth.
- The Enterprise Funds reimburse the General Fund for administrative and indirect costs provided by the General Fund for various functions. Reimbursements to the General Fund from the Enterprise Funds increased by 33% in the amount of \$1,186,000, which is a result of the increased service costs (base calculation = prior year actual costs). The inflationary costs and salary increases within the General Fund impact the costs of services.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities: Management supports initiatives to continue efforts in making the City more resilient for future storms, continue development within the Choice Neighborhood Initiative area, and continue to improve quality of life issues with emphasis on public safety, street and sidewalk enhancements, storm water improvements, and parks and recreational enhancements.

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 FY24 Adopted Budget shows an increase of revenues and expenditures of 15.0% from the FY23 Adopted Budget. The FY24 budget appropriated \$1,429,508 from fund balance.

The FY24 budget shows increases in tax revenues reflecting the trending growth that the City is experiencing and the impact of the tax revaluation. The tax base increased by 32% with values estimated at \$4,722,540,000. The revenue neutral tax rate was calculated at \$.3734 per hundred dollars (\$100); however, the City increased the tax rate to \$.3800 per hundred dollars (\$100). The Municipal Service District (MSD), remains revenue neutral at the new rate of \$.1122 per hundred dollars (\$100). The FY23 tax rates were \$.4822 and \$.1375 per hundred, respectively.

The FY24 budget includes two additional positions, Administrative Assistant for Human Resources and Heavy Equipment Mechanic for Public Works, and six reclassifications. The first phase of the salary study was implemented in December 2022, recognizing just over 50% of the total costs in FY23; therefore, FY24 recognizes the impact of the annualized costs for the first phase and includes the second phase of the salary study, totaling approximately \$2.4 million. Additionally, the FY24 budget includes a cost-of-living adjustment (COLA) increase of 3%, and merit-based salary adjustments ranging from 0% to 2%.

Capital expenditures for vehicles, replacement and refurbishment of fire trucks, replacement of heavy equipment and machinery, paving projects, sidewalk improvements, safety and technology equipment and upgrades are budgeted in the amount of \$3,121,020. The City plans to issue debt for its capital purchases.

The Stanley White Recreation Center project is estimated at \$14.8 million and will be funded with FEMA and insurance reimbursement funds, and debt proceeds. Debt will be issued in two components, long term in the amount of \$6.5M and short term to address possible cash flow issue from delayed FEMA reimbursements in the amount of \$3.5M.

The City continuously seeks opportunities for funding through various grant sources and takes a proactive approach to fund upcoming major projects. Currently, the City has over \$20 million in 40 various grant funding sources and over \$25 million in 15 project funds.

The City received \$6,704,351 in American Rescue Plan funding and qualified for the revenue replacement standard allocation, which allows more flexibility without the constraints and administrative burden of ARP regulations. The Federal ARP funds reimbursed prior years' expenditures for public safety salaries and benefits in the General Fund (GF) which increases the GF unrestricted fund balance in the amount of \$6,704,351. However, the Board of Aldermen then voted to allocate \$1,117,392 to each of the six wards to support their initiatives, which appropriated a total of \$6,704,351 from GF fund balance. Each ward allocated funds for various projects consisting of stormwater and drainage improvements, sidewalks, roadway improvements, safety equipment, Police Department K9, electronic speed limit signs, Union Point Park infrastructure improvements, cemetery shelter and headstone training, and the McCotter House project. Expenditures in FY23 were \$559,069 with the balance of \$6,145,282 remaining and assigned for the ARP Enabled Projects in FY24. These projects are not directly funded through federal ARP funds, the projects are funded by general fund dollars that were recognized by the reimbursement of ARP funds.

Business-Type Activities: The City of New Bern operates four (4) self-supporting enterprise service funds that provide water, sewer, electric, and solid waste services to over 25,000 customers within the City of New Bern and surrounding areas. The enterprise funds continue to support the community development and make improvements to its systems to support the City's growth and increase resiliency.

The Water Fund provides service to approximately 19,050 customers and services 348 miles of pipeline. Over the past five years the customer base has grown at a steady rate of 1.5 - 2.0% per year. The Sewer Fund provides service to approximately 20,400 customers and services 440 miles of pipeline, 4,187 manholes, 111 major lift stations, 3,684 STEP pump stations, and 5 air-vac sewer stations. Over the past five years the customer base has grown at a steady rate of 2 - 3% per year. The Electric Fund provides service to approximately 24,000 electric customers: 20,300 residential, 3,700 commercial/industrial and 7,500 street/area lights. The system territory is approximately 92 square miles, experiencing both load and territorial growth. The fund provides service to 5 jurisdictions: City of New Bern, City of Havelock, Craven County, Jones County and the Village of Trent Woods. The Solid Waste Fund consists of approximately 14,000 residential and commercial cart services and roughly 700 commercial dumpsters.

The Water Fund shows an increase of 3% from FY23 Adopted Budget, with a budget of \$12,738,668. Reflective of the City's steady growth, the charges of sales and service increased. Revenues also recognize continued additional investment earnings. The Water Fund budgeted \$683,000 for the replacement of one backhoe, two vehicles, and for various rehabilitation projects and water system improvements. Additionally, the budget recognizes the increased salary and benefit costs due to the implementation of the salary market study and the 3% COLA and up to 2% merit increase for FY24. The Water Fund appropriated \$489,246 of fund balance.

The Sewer Fund shows a decrease of 3% from FY23 Adopted Budget, with a budget of \$13,476,479. The budget reflects capital expenditures in the amount of \$1,461,000 for various sewer improvements, sewer camera upgrades, facility additions for pump equipment storage, two pickup trucks, dump truck, rehabilitation of a lift station and the bio-solids processing and sludge building. Additionally, the budget recognizes the increased salary and benefit costs due to the implementation of the salary market study and the 3% COLA and up to 2% merit increase for FY24. The Sewer Fund appropriated \$321,079 of fund balance.

Additionally, Sewer improvement projects for Township No. 7, the Relocation of the Sewer Lift Station No. 10, and the Northwest Sewer Interceptor Rehabilitation are in progress and are funded through grants and debt proceeds. The City will issue debt in Fall of 2023 in the amount of \$6.1 million to fund these projects.

The Electric Fund shows an increase of 3% from FY23 Adopted Budget, with a budget of \$60,948,854. Revenues are reflective of the steady growth and also recognize increased investment earnings. The budget includes \$2 million of capital expenses for the replacement of six vehicles, expansion at Kale Rd, meter data management upgrades, purchase of equipment, and system improvements. Additionally, the budget recognizes the increased salary and benefit costs due to the implementation of the salary market study and the 3% COLA and up to 2% merit increase for FY24. Purchased power supply options are locked by the terms of a full requirement power sale agreement and make up approximately 68% of the total operating expense. These costs can vary and are often influenced by inflation, commodity pricing, weather, and political trends. The Electric Fund appropriated \$1,058,217 of fund balance.

The Solid Waste Fund shows an increase of 21% from FY23 Adopted Budget, with a budget of \$4,408,987. FY24 revenues reflect a rate increase for residential and commercial refuse cart and dumpster services. Revenues also recognize continued additional investment earnings. The budget reflects the increased contractual costs with GFL, salary and benefit costs due to the implementation of the salary market study and the 3% COLA and up to 2% merit increases, and a utility rate study to assess costs of services. Capital expenses include the replacement of a route truck and a chip trailer in the amount of \$275,000. The Solid Waste Fund appropriated \$23,904 of fund balance.

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) 639-2720, visit our website www.newbernnc.gov or send an email to accountants@newbernnc.gov for more information.



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BASIC FINANCIAL STATEMENTS



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GOVERNMENT - WIDE FINANCIAL STATEMENTS



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City of New Bern, North Carolina
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 32,534,005	\$ 31,226,946	\$ 63,760,951
Receivables, net of allowance for uncollectibles	4,838,410	8,650,899	13,489,309
Taxes receivables, net of allowance for uncollectibles	143,810	-	143,810
Notes Receivable	70,000	-	70,000
Leases Receivable	-	230,726	230,726
Due from other governments	3,562,761	-	3,562,761
Internal Balances	(1,011,727)	1,011,727	-
Inventories	243,272	5,055,854	5,299,126
Prepaid Items	9,430	-	9,430
Restricted Cash and Cash Equivalents	1,897,724	2,723,934	4,621,658
Total current assets	<u>42,287,685</u>	<u>48,900,086</u>	<u>91,187,771</u>
Non-Current assets:			
Leases Receivable	-	433,167	433,167
Capital Assets:			
Non-depreciable	28,615,121	23,303,262	51,918,383
Other capital assets, net of depreciation	41,960,074	125,065,342	167,025,416
Right to use assets, net of amortization	351,336	781,260	1,132,596
Total capital assets	<u>70,926,531</u>	<u>149,149,864</u>	<u>220,076,395</u>
Total non-current assets	<u>70,926,531</u>	<u>149,583,031</u>	<u>220,509,562</u>
Total assets	<u>113,214,216</u>	<u>198,483,117</u>	<u>311,697,333</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals	9,793,159	3,505,831	13,298,990
OPEB related deferrals	7,893,207	-	7,893,207
Total Deferred Outflows of Resources	<u>17,686,366</u>	<u>3,505,831</u>	<u>21,192,197</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,353,208	5,652,298	8,005,506
Accrued liabilities	93,132	220,561	313,693
Customer deposits	-	2,723,934	2,723,934
Claims and judgements payable	779,031	-	779,031
Installment notes payable, due within one year	1,735,589	333,210	2,068,799
Notes payable, due within one year	-	1,747,903	1,747,903
Bonds payable, due within one year	-	1,004,037	1,004,037
Leases payable, due within one year	59,765	18,305	78,070
SBITA payable, due within one year	38,711	243,669	282,380
Compensated absences, due within one year	591,425	242,613	834,038
Total current liabilities	<u>5,650,861</u>	<u>12,186,530</u>	<u>17,837,391</u>
Long-term liabilities:			
Net pension liability (LGRS)	13,205,974	5,229,650	18,435,624
Total OPEB liability	37,125,645	-	37,125,645
Total pension obligation (LEOSSA)	3,203,161	-	3,203,161
Installment notes payable, due in more than one year	8,959,630	372,753	9,332,383
Notes payable, due in more than one year	-	10,081,988	10,081,988
Bonds payable, due in more than one year	-	1,422,175	1,422,175
Leases payable, due in more than one year	162,774	46,406	209,180
SBITA payable, due in more than one year	44,328	249,044	293,372
Compensated absences, due in more than one year	1,379,991	566,103	1,946,094
Total long-term liabilities	<u>64,081,503</u>	<u>17,968,119</u>	<u>82,049,622</u>
Total liabilities	<u>69,732,364</u>	<u>30,154,649</u>	<u>99,887,013</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	1,133,573	110,070	1,243,643
Lease deferrals	-	649,656	649,656
OPEB related deferrals	13,404,643	-	13,404,643
Total Deferred Inflows of Resources	<u>14,538,216</u>	<u>759,726</u>	<u>15,297,942</u>
NET POSITION			
Net investment in capital assets	59,925,734	133,630,457	193,556,191
Restricted for:			
Stabilization by State Statute	12,049,856	-	12,049,856
Streets	157,882	-	157,882
Public Safety	856,128	-	856,128
Economic Development	2,307,157	-	2,307,157
Unrestricted	(28,666,755)	37,444,116	8,777,361
Total net position	<u>\$ 46,630,002</u>	<u>\$ 171,074,573</u>	<u>\$ 217,704,575</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, 2023

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	\$ 3,020,424	\$ 848,460	\$ 6,887,680	\$ -	\$ 4,715,716	\$ -	\$ 4,715,716
Public safety	22,503,075	119,256	865,455	-	(21,518,364)	-	(21,518,364)
Public Works	9,212,747	70,287	2,743,379	-	(6,399,081)	-	(6,399,081)
Cultural and Recreational	4,213,509	318,088	171,452	-	(3,723,969)	-	(3,723,969)
Economic and physical development	3,426,497	929,705	887,515	-	(1,609,277)	-	(1,609,277)
Interest on long-term debt	313,146	-	-	-	(313,146)	-	(313,146)
Total governmental activities	42,689,398	2,285,796	11,555,481	-	(28,848,121)	-	(28,848,121)
Business-type activities:							
Electric	52,372,073	51,438,309	-	1,304,594	-	370,830	370,830
Water	9,994,903	10,772,040	-	-	-	777,137	777,137
Sewer	13,066,506	11,911,757	-	-	-	(1,154,749)	(1,154,749)
Solid Waste	3,723,481	3,918,552	-	-	-	195,071	195,071
Total business-type activities	79,156,963	78,040,658	-	1,304,594	-	188,289	188,289
Total primary government	\$ 121,846,361	\$ 80,326,454	\$ 11,555,481	\$ 1,304,594	(28,848,121)	188,289	(28,659,832)
General revenues:							
Taxes:							
Ad valorem taxes					17,557,808	-	17,557,808
Sales and use taxes					11,098,940	-	11,098,940
Utilities franchise tax					214,442	-	214,442
Payments in lieu of taxes					1,277,733	-	1,277,733
Other taxes					2,560,700	-	2,560,700
Investment earnings					1,277,240	1,200,050	2,477,290
Leases revenue					-	193,794	193,794
Miscellaneous					410,611	634,193	1,044,804
Gain on disposal of fixed assets					-	21,499	21,499
Transfers					2,645,443	(2,645,443)	-
Total general revenues and transfers					37,042,917	(595,907)	36,447,010
Change in net position					8,194,796	(407,618)	7,787,178
Net position, beginning					38,435,206	171,482,191	209,917,397
Net position, ending					\$ 46,630,002	\$ 171,074,573	\$ 217,704,575

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, 2023

	Major Funds			Non-major	
	General Fund	Hurricane Florence Fund	American Rescue Plan Fund	Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 26,030,608	\$ -	\$ -	\$ 2,165,980	\$ 28,196,588
Taxes receivable, net	136,650	-	-	-	136,650
Accounts Receivables, net	4,080,530	-	-	452,237	4,532,767
Notes Receivable	70,000	-	-	-	70,000
Due from other governments	1,368,274	2,136,404	-	58,083	3,562,761
Due from other funds	3,945,994	-	-	-	3,945,994
Restricted cash and cash equivalents	1,897,724	-	-	-	1,897,724
Inventory	243,272	-	-	-	243,272
Prepaid items	1,430	-	-	-	1,430
Total assets	<u>\$ 37,774,482</u>	<u>\$ 2,136,404</u>	<u>\$ -</u>	<u>\$ 2,676,300</u>	<u>\$ 42,587,186</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,666,968	\$ 182,082	\$ -	\$ 283,218	\$ 2,132,268
Due to other funds	-	3,483,137	-	462,857	3,945,994
Total liabilities	<u>1,666,968</u>	<u>3,665,219</u>	<u>-</u>	<u>746,075</u>	<u>6,078,262</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	136,672	-	-	-	136,672
Liens and other receivables	279,276	-	-	-	279,276
Notes Receivable	70,000	-	-	-	70,000
Total deferred inflows of resources	<u>485,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>485,948</u>
FUND BALANCES					
Nonspendable:					
Inventories	243,272	-	-	-	243,272
Prepaid items	1,430	-	-	-	1,430
Restricted:					
Stabilization by State Statute	12,049,856	-	-	-	12,049,856
Streets - Powell Bill	157,882	-	-	-	157,882
Public safety	-	-	-	856,128	856,128
Economic & physical developments	1,739,842	-	-	567,315	2,307,157
Assigned:					
Capital Projects	-	-	-	590,257	590,257
Unassigned	21,429,284	(1,528,815)	-	(83,475)	19,816,994
Total fund balances	<u>35,621,566</u>	<u>(1,528,815)</u>	<u>-</u>	<u>1,930,225</u>	<u>36,022,976</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,774,482</u>	<u>\$ 2,136,404</u>	<u>\$ -</u>	<u>\$ 2,676,300</u>	<u>42,587,186</u>

(continued)

City of New Bern, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	70,575,195
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds (net of accumulated amortization).	351,336
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	485,948
Benefit payments and pension administration costs for LEOSSA	113,187
OPEB benefit payments and administrative costs made in the current fiscal year are not included in the Statement of Activities	514,298
Deferred outflows of resources are not reported in the funds	
Pension	8,852,968
LEOSSA	827,004
OPEB	7,378,909
Deferred inflows of resources are not recorded on the fund statements	
Pension	(277,946)
LEOSSA	(855,627)
OPEB	(13,404,643)
Accrued interest receivable less that amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	7,160
Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the governmental activities.	2,639,362
Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds.	
Installment Purchase Agreements	(10,695,219)
Lease liabilities	(222,539)
SBITA liabilities	(83,039)
Compensated Absences	(1,971,416)
Net pension liability (LGERS)	(13,205,974)
Total pension liability (LEOSSA)	(3,203,161)
Total OPEB liability	(37,125,645)
Accrued interest payable	(93,132)
Net position of governmental activities	<u>\$ 46,630,002</u>

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Major Funds			Non-major	
	FEDERAL	AMERICAN			
	General Fund	Florence Fund	Rescue Plan Fund	Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 17,664,134	\$ -	\$ -	\$ -	\$ 17,664,134
Unrestricted intergovernmental	15,271,044	-	-	-	15,271,044
Restricted intergovernmental	999,746	2,224,273	6,698,691	1,632,771	11,555,481
Licenses, permits and fees	1,053,179	-	-	-	1,053,179
Sales and services	489,958	-	-	-	489,958
Investment earnings	1,125,765	-	-	15,877	1,141,642
Miscellaneous	409,581	-	-	1,030	410,611
Total revenues	37,013,407	2,224,273	6,698,691	1,649,678	47,586,049
EXPENDITURES					
Current:					
General government	2,477,470	34,394	-	3,220,096	5,731,960
Public safety	20,686,407	-	-	497,747	21,184,154
Public Works	6,998,959	1,718,509	-	211,169	8,928,637
Cultural and recreation	4,013,595	620,966	-	-	4,634,561
Economic and Physical Development	1,778,350	(24,179)	(5,660)	948,945	2,697,456
Debt service:					
Principal	2,124,855	-	-	-	2,124,855
Interest and other charges	322,798	-	-	-	322,798
Total expenditures	38,402,434	2,349,690	(5,660)	4,877,957	45,624,421
Excess (deficiency) of revenues over expenditures	(1,389,027)	(125,417)	6,704,351	(3,228,279)	1,961,628
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	1,015,982	-	-	1,140	1,017,122
Transfers (to) other funds	(216,848)	-	(6,704,351)	-	(6,921,199)
Transfers from other funds	9,349,794	-	-	216,848	9,566,642
Installment purchase obligations issued	289,264	-	-	3,414,916	3,704,180
Lease liabilities issued	98,544	-	-	-	98,544
Total other financing sources (uses)	10,536,736	-	(6,704,351)	3,632,904	7,465,289
Net Change in fund balance	9,147,709	(125,417)	-	404,625	9,426,917
Fund balances, beginning	26,473,857	(1,403,398)	-	1,525,600	26,596,059
Fund balances, ending	\$ 35,621,566	\$ (1,528,815)	\$ -	\$ 1,930,225	\$ 36,022,976

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, 2023

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

Net changes in fund balances - total governmental funds		\$ 9,426,917
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		
Capital outlay expenditures which were capitalized	7,110,359	
Depreciation expense for governmental assets	(4,066,053)	
Gain/(Loss) on disposal of capital assets	<u>(179,274)</u>	2,865,032
Right to Use Assets	101,719	
Amortization expense	<u>(204,645)</u>	(102,926)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		2,570,450
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		514,298
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		113,187
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		(87,794)
Change in accrued taxes receivable at year end		(18,532)
Change in unavailable revenue for liens and other receivables		(7,930)
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	(3,704,180)	
Subscription Liabilities	(98,544)	
Principal payments on debt	2,124,855	
Principal payments on leases	77,830	
Principal payments on SBITA	172,780	(1,427,259)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		9,652
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		314,116
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		(149,455)
Pension expense		(3,911,765)
OPEB expense		<u>(1,901,195)</u>
Total changes in net position of governmental activities		<u><u>\$ 8,194,796</u></u>



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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, 2023

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 17,078,744	\$ 17,078,744	\$ 17,664,134	\$ 585,390
Unrestricted intergovernmental	14,316,156	14,316,156	15,271,044	954,888
Restricted intergovernmental	835,000	835,000	999,746	164,746
Licenses, permits and fees	694,000	965,000	1,053,179	88,179
Sales and services	367,173	438,373	489,958	51,585
Investment earnings	1,130	1,130	1,125,765	1,124,635
Miscellaneous	486,009	491,009	409,581	(81,428)
Total revenues	33,778,212	34,125,412	37,013,407	2,887,995
Expenditures:				
Current:				
General government	2,100,216	9,438,705	2,477,470	6,961,235
Public safety	20,514,213	21,390,254	20,686,407	703,847
Public Works	6,883,208	7,946,080	6,998,959	947,121
Cultural and recreation	3,943,327	4,511,127	4,013,595	497,532
Economic and physical development	1,841,481	1,973,664	1,778,350	195,314
Debt service:				
Principal retirement	2,232,275	2,232,275	2,124,855	107,420
Interest and other charges	341,356	341,356	322,798	18,558
Total expenditures	37,856,076	47,833,461	38,402,434	9,431,027
Revenues over (under) expenditures	(4,077,864)	(13,708,049)	(1,389,027)	12,319,022
Other financing sources (uses):				
Proceeds from sale of capital assets	50,000	50,000	1,015,982	965,982
Installment purchase obligations issued	1,583,340	1,583,340	289,264	(1,294,076)
Lease liabilities issued	-	-	98,544	98,544
Transfers (to) other funds	(200,919)	(324,197)	(216,848)	107,349
Transfer from other funds	2,645,443	9,349,794	9,349,794	-
Total other financing sources (uses)	4,077,864	10,658,937	10,536,736	(122,201)
Revenues and other sources over (under) expenditures and other uses	-	(3,049,112)	9,147,709	12,196,821
Appropriated fund balance	-	3,049,112	-	(3,049,112)
Net change in fund balances	\$ -	\$ -	9,147,709	\$ 9,147,709
Fund balances, beginning			26,473,857	
Fund balances, ending			\$ 35,621,566	

City of New Bern, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2023

	Major Funds			Non-Major Funds		
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
ASSETS						
Current assets:						
Cash and investments	\$ 12,468,994	\$ 14,864,366	\$ 2,710,529	\$ 1,183,057	\$ 31,226,946	\$ 4,337,417
Accounts receivable, net of allowances	5,709,781	1,195,896	1,315,078	430,144	8,650,899	305,643
Leases receivable	-	230,726	-	-	230,726	-
Prepaid items	-	-	-	-	-	8,000
Inventories	4,764,280	239,684	51,890	-	5,055,854	-
Restricted cash and cash equivalents	2,723,934	-	-	-	2,723,934	-
Total current assets	<u>25,666,989</u>	<u>16,530,672</u>	<u>4,077,497</u>	<u>1,613,201</u>	<u>47,888,359</u>	<u>4,651,060</u>
Non-current assets:						
Leases receivable	-	433,167	-	-	433,167	-
Capital assets:						
Land and other non-depreciable assets	4,388,228	2,242,700	16,672,334	-	23,303,262	-
Other capital assets, net of depreciation	32,548,075	43,583,581	48,071,944	861,742	125,065,342	-
Right to use asset	758,390	22,426	361	83	781,260	-
Capital assets (net)	<u>37,694,693</u>	<u>45,848,707</u>	<u>64,744,639</u>	<u>861,825</u>	<u>149,149,864</u>	<u>-</u>
Total assets	<u>63,361,682</u>	<u>62,812,546</u>	<u>68,822,136</u>	<u>2,475,026</u>	<u>197,471,390</u>	<u>4,651,060</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	1,671,992	839,172	873,740	120,927	3,505,831	-
Total Deferred Outflows of Resources	<u>1,671,992</u>	<u>839,172</u>	<u>873,740</u>	<u>120,927</u>	<u>3,505,831</u>	<u>-</u>
LIABILITIES						
Current liabilities:						
Accounts payable	3,606,823	429,529	1,183,085	432,861	5,652,298	220,940
Accrued liabilities	118,919	-	36,280	-	155,199	-
Accrued interest payable	18,580	46,224	507	51	65,362	-
Customer deposits	2,723,934	-	-	-	2,723,934	-
Claims payable	-	-	-	-	-	779,031
Installment notes payable, current	273,124	26,600	26,600	6,886	333,210	-
Notes payable, current	-	1,680,331	67,572	-	1,747,903	-
Bonds payable, current	669,530	330,061	4,446	-	1,004,037	-
Lease payable, current	11,141	6,785	308	71	18,305	-
SBITA payable, current	243,669	-	-	-	243,669	-
Compensated absences payable, current	124,921	58,446	50,666	8,580	242,613	-
Total current liabilities	<u>7,790,641</u>	<u>2,577,976</u>	<u>1,369,464</u>	<u>448,449</u>	<u>12,186,530</u>	<u>999,971</u>

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, 2023

	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	372,753	-	-	-	372,753	-
Notes payable	-	10,081,988	-	-	10,081,988	-
Bonds payable	919,464	500,451	2,260	-	1,422,175	-
Lease payable	30,264	16,142	-	-	46,406	-
SBITA payable	249,044	-	-	-	249,044	-
Compensated absences payable	291,484	136,376	118,222	20,021	566,103	-
Net pension liability	2,494,111	1,251,793	1,303,359	180,387	5,229,650	-
Total non-current liabilities	4,357,120	11,986,750	1,423,841	200,408	17,968,119	-
Total liabilities	12,147,761	14,564,726	2,793,305	648,857	30,154,649	999,971
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	52,494	26,347	27,432	3,797	110,070	-
Lease deferrals	-	649,656	-	-	649,656	-
Total Deferred Inflows of Resources	52,494	676,003	27,432	3,797	759,726	-
NET POSITION						
Net Investment in capital assets	34,925,704	33,206,349	64,643,453	854,951	133,630,457	-
Unrestricted	17,907,715	15,204,640	2,231,686	1,088,348	36,432,389	3,651,089
Total net position	<u>\$ 52,833,419</u>	<u>\$ 48,410,989</u>	<u>\$ 66,875,139</u>	<u>\$ 1,943,299</u>	<u>170,062,846</u>	<u>\$ 3,651,089</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					1,011,727	
Net position of business-type activities					<u>\$ 171,074,573</u>	

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



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City of New Bern, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Major Funds			Nonmajor Funds		
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Total	Internal Service Fund
OPERATING REVENUES						
Charges for services	\$ 51,438,309	\$ 10,772,040	\$ 11,911,757	\$ 3,918,552	\$ 78,040,658	\$ -
Other operating revenues	135,662	375,694	572,460	-	1,083,816	643,360
Employee and retiree contributions	-	-	-	-	-	552,041
Employer and other contributions	-	-	-	-	-	6,574,851
Total operating revenues	51,573,971	11,147,734	12,484,217	3,918,552	79,124,474	7,770,252
OPERATING EXPENSES						
Administrative and general	4,597,169	3,050,332	3,058,159	199,044	10,904,704	-
Operations and maintenance	7,008,707	5,131,616	7,641,078	3,379,045	23,160,446	-
Production	37,976,258	-	-	-	37,976,258	-
Depreciation and amortization	2,668,747	1,756,309	2,311,263	132,440	6,868,759	-
Claims and payments to third party administrators	-	-	-	-	-	7,838,530
Total operating expenses	52,250,881	9,938,257	13,010,500	3,710,529	78,910,167	7,838,530
Operating income (loss)	(676,910)	1,209,477	(526,283)	208,023	214,307	(68,278)
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	519,783	427,441	214,150	38,676	1,200,050	135,598
Leases revenue	-	193,794	-	-	193,794	-
Gain/(loss) on disposal of capital assets	-	6,917	14,582	-	21,499	-
Interest and other charges	(86,624)	(317,296)	(45,440)	(263)	(449,623)	-
Total nonoperating revenues (expenses)	433,159	310,856	183,292	38,413	965,720	135,598
Income (loss) before contributions and transfers	(243,751)	1,520,333	(342,991)	246,436	1,180,027	67,320
Capital contributions	1,304,594	-	-	-	1,304,594	-
Transfer in (out)	(2,645,443)	1,330,715	(1,330,715)	-	(2,645,443)	-
Total income (loss) after contributions and transfers	(1,584,600)	2,851,048	(1,673,706)	246,436	(160,822)	67,320
Change in net position	(1,584,600)	2,851,048	(1,673,706)	246,436	(160,822)	67,320
Total net position , previously reported	54,418,019	45,559,941	68,548,845	1,696,863		3,583,769
Total net position, ending	\$ 52,833,419	\$ 48,410,989	\$ 66,875,139	\$ 1,943,299	(160,822)	\$ 3,651,089
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					(246,796)	
Change in Net position of Business-Type Activities					\$ (407,618)	

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

City of New Bern, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<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	\$ 53,058,403	\$ 10,912,299	\$ 12,114,448	\$ 3,906,853	\$ 79,992,003	\$ 6,827,987
Payments to suppliers	(44,310,108)	(4,885,906)	(6,398,228)	(3,304,209)	(58,898,451)	(14,016)
Payments to employees	(7,210,517)	(3,218,632)	(3,043,891)	(518,056)	(13,991,096)	(7,436,900)
Other revenues	135,662	375,694	572,460	-	1,083,816	643,360
Net cash provided (used) by operating activities	<u>1,673,440</u>	<u>3,183,455</u>	<u>3,244,789</u>	<u>84,588</u>	<u>8,186,272</u>	<u>20,431</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers (to) from other funds	(2,645,443)	1,330,715	(1,330,715)	-	(2,645,443)	-
Net cash provided (used) by noncapital financing activities	<u>(2,645,443)</u>	<u>1,330,715</u>	<u>(1,330,715)</u>	<u>-</u>	<u>(2,645,443)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(3,732,747)	(1,867,573)	(4,168,913)	(455,661)	(10,224,894)	-
Capital contributions	1,883,038	-	-	-	1,883,038	-
Proceeds from subscription based IT arrangement	732,453	-	-	-	732,453	-
Principal paid on bonds and installment purchases	(1,735,868)	(2,489,498)	(2,336,362)	(7,167)	(6,568,895)	-
Leases revenue	-	193,794	-	-	193,794	-
Proceeds from sale of assets	-	6,917	14,582	-	21,499	-
Interest paid on bonds and installment purchases	(81,350)	(324,514)	(52,771)	(316)	(458,951)	-
Net cash provided (used) by capital and related financing activities	<u>(2,934,474)</u>	<u>(4,480,874)</u>	<u>(6,543,464)</u>	<u>(463,144)</u>	<u>(14,421,956)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends	519,783	427,441	214,150	38,676	1,200,050	135,598
Net cash provided (used) by investing activities	<u>519,783</u>	<u>427,441</u>	<u>214,150</u>	<u>38,676</u>	<u>1,200,050</u>	<u>135,598</u>
Net increase (decrease) in cash and investments	(3,386,694)	460,737	(4,415,240)	(339,880)	(7,681,077)	156,029
Balances, beginning	18,579,622	14,403,629	7,125,769	1,522,937	41,631,957	4,181,388
Balances, ending	<u>\$ 15,192,928</u>	<u>\$ 14,864,366</u>	<u>\$ 2,710,529</u>	<u>\$ 1,183,057</u>	<u>\$ 33,950,880</u>	<u>\$ 4,337,417</u>

(continued)

(continued)

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

City of New Bern, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<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	\$ (676,910)	\$ 1,209,477	\$ (526,283)	\$ 208,023	\$ 214,307	\$ (68,278)
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation and Amortization	2,668,747	1,756,309	2,311,263	132,440	6,868,759	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	1,531,049	140,259	202,691	(11,699)	1,862,300	(298,905)
(Increase) decrease in due from other governments	-	-	-	-	-	-
(Increase) decrease in inventory	(1,838,858)	(227,220)	43,251	-	(2,022,827)	-
(Increase) in deferred outflows of resources - pensions	(621,430)	(311,895)	(324,743)	(44,942)	(1,303,010)	-
Increase (decrease) in net pension liability	1,799,895	903,366	940,579	130,178	3,774,018	-
Increase (decrease) in deferred inflows of resources - pension	(972,381)	(488,037)	(508,142)	(70,327)	(2,038,887)	-
Increase (decrease) in accounts payable and accrued liabilities	(400,451)	193,794	1,082,270	(269,314)	606,299	387,614
Increase (decrease) in accrued payroll and payroll liabilities	79,217	-	(203)	120	79,134	-
Increase (decrease) in customer deposits	89,045	-	-	-	89,045	-
Increase (decrease) in accrued vacation pay	15,517	7,402	24,106	10,109	57,134	-
Total adjustments	2,350,350	1,973,978	3,771,072	(123,435)	7,971,965	88,709
Net cash provided by operating activities	<u>\$ 1,673,440</u>	<u>\$ 3,183,455</u>	<u>\$ 3,244,789</u>	<u>\$ 84,588</u>	<u>\$ 8,186,272</u>	<u>\$ 20,431</u>

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

City of New Bern, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2023

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, 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 expenditures 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, 2023, 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, 2023 the General Fund is reporting \$2,655,080 of open encumbrances.

E. Deposits & Investments

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

State law [G.S. 159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

The North Carolina Cooperative Liquid Assets Securities System ("North Carolina CLASS") is an investment pool authorized by North Carolina General Statutes §159-30(c)(10) and was established by an Interlocal Agreement dated March 1, 2023, as amended, by the local governments pursuant to §160A-460 through §160A-464. The investments within North Carolina CLASS are limited to those qualifying for investment under §159-30(c). North Carolina CLASS has been rated AAAM by S&P. Because the North Carolina CLASS investment Portfolio has a weighted average maturity of less than 90 days, the City classifies its holdings in the North Carolina CLASS as cash equivalents for financial statement purposes.

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

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	\$ 1,739,842
Restricted for Streets	157,882
Total General Fund	<u>1,897,724</u>
ARPA	-
Total Governmental Activities	<u><u>\$ 1,897,724</u></u>
Business-Type Activities	
Electric Fund - Customer Deposits	<u>\$ 2,723,934</u>
Total Electric Fund	<u>2,723,934</u>
Total Business-Type Activities	<u><u>\$ 2,723,934</u></u>

H. Receivables

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, 2022. As allowed by State law, the City has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the City's General Fund, ad valorem tax revenues are reported net of such discounts.

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, 2023, are recorded as prepaid items in both government-wide and fund financial statements.

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.

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

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

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

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. 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 unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), leases, pension deferrals, and OPEB deferrals.

P. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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 withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

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. Net Position / Fund Balances

Net Position

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

Fund Balance

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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.

S. 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.

T. 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, 2023:

Fund	Deficit	Cause:
FEMA Hurricane Florence	\$ (1,528,815)	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)	
CDBG - Coronavirus Grant Fund	(30,648)	
Grants Fund - Multi-Year	(13,700)	
City Hall Renovation Project	(102,955)	
North Hills Drainage Study Fund	(49,260)	

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

C. Expenditures in Excess of Appropriations

No budgetary violations were noted. Budget is assessed at the adoption level by the board. While individual functions may be over-budget, no Fund in total was over budget.

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, 2023, the City's deposits had a carrying amount of \$1,063,687 and a bank balance of \$3,242,857. 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 \$7,850.

At June 30, 2023, the City's investment balances were as follows:

Investment by Type	Valuation	Book Value at 06/30/2023	Maturity	Rating
	Measurement Method			
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$59,258,784	Less than 90 days	AAAm
North Carolina CLASS	Fair Value Level	\$8,067,488	Less than 90 days	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, 2023, 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, 2023, were as follows:

	Accounts	Taxes	Leases	Due from other Governments	Total
Governmental Activities:					
General	\$ 4,080,530	\$ 390,413	\$ -	\$ 1,368,274	\$ 5,839,217
FEMA Hurricane Florence	-	-	-	2,136,404	2,136,404
Other Governmental	452,237	-	-	58,083	510,320
Internal Service Fund	305,643	-	-	-	305,643
Total receivables	4,838,410	390,413	-	3,562,761	8,791,584
Allowance	-	(246,603)	-	-	(246,603)
Net receivables	\$ 4,838,410	\$ 143,810	\$ -	\$ 3,562,761	\$ 8,544,981
Business-type Activities					
Electric	\$ 5,857,182	\$ -	\$ -	\$ -	\$ 5,857,182
Water	1,291,563	-	663,893	-	1,955,456
Sewer	1,471,809	-	-	-	1,471,809
Solid Waste	440,344	-	-	-	440,344
Total receivables	9,060,898	-	663,893	-	9,724,791
Allowance	(409,999)	-	-	-	(409,999)
Net receivables	\$ 8,650,899	\$ -	\$ 663,893	\$ -	\$ 9,314,792

Due from other governments consisted of the following:

State & Federal Grants	\$ 2,194,487
Sales tax	1,125,355
Motor Vehicle - Due from the County	242,919
	<u>\$ 3,562,761</u>

Lease Receivable

On 02/01/2023, City of New Bern, NC entered into a 60 month lease as Lessor for the use of US Cellular Extension. An initial lease receivable was recorded in the amount of \$158,379.11. As of 06/30/2023, the value of the lease receivable is \$145,330.37. The lessee is required to make monthly fixed payments of \$2,694.05. The lease has an interest rate of 0.8330%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$145,180.85, and City of New Bern, NC recognized lease revenue of \$13,198.26 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, City of New Bern, NC entered into a 35 month lease as Lessor for the use of T-Mobile. An initial lease receivable was recorded in the amount of \$69,704.47. As of 06/30/2023, the value of the lease receivable is \$23,262.19. The lessee is required to make annual fixed payments of \$23,611.58. The lease has an interest rate of 1.5020%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$22,223.66, and City of New Bern, NC recognized lease revenue of \$23,740.41 during the fiscal year.

On 07/01/2021, City of New Bern, NC entered into a 100 month lease as Lessor for the use of Alltel Communications. An initial lease receivable was recorded in the amount of \$366,338.97. As of 06/30/2023, the value of the lease receivable is \$281,924.58. The lessee is required to make monthly fixed payments of \$3,786.47. The lease has an interest rate of 1.0400%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$278,767.90, and City of New Bern, NC recognized lease revenue of \$43,785.53 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of New Bern, NC entered into a 19 month lease as Lessor for the use of US Cellular. An initial lease receivable was recorded in the amount of \$52,001.71. As of 06/30/2023, the value of the lease receivable is \$0.03. The lessee is required to make monthly fixed payments of \$2,694.05. The lease has an interest rate of 1.2120%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of New Bern, NC recognized lease revenue of \$19,158.53 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, City of New Bern, NC entered into a 40 month lease as Lessor for the use of Suncom Wireless. An initial lease receivable was recorded in the amount of \$132,851.97. As of 06/30/2023, the value of the lease receivable is \$57,619.41. The lessee is required to make monthly fixed payments of \$3,102.38. The lease has an interest rate of 0.5270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$53,537.36, and City of New Bern, NC recognized lease revenue of \$39,657.30 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of New Bern, NC entered into a 47 month lease as Lessor for the use of ATT and New Cingular Wireless PCS, LLC. An initial lease receivable was recorded in the amount of \$212,493.11. As of 06/30/2023, the value of the lease receivable is \$108,101.87. The lessee is required to make monthly fixed payments of \$4,408.83. The lease has an interest rate of 1.0625%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$103,985.99, and City of New Bern, NC recognized lease revenue of \$54,253.56 during the fiscal year. The lessee has 2 extension option(s), each for 60 months. City of New Bern, NC had a termination period of 12 months as of the lease commencement.

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 \$119,176.72. As of 06/30/2023, the value of the lease receivable is \$47,531.33. The lessee is required to make monthly fixed payments of \$2,934.47. 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 06/30/2023 was \$45,837.20, and City of New Bern, NC recognized lease revenue of \$36,669.76 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, NC had a termination period of 12 months as of the lease commencement.

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 \$129.75. As of 06/30/2023, the value of the lease receivable is \$113.18. The lessee is required to make monthly fixed payments of \$1.00. 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 06/30/2023 was \$112.39, and City of New Bern, NC recognized lease revenue of \$10.81 during the fiscal year.

Principal and Interest Expected to Maturity

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 230,726	\$ 5,531	\$ 236,257
2025	154,408	3,432	157,840
2026	75,378	2,400	77,778
2027	76,100	1,679	77,779
2028	63,339	969	64,308
2029-2033	63,928	502	64,430
2034-2039	14	-	14
	<u>\$ 663,893</u>	<u>\$ 14,513</u>	<u>\$ 678,406</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, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 17,147,588	\$ 453,530	\$ (117,340)	\$ -	\$ 17,483,778
Construction in Progress	7,210,102	4,298,862	-	(377,621)	11,131,343
Total capital assets not being depreciated	<u>24,357,690</u>	<u>4,752,392</u>	<u>(117,340)</u>	<u>(377,621)</u>	<u>28,615,121</u>
Capital assets being depreciated:					
Buildings and improvements	18,263,353	138,598	-	328,146	18,730,097
Equipment	8,669,780	788,376	(68,235)	49,475	9,439,396
Furniture and fixtures	4,508,003	83,092	(1,936,686)	-	2,654,409
Transformers	70,275	-	-	-	70,275
Infrastructure	40,045,919	-	-	-	40,045,919
Vehicles	13,617,823	1,347,901	(285,562)	-	14,680,162
Total capital assets being depreciated	<u>85,175,153</u>	<u>2,357,967</u>	<u>(2,290,483)</u>	<u>377,621</u>	<u>85,620,258</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,777,477)	(580,400)	-	-	(8,357,877)
Equipment	(4,746,598)	(876,771)	68,235	-	(5,555,134)
Furniture and fixtures	(4,129,600)	(55,005)	1,877,373	-	(2,307,232)
Transformers	(49,192)	(2,812)	-	-	(52,004)
Infrastructure	(16,012,372)	(1,479,394)	-	-	(17,491,766)
Vehicles	(9,107,441)	(1,071,671)	282,941	-	(9,896,171)
Total accumulated depreciation	<u>(41,822,680)</u>	<u>(4,066,053)</u>	<u>2,228,549</u>	<u>-</u>	<u>(43,660,184)</u>
Total capital assets being depreciated, net	<u>43,352,473</u>	<u>(1,708,086)</u>	<u>(61,934)</u>	<u>377,621</u>	<u>41,960,074</u>

Capital assets being amortized:

Right to use assets:

Leased infrastructure	141,723	-	-	-	141,723
Leased equipment	79,917	-	-	-	79,917
Leased land	154,832	-	-	-	154,832
IT subscriptions	157,275	101,719	-	-	258,994
Total right to use assets	533,747	101,719	-	-	635,466

Less accumulated amortization for:

Leased infrastructure	27,926	27,926	-	-	55,852
Leased equipment	29,440	30,262	-	-	59,702
Leased land	22,119	22,119	-	-	44,238
IT subscriptions	-	124,338	-	-	124,338

Total accumulated amortization	79,485	204,645	-	-	284,130
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Right to use assets, net	454,262	(102,926)	-	-	351,336
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Governmental activity capital

assets, net	\$ 68,164,425	\$ 2,941,380	\$ (179,274)	\$ -	\$ 70,926,531
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Depreciation & amortization expense was charged to functions/programs of the primary government as follows:

General government	\$ 422,866
Public safety	1,740,289
Public works	1,404,837
Economic and Physical Development	140,110
Cultural and recreational	562,596
	<u>\$ 4,270,698</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	\$ 1,256,987	\$ 25,000	\$ -	\$ -	\$ 1,281,987
Construction in Progress	3,156,334	1,377,159	(1,427,252)	-	3,106,241
Total capital assets not being depreciated	4,413,321	1,402,159	(1,427,252)	-	4,388,228
Capital assets being depreciated:					
Buildings	5,615,594	1,435,404	-	-	7,050,998
Equipment	9,567,903	266,902	(106,369)	-	9,728,436
Furniture and fixtures	7,067,306	-	(5,939)	-	7,061,367
Transformers	4,881,357	120,488	(304,743)	-	4,697,102
Distribution systems	53,969,330	723,921	(163,419)	-	54,529,832
Vehicles	3,713,647	158,675	-	37,234	3,909,556
Total capital assets being depreciated	84,815,137	2,705,390	(580,470)	37,234	86,977,291
Less accumulated depreciation for:					
Buildings	(1,707,602)	(184,575)	-	-	(1,892,177)
Equipment	(6,640,444)	(426,394)	106,369	-	(6,960,469)
Furniture and fixtures	(278,806)	(7,418)	5,939	-	(280,285)
Transformers	(3,855,495)	(86,755)	304,743	-	(3,637,507)
Distribution systems	(37,633,828)	(1,376,575)	163,419	-	(38,846,984)
Vehicles	(2,537,851)	(236,709)	-	(37,234)	(2,811,794)
Total accumulated depreciation	(52,654,026)	(2,318,426)	580,470	(37,234)	(54,429,216)
Total capital assets being depreciated, net	32,161,111	386,964	-	-	32,548,075

Capital assets being amortized:

Right to use assets					
Leased infrastructure	27,609	-	-	-	27,609
Leased equipment	14,563	-	-	-	14,563
Leased land	30,162	-	-	-	30,162
IT subscription	-	1,052,453	-	-	1,052,453
Total right to use assets	72,334	1,052,453	-	-	1,124,787
Less accumulated amortization for:					
Leased infrastructure	5,440	5,440	-	-	10,880
Leased equipment	6,324	4,309	-	-	10,633
Leased land	4,309	6,324	-	-	10,633
IT subscription	-	334,251	-	-	334,251
Total accumulated amortization	16,073	350,324	-	-	366,397
Right to use assets, net	56,261	702,129	-	-	758,390
Electric fund capital assets, net	\$ 36,630,693	\$ 2,491,252	\$ (1,427,252)	\$ -	\$ 37,694,693

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	601,772	788,449	-	-	1,390,221
Total capital assets not being depreciated	1,454,251	788,449	-	-	2,242,700

Capital assets being depreciated:

Buildings	35,447,598	-	-	-	35,447,598
Equipment	6,193,912	154,243	(14,940)	-	6,333,215
Furniture and fixtures	3,888	-	-	-	3,888
Distribution systems	26,365,206	794,597	-	-	27,159,803
Vehicles	1,127,309	130,284	(23,586)	(37,234)	1,196,773
Total capital assets being depreciated	69,137,913	1,079,124	(38,526)	(37,234)	70,141,277

Less accumulated depreciation for:

Buildings	(9,723,959)	(886,338)	-	-	(10,610,297)
Equipment	(2,276,281)	(190,633)	14,940	-	(2,451,974)
Furniture and fixtures	(3,888)	-	-	-	(3,888)
Distribution systems	(11,965,050)	(581,878)	-	-	(12,546,928)
Vehicles	(919,821)	(85,608)	23,586	37,234	(944,609)
Total accumulated depreciation	(24,888,999)	(1,744,457)	38,526	37,234	(26,557,696)
Total capital assets being depreciated, net	44,248,914	(665,333)	-	-	43,583,581

Capital assets being amortized:

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	-	-	5,802
Leased equipment	6,650	2,298	-	-	8,948
Leased land	2,298	6,650	-	-	8,948
Total accumulated amortization	11,849	11,849	-	-	23,698
Right to use assets, net	34,275	(11,849)	-	-	22,426

Water Fund capital assets, net \$ 45,737,440 \$ 111,267 \$ - \$ - \$ 45,848,707

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Sewer Fund					
Capital assets not being depreciated:					
Land	\$ 12,403,980	\$ -	\$ -	\$ -	\$ 12,403,980
Construction in progress	1,018,252	3,250,102	-	-	4,268,354
Total capital assets not being depreciated	13,422,232	3,250,102	-	-	16,672,334

Capital assets being depreciated:

Buildings	41,131,161	153,831	(151,125)	-	41,133,867
Equipment	4,460,442	198,625	-	-	4,659,067
Furniture and fixtures	76,215	-	-	-	76,215
Distribution systems	43,283,230	372,874	-	-	43,656,104
Vehicles	2,364,379	193,481	(17,391)	-	2,540,469
Total capital assets being depreciated	91,315,427	918,811	(168,516)	-	92,065,722

Less accumulated depreciation for:

Buildings	(23,037,838)	(1,048,232)	151,125	-	(23,934,945)
Equipment	(3,202,276)	(236,253)	-	-	(3,438,529)
Furniture and fixtures	(74,151)	(2,063)	-	-	(76,214)
Distribution systems	(13,921,603)	(860,598)	-	-	(14,782,201)
Vehicles	(1,616,357)	(162,923)	17,391	-	(1,761,889)
Total accumulated depreciation	(41,852,225)	(2,310,069)	168,516	-	(43,993,778)
Total capital assets being depreciated, net	49,463,202	(1,391,258)	-	-	48,071,944

Capital assets being amortized:

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	-	-	2,392
Total accumulated amortization	1,196	1,196	-	-	2,392
Right to use assets, net	1,557	(1,196)	-	-	361

Sewer Fund capital assets, net \$ 62,886,991 1,857,648 - - \$ 64,744,639

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	322,671	264,046	-	-	586,717
Vehicles	534,741	191,615	-	-	726,356
Total capital assets being depreciated	971,917	455,661	-	-	1,427,578
Less accumulated depreciation for:					
Lines	(14,960)	(4,136)	-	-	(19,096)
Equipment	(198,215)	(61,238)	-	-	(259,453)
Vehicles	(220,495)	(66,792)	-	-	(287,287)
Total accumulated depreciation	(433,670)	(132,166)	-	-	(565,836)
Total capital assets being depreciated, net	538,247	323,495	-	-	861,742
Capital assets being amortized:					
Right to use assets					
Leased equipment	631	-	-	-	631
Total right to use assets	631	-	-	-	631
Less accumulated amortization for:					
Leased equipment	274	274	-	-	548
Total accumulated amortization	274	274	-	-	548
Right to use assets, net	357	(274)	-	-	83
Solid Waste Fund capital assets, net	\$ 538,604	323,221	-	-	\$ 861,825
Business-type activities capital assets, net	\$ 145,793,728				\$ 149,149,864

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, 2023, was 13.04% of compensation for law enforcement officers and 12.15% 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 \$3,588,365 for the year ended June 30, 2023.

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, 2023, the City reported a liability of \$18,435,623 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023 (measurement date), the City's proportion was 0.3268% which was a decrease of 0.0078% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense of \$5,111,662. At June 30, 2023, 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	\$ 794,374	\$ 77,884
Changes of assumptions	1,839,462	-
Net difference between projected and actual earnings on pension plan investments	6,093,166	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	43,432	310,132
Employer contributions subsequent to the measurement date	3,588,365	-
Total	<u>\$ 12,358,799</u>	<u>\$ 388,016</u>

\$3,588,365 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June	
2024	\$ 2,593,960
2025	2,260,110
2026	625,450
2027	2,902,898
	<u>\$ 8,382,418</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.25 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, 2021 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2011 through December 31, 2015.

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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation	6.0%	2.7%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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)	\$ 33,273,924	\$ 18,435,623	\$ 6,208,000

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, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Active plan members	84
Total	95

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, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Discount rate	2.98 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

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, 2023 was \$214,410.

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

At June 30, 2023, the City reported a total pension liability of \$3,203,161. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the City recognized pension expense of \$250,634.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 329,637	\$ 255,182
Changes of assumptions	497,367	600,445
City benefit payments and plan administrative expense made subsequent to the measurement date	113,187	-
Total	<u>\$ 940,191</u>	<u>\$ 855,627</u>

\$113,187 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:

2024	\$	91,078
2025		82,805
2026		23,979
2027		(93,134)
2028		(121,224)
Thereafter		(12,127)

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 4.31 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 (3.31 percent) and 1-percentage-point higher (5.31 percent) than the current rate.

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
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**

	2023
Beginning balance	\$ 3,858,372
Service Cost	214,269
Interest on the total pension liability	84,401
Differences	(117,251)
Changes of assumptions or other inputs	(622,220)
Benefit payments	(214,410)
Net Change	(655,211)
Ending balance of the total pension liability	<u>\$ 3,203,161</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, 2021 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	\$ 5,111,662	\$ 250,634	\$ 5,362,296
Pension Liability	18,435,623	3,203,161	21,638,784
Proportionate share of the net pension liability	0.3268%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	794,374	329,637	1,124,011
Changes of assumptions	1,839,462	497,367	2,336,829
Net difference between projected and actual earnings on plan investments	6,093,166	-	6,093,166
Changes in proportion and differences between contributions and proportionate share of contributions	43,432	-	43,432
Benefit payments and administrative costs paid subsequent to the measurement date	3,588,365	113,187	3,701,552
Deferred Inflows of Resources			
Differences between expected and actual experience	77,884	255,182	333,066
Changes of assumptions	-	600,445	600,445
Changes in proportion and differences between contributions and proportionate share of contributions	310,132	-	310,132

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, 2023 were \$394,081, which consisted of \$281,214 from the City and \$112,867 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, 2023 were \$1,535,558, which consisted of \$1,068,597 from the City and \$466,961 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 \$514,298 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, 2022, the date of the last actuarial valuation:

	General Employees:
Retirees and dependents receiving benefits	93
Active plan members	447
Total	<u>540</u>

Total OPEB Liability

The City's total OPEB liability of \$37,125,645 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 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	3.54%
Healthcare cost trend rate	
Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025
Dental	3.50%

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2021	\$ 46,544,047
Changes for the year	
Service cost	2,006,033
Interest	1,040,537
Differences between expected and actual experience	(1,162,179)
Changes in assumptions or other inputs	(10,544,612)
Benefit payments	(758,181)
Net changes	<u>(9,418,402)</u>
Balance at June 30, 2022	<u>\$ 37,125,645</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

The current mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. The actuarial assumptions used in the June 30, 2022 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 (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 44,683,185	\$ 37,125,645	\$ 31,277,496

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	\$ 30,688,155	\$ 37,125,645	\$ 45,613,553

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$1,901,195. At June 30, 2023, 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	\$ 90,920	\$ 2,469,938
Changes of assumptions	7,287,989	10,934,705
Benefit payments and administrative costs made subsequent to the measurement date	514,298	-
Total	<u>\$ 7,893,207</u>	<u>\$ 13,404,643</u>

\$514,298 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (1,046,942)
2025	(1,046,942)
2026	(770,548)
2027	(590,502)
2028	(536,625)
Thereafter	(2,034,175)

F. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
LGERS	\$ 794,374	\$ 77,884
LEOSSA	329,637	255,182
OPEB	90,920	2,469,938
Changes of assumptions		
LGERS	1,839,462	-
LEOSSA	497,367	600,445
OPEB	7,287,989	10,934,705
Difference between projected and actual investment		
LGERS	6,093,166	-
Change in proportion and difference between employer		
LGERS	43,432	310,132
Contributions to pension plan in current fiscal year		
LGERS	3,588,365	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	113,187	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	514,298	-
Taxes receivable, net (General)	-	136,672
Lease receivable (Enterprise)	-	649,656
Liens and other receivables (General)	-	279,276
Miscellaneous (General)	-	70,000
Total	<u>\$ 21,192,197</u>	<u>\$ 15,783,890</u>

NOTE 7: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To mitigate the financial impact of any losses, the City has established a program to manage its financial risks through a self-funded arrangement in combination with purchase insurance.

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

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

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

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

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$1,000,000. 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 \$5,719,800 in claims and changes in estimates were incurred for benefits during the year ended June 30, 2023. Changes in the fund's claims liability amounts in the years ended June 30, 2023 and 2022, were as follows:

EMPLOYEE HEALTH INSURANCE CLAIMS PAYABLE

<u>Fiscal Year</u>	Beginning of Year Claims Liability	Current Year Claims and Change in Estimates	Claims Paid	End of Year Claims Liability
2023	\$ 550,255	\$ 6,148,912	\$ 5,975,167	\$ 724,000
2022	419,101	5,422,904	5,291,750	550,255

WORKERS COMPENSATION CLAIMS PAYABLE

<u>Fiscal Year</u>	Beginning of Year Claims Liability	Current Year Claims and Change in Estimates	Claims Paid	End of Year Claims Liability
2023	\$ 50,000	\$ 351,664	\$ 346,633	\$ 55,031
2022	50,000	200,981	200,981	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 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 \$201,081. As of 06/30/2023, the value of the lease liability is \$149,921. City of New Bern, NC is required to make monthly fixed payments of \$2,304. 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 06/30/2023 of \$201,081 with accumulated amortization of \$57,452 is included with Land on the Lease Class activities table found below.

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 06/30/2023, the value of the lease liability is \$782. City of New Bern, NC 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 06/30/2023 of \$3,433 with accumulated amortization of \$2,655 is included with Equipment on the Lease Class activities table found below.

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 06/30/2023, the value of the lease liability is \$10,227. City of New Bern, NC 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 06/30/2023 of \$91,477 with accumulated amortization of \$79,450 is included with Equipment on the Lease Class activities table found below.

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 06/30/2023, the value of the lease liability is \$115,258. City of New Bern, NC 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 06/30/2023 of \$184,056 with accumulated amortization of \$72,534 is included with Infrastructure on the Lease Class activities table found below. City of New Bern, NC has 1 extension option(s), each for 60 months.

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 06/30/2023, the value of the lease liability is \$11,060. City of New Bern, NC 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 06/30/2023 of \$18,268 with accumulated amortization of \$6,485 is included with Equipment on the Lease Class activities table found below.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Government Activities:

<u>Year</u>				
<u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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	25,223	202	25,425	
Present value of the minimum lease payments	\$ 222,539	\$ 5,163	\$ 227,702	

Business-Type Activities:

<u>Year</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	7,535	60	7,595
Present value of the minimum lease payments	<u>\$ 64,710</u>	<u>\$ 1,476</u>	<u>\$ 66,186</u>

b. Subscriptions Payable

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 07/01/2022, City of New Bern, NC entered into a 31 month subscription for the use of tip411 Pro. An initial subscription liability was recorded in the amount of \$23,619. As of 06/30/2023, the value of the subscription liability is \$11,851. City of New Bern, NC is required to make annual fixed payments of \$12,108. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$23,619 with accumulated amortization of \$9,143 is included with Software on the Subscription Class activities table found below.

On 07/29/2022, City of New Bern, NC entered into a 60 month subscription for the use of GrayKey License. An initial subscription liability was recorded in the amount of \$47,360. As of 06/30/2023, the value of the subscription liability is \$37,440. City of New Bern, NC is required to make annual fixed payments of \$9,995. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2023 of \$48,535 with accumulated amortization of \$8,952 is included with Software on the Subscription Class activities table found below.

On 10/19/2022, City of New Bern, NC entered into a 58 month subscription for the use of Cisco Collaboration Flex Plan. An initial subscription liability was recorded in the amount of \$14,410. As of 06/30/2023, the value of the subscription liability is \$11,338. City of New Bern, NC is required to make annual fixed payments of \$3,072. The subscription has an interest rate of 3.3050%. The value of the right to use asset as of 06/30/2023 of \$14,410 with accumulated amortization of \$2,087 is included with Software on the Subscription Class activities table found below.

On 07/18/2022, City of New Bern, NC entered into a 36 month subscription for the use of Hansen Software Services. An initial subscription liability was recorded in the amount of \$732,453. As of 06/30/2023, the value of the subscription liability is \$492,713. City of New Bern, NC is required to make monthly fixed payments of \$21,000. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 of \$1,052,453 with accumulated amortization of \$334,251 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, City of New Bern, NC entered into a 17 month subscription for the use of Microsoft Software Enterprise - Information Tech Dept.. An initial subscription liability was recorded in the amount of \$126,546. As of 06/30/2023, the value of the subscription liability is \$0. City of New Bern, NC is required to make annual fixed payments of \$127,447. The subscription has an interest rate of 1.7100%. The value of the right to use asset as of 06/30/2023 of \$126,546 with accumulated amortization of \$89,326 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, City of New Bern, NC entered into a 23 month subscription for the use of Power DMS. An initial subscription liability was recorded in the amount of \$7,110. As of 06/30/2023, the value of the subscription liability is \$0. City of New Bern, NC is required to make annual fixed payments of \$7,244. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 of \$7,110 with accumulated amortization of \$3,683 is included with Software on the Subscription Class activities table found below.

On 01/01/2023, City of New Bern, NC entered into a 44 month subscription for the use of A-LA-Cart Pro License. An initial subscription liability was recorded in the amount of \$13,146. As of 06/30/2023, the value of the subscription liability is \$10,784. City of New Bern, NC is required to make annual fixed payments of \$2,362. The subscription has an interest rate of 2.6760%. The value of the right to use asset as of 06/30/2023 of \$13,146 with accumulated amortization of \$1,793 is included with Software on the Subscription Class activities table found below.

On 11/07/2022, City of New Bern, NC entered into a 24 month subscription for the use of DebtBook Software Application. An initial subscription liability was recorded in the amount of \$19,197. As of 06/30/2023, the value of the subscription liability is \$9,447. City of New Bern, NC is required to make annual fixed payments of \$9,750. The subscription has an interest rate of 3.2070%. The value of the right to use asset as of 06/30/2023 of \$21,197 with accumulated amortization of \$6,889 is included with Software on the Subscription Class activities table found below.

On 11/24/2022, City of New Bern, NC entered into a 13 month subscription for the use of SimpleHelp Suite. An initial subscription liability was recorded in the amount of \$4,431. As of 06/30/2023, the value of the subscription liability is \$2,181. City of New Bern, NC is required to make annual fixed payments of \$2,250. The subscription has an interest rate of 3.1440%. The value of the right to use asset as of 06/30/2023 of \$4,431 with accumulated amortization of \$2,466 is included with Software on the Subscription Class activities table found below.

The future minimum Subscription-Based Information Technology Arrangement (SBITA) obligations and the net present value of these minimum SBITA payments as of June 30, 2023, were as follows:

Government Activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 38,711	\$ 2,178	\$ 40,889
2025	15,628	1,153	16,781
2026	16,035	745	16,780
2027	12,665	328	12,993
Present value of the minimum SBITA payments	\$ 83,039	\$ 4,404	\$ 87,443

Business-Type Activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 243,669	\$ 8,331	\$ 252,000
2025	249,044	2,956	252,000
Present value of the minimum SBITA payments	\$ 492,713	\$ 11,287	\$ 504,000

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, 2023 were comprised of the following individual agreements:

Governmental Activities:	Balance as of June 30, 2023
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.	\$ 155,105
They 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.	327,873
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.	322,505
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.	1,160,000
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.	1,331,646
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.	360,012
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.	1,508,258
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.	731,621
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.	1,643,283

The City entered into a direct placement note issued by Truist Bank for \$3,900,000 was issued May 2022, with varying annual payments for the completion of the City Hall elevator. The property and all monies on deposit in the project fund are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.86% and matures in 2037. The funds are drawn down as needed for the project. At June 30, 2023, \$3,154,916 had been drawn down for the project.

3,154,916

Total governmental activities \$ 10,695,219

Business-Type Activities:

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.

\$ 559,130

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.

146,834

Total business-type activities \$ 705,964

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, 2023 for the installment purchase contracts are as follows:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,735,589	\$ 270,843	\$ 333,210	\$ 14,406
2025	1,383,531	230,924	186,377	7,339
2026	1,391,691	197,920	186,377	3,145
2027	1,150,157	164,787	-	-
2028	1,144,705	134,489	-	-
2029-2033	2,950,279	377,264	-	-
2034-2038	939,267	82,867	-	-
Total	<u>\$ 10,695,219</u>	<u>\$ 1,459,094</u>	<u>\$ 705,964</u>	<u>\$ 24,890</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, 2023 are as follows:

Business-Type activities: Balance as of
June 30, 2023

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.

\$ 67,573

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.

11,762,317

Total outstanding notes payable: \$ 11,829,890

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

Year Ending June 30,	Principal	Interest	Total
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	1,680,331	114,178	1,794,509
2029-2033	3,360,662	114,179	3,474,841
Total:	<u>\$ 11,829,890</u>	<u>\$ 1,067,464</u>	<u>\$ 12,897,354</u>

d. Revenue Bonds

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. \$ 627,991

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. 1,798,220

Total revenue bonds	<u>\$ 2,426,211</u>		
Year	Principal	Interest	Total
2024	\$ 1,004,037	\$ 43,821	\$ 1,047,858
2025	810,824	23,186	834,010
2026	611,350	8,813	620,163
Total:	<u>\$ 2,426,211</u>	<u>\$ 75,820</u>	<u>\$ 2,502,031</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 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, 2023, are as follows:

The debt service coverage ratio calculation for the year ended June 30, 2023 is as follows:

	Electric Fund	Water Fund	Sewer Fund
Operating revenues	\$ 51,573,971	11,147,734	12,484,217
Operating expenses	(52,250,881)	(9,938,257)	(13,010,500)
Add back:			
Investment earnings	519,783	427,441	214,150
Lease revenue	-	193,794	-
Depreciation	2,668,747	1,756,309	2,311,263
Income available for debt service	<u>\$ 2,511,620</u>	<u>\$ 3,587,021</u>	<u>\$ 1,999,130</u>
Debt service principal and interest paid (Revenue bond only)	<u>\$ 1,253,211</u>	<u>\$ 756,505</u>	<u>\$ 899,906</u>
Debt service coverage ratio	200%	474%	222%

The City's debt service coverage ratio is greater than 120% of the debt service requirement for the year ended June 30, 2023.

e. Changes in Long-Term Liabilities

A summary of changes in long-term obligations follows:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion of Balance
Governmental activities:					
Direct placement installment purchases	\$ 9,115,894	\$ 3,704,180	\$ 2,124,855	\$ 10,695,219	\$ 1,735,589
Lease liabilities	300,369	-	77,830	222,539	59,765
Subscription liability	157,275	98,544	172,780	83,039	38,711
Compensated absences	1,821,961	149,455	-	1,971,416	591,425
Net pension liability (LGERS)	3,675,780	9,530,194	-	13,205,974	-
Total pension liability	3,858,372	-	655,211	3,203,161	-
Total OPEB Liability	46,544,047	-	9,418,402	37,125,645	-
Total Governmental activities	<u>\$ 65,473,698</u>	<u>\$ 13,482,373</u>	<u>\$ 12,449,078</u>	<u>\$ 66,506,993</u>	<u>\$ 2,425,490</u>
Business-type activities:					
Direct borrowing notes payable	\$ 14,842,812	\$ -	\$ 3,012,921	\$ 11,829,891	\$ 1,747,904
Direct placement installment purchases	1,171,328	-	458,884	712,444	333,210
Revenue bonds	5,248,235	-	2,822,024	2,426,211	1,004,037
Lease liabilities	93,556	-	28,845	64,711	18,305
Subscription liability	-	732,453	239,740	492,713	243,669
Net pension liability	1,455,632	3,774,018	-	5,229,650	-
Compensated absences	751,581	57,135	-	808,716	242,615
Total Business-type activities	<u>\$ 23,563,144</u>	<u>\$ 4,563,606</u>	<u>\$ 6,562,414</u>	<u>\$ 21,564,336</u>	<u>\$ 3,589,740</u>

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

At June 30, 2023, the City of New Bern had a legal debt margin of \$244,518,936.

NOTE 9: INTERFUND BALANCES AND ACTIVITY

The comparison of interfund balances as of June 30, 2023 is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	FEMA Hurricane Florence	\$ 3,483,137
General Fund	FEMA Hurricane Dorian	341,513
General Fund	MPO Plan	30,730
General Fund	Grants Funds - Multi-Year	31,398
General Fund	CDBG Entitlement	2,616
General Fund	CDBG-Coronavirus	7,340
General Fund	North Hills Drainage Study	49,260
		<u>\$ 3,945,994</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, 2023, consists of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 2,645,443
General Fund	American Rescue Plan Act	6,704,351
		<u>\$ 9,349,794</u>
Grants Fund Multi-Year	General Fund	\$ 42,569
Public Private Partnership	General Fund	10,000
Redevelopment Fund	General Fund	20,000
MPO Plan Grant Fund	General Fund	28,400
Emergency Telephone System	General Fund	45,170
City Hall Elevator Project	General Fund	70,709
		<u>\$ 216,848</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	\$ 70,926,531	\$ 149,149,864
less: long-term debt	(11,000,797)	(15,519,407)
Net Investment in Capital Assets	<u>\$ 59,925,734</u>	<u>\$ 133,630,457</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:

<u>Total Fund Balance - General Fund</u>	<u>\$ 35,621,566</u>
Less restricted for:	
Inventories	243,272
Prepays	1,430
Stabilization by State statute	12,049,856
Streets	157,882
Economic and Physical Development	1,739,842
<u>Remaining Fund Balance</u>	<u>\$ 21,429,284</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	\$ 35,621,566
Less:	
Nonspendable (Inventory, Prepaids)	244,702
Stabilization by State Statute	12,049,856
Streets	157,882
Economic & Physical Development	1,739,842
Fund Balance Policy (25% of CY expenditures, including transfers out)	9,654,821
Remaining Fund Balance	<u>\$ 11,774,464</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
	\$ 2,655,080	\$ 8,542,105	\$ 349,054	\$ 1,229,835	\$ 3,337,472

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, 2023.

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, 2023. The City contributed \$75,000 to the library during the fiscal year ended June 30, 2023.

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: RESTATEMENT

The City has implemented GASB 96, Subscription Based Information Technology (IT) Arrangements, as described in the notes above. As a result of this implementation, the City has reported beginning IT subscription liability balances of \$157,275 and Right to Use IT Subscription Assets of \$157,275. There was no change to Government-wide Net Position.

NOTE 15: 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.



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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



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

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019
City's proportion of the net liability (asset) (%)	0.32679%	0.33460%	0.33302%	0.35700%	0.33250%
City's proportion of the net pension liability (asset) (\$)	\$18,435,623	\$ 5,131,412	\$ 11,900,223	\$ 9,749,392	\$ 7,888,037
City's covered payroll	\$24,432,811	\$ 23,325,826	\$ 23,075,394	\$23,392,399	\$ 21,540,082
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.45%	22.00%	51.57%	41.68%	36.62%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	90.86%	91.63%
	2018	2017	2016	2015	2014
City's proportion of the net liability (asset) (%)	0.33240%	0.34164%	0.36713%	-0.37472%	0.36820%
City's proportion of the net pension liability (asset) (\$)	\$ 5,078,151	\$ 7,250,745	\$ 1,647,657	\$ (2,209,896)	\$ 4,438,224
City's covered payroll	\$20,816,691	\$ 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	24.39%	36.07%	7.92%	-10.75%	22.19%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	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 Ten Fiscal Years**

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 3,588,365	\$ 2,819,268	\$ 2,412,259	\$ 2,114,442	\$ 1,864,644
Contributions in relation to the contractually required contribution	<u>3,588,365</u>	<u>2,819,268</u>	<u>2,412,259</u>	<u>2,114,442</u>	<u>1,864,644</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 29,110,117	\$ 24,432,811	\$ 23,325,826	\$ 23,075,394	\$ 23,392,399
Contributions as a percentage of covered payroll	12.33%	11.54%	10.34%	9.16%	7.97%
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,666,638	\$ 1,565,018	\$ 1,419,969	\$ 1,486,944	\$ 1,461,830
Contributions in relation to the contractually required contribution	<u>1,666,638</u>	<u>1,565,018</u>	<u>1,419,969</u>	<u>1,486,944</u>	<u>1,461,830</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 21,540,082	\$ 20,816,691	\$ 20,102,718	\$ 20,791,805	\$ 20,561,521
Contributions as a percentage of covered payroll	7.74%	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 Seven Fiscal Years

	2023	2022	2021	2020
Beginning balance	\$ 3,858,372	\$ 3,630,645	\$ 2,966,769	\$ 2,383,204
Service Cost	214,269	230,462	130,539	125,573
Interest on the total pension liability	84,401	67,704	92,576	82,774
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(117,251)	282,348	(252,482)	511,459
Changes of assumptions or other inputs	(622,220)	(107,418)	947,261	82,172
Benefit payments	(214,410)	(245,369)	(254,018)	(218,413)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 3,203,161</u>	<u>\$ 3,858,372</u>	<u>\$ 3,630,645</u>	<u>\$ 2,966,769</u>

	2019	2018	2017
Beginning balance	\$ 2,767,704	\$ 2,632,626	\$ 2,611,191
Service Cost	119,819	100,996	106,628
Interest on the total pension liability	84,313	98,458	91,040
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(299,975)	(52,017)	-
Changes of assumptions or other inputs	(89,532)	151,459	(54,134)
Benefit payments	(199,125)	(163,818)	(122,099)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 2,383,204</u>	<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 Eight Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 3,203,161	\$ 3,858,372	\$ 3,630,645	\$ 2,966,769
Covered Payroll	5,078,569	5,269,348	4,845,097	5,131,526
Total pension liability as a percentage of covered payroll	63.07%	73.22%	74.93%	57.81%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability	\$ 2,383,204	\$ 2,767,704	\$ 2,632,626	\$ 2,611,191
Covered Payroll	4,520,892	4,423,296	4,334,746	4,083,468
Total pension liability as a percentage of covered payroll	52.72%	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 Six Fiscal Years

Total OPEB Liability	2023	2022	2021
Service cost	\$ 2,006,033	\$ 2,013,197	\$ 1,204,822
Interest	1,040,537	1,004,632	1,270,516
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(1,162,179)	(37,068)	(2,102,869)
Changes of assumptions	(10,544,612)	487,213	8,639,338
Benefit payments	(758,181)	(734,377)	(588,934)
Net change in total OPEB liability	(9,418,402)	2,733,597	8,422,873
Total OPEB liability - beginning	46,544,047	43,810,450	35,387,577
Total OPEB liability - ending	\$ 37,125,645	\$ 46,544,047	\$ 43,810,450
 Covered payroll	 \$ 24,621,083	 \$ 22,348,027	 \$ 22,348,027
Total OPEB liability as a percentage of covered payroll	150.79%	208.27%	196.04%
 Total OPEB Liability	 2020	 2019	 2018
Service cost	\$ 1,068,074	\$ 1,142,446	\$ 1,315,824
Interest	1,215,366	1,118,600	991,387
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(85,385)	45,256	260,722
Changes of assumptions	2,300,267	(1,893,219)	(3,439,284)
Benefit payments	(701,503)	(483,111)	(802,639)
Net change in total OPEB liability	3,796,819	(70,028)	(1,673,990)
Total OPEB liability - beginning	31,590,758	31,660,786	33,334,776
Total OPEB liability - ending	\$ 35,387,577	\$ 31,590,758	\$ 31,660,786
 Covered payroll	 \$ 19,173,918	 \$ 19,173,918	 \$ 18,184,909
Total OPEB liability as a percentage of covered payroll	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
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%



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SUPPLEMENTARY STATEMENTS AND SCHEDULES

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



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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, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes			
Current year	\$ 16,736,344	\$ 17,331,695	\$ 595,351
Prior year	94,500	72,103	(22,397)
Municipal service district	199,400	207,346	7,946
Penalties and interest	48,500	52,990	4,490
Total ad valorem taxes	17,078,744	17,664,134	585,390
Unrestricted intergovernmental			
Local option sales tax	10,190,000	11,098,940	908,940
Video programming tax	222,000	214,442	(7,558)
Payments in lieu of taxes	1,277,733	1,277,733	-
Telecommunications sales tax	170,000	131,994	(38,006)
Utilities franchise tax	2,100,000	2,149,668	49,668
Piped natural gas tax	75,000	106,826	31,826
Public Education Television	24,000	25,641	1,641
Beer and wine tax	134,000	146,571	12,571
Fire protection reimbursement	13,423	12,370	(1,053)
ABC distributions	110,000	106,859	(3,141)
Total unrestricted intergovernmental	14,316,156	15,271,044	954,888
Restricted intergovernmental			
Powell Bill allocation	835,000	999,746	164,746
Total restricted intergovernmental	835,000	999,746	164,746
License, permits and fees			
Building permits and inspection fees	624,000	680,239	56,239
Auto and taxi fees	50,000	76,298	26,298
Beer and wine licenses	2,000	5,210	3,210
Other permits	289,000	291,432	2,432
Total licenses, permits and fees	965,000	1,053,179	88,179
Sales and services			
Public works fees	32,500	44,216	11,716
Refuse collection fees	24,000	26,070	2,070
Planning and inspections	-	-	-
Public safety fees	48,000	64,920	16,920
Cultural and recreation fees	234,900	268,481	33,581
Rent income	2,713	2,721	8
Other sales and services	96,260	83,550	(12,710)
Total sales and services	438,373	489,958	51,585

(continued)

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, 2023

	Budget	Actual	Variance Positive (Negative)
Investment earnings	1,130	1,125,765	1,124,635
Other revenues			
Proceeds from insurance	30,000	53,937	23,937
Cemetery	125,000	133,500	8,500
Other revenues	336,009	222,144	(113,865)
Total other revenues	491,009	409,581	(81,428)
Total Revenues	34,125,412	37,013,407	2,887,995
Expenditures:			
General government:			
Governing body			
Salaries and employee benefits	169,333	169,253	80
Special appropriations	125,500	100,578	24,922
Operating expenditures	144,200	125,308	18,892
Total	439,033	395,139	43,894
Administration			
Salaries and employee benefits	755,331	767,754	(12,423)
Operating expenditures	330,950	161,233	169,717
Capital outlay	360,406	339,677	20,729
Total	1,446,687	1,268,664	178,023
Public Education Television (PEG)			
Operating expenditures	67,750	45,271	22,479
Total	67,750	45,271	22,479
Information technology			
Salaries and employee benefits	875,286	849,454	25,832
Operating expenditures	1,078,324	822,024	256,300
Capital outlay	222,734	162,978	59,756
Total	2,176,344	1,834,456	341,888
GIS			
Salaries and employee benefits	235,793	219,486	16,307
Operating expenditures	75,976	56,566	19,410
Total	311,769	276,052	35,717

(continued)

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, 2023

	Budget	Actual	Variance Positive (Negative)
Finance			
Salaries and employee benefits	1,334,283	1,266,371	67,912
Operating expenditures	569,013	489,641	79,372
Capital outlay	12,833	21,197	(8,364)
Total	<u>1,916,129</u>	<u>1,777,209</u>	<u>138,920</u>
American Rescue Plan			
Capital outlay	6,704,351	559,069	6,145,282
Total	<u>6,704,351</u>	<u>559,069</u>	<u>6,145,282</u>
Legal			
Operating expenditures	311,822	309,612	2,210
Total	<u>311,822</u>	<u>309,612</u>	<u>2,210</u>
Human resources			
Salaries and employee benefits	588,698	589,269	(571)
Operating expenditures	184,392	144,336	40,056
Capital outlay	45,000	31,662	13,338
Total	<u>818,090</u>	<u>765,267</u>	<u>52,823</u>
Reimbursement from enterprise funds	<u>(4,753,270)</u>	<u>(4,753,269)</u>	<u>(1)</u>
Total general government	<u>9,438,705</u>	<u>2,477,470</u>	<u>6,961,235</u>
Public Safety:			
Police			
Salaries and employee benefits	10,699,559	10,423,359	276,200
Operating expenditures	1,911,198	1,743,221	167,977
Capital outlay	619,395	583,717	35,678
Total	<u>13,230,152</u>	<u>12,750,297</u>	<u>479,855</u>
Fire department			
Salaries and employee benefits	6,914,492	6,818,860	95,632
Operating expenditures	805,788	681,147	124,641
Capital outlay	358,518	354,138	4,380
Total	<u>8,078,798</u>	<u>7,854,145</u>	<u>224,653</u>
E911 Support:			
Salaries and employee benefits	81,304	81,965	(661)
Total	<u>81,304</u>	<u>81,965</u>	<u>(661)</u>
Total public safety	<u>21,390,254</u>	<u>20,686,407</u>	<u>703,847</u>

(continued)

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, 2023

	Budget	Actual	Variance Positive (Negative)
Public works			
Streets			
Salaries and employee benefits	1,269,550	1,170,066	99,484
Operating expenditures	1,739,092	1,378,666	360,426
Capital outlay	581,285	534,254	47,031
Total	<u>3,589,927</u>	<u>3,082,986</u>	<u>506,941</u>
Public buildings			
Salaries and employee benefits	504,652	476,626	28,026
Operating expenditures	575,799	472,977	102,822
Capital outlay	52,021	56,632	(4,611)
Total	<u>1,132,472</u>	<u>1,006,235</u>	<u>126,237</u>
Administration			
Salaries and employee benefits	877,013	810,940	66,073
Operating expenditures	1,405,907	1,237,915	167,992
Capital outlay	144,979	135,008	9,971
Total	<u>2,427,899</u>	<u>2,183,863</u>	<u>244,036</u>
Stormwater			
Salaries and employee benefits	433,354	420,783	12,571
Operating expenditures	253,117	197,431	55,686
Capital outlay	109,311	107,661	1,650
Total	<u>795,782</u>	<u>725,875</u>	<u>69,907</u>
Total Public Works	<u>7,946,080</u>	<u>6,998,959</u>	<u>947,121</u>
Cultural and recreational:			
Parks and recreation			
Salaries and employee benefits	2,514,954	2,382,050	132,904
Operating expenditures	1,404,123	1,089,926	314,197
Capital outlay	592,050	541,619	50,431
Total Cultural and Recreational	<u>4,511,127</u>	<u>4,013,595</u>	<u>497,532</u>
Economic and physical development			
Planning			
Salaries and employee benefits	760,793	684,268	76,525
Operating expenditures	301,490	195,607	105,883
Capital outlay	-	54	(54)
Total	<u>1,062,283</u>	<u>879,929</u>	<u>182,354</u>

(continued)

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, 2023

	Budget	Actual	Variance Positive (Negative)
Inspections			
Salaries and employee benefits	764,206	760,182	4,024
Operating expenditures	116,475	108,303	8,172
Total	<u>880,681</u>	<u>868,485</u>	<u>12,196</u>
Municipal service district			
Operating expenditures	30,700	29,936	764
Total	<u>30,700</u>	<u>29,936</u>	<u>764</u>
Total economic and physical development	<u>1,973,664</u>	<u>1,778,350</u>	<u>195,314</u>
Debt service:			
Principal retirement	2,232,275	2,124,855	107,420
Interest and other charges	341,356	322,798	18,558
Total debt service	<u>2,573,631</u>	<u>2,447,653</u>	<u>125,978</u>
Total expenditures	<u>47,833,461</u>	<u>38,402,434</u>	<u>9,431,027</u>
Revenues over (under) expenditures	<u>(13,708,049)</u>	<u>(1,389,027)</u>	<u>12,319,022</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	50,000	1,015,982	965,982
Transfers in	9,349,794	9,349,794	-
Transfers out	(324,197)	(216,848)	107,349
Installment purchase obligations issued	1,583,340	289,264	(1,294,076)
Lease & IT Subscription liabilities issued	-	98,544	98,544
Appropriated fund balance	3,049,112	-	(3,049,112)
Total other financing sources (uses)	<u>13,708,049</u>	<u>10,536,736</u>	<u>(3,171,313)</u>
Revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>9,147,709</u>	<u>\$ 9,147,709</u>
Fund balance, beginning		<u>26,473,857</u>	
Fund balance, ending		<u>\$ 35,621,566</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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal Public Disaster Assistance Grant	\$ 20,925,000	\$ 14,010,584	\$ 1,677,746	\$ 15,688,330	\$ (5,236,670)
State Public Disaster Assistance Grant	6,975,000	4,359,930	546,527	4,906,457	(2,068,543)
Insurance Proceeds	2,100,000	2,735,836	-	2,735,836	635,836
Total revenues	30,000,000	21,106,350	2,224,273	23,330,623	(6,669,377)
Expenditures					
General government					
Administration					
Salaries and employee benefits	27,486	27,483	-	27,483	3
Operating expenditures	2,080,351	1,889,809	34,394	1,924,203	156,148
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	3,197	-	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	723,200	200,462	923,662	202,829
Administration					
Salaries and employee benefits	66,111	80,458	-	80,458	(14,347)
Operating expenditures	125,000	112,186	-	112,186	12,814

(continued)

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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Water Fund					
Salaries and employee benefits	221,621	221,610	-	221,610	11
Operating expenditures	91,077	76,797	-	76,797	14,280
Solid Waste					
Salaries and employee benefits	152,766	152,763	-	152,763	3
Operating expenditures	3,705,000	3,611,855	-	3,611,855	93,145
Sewer Fund					
Salaries and employee benefits	216,178	216,171	-	216,171	7
Operating expenditures	1,238,310	1,187,464	-	1,187,464	50,846
Stormwater Fund					
Salaries and employee benefits	5,243,719	6,743,332	1,518,047	8,261,379	(3,017,660)
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	149,128	-	149,128	(8,921)
Operating expenditures	9,207,738	1,139,475	620,966	1,760,441	7,447,297
Economic and physical development					
Salaries and employee benefits	45,664	45,659	-	45,659	5
Operating expenditures	88,975	117,208	(24,179)	93,029	(4,054)
Total expenditures	<u>30,000,000</u>	<u>22,509,748</u>	<u>2,349,690</u>	<u>24,859,438</u>	<u>5,140,562</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,403,398)</u>	<u>(125,417)</u>	<u>(1,528,815)</u>	<u>(1,528,815)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,403,398)</u>	<u>(125,417)</u>	<u>\$ (1,528,815)</u>	<u>\$ (1,528,815)</u>
Fund Balance (Deficit), beginning of year			<u>(1,403,398)</u>		
Fund Balance (Deficit), end of year			<u>\$ (1,528,815)</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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
ARP Revenue	\$ 6,704,351	\$ 5,660	\$ 6,698,691	\$ 6,704,351	\$ -
Total revenues	6,704,351	5,660	6,698,691	6,704,351	-
Expenditures					
Capital outlay - Stormwater	-	5,660	(5,660)	-	-
Total expenditures	-	5,660	(5,660)	-	-
Excess (deficiency) of revenues over expenditures	6,704,351	-	6,704,351	6,704,351	-
Other financing sources (uses)					
Transfers out	(6,704,351)	-	(6,704,351)	(6,704,351)	-
Total other financing sources (uses)	(6,704,351)	-	(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, 2023

	Special Revenue Funds	Capital Project Funds	Total
ASSETS			
Cash and cash equivalents	\$ 1,258,288	\$ 907,692	\$ 2,165,980
Accounts receivable, net	452,237	-	452,237
Due from other governments	58,083	-	58,083
Total assets	<u>\$ 1,768,608</u>	<u>\$ 907,692</u>	<u>\$ 2,676,300</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 50,558	\$ 232,660	\$ 283,218
Due to Other Funds	413,597	49,260	462,857
Total liabilities	<u>464,155</u>	<u>281,920</u>	<u>746,075</u>
Fund balances			
Restricted:			
Public safety	856,128	-	856,128
Economic and physical development	567,315	-	567,315
Assigned:			
Capital projects	-	590,257	590,257
Unassigned	(118,990)	35,515	(83,475)
Total fund balances	<u>1,304,453</u>	<u>625,772</u>	<u>1,930,225</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,768,608</u>	<u>\$ 907,692</u>	<u>\$ 2,676,300</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, 2023

	Special Revenue Funds	Capital Projects Funds	Total
Revenues			
Restricted intergovernmental	\$ 1,632,771	\$ -	\$ 1,632,771
Miscellaneous	1,030	-	1,030
Investment earnings	15,877	-	15,877
Total revenues	<u>1,649,678</u>	<u>-</u>	<u>1,649,678</u>
Expenditures			
General government	38,590	3,181,506	3,220,096
Public safety	497,747	-	497,747
Public works	44,259	166,910	211,169
Economical and physical development	947,751	1,194	948,945
Total expenditures	<u>1,528,347</u>	<u>3,349,610</u>	<u>4,877,957</u>
Excess (deficiency) of revenues over expenditures	121,331	(3,349,610)	(3,228,279)
Other financing sources (uses)			
Transfers in	146,139	70,709	216,848
Proceeds from sale of capital assets	1,140	-	1,140
Installment purchase obligations issued	-	3,414,916	3,414,916
Total other financing sources (uses)	<u>147,279</u>	<u>3,485,625</u>	<u>3,632,904</u>
Net change in fund balances	268,610	136,015	404,625
Fund balances (deficit), beginning of year	<u>1,035,843</u>	<u>489,757</u>	<u>1,525,600</u>
Fund balances (deficit), end of year	<u><u>\$ 1,304,453</u></u>	<u><u>\$ 625,772</u></u>	<u><u>\$ 1,930,225</u></u>

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023

	Community Development	Emergency Telephone System	Police Special Revenue	Grants Special Revenue	Public- Private Partnership
ASSETS					
Cash and cash equivalents	\$ 7,155	\$ 461,846	\$ 108,147	\$ 137,174	\$ 11,862
Accounts receivable, net	-	19,457	-	-	-
Due from other governments	-	-	-	9,264	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 7,155</u>	<u>\$ 481,303</u>	<u>\$ 108,147</u>	<u>\$ 146,438</u>	<u>\$ 11,862</u>
LIABILITIES AND FUND					
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Restricted:					
Public safety	-	481,303	108,147	146,438	-
Economic and physical development	7,155	-	-	-	11,862
Unassigned	-	-	-	-	-
Total fund balances	<u>7,155</u>	<u>481,303</u>	<u>108,147</u>	<u>146,438</u>	<u>11,862</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,155</u>	<u>\$ 481,303</u>	<u>\$ 108,147</u>	<u>\$ 146,438</u>	<u>\$ 11,862</u>

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023

	MPO Plan	Entitlement Cities CDBG Program	Equitable Sharing U.S. Department of Justice	Resiliency and Hazard Mitigation	FEMA Hurricane Dorian
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 120,240	\$ 43,741	\$ -
Accounts receivable, net	7,926	2,616	-	-	266,871
Due from other governments	48,819	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 56,745</u>	<u>\$ 2,616</u>	<u>\$ 120,240</u>	<u>\$ 43,741</u>	<u>\$ 266,871</u>
LIABILITIES AND FUND					
Liabilities					
Accounts payable and accrued liabilities	\$ 2,665	\$ -	\$ -	\$ 14,280	\$ -
Due to Other Funds	<u>30,730</u>	<u>2,616</u>	<u>-</u>	<u>-</u>	<u>341,513</u>
Total liabilities	<u>33,395</u>	<u>2,616</u>	<u>-</u>	<u>14,280</u>	<u>341,513</u>
Fund balances					
Restricted:					
Public safety	-	-	120,240	-	-
Economic and physical development	23,350	-	-	29,461	-
Unassigned	-	-	-	-	(74,642)
Total fund balances	<u>23,350</u>	<u>-</u>	<u>120,240</u>	<u>29,461</u>	<u>(74,642)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,745</u>	<u>\$ 2,616</u>	<u>\$ 120,240</u>	<u>\$ 43,741</u>	<u>\$ 266,871</u>

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023

	CDBG - Coronavirus Grant Fund	FEMA Hurricane Isaias	Redevelopment Fund	Grants Fund Multi-Year	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 4,889	\$ 363,234	\$ -	\$ 1,258,288
Accounts receivable, net	7,340	127,364	-	20,663	452,237
Due from other governments	-	-	-	-	58,083
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 7,340</u>	<u>\$ 132,253</u>	<u>\$ 363,234</u>	<u>\$ 20,663</u>	<u>\$ 1,768,608</u>
LIABILITIES AND FUND					
Liabilities					
Accounts payable and accrued liabilities	\$ 30,648	\$ -	\$ -	\$ 2,965	\$ 50,558
Due to Other Funds	7,340	-	-	31,398	413,597
Total liabilities	<u>37,988</u>	<u>-</u>	<u>-</u>	<u>34,363</u>	<u>464,155</u>
Fund balances					
Restricted:					
Public safety	-	-	-	-	856,128
Economic and physical development	-	132,253	363,234	-	567,315
Unassigned	(30,648)	-	-	(13,700)	(118,990)
Total fund balances	<u>(30,648)</u>	<u>132,253</u>	<u>363,234</u>	<u>(13,700)</u>	<u>1,304,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,340</u>	<u>\$ 132,253</u>	<u>\$ 363,234</u>	<u>\$ 20,663</u>	<u>\$ 1,768,608</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, 2023

	Community Development	Emergency Telephone System	Police Special Revenue	Grants Special Revenue	Public- Private Partnership
Revenues					
Restricted intergovernmental	\$ -	\$ 233,478	\$ 36,973	\$ 260,732	\$ -
Miscellaneous	1,030	-	-	-	-
Investment earnings	206	10,374	2,829	-	-
Total revenue	<u>1,236</u>	<u>243,852</u>	<u>39,802</u>	<u>260,732</u>	<u>-</u>
Expenditures					
General government	-	-	-	-	-
Public safety	-	61,923	10,740	50,845	-
Public works	-	-	-	20,000	-
Economical and physical development	-	-	-	24,179	7,950
Total expenditures	<u>-</u>	<u>61,923</u>	<u>10,740</u>	<u>95,024</u>	<u>7,950</u>
Excess (deficiency) of revenues over expenditures	1,236	181,929	29,062	165,708	(7,950)
Other financing sources (uses)					
Transfers in	-	45,170	-	-	10,000
Proceeds from sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>45,170</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Net change in fund balances	1,236	227,099	29,062	165,708	2,050
Fund balances (deficit), beginning of year	<u>5,919</u>	<u>254,204</u>	<u>79,085</u>	<u>(19,270)</u>	<u>9,812</u>
Fund balances (deficit), end of year	<u>\$ 7,155</u>	<u>\$ 481,303</u>	<u>\$ 108,147</u>	<u>\$ 146,438</u>	<u>\$ 11,862</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, 2023

Exhibit C-4
(continued)

			Equitable		
	MPO Plan	Entitlement Cities CDBG Program	Sharing U.S. Department of Justice	Resiliency and Hazard Mitigation	FEMA Hurricane Dorian
Revenues					
Restricted intergovernmental	\$ 190,520	\$ 343,702	\$ 84,561	\$ -	\$ -
Miscellaneous	-	-	-	-	-
Investment earnings	-	-	2,468	-	-
Total revenue	<u>190,520</u>	<u>343,702</u>	<u>87,029</u>	<u>-</u>	<u>-</u>
Expenditures					
General government	-	-	-	-	-
Public safety	-	-	35,813	-	-
Public works	-	-	-	-	-
Economical and physical development	<u>213,247</u>	<u>292,308</u>	<u>-</u>	<u>222,730</u>	<u>-</u>
Total expenditures	<u>213,247</u>	<u>292,308</u>	<u>35,813</u>	<u>222,730</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(22,727)	51,394	51,216	(222,730)	-
Other financing sources (uses)					
Transfers in	28,400	-	-	-	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>28,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,673	51,394	51,216	(222,730)	-
Fund balances (deficit), beginning of year	<u>17,677</u>	<u>(51,394)</u>	<u>69,024</u>	<u>252,191</u>	<u>(74,642)</u>
Fund balances (deficit), end of year	<u>\$ 23,350</u>	<u>\$ -</u>	<u>\$ 120,240</u>	<u>\$ 29,461</u>	<u>\$ (74,642)</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, 2023

	CDBG - Coronavirus Grant Fund	FEMA Hurricane Isaias	Redevelopment Fund	Grants Fund Multi-Year	Total
Revenues					
Restricted intergovernmental	\$ 112,921	\$ 15,678	\$ -	\$ 354,206	\$ 1,632,771
Miscellaneous	-	-	-	-	1,030
Investment earnings	-	-	-	-	15,877
Total revenues	<u>112,921</u>	<u>15,678</u>	<u>-</u>	<u>354,206</u>	<u>1,649,678</u>
Expenditures					
General government	-	-	38,590	-	38,590
Public safety	-	-	-	338,426	497,747
Public works	-	-	-	24,259	44,259
Economical and physical development	139,547	-	-	47,790	947,751
Total expenditures	<u>139,547</u>	<u>-</u>	<u>38,590</u>	<u>410,475</u>	<u>1,528,347</u>
Excess (deficiency) of revenues over expenditures	(26,626)	15,678	(38,590)	(56,269)	121,331
Other financing sources (uses)					
Transfers in	-	-	20,000	42,569	146,139
Proceeds from sale of capital assets	-	-	1,140	-	1,140
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>21,140</u>	<u>42,569</u>	<u>147,279</u>
Net change in fund balances	(26,626)	15,678	(17,450)	(13,700)	268,610
Fund balances (deficit), beginning of year	<u>(4,022)</u>	<u>116,575</u>	<u>380,684</u>	<u>-</u>	<u>1,035,843</u>
Fund balances (deficit), end of year	<u>\$ (30,648)</u>	<u>\$ 132,253</u>	<u>\$ 363,234</u>	<u>\$ (13,700)</u>	<u>\$ 1,304,453</u>

City of New Bern, North Carolina
Community Development
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues			
Program Income	\$ -	\$ 1,030	\$ 1,030
Investment earnings	-	206	206
Total revenues	-	1,236	1,236
Expenditures			
Economic and physical development			
Operating expenditures	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	-	1,236	1,236
Other financing sources (uses)			
Appropriated fund balance	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	\$ -	1,236	\$ 1,236
Fund Balance (Deficit), beginning of year		5,919	
Fund Balance (Deficit), end of year		\$ 7,155	

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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Wireless 911 funds	\$ 233,477	\$ 233,478	\$ 1
Investment earnings	<u>-</u>	<u>10,374</u>	<u>10,374</u>
Total revenues	<u>233,477</u>	<u>243,852</u>	<u>10,375</u>
Expenditures			
Public safety			
Operating expenditures	<u>233,477</u>	<u>61,923</u>	<u>171,554</u>
Total expenditures	<u>233,477</u>	<u>61,923</u>	<u>171,554</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>181,929</u>	<u>181,929</u>
Other financing sources (uses)			
Transfers in	<u>-</u>	<u>45,170</u>	<u>(45,170)</u>
Total other financing sources (uses)	<u>-</u>	<u>45,170</u>	<u>(45,170)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>227,099</u>	<u><u>\$ 227,099</u></u>
Fund Balance (Deficit), beginning of year		<u>254,204</u>	
Fund Balance (Deficit), end of year		<u><u>\$ 481,303</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental			
Police revenue	\$ 21,940	\$ 36,973	\$ 15,033
Investment earnings	<u>-</u>	<u>2,829</u>	<u>2,829</u>
Total revenues	<u>21,940</u>	<u>39,802</u>	<u>17,862</u>
Expenditures			
Public safety			
Operating expenditures	<u>21,940</u>	<u>10,740</u>	<u>11,200</u>
Total expenditures	<u>21,940</u>	<u>10,740</u>	<u>11,200</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>29,062</u>	<u><u>\$ 29,062</u></u>
Fund Balance (Deficit), beginning of year		<u>79,085</u>	
Fund Balance (Deficit), end of year		<u><u>\$ 108,147</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, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Police grants	\$ 150,955	\$ 77,835	\$ (73,120)
Public Works	50,000	-	(50,000)
Federal Public Assistance Disaster Grant	191,472	182,897	(8,575)
Total revenues	<u>392,427</u>	<u>260,732</u>	<u>(131,695)</u>
Expenditures			
Police			
Operating expenditures	126,232	50,845	75,387
Economic and physical development			
Operating expenditures	32,754	24,179	8,575
Public Works			
Operating expenditures	46,800	20,000	26,800
Total expenditures	<u>205,786</u>	<u>95,024</u>	<u>110,762</u>
Excess (deficiency) of revenues over expenditures	<u>186,641</u>	<u>165,708</u>	<u>(20,933)</u>
Other financing sources (uses)			
Appropriated fund balance	<u>(186,641)</u>	-	186,641
Total other financing sources (uses)	<u>(186,641)</u>	-	186,641
Net change in fund balance	<u>\$ -</u>	165,708	<u>\$ 165,708</u>
Fund Balance (Deficit), beginning of year		<u>(19,270)</u>	
Fund Balance (Deficit), end of year		<u>\$ 146,438</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
Economic and physical development			
Operating expenditures	\$ 10,000	\$ 7,950	\$ 2,050
Total expenditures	<u>10,000</u>	<u>7,950</u>	<u>2,050</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(7,950)</u>	<u>2,050</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>	2,050	<u>\$ 2,050</u>
Fund Balance (Deficit), beginning of year		<u>9,812</u>	
Fund Balance (Deficit), end of year		<u>\$ 11,862</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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
NC Department of Transportation	\$ 255,122	\$ 190,520	\$ (64,602)
Total revenues	<u>255,122</u>	<u>190,520</u>	<u>(64,602)</u>
Expenditures			
Economic and physical development			
Salaries and employee benefits	175,126	176,079	(953)
Operating expenditures	<u>111,890</u>	<u>37,168</u>	<u>74,722</u>
Total expenditures	<u>287,016</u>	<u>213,247</u>	<u>73,769</u>
Excess (deficiency) of revenues over expenditures	(31,894)	(22,727)	9,167
Other financing sources (uses)			
Transfers in	<u>28,400</u>	<u>28,400</u>	<u>-</u>
Total other financing sources (uses)	<u>31,894</u>	<u>28,400</u>	<u>(3,494)</u>
Net change in fund balance	<u>\$ -</u>	<u>5,673</u>	<u>\$ 5,673</u>
Fund Balance (Deficit), beginning of year		<u>17,677</u>	
Fund Balance (Deficit), end of year		<u>\$ 23,350</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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
NC Department of Commerce	\$ 2,567,073	\$ 1,610,456	\$ 343,702	\$ 1,954,158	\$ (612,915)
Total revenues	<u>2,567,073</u>	<u>1,610,456</u>	<u>343,702</u>	<u>1,954,158</u>	<u>(612,915)</u>
Expenditures					
Economic and physical development					
Operating expenditures	<u>2,567,073</u>	<u>1,661,850</u>	<u>292,308</u>	<u>1,954,158</u>	<u>612,915</u>
Total expenditures	<u>2,567,073</u>	<u>1,661,850</u>	<u>292,308</u>	<u>1,954,158</u>	<u>612,915</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(51,394)</u>	<u>51,394</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (51,394)</u>	<u>51,394</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance (Deficit), beginning of year			<u>(51,394)</u>		
Fund Balance (Deficit), end of year			<u>\$ -</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental			
Police grants	\$ 36,050	\$ 84,561	\$ 48,511
Investment earnings	<u>-</u>	<u>2,468</u>	<u>2,468</u>
Total revenues	<u>36,050</u>	<u>87,029</u>	<u>50,979</u>
Expenditures			
Public safety			
Operating expenditures	<u>36,050</u>	<u>35,813</u>	<u>237</u>
Total expenditures	<u>36,050</u>	<u>35,813</u>	<u>237</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>51,216</u>	<u>51,216</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>51,216</u>	<u><u>\$ 51,216</u></u>
Fund Balance (Deficit), beginning of year		<u>69,024</u>	
Fund Balance (Deficit), end of year		<u><u>\$ 120,240</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, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total Project to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental					
NC Department of Env Quality	\$ 183,000	\$ 33,000	\$ -	\$ 33,000	\$ (150,000)
Foundation Grants	608,500	453,500	-	453,500	(155,000)
Total revenues	791,500	486,500	-	486,500	(305,000)
Expenditures					
Economic and physical development					
Other Professional Services	791,500	234,309	222,730	457,039	334,461
Total expenditures	791,500	234,309	222,730	457,039	334,461
Excess (deficiency) of revenues over expenditures	-	252,191	(222,730)	29,461	29,461
Net change in fund balance	\$ -	\$ 252,191	(222,730)	\$ 29,461	\$ 29,461
Fund Balance (Deficit), beginning of year			252,191		
Fund Balance (Deficit), end of year			\$ 29,461		

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, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total Project to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Restricted intergovernmental					
Federal Public Disaster Assistance					
Grant	\$ 1,125,000	\$ 1,071,723	\$ -	\$ 1,071,723	\$ (53,277)
State Public Disaster Assistance					
Grant	375,000	353,499	-	353,499	(21,501)
Total revenues	<u>1,500,000</u>	<u>1,425,222</u>	<u>-</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	-

(continued)

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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
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
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>(74,642)</u>	<u>-</u>	<u>(74,642)</u>	<u>(74,642)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (74,642)</u>	<u>-</u>	<u>\$ (74,642)</u>	<u>\$ (74,642)</u>
Fund Balance (Deficit), beginning of year			<u>(74,642)</u>		
Fund Balance (Deficit), end of year			<u>\$ (74,642)</u>		



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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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
NC Department of Commerce	\$ 346,735	\$ 83,700	\$ 112,921	\$ 196,621	\$ (150,114)
Total revenues	<u>346,735</u>	<u>83,700</u>	<u>112,921</u>	<u>196,621</u>	<u>(150,114)</u>
Expenditures					
Economic and physical development					
Other Professional Services	<u>346,735</u>	<u>87,722</u>	<u>139,547</u>	<u>227,269</u>	<u>119,466</u>
Total expenditures	<u>346,735</u>	<u>87,722</u>	<u>139,547</u>	<u>227,269</u>	<u>119,466</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(4,022)</u>	<u>(26,626)</u>	<u>(30,648)</u>	<u>(30,648)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (4,022)</u>	<u>(26,626)</u>	<u>\$ (30,648)</u>	<u>\$ (30,648)</u>
Fund Balance (Deficit), beginning of year			<u>(4,022)</u>		
Fund Balance (Deficit), end of year			<u>\$ (30,648)</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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal Public Disaster Assistance Grant	\$ 562,500	\$ 505,305	\$ 15,678	\$ 520,983	\$ (41,517)
State Public Disaster Assistance Grant	187,500	168,435	-	168,435	(19,065)
Total revenues	750,000	673,740	15,678	689,418	(60,582)
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

(continued)

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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
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
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	-	116,575	15,678	132,253	132,253
Net change in fund balance	\$ -	\$ 116,575	15,678	\$ 132,253	\$ 132,253
Fund Balance (Deficit), beginning of year			116,575		
Fund Balance (Deficit), end of year			\$ 132,253		

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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
General Government			
Operating expenditures	\$ 96,710	\$ 38,590	\$ 58,120
Total expenditures	<u>96,710</u>	<u>38,590</u>	<u>58,120</u>
Other Financing Sources (Uses)			
Transfers in	20,000	20,000	-
Proceeds from the sale of capital assets	-	1,140	1,140
Total other financing sources (uses)	<u>20,000</u>	<u>21,140</u>	<u>1,140</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>(76,710)</u>	<u>(17,450)</u>	<u>59,260</u>
Fund balance appropriated	<u>76,710</u>	<u>-</u>	<u>(76,710)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>(17,450)</u></u>	<u><u>\$ (17,450)</u></u>
Fund Balance (Deficit), beginning of year		<u>380,684</u>	
Fund Balance (Deficit), end of year		<u><u>\$ 363,234</u></u>	

City of New Bern, North Carolina
Grant Funds - Multi-Year
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Police grants	\$ 397,791	\$ 26,201	\$ (371,590)
Fire grants	280,273	280,274	1
EPA Brownsfield Grant	500,000	2,731	(497,269)
Foundation grant	249,760	-	(249,760)
Federal Public Assistance Disaster Grant	964,807	-	(964,807)
State grants	155,809	45,000	(110,809)
Miscellaneous	36,937	-	(36,937)
Total revenues	<u>2,585,377</u>	<u>354,206</u>	<u>(2,231,171)</u>
Expenditures			
Police			
Operating expenditures	412,683	33,975	378,708
Fire			
Operating expenditures	307,951	304,451	3,500
Cultural and recreational			
Operating expenditures	147,746	-	147,746
Economic and physical development			
Operating expenditures	1,509,807	47,790	1,462,017
Public Works			
Operating expenditures	249,760	24,259	225,501
Total expenditures	<u>2,627,947</u>	<u>410,475</u>	<u>2,217,472</u>
Excess (deficiency) of revenues over	<u>(42,570)</u>	<u>(56,269)</u>	<u>(13,699)</u>
Other financing sources (uses)			
Transfers in	42,570	42,569	(1)
Total other financing sources (uses)	<u>42,570</u>	<u>42,569</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	<u>(13,700)</u>	<u>\$ (13,700)</u>
Fund Balance (Deficit), beginning of year		-	
Fund Balance (Deficit), end of year		<u>\$ (13,700)</u>	

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2023

	General Capital Project	IT Network Merger	Roadway Improvement Project	Martin Marietta Park Project	ERP Project
ASSETS					
Cash and cash equivalents	\$ 51,614	\$ 8,022	\$ 124,106	\$ 63,624	\$ 222,091
Total assets	<u>\$ 51,614</u>	<u>\$ 8,022</u>	<u>\$ 124,106</u>	<u>\$ 63,624</u>	<u>\$ 222,091</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable & accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Restricted:					
Public Works	-	-	124,106	63,624	-
Assigned:					
Capital projects	51,614	8,022	-	-	222,091
Unassigned	-	-	-	-	-
Total fund balances	<u>51,614</u>	<u>8,022</u>	<u>124,106</u>	<u>63,624</u>	<u>222,091</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,614</u>	<u>\$ 8,022</u>	<u>\$ 124,106</u>	<u>\$ 63,624</u>	<u>\$ 222,091</u>

(continued)

City of New Bern, North Carolina
Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2023

	Drainage Improvement Project	City Hall Renovation Project	North Hills Drainage Study Fund	Total
ASSETS				
Cash and cash equivalents	\$ 308,530	\$ 129,705	\$ -	\$ 907,692
Total assets	<u>\$ 308,530</u>	<u>\$ 129,705</u>	<u>\$ -</u>	<u>\$ 907,692</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable & accrued liabilities	\$ -	\$ 232,660	\$ -	\$ 232,660
Due to Other Funds	-	-	49,260	49,260
Total liabilities	<u>-</u>	<u>232,660</u>	<u>49,260</u>	<u>281,920</u>
Fund balances				
Restricted:				
Public Works	-	-	-	187,730
Assigned:				
Capital projects	308,530	-	-	590,257
Unassigned	<u>-</u>	<u>(102,955)</u>	<u>(49,260)</u>	<u>(152,215)</u>
Total fund balances	<u>308,530</u>	<u>(102,955)</u>	<u>(49,260)</u>	<u>625,772</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 308,530</u>	<u>\$ 129,705</u>	<u>\$ -</u>	<u>\$ 907,692</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, 2023

	General Capital Project	IT Network Merger	Roadway Improvement Project	Martin Marietta Park Project	ERP Project
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures					
General government	-	-	-	-	-
Public works	-	-	19,627	-	13,321
Economic and physical development	-	1,194	-	-	-
Total expenditures	-	1,194	19,627	-	13,321
Excess (deficiency) of revenues over expenditures	-	(1,194)	(19,627)	-	(13,321)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Installment purchase obligations issued	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	(1,194)	(19,627)	-	(13,321)
Fund balances (deficit), beginning of year	51,614	9,216	143,733	63,624	235,412
Fund balances (deficit), end of year	<u>\$ 51,614</u>	<u>\$ 8,022</u>	<u>\$ 124,106</u>	<u>\$ 63,624</u>	<u>\$ 222,091</u>

(continued)

City of New Bern, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects
For the Year Ended June 30, 2023

	Drainage Improvement Project	City Hall Renovation Project	North Hills Drainage Study Fund	Total
Revenues				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
General government	-	3,181,506	-	3,181,506
Public works	99,072	-	34,890	166,910
Economic and physical development	-	-	-	1,194
Total expenditures	99,072	3,181,506	34,890	3,349,610
Excess (deficiency) of revenues over expenditures	(99,072)	(3,181,506)	(34,890)	(3,349,610)
Other financing sources (uses)				
Transfers in	-	70,709	-	70,709
Installment purchase obligations issued	-	3,414,916	-	3,414,916
Total other financing sources (uses)	-	3,485,625	-	3,485,625
Net change in fund balances	(99,072)	304,119	(34,890)	136,015
Fund balances (deficit), beginning of year	407,602	(407,074)	(14,370)	489,757
Fund balances (deficit), end of year	\$ 308,530	\$ (102,955)	\$ (49,260)	\$ 625,772

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, 2023

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

City of New Bern, North Carolina
IT Network Merger
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Expenditures					
Economic and physical development					
Engineering services	\$ 150,000	\$ 139,380	\$ 1,194	\$ 140,574	\$ 9,426
Capital outlay	335,500	371,904	-	371,904	(36,404)
Contingency	35,000	-	-	-	35,000
Total expenditures	<u>520,500</u>	<u>511,284</u>	<u>1,194</u>	<u>512,478</u>	<u>8,022</u>
Deficiency of revenues under expenditures	(520,500)	(511,284)	(1,194)	(512,478)	8,022
Other financing sources (uses)					
Transfer from other funds	-	520,500	-	520,500	520,500
Installment purchase obligations issued	520,500	-	-	-	(520,500)
Total other financing sources (uses)	<u>520,500</u>	<u>520,500</u>	<u>-</u>	<u>520,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,216</u>	<u>(1,194)</u>	<u>\$ 8,022</u>	<u>\$ 8,022</u>
Fund Balance (Deficit), beginning of year			<u>9,216</u>		
Fund Balance (Deficit), end of year			<u>\$ 8,022</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, 2023

	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>6,144,294</u>	<u>19,627</u>	<u>6,163,921</u>	<u>146,079</u>
Total expenditures	<u>6,310,000</u>	<u>6,144,294</u>	<u>19,627</u>	<u>6,163,921</u>	<u>146,079</u>
Deficiency of revenues under expenditures	(5,623,000)	(5,457,155)	(19,627)	(5,476,782)	146,218
Other financing sources (uses)					
Transfers in	4,000,888	4,000,888	-	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>5,600,888</u>	<u>-</u>	<u>5,600,888</u>	<u>(22,112)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 143,733</u>	<u>(19,627)</u>	<u>\$ 124,106</u>	<u>\$ 124,106</u>
Fund Balance (Deficit), beginning of year			<u>143,733</u>		
Fund Balance (Deficit), end of year			<u>\$ 124,106</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, 2023

	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>572,500</u>	<u>-</u>	<u>572,500</u>	<u>-</u>
Expenditures					
Public works					
Capital outlay	655,000	591,376	-	591,376	63,624
Total expenditures	<u>655,000</u>	<u>591,376</u>	<u>-</u>	<u>591,376</u>	<u>63,624</u>
Deficiency of revenues under expenditures	(82,500)	(18,876)	-	(18,876)	63,624
Other financing sources (uses)					
Transfers in	<u>82,500</u>	<u>82,500</u>	<u>-</u>	<u>82,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 63,624</u>	<u>-</u>	<u>\$ 63,624</u>	<u>\$ 63,624</u>
Fund Balance (Deficit), beginning of year			<u>63,624</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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 15,624	\$ -	\$ 15,624	\$ 15,624
Total revenues	-	15,624	-	15,624	15,624
Expenditures					
Public works					
Capital outlay	1,350,000	953,025	13,321	966,346	383,654
Capital outlay - transferred to Enterprise Funds	-	(457,813)	-	(457,813)	457,813
Total expenditures	1,350,000	495,212	13,321	508,533	841,467
Deficiency of revenues under expenditures	(1,350,000)	(479,588)	(13,321)	(492,909)	857,091
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	\$ -	\$ 235,412	(13,321)	\$ 222,091	\$ 222,091
Fund Balance (Deficit), beginning of year			235,412		
Fund Balance (Deficit), end of year			\$ 222,091		

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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 51,969	\$ -	\$ 51,969	\$ 51,969
State Grants	2,586,291	-	-	-	(2,586,291)
Miscellaneous	384,000	-	-	-	(384,000)
Total revenues	<u>2,970,291</u>	<u>51,969</u>	<u>-</u>	<u>51,969</u>	<u>(2,918,322)</u>
Expenditures					
Public works					
Capital outlay	4,645,291	1,319,367	99,072	1,418,439	3,226,852
Total expenditures	<u>4,645,291</u>	<u>1,319,367</u>	<u>99,072</u>	<u>1,418,439</u>	<u>3,226,852</u>
Deficiency of revenues under expenditures	(1,675,000)	(1,267,398)	(99,072)	(1,366,470)	308,530
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>\$ 407,602</u>	<u>(99,072)</u>	<u>\$ 308,530</u>	<u>\$ 308,530</u>
Fund Balance (Deficit), beginning of year			<u>407,602</u>		
Fund Balance (Deficit), end of year			<u>\$ 308,530</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, 2023

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
General Government					
Capital outlay	<u>4,376,709</u>	<u>813,074</u>	<u>3,181,506</u>	<u>3,994,580</u>	<u>382,129</u>
Total expenditures	<u>4,376,709</u>	<u>813,074</u>	<u>3,181,506</u>	<u>3,994,580</u>	<u>382,129</u>
Deficiency of revenues under expenditures	(4,376,709)	(813,074)	(3,181,506)	(3,994,580)	382,129
Other financing sources (uses)					
Transfers in	476,709	406,000	70,709	476,709	-
Installment purchase obligations issued	<u>3,900,000</u>	<u>-</u>	<u>3,414,916</u>	<u>3,414,916</u>	<u>(485,084)</u>
Total other financing sources (uses)	<u>4,376,709</u>	<u>406,000</u>	<u>3,485,625</u>	<u>3,891,625</u>	<u>(485,084)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (407,074)</u>	304,119	<u>\$ (102,955)</u>	<u>\$ (102,955)</u>
Fund Balance (Deficit), beginning of year			<u>(407,074)</u>		
Fund Balance (Deficit), end of year			<u>\$ (102,955)</u>		

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, 2023

		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	34,890	49,260	25,740
Net change in fund balance	<u>\$ -</u>	<u>\$ (14,370)</u>	<u>(34,890)</u>	<u>\$ (49,260)</u>	<u>\$ (49,260)</u>
Fund Balance (Deficit), beginning of year			<u>(14,370)</u>		
Fund Balance (Deficit), end of year			<u>\$ (49,260)</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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating revenues			
Electric charges	\$ 53,428,231	\$ 51,269,934	\$ (2,158,297)
Miscellaneous	40,500	135,662	95,162
Nonoperating revenues			
Investment earnings	12,072	519,781	507,709
Interfund reimbursements	2,053,652	2,053,652	-
Total revenues	<u>55,534,455</u>	<u>53,979,029</u>	<u>(1,555,426)</u>
Expenditures:			
Administration	5,888,837	5,044,195	844,642
Production	37,816,621	37,976,258	(159,637)
Distribution	7,478,963	7,277,719	201,244
Reimbursed expenditures - General Fund	2,073,889	2,073,889	-
Capital outlay	1,361,593	1,058,476	303,117
Debt service	1,552,111	1,823,104	(270,993)
Total expenditures	<u>56,172,014</u>	<u>55,253,641</u>	<u>918,373</u>
Revenues over (under) expenditures	<u>(637,559)</u>	<u>(1,274,612)</u>	<u>(637,053)</u>
Other financing sources (uses):			
Gain/(loss) on sale of assets	5,000	-	(5,000)
Lease and IT subscription liabilities issued	-	732,453	732,453
Appropriated fund balance	3,701,822	-	(3,701,822)
Transfers out	(2,645,443)	(2,645,443)	-
Transfers out - payments in lieu of taxes	(423,820)	(423,820)	-
Total other financing sources (uses)	<u>637,559</u>	<u>(2,336,810)</u>	<u>(2,974,369)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>(3,611,422)</u>	<u>\$ (3,611,422)</u>
Reconciliation from budgetary basis (modified accrual to full accrual):			
Capital outlays		1,550,178	
Payments of debt service - principal		1,480,491	
Proceeds from lease and IT subscription liabilities issued		(732,453)	
Right to use leased assets		1,052,453	
Amortization on Right to use leased assets		(350,324)	
Payments of lease and IT subscription liabilities - principal		255,377	
Change in accrued interest		612	
Increase in compensated absences		(15,517)	
Bad debt expense		(161,370)	
Change in net pension liability and related deferred inflows / outflows		(206,084)	
Depreciation expense		(2,318,423)	
Electric Rate Stabilization Fund - interest income		2	
2019 Electrical Improvements Fund - foundation grants		128,716	
2019 Electrical Improvements Fund - expenses not capitalized		(1,089)	
2019 Electrical Improvements Fund - reimbursements from other governments		1,175,878	
Make Ready Broadband - Sales and Services		168,375	
Total reconciling items		<u>2,026,822</u>	
Change in net position		<u>\$ (1,584,600)</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ -	\$ 2	\$ 2
Total	<u>-</u>	<u>2</u>	<u>2</u>
Revenues over (under) expenditures	<u>-</u>	<u>2</u>	<u>2</u>
Other financing sources (uses):			
Appropriated fund balance	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 2</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, 2023

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues					
Foundation Grants	\$ 361,533	\$ 232,817	\$ 128,716	\$ 361,533	\$ -
Total revenues	<u>361,533</u>	<u>232,817</u>	<u>128,716</u>	<u>361,533</u>	<u>-</u>
Expenditures					
Electrical Improvements	1,994,359	1,828,248	1,089	1,829,337	165,022
NCDOT Improvements	5,301,814	1,060,642	787,914	1,848,556	3,453,258
Total expenditures	<u>7,296,173</u>	<u>2,888,890</u>	<u>789,003</u>	<u>3,677,893</u>	<u>3,618,280</u>
Revenues over (under) expenditures	<u>(6,934,640)</u>	<u>(2,656,073)</u>	<u>(660,287)</u>	<u>(3,316,360)</u>	<u>3,618,280</u>
Other financing sources (uses):					
Transfer in - Electric Fund	1,632,826	1,632,826	-	1,632,826	-
Transfer out	(500,000)	-	-	-	500,000
Other Reimbursements	5,801,814	2,038,729	1,175,878	3,214,607	(2,587,207)
Total financing sources (uses)	<u>6,934,640</u>	<u>3,671,555</u>	<u>1,175,878</u>	<u>4,847,433</u>	<u>(2,087,207)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 1,015,482</u>	<u>\$ 515,591</u>	<u>\$ 1,531,073</u>	<u>\$ 1,531,073</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, 2023

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Expenditures					
Electrical Improvements	\$ 1,000,000	\$ 102,298	\$ 188,537	\$ 290,835	\$ 709,165
Total expenditures	<u>1,000,000</u>	<u>102,298</u>	<u>188,537</u>	<u>290,835</u>	<u>709,165</u>
Revenues over (under) expenditures	<u>(1,000,000)</u>	<u>(102,298)</u>	<u>(188,537)</u>	<u>(290,835)</u>	<u>709,165</u>
Other financing sources (uses):					
Transfer in - Electric Fund	<u>1,000,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>(500,000)</u>
Total financing sources (uses)	<u>1,000,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>(500,000)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ 397,702</u>	<u>\$ (188,537)</u>	<u>\$ 209,165</u>	<u>\$ 209,165</u>

City of New Bern, North Carolina
Make Ready Broadband Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

	Project Authorization	Prior Years	Current Year	Completed Projects	Total to Date	Variance Positive (Negative)
Revenues						
Customer Fees	\$ -	\$ 41,208	\$ 168,375	\$ -	\$ 209,583	\$ 209,583
Total revenues	-	41,208	168,375	-	209,583	209,583
Expenditures						
Capital Outlay						
Water Fund	20,000	5,371	-	-	5,371	14,629
Sewer Fund	20,000	2,456	-	-	2,456	17,544
General Fund (Stormwater)	25,000	-	-	-	-	25,000
Electric Fund	3,000,000	72,302	147,613	-	219,915	2,780,085
Total expenditures	3,065,000	80,129	147,613	-	227,742	2,837,258
Revenues over (under) expenditures	(3,065,000)	(38,921)	20,762	-	(18,159)	3,046,841
Other financing sources (uses):						
Transfer in - Electric Fund	3,065,000	2,936,964	-	-	2,936,964	(128,036)
Total financing sources (uses)	3,065,000	2,936,964	-	-	2,936,964	(128,036)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ 2,898,043	\$ 20,762	\$ -	\$2,918,805	\$2,918,805

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, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Rates and charges	\$ 10,750,000	\$ 10,772,040	\$ 22,040
Miscellaneous	615,000	375,694	(239,306)
Nonoperating revenues			
Investment earnings	1,500	413,067	411,567
Leases revenue	225,000	193,794	(31,206)
Interfund reimbursements	408,242	408,242	-
Total revenues	<u>11,999,742</u>	<u>12,162,837</u>	<u>163,095</u>
Expenditures:			
Administration	832,017	821,438	10,579
System maintenance and extensions	2,540,502	2,475,711	64,791
Reimbursed expenditures - General Fund	2,245,293	2,245,293	-
Treatment	2,801,252	2,545,069	256,183
Capital outlay	1,088,772	708,159	380,613
Debt Service	2,809,884	2,821,580	(11,696)
Bad Debt Expense	200,000	49,873	150,127
Total expenditures	<u>12,517,720</u>	<u>11,667,123</u>	<u>850,597</u>
Revenues over (under) expenditures	<u>(517,978)</u>	<u>495,714</u>	<u>1,013,692</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	6,000	6,917	917
Transfers out	(1,712,042)	(1,712,042)	-
Transfers out - payment in lieu of taxes	(341,970)	(341,970)	-
Budgeted use of fund balance	2,565,990	-	(2,565,990)
Total other financing sources (uses)	<u>517,978</u>	<u>(2,047,095)</u>	<u>(2,565,073)</u>
Revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>(1,551,381)</u>	<u>\$ (1,551,381)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Capital outlays		1,471,630	
Amortization on Right to use leased assets		(11,850)	
Payments of lease liabilities - principal		11,701	
Payments of debt service - principal		2,477,797	
Change in compensated absences		(7,402)	
Change in net pension liability and related deferred inflows / outflows		(103,433)	
Change in accrued interest		14,786	
Depreciation expense		(1,744,459)	
Water Capital Reserve Fund - Interest		14,374	
Water Capital Reserve Fund - Transfer Out		(900,000)	
New Bern West Water System Capital Improvement - Transfer In		88,500	
Southeast Water System Improvement - Transfer In		386,600	
Southeast Water System Improvement - Expenditures not capitalized		(763,472)	
NCDOT Water System Improvements - Transfer In		2,230,715	
Township 7 Sewer Improvements Capital Project Fund - Transfer In		1,236,942	
Net income (loss)		<u>\$ 2,851,048</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, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ 275	\$ 14,374	\$ 14,099
Total revenues	<u>275</u>	<u>14,374</u>	<u>14,099</u>
Expenditures:			
Capital outlays	<u>275</u>	<u>-</u>	<u>275</u>
Total expenditures	<u>275</u>	<u>-</u>	<u>275</u>
Revenues over (under) expenditures	<u>-</u>	<u>14,374</u>	<u>14,374</u>
Other financing sources (uses):			
Transfers out	(900,000)	(900,000)	-
Appropriation of fund balance	<u>900,000</u>	<u>-</u>	<u>(900,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>(900,000)</u>	<u>(900,000)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (885,626)</u>	<u>\$ (885,626)</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, 2023

		Actual			Variance
	Project	Prior Years	Current Years	Total	Positive
	Authorization				(Negative)
Expenditures					
Capital outlays	\$ 858,500	\$ 360,468	\$ 15,715	\$ 376,183	\$ 482,317
Revenues over (under)					
expenditures	(858,500)	(360,468)	(15,715)	(376,183)	482,317
Other financing sources (uses):					
Transfer in	858,500	385,000	88,500	473,500	(385,000)
Total other financing					
sources (uses)	858,500	385,000	88,500	473,500	(385,000)
Net change in fund balance	\$ -	\$ 24,532	\$ 72,785	\$ 97,317	\$ 97,317

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, 2023

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
Revenues					
Insurance proceeds	\$ 488,400	\$ 488,400	\$ -	\$ 488,400	\$ -
Expenditures					
Water Improvements	875,000	-	763,472	763,472	111,528
Revenues over (under)					
expenditures	(386,600)	488,400	(763,472)	(275,072)	111,528
Other financing sources (uses):					
Transfer in	386,600	-	386,600	386,600	-
Total other financing					
sources (uses)	386,600	-	386,600	386,600	-
Net change in fund balance	\$ -	\$ 488,400	\$ (376,872)	\$ 111,528	\$ 111,528

City of New Bern, North Carolina
NCDOT Water & System Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
Expenditures					
Capital Outlay	\$ 2,230,715	\$ -	\$ -	\$ -	\$ 2,230,715
Revenues over (under)					
expenditures	(2,230,715)	-	-	-	2,230,715
Other financing sources (uses):					
Transfer in	2,230,715	-	2,230,715	2,230,715	-
Total other financing					
sources (uses)	2,230,715	-	2,230,715	2,230,715	-
Net change in fund balance	\$ -	\$ -	\$ 2,230,715	\$ 2,230,715	\$ 2,230,715

City of New Bern, North Carolina
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Sewer charges	\$ 12,005,000	\$ 11,911,757	\$ (93,243)
Nonoperating revenues			
Interest	197,463	207,267	9,804
Miscellaneous	565,000	572,460	7,460
Total revenues	<u>12,767,463</u>	<u>12,691,484</u>	<u>(75,979)</u>
Expenditures:			
System maintenance and extension	4,286,709	3,738,270	548,439
Reimbursed Expenditures	215,533	215,533	-
Treatment	3,880,826	3,506,757	374,069
Shared services	2,483,213	2,483,213	-
Capital outlay	1,253,820	940,684	313,136
Debt Service	2,381,550	2,381,802	(252)
Total expenditures	<u>14,501,651</u>	<u>13,266,259</u>	<u>1,235,392</u>
Revenues over (under) expenditures	(1,734,188)	(574,775)	1,159,413
Other financing sources (uses):			
Appropriation of net position	6,584,312	-	(6,584,312)
Proceeds from sale of capital assets	5,000	14,582	9,582
Transfers out - payment in lieu of taxes	(506,593)	(506,593)	-
Transfers out	(4,603,531)	(2,865,350)	1,738,181
Transfers in	255,000	281,618	26,618
Total other financing sources (uses)	<u>1,734,188</u>	<u>(3,075,743)</u>	<u>(4,809,931)</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>(3,650,518)</u>	<u>\$ (3,650,518)</u>

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

Capital outlays	940,634
Amortization on Right to use leased assets	(1,196)
Payments of lease liabilities - principal	1,226
Payments of debt service - principal	2,335,136
Increase in compensated absences	(24,106)
Change in net pension liability and related deferred inflows / outflows	(107,694)
Bad debt expense	(68,353)
Depreciation expense	(2,310,067)
Sewer Capital Reserve Fund - Transfer	(761,365)
Sewer Debt Service Reserve Fund - Interest	5,579
Sewer Debt Service Reserve Fund - Transfer Out	(281,618)
Township 7 Sewer Improvements Capital Project Fund - Transfer In	2,296,000
Township 7 Sewer Improvements Capital Project Fund - Expensed purchases	(48,668)
Sewer Capital Reserve Fund - Interest	1,304
Change in net position	<u>\$ (1,673,706)</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, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Interest	\$ 100	\$ 1,304	\$ 1,204
Total revenues	<u>100</u>	<u>1,304</u>	<u>1,204</u>
Expenditures:			
Capital outlay	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>100</u>	<u>-</u>	<u>(100)</u>
Other financing sources (uses):			
Appropriation of fund balance	761,365	-	(761,365)
Transfers out	<u>(761,365)</u>	<u>(761,365)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(761,365)</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (760,061)</u>	<u>\$ 1,304</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, 2023

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
Revenue					
Golden Leaf Foundation Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Expenditures					
Sewer Improvements	10,238,362	-	3,103,182	3,103,182	7,135,180
Other Equipment	175,000	-	122,675	122,675	52,325
Engineering & Professional Service	657,223	540,279	48,668	588,947	68,276
Water Improvements	1,236,942	-	377,806	377,806	859,136
Land Right-of-Way	30,000	12,990	-	12,990	17,010
Total expenditures	12,337,527	553,269	3,652,331	4,205,600	8,131,927
Revenues over (under) expenditures	(11,837,527)	(553,269)	(3,652,331)	(4,205,600)	7,631,927
Other financing sources (uses):					
Transfer in - Sewer	5,731,404	687,223	2,296,000	2,983,223	(2,748,181)
Transfer in - Water	1,236,942	-	1,236,942	1,236,942	-
Loan proceeds	4,869,181	-	-	-	(4,869,181)
Total other financing sources (uses)	11,837,527	687,223	3,532,942	4,220,165	(7,617,362)
Revenues and other financing sources over (under) expenditures and other uses	\$ -	\$ 133,954	\$ (119,389)	\$ 14,565	\$ 14,565

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, 2023

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 5,579	\$ 5,579
Total revenues	<u>-</u>	<u>5,579</u>	<u>5,579</u>
Expenditures:			
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>5,579</u>	<u>5,579</u>
Other financing sources (uses):			
Transfers out	(281,618)	(281,618)	-
Fund balance appropriated	<u>281,618</u>	<u>-</u>	<u>(281,618)</u>
Total other financing sources (uses)	<u>-</u>	<u>(281,618)</u>	<u>(281,618)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u><u>\$ -</u></u>	<u><u>\$ (276,039)</u></u>	<u><u>\$ (276,039)</u></u>

City of New Bern, North Carolina
Northwest Interceptor Rehabilitation Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
From Inception and for the Fiscal Year Ended June 30, 2023

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
Revenues					
NC DEQ Funding	\$ 230,000	\$ -	\$ -	\$ -	\$ (230,000)
Expenditures					
Sewer Improvements	1,244,166	-	-	-	1,244,166
Revenues over (under)					
expenditures	(1,014,166)	-	-	-	1,014,166
Other financing sources (uses):					
Loan proceeds	1,014,166	-	-	-	(1,014,166)
Total other financing					
sources (uses)	1,014,166	-	-	-	(1,014,166)
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, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating revenues			
Collection fees	\$ 3,641,871	\$ 3,918,552	\$ 276,681
Nonoperating revenues			
Interest	-	38,676	38,676
Total revenues	<u>3,641,871</u>	<u>3,957,228</u>	<u>315,357</u>
Expenditures:			
Administration	3,390,061	3,337,126	52,935
Shared services	180,330	180,330	-
Reimbursed Expenditures	16,905	16,905	-
Capital outlay	521,299	455,661	65,638
Debt Service	7,202	7,483	(281)
Total expenditures	<u>4,115,797</u>	<u>3,997,505</u>	<u>(118,292)</u>
Revenues over (under) expenditures	(473,926)	(40,277)	433,649
Other financing sources (uses):			
Appropriated fund balance	479,276	-	(479,276)
Transfers out - payment in lieu of taxes	(5,350)	(5,350)	-
Total other financing sources (uses)	<u>473,926</u>	<u>(5,350)</u>	<u>(479,276)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	(45,627)	<u>\$ (45,627)</u>

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

Capital outlays	455,661
Amortization on Right to use leased assets	(274)
Payments of lease liabilities - principal	281
Payments of debt service - principal	6,886
Change in compensated absences	(10,109)
Change in net pension liability and related deferred inflows / outflows	(14,905)
Bad debt expense	(13,364)
Depreciation expense	(132,166)
Change in accrued interest payable	53
Change in net position	<u>\$ 246,436</u>



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OTHER SCHEDULES

This section contains additional information required
on property taxes.

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



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City of New Bern, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2023

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2022</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	\$ -	\$ 17,297,474	\$ 17,175,296	\$ 122,178
2021-2022	140,368	-	49,581	90,787
2020-2021	49,914	-	14,748	35,166
2019-2020	33,485	-	9,072	24,413
2018-2019	25,902	-	1,052	24,850
2017-2018	16,986	-	1,296	15,690
2016-2017	15,920	-	794	15,126
2015-2016	11,513	-	400	11,113
2014-2015	10,602	-	362	10,240
2013-2014	26,098	-	552	25,546
2012-2013	34,525	-	34,525	-
	<u>\$ 365,313</u>	<u>\$ 17,297,474</u>	<u>\$ 17,287,678</u>	<u>\$ 375,109</u>
Plus: Municipal Service District taxes receivable, all years, net of allowance				286
Plus: Ad Valorem Un-Tagged MV-Current				2,119
Plus: Penalties				5,179
Less allowance for uncollectible accounts - General Fund				(246,043)
Ad valorem taxes receivable - net				<u>\$ 136,650</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 17,664,134
Reconciling items:				
Interest collected				(52,477)
Amounts written off per statute				34,525
Releases, ad valorem				2,662
MV Fee, Adjustments				(153,307)
Less: Municipal Service District taxes, penalty, and interest collected in all years				(207,859)
Total collections and credits				<u>\$ 17,287,678</u>

City of New Bern, North Carolina
Analysis of Current Tax Levy
City - Wide Levy
For the Year Ended June 30, 2023

	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	<u>\$ 3,176,506,282</u>	0.4822	<u>\$ 17,178,141</u>	<u>\$ 15,334,580</u>	<u>\$ 1,843,561</u>
Total	<u>3,176,506,282</u>		<u>17,178,141</u>	<u>15,334,580</u>	<u>1,843,561</u>
Discoveries					
Current year taxes	39,907,484	0.4822	192,313	192,313	-
Penalties	-	0.4822	5,695	5,695	-
Total	<u>39,907,484</u>		<u>198,008</u>	<u>198,008</u>	<u>-</u>
Adjustments	<u>(11,349,689)</u>	0.4822	<u>(78,675)</u>	<u>(78,675)</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 3,205,064,077</u></u>				
Net levy			17,297,474	15,453,913	1,843,561
Uncollected taxes at June 30, 2023			<u>122,178</u>	<u>122,178</u>	<u>-</u>
Current year's taxes collected			<u><u>\$ 17,175,296</u></u>	<u><u>\$ 15,331,735</u></u>	<u><u>\$ 1,843,561</u></u>
Current levy collection percentage			<u><u>99.29%</u></u>	<u><u>99.21%</u></u>	<u><u>100.00%</u></u>

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> 129
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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	133
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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	145
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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	148
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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

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



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City of New Bern, North Carolina

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 60,266,469
Restricted	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	15,092,332
Unrestricted	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)	(28,739,400)
Total governmental activities net assets	\$ 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	\$ 46,619,401
Business-type activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 133,630,457
Restricted	\$ -	\$ -	\$ -	\$ 1,163,329	\$ 1,413,444	\$ 1,148,415	\$ -	\$ -	\$ -	\$ -
Unrestricted	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	37,444,116
Total business-type activities net assets	\$ 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	\$ 171,074,573
Primary government:										
Invested in capital assets, net of related debt	\$ 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	\$ 193,896,926
Restricted	5,672,057	6,181,074	5,857,526	8,124,454	8,266,729	23,069,293	13,277,311	17,387,846	2,115,030	15,092,332
Unrestricted	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	8,704,716
Total primary government net assets	\$ 166,572,673	\$ 174,799,960	\$ 194,737,252	\$ 201,366,975	\$ 186,425,110	\$ 182,900,013	\$ 194,024,470	\$ 199,226,435	\$ 198,512,612	\$ 217,693,974

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)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 3,020,424
Public safety	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	22,503,075
Public Works	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	9,212,747
Environmental protection	1,825,829	1,616,542	2,152,786	2,669,329	-	-	-	-	-	-
Culture and recreation	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	4,213,509
Economic and physical development	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	3,426,497
Interest on long-term debt	342,703	384,309	283,245	173,584	160,982	215,138	171,712	223,485	267,717	323,747
Total governmental activities expenses	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	42,699,999
Business-type activities:										
Electric	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	52,370,071
Water	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	9,994,903
Sewer	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	13,066,506
Stormwater	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	3,723,481
Total business-type activities expenses	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	79,154,961
Total primary government expenses	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	121,854,960
Program revenue:										
Governmental activities:										
Charges for services:										
General government	1,591,361	1,282,636	642,598	269,579	297,137	128,798	376,563	403,725	368,078	848,460
Public safety	337,912	270,426	225,570	250,973	299,447	301,999	461,020	289,691	82,410	119,256
Public Works	11,000	2,878,437	141,675	85,165	2,991,246	41,031	51,223	53,076	90,779	70,287
Environmental protection	2,817,704	-	2,837,409	2,998,906	-	-	-	-	-	-
Culture and recreation	227,068	133,290	139,581	29,096	152,624	191,078	143,108	129,089	212,846	318,088
Economic and physical development	550,112	519,918	674,188	479,897	692,032	603,685	729,223	1,141,168	1,144,307	929,705
Operating grants and contributions:										
General government	174,765	353,805	50,000	479,267	283,414	51,491	864,608	313,902	613,995	6,887,680
Public safety	676,810	417,906	410,522	420,677	357,923	356,214	1,343,908	933,904	888,224	865,455
Public Works	871,986	49,700	-	9,164	-	865,707	8,142,475	3,016,062	6,474,872	2,743,379
Environmental protection	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	143,168	2,256	-	-	-	609,405	956,701	395,238	171,452
Economic and physical development	110,661	714,850	911,759	238,346	405,005	403,958	564,284	1,335,439	656,929	887,515
Capital grants and contributions:										
General government	-	929,785	-	-	-	-	-	-	-	-
Public Safety	-	26,845	-	-	-	-	-	-	-	-
Public Works	-	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	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	13,841,277

City of New Bern, North Carolina

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022
Business-type activities:										
Charges for services:										
Electric	\$ 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	\$ 51,438,309
Water	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	10,772,040
Sewer	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	11,911,757
Stormwater	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	3,918,552
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	171,545	24,883	-	-	-	-	-	-	-	1,304,594
Water	245,689	295,774	-	-	-	-	-	-	-	-
Sewer	422,744	978,027	-	-	-	-	-	-	-	-
Stormwater	-	240	-	-	-	-	-	-	-	-
Solid Waste						-	-	-	-	-
Total business-type activities program revenues	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	79,345,252
Total primary government program revenues	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	93,186,529
Net (expense) revenue:										
Governmental activities	(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)	(28,858,722)
Business-type activities	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	190,291
Total primary government net expense	(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)	(28,668,431)

City of New Bern, North Carolina

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 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	\$ 17,557,808
Sales taxes	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	11,098,940
Utility franchise tax	1,573,495	2,013,029	2,064,744	2,000,811	2,018,691	233,295	225,426	219,681	226,185	214,442
Payment in Lieu of Taxes	863,337	901,752	931,965	1,067,816	1,096,711	1,140,000	1,161,614	1,161,614	1,247,021	1,277,733
Other taxes	278,850	1,055,904	833,698	716,339	699,167	2,543,511	2,447,499	2,444,494	2,445,444	2,560,700
Grants & contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	12,210	12,470	91,606	186,846	474,950	618,976	271,460	7,738	42,611	1,277,240
Miscellaneous	-	189,166	154,638	856,701	260,563	1,015,503	1,953,925	1,499,825	280,749	410,611
Gain on sale of capital assets	-	-	12,344	-	24,656	(7,142)	(24,307)	643,654	-	-
Transfers	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	2,645,443
Total governmental activities	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	37,042,917
Business-type activities:										
Investment earnings	5,199	6,115	47,609	142,667	275,167	598,351	508,868	9,153	70,188	1,200,050
Lease Revenue	-	-	-	-	-	-	-	-	-	193,794
Miscellaneous	-	-	-	156,405	-	162,777	392,046	1,553,067	1,344,031	632,191
Gain on sale of capital assets	-	-	16,631	26,754	43,184	60,108	15,034	60,130	112	21,499
Transfers	(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)	(2,645,443)
Total business-type activities	(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)	(597,909)
Total primary government	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	36,445,008
Changes in net position:										
Governmental activities	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	8,184,195
Business-type activities	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	(407,618)
Total primary government	\$ 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	\$ 7,776,577

City of New Bern, North Carolina

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

Function / Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government	\$ (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)	\$ 4,715,716
Public safety	(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)	(21,518,364)
Transportation	-	-	-	-	-	-	-	-	-	-
Public Works	(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)	(6,399,081)
Environmental protection	991,875	(1,616,542)	684,623	329,577	-	-	-	-	-	-
Culture and recreation	(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)	(3,723,969)
Economic and physical development	(1,347,960)	(639,429)	(857,237)	(1,593,945)	(805,805)	(1,599,754)	330,968	(924,988)	(1,000,275)	(1,609,277)
Interest on long-term debt	(342,703)	(384,309)	(283,245)	(173,584)	(160,982)	(215,138)	(171,712)	(223,485)	(267,717)	(323,747)
Total governmental activities	(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)	(28,858,722)
Business-type activities:										
Electric	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	372,832
Water	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	777,137
Sewer	2,597,540	1,978,852	2,539,587	1,790,923	1,248,641	608,863	1,552,515	640,729	864,101	(1,154,749)
Stormwater	1,057,089	127,663	70,390	54,437	377,399	32,112	-	-	-	-
Solid Waste	-	-	-	-	-	381,269	202,204	216,509	270,031	195,071
Total business-type activities	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	190,291
Total government	\$ (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)	\$ (28,668,431)

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)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Non Spendable	148,408	138,418	106,353	125,566	132,738	103,144	1,860,476	294,458	639,621	244,702
Restricted	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	13,947,580
Committed	-	-	2,000,000	-	-	-	-	-	-	-
Unassigned	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	21,423,624
Total General Fund	\$ 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	\$ 35,615,906
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	304,226	418,676	34,092	-	-	-	-	-	-	-
Restricted in Capital Project	455,346	-	-	232,315	2,051,189	-	-	-	-	-
Committed in Capital Project	181,101	185,277	-	-	-	-	-	-	-	-
Assigned in Capital Project	-	-	195,745	161,762	827,873	-	1,061,562	765,921	703,844	590,257
Unassigned in Capital Project	-	-	-	-	-	-	-	-	-	-
Restricted in Special Revenue Fund	-	389,330	476,420	543,575	453,642	330,768	657,584	1,202,207	1,185,172	1,144,752
Assigned in Special Revenue Fund	-	-	-	-	336,702	-	-	-	-	-
Unassigned in Special Revenue Fund	(460,273)	(539,445)	(1,024,785)	(39,195)	(6,810)	(11,490,799)	(5,005,193)	(8,861,839)	(1,766,813)	(1,327,939)
Total all other government funds	\$ 480,400	\$ 453,838	\$ (318,528)	\$ 898,457	\$ 3,662,596	\$ (11,160,031)	\$ (3,286,047)	\$ (6,893,711)	\$ 122,203	\$ 407,070

City of New Bern, North Carolina

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 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	\$ 17,664,134
Other taxes	278,850	264,759	-	-	-	-	-	13,181,626	14,359,939	15,271,044
Intergovernmental	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	11,555,481
Permits and fees	629,737	473,631	614,305	461,845	661,904	558,380	675,417	1,050,580	1,006,560	372,940
Charges for services	4,697,698	4,610,076	4,046,716	3,651,771	3,770,582	670,742	949,770	705,361	609,746	1,170,197
Investment Earnings	11,353	11,636	91,606	186,846	474,950	618,976	229,326	5,795	36,520	1,141,642
Other	186,493	490,433	175,875	393,324	378,629	1,258,805	1,953,925	1,499,825	280,749	410,611
Total revenues	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	47,586,049
Expenditures:										
General government	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	5,731,960
Public safety	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	21,184,154
Public works	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	8,928,638
Environmental protection	1,772,657	1,805,268	2,035,216	2,615,028	-	-	-	-	-	-
Culture and recreation	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	4,634,557
Economic and physical development	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	2,697,456
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interfund Reimbursements	(3,310,269)	(3,412,228)	-	-	-	-	-	-	-	-
Capital outlay	1,857,062	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	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	2,114,254
Interest	349,093	369,686	301,704	183,672	164,535	200,966	171,841	221,579	205,653	333,399
Total expenditures	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	45,624,418
Excess of revenues (under) expenditures	(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	1,961,631
Other financing sources (uses):										
Transfers in	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	9,560,982
Transfers out	(296,830)	(258,432)	(764,257)	(778,151)	(1,284,536)	(13,923)	(1,203,885)	(776,060)	(2,949,468)	(6,915,539)
Proceeds from sales of capital assets	-	801,075	74,540	74,607	138,817	31,970	4,735	600,592	99,979	1,017,122
Issuance of long-term debt	1,740,891	1,969,673	2,980,767	1,660,000	2,577,534	3,949,467	-	4,158,147	298,454	3,704,180
Lease liabilities issued	-	-	-	-	-	-	-	-	376,472	98,544
Total other financing sources	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	7,465,289
Net changes in fund balance	\$ 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	\$ 9,426,920
Debt service as a percentage of noncapital expenditures	6.2%	7.2%	14.2%	5.0%	6.1%	5.3%	6.2%	5.2%	6.4%	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
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
2022-2023	457,534,893	\$36,566,986	241,177,089	193,476,932	5,368,353	440,022,374	17,512,519	4%	\$0.0799	1,253,520

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential	\$0.1439	\$0.1214	\$0.1165	\$0.1010	\$0.1133	\$0.1014	\$0.1135	\$0.1201	\$0.1207	\$0.1221
Commercial	0.1305	0.1391	0.1216	0.1175	0.1156	0.1134	0.1168	0.1167	0.1167	0.1179
Large Commercial/Industrial	0.0842	0.0861	0.0771	0.0792	0.0755	0.0763	0.0742	0.0727	0.0734	0.0747
Other	0.1275	0.1284	0.1110	0.1062	0.1046	0.1142	0.1679	0.2745	0.3204	0.3286

Source: City Records

City of New Bern, North Carolina

Electric System - Major Users
Current Year and Nine Years Ago

2023					2014				
Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales	Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales
1	Carolina East Medical Center	19622400	\$1,044,516	1.93%	1	Carolina East Medical Center	18196800	\$1,172,159	1.89%
2	Craven Community College	9082800	\$511,538	0.95%	2	Craven Community College	7921200	536,289	0.87%
3	White River Marine Group	5311200	\$299,951	0.56%	3	Maola	5971200	416,093	0.67%
4	City of New Bern	4571760	\$275,750	0.51%	4	Hatteras Yachts	5716800	294,528	0.48%
5	Walmart Stores Inc	3859800	\$232,961	0.43%	5	City of New Bern	5094000	344,265	0.56%
6	Carolina East Medical Center	3484108	\$276,953	0.51%	6	Wal-Mart Havelock	4575900	326,909	0.53%
7	Craven Terrace LP	2544480	\$144,738	0.27%	7	Craven Terrace	3069360	212,668	0.34%
8	Schlaadt Plastics	2136200	\$171,170	0.32%	8	Lowe's	2762800	200,939	0.32%
9	NC Dept of Cultural Resources	2092365	\$167,530	0.31%	9	NC Dept of Cultural Resources	2033700	196,175	0.32%
10	Carolina East Medical Center	1983480	\$158,952	0.29%	10	Trent Court	1980960	142,275	0.23%
Revenue for All					Revenue for All				
Totals	\$54,041,258	54688593	\$3,284,059		Totals	\$61,889,987	57322720	\$3,842,300	

City of New Bern, North Carolina

Water System - Major Users
Current Year and Nine Years Ago

2023					2014				
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	58828	\$253,655.48	2.37%	01	Carolina East Medical Center	28945	\$137,457.15	1.35%
02	City of New Bern	36905	\$165,317.67	1.54%	02	New Bern Housing Authority	16937	\$72,904.10	0.71%
03	Craven County Wood Energy	25924	\$162,507.60	1.52%	03	Moen Inc	11283	\$79,008.61	0.77%
04	BSH Home Appliances	9791	\$41,993.94	0.39%	04	New Bern Housing Auth	10947	\$48,847.55	0.48%
05	Craven Terrace LP	8287	\$38,049.30	0.36%	05	New Bern Housing Authority	7461	\$40,493.75	0.40%
06	Housing Authority of New Bern	6883	\$35,109.52	0.33%	06	RPG Hospitality LLC	6987	\$34,811.85	0.34%
07	Express Wash Holding	6778	\$29,630.92	0.28%	07	Housing Authority of New Bern	5972	\$33,377.40	0.33%
08	New Bern Housing Authority	6431	\$30,455.77	0.28%	08	RPG Hospitality LLC	5962	\$33,333.90	0.33%
09	New Bern Craven County BOE	5916	\$38,570.83	0.36%	09	UHS Pruitt Corporation	5601	\$28,782.75	0.28%
10	Moen Inc	5033	\$29,630.92	0.28%	10	Sonoco Productst Company	5148	\$24,466.20	0.24%
Revenue for All					Revenue for All				
Totals	\$10,714,170	111,948	\$571,266		Totals	\$10,218,110	76,298	\$396,026	

Source: City Records

City of New Bern, North Carolina

Sewer System - Major Users
Current Year and Nine Years Ago

2023					2014				
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	58828	\$343,311.28	3.07%	1	Carolina East Medical Center	28945	\$178,950.43	1.70%
2	Craven County Wood Energy	36547	\$315,947.66	2.83%	2	New Bern Housing Authority	16937	\$96,454.09	0.92%
3	BSH Home Appliances	9791	\$68,778.83	0.62%	3	Moen Inc	11283	\$121,834.21	1.16%
4	Craven Terrace LP	8287	\$49,993.13	0.45%	4	New Bern Housing Auth	10947	\$63,813.41	0.61%
5	Craven County Government	8122	\$69,256.18	0.62%	5	New Bern Housing Authority	7461	\$49,874.14	0.47%
6	Housing Authority of New Bern	6884	\$43,930.80	0.39%	6	RPG Hospitality LLC	6987	\$44,630.61	0.42%
7	Express Wash Holding	6778	\$39,860.26	0.36%	7	Housing Authority of New Bern	5972	\$40,592.96	0.39%
8	New Bern Housing Authority	6431	\$39,447.60	0.35%	8	RPG Hospitality LLC	5962	\$40,533.46	0.39%
9	New Bern Craven County BOE	5916	\$43,495.30	0.39%	9	Coastal Regional Solid Waste Mgt	5910	\$95,032.80	0.90%
10	Trent Development Group	5418	\$37,122.12	0.33%	10	UHS Pruitt Corporation	5601	\$36,383.91	0.35%
Revenue for All					Revenue for All				
Totals	\$11,166,896	153,002	\$1,051,143		Totals	\$10,515,423	106,005	\$768,100	

Source: City Records

**Assessed Value & Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Real Property Residential, Commercial and Industrial Property (1)	Personal Property Motor Vehicles	Other Personal Property (1)	Public Service Companies	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value (3)
2014	2,735,852,780	208,224,518	202,643,758	39,527,326	3,186,248,382	0.4100	2,816,199,737	113.14%
2015	2,759,659,817	236,218,399	228,803,255	37,190,689	3,261,872,160	0.4100	2,729,600,134	119.50%
2016	2,784,854,587	235,673,549	221,379,173	40,641,868	3,282,549,177	0.4100	3,035,743,251	108.13%
2017 (4)	2,498,455,107	260,779,493	230,005,437	41,239,778	3,030,479,815	0.4600	2,797,710,317	108.32%
2018	2,556,062,186	260,091,964	250,403,380	42,246,002	3,108,803,532	0.4600	2,915,778,965	106.62%
2019	2,596,497,416	273,161,813	261,440,031	41,742,582	3,172,841,842	0.4600	3,055,804,529	103.83%
2020	2,617,125,279	296,479,726	275,323,355	43,473,995	3,232,402,355	0.4822	3,289,642,128	98.26%
2021	2,699,010,864	298,902,064	279,432,466	40,345,792	3,317,691,186	0.4822	3,411,858,480	97.24%
2022	2,764,865,488	348,205,393	310,944,799	44,847,480	3,468,863,160	0.4822	3,534,246,724	98.15%
2023	2,850,194,782	368,929,669	307,327,039	47,542,256	3,573,993,746	0.4822	3,646,932,394	98.00%

Data Source:

Craven County Tax Office
NC Dept of Revenue

Notes:

- (1) Real and Personal Property values are net of exclusions, exemptions and deferments
- (2) Per \$100 of assessed value
- (3) The estimated market value is calculated by dividing the assessed value by an assessment -to-sales ratio determined by the North Carolina Department of Revenue. The ratio is based on actual property sales within Craven County which took place in the calendar year ending during the fiscal year.
- (4) Craven County reassessed all real estate property on January 1, 2016, and was the basis for fiscal year 2017 taxes.
The most recent reassessment was performed on January 1, 2023.

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
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%
2023	15,453,912	15,331,735	99.21%	-	15,331,735	99.21%

Source: City property tax records

City of New Bern, North Carolina

Principal Taxpayers
Current Year and Nine Years Ago

2023					2014				
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 Corp	Household Appliances	\$ 140,710,475	1	4.39%	BSH Home Appliances	Household Appliances	63,026,377	1	2.03%
New Bern Apartments LLC	Residential Rental	24,465,593	2	0.76%	Hatteras Yachts Inc	Boat Manufacturing	25,759,674	2	0.83%
White River Marine Group LLC	Boat Manufacturing	23,918,028	3	0.75%	New Bern Riverfront	Developer (Condos)	24,890,230	3	0.80%
SNH/LTA SE McCarthy	Assisted Living	20,854,470	4	0.65%	Carolina Telephone	Telephone Service	15,761,240	4	0.51%
NB1 LLC	Shopping Center	17,819,870	5	0.56%	New Bern Apartments LLC	Residential Rental	15,095,880	5	0.49%
NC New Bern LLC	Retail Sales	16,651,720	6	0.52%	DRA Woodland Crossing LP	Residential Rental	15,029,380	6	0.49%
2701 Amhurst Boulevard LLC	Assisted Living	14,366,000	7	0.45%	ATTA Holdings	Medical Offices	14,497,300	7	0.47%
SREIT Woodland Crossing Apartment	Residential Rental	14,136,310	8	0.44%	Carolina Creek	Developer	14,878,060	8	0.48%
Wal Mart Real Estate Business Trust	Retail Sales	11,933,450	9	0.37%	Wal Mart Real Estate Business Trust	Retail Sales	12,364,570	9	0.40%
American IRA LLC	Shopping Center	11,121,220	10	0.35%	RPG Hospitality LLC	Hotel	9,891,471	10	0.32%
Total Assessed Valuation of Top Ten Taxpayer		\$ 295,977,136		9.23%	Total Assessed Valuation of Top Ten Taxpayer		\$ 211,194,182		6.82%
Balance of Assessed Valuation		\$ 2,909,086,941		90.77%	Balance of Assessed Valuation		\$ 2,886,388,326		93.18%
Total Assessed Valuation		\$ 3,205,064,077		100.00%	Total Assessed Valuation		\$ 3,097,582,508		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 of New Bern	Overlapping Rate Craven County
2013	0.4100	0.4700
2014	0.4100	0.4675
2015	0.4100	0.4675
2016	0.4100	0.4675
2017	0.4600	0.5394
2018	0.4600	0.5394
2019	0.4600	0.5394
2020	0.4822	0.5494
2021	0.4822	0.5494
2022	0.4822	0.5600
2023	0.4822	0.5600

Data Source:

Craven County Tax Office

Notes:

- (1) City of New Bern tax rate excludes Municipal Service District tax rates. This rate covers a small area and is nominal in amount.
- (2) Real property was revalued on January 1, 2023.

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 (2)
	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 a Percentage of Personal Income	
2014	-	-	12,729,584	-	38,862,038	4,209,693	-	15,576,277	71,377,592	2,360	1.741%	4,100,424
2015	-	-	12,948,539	-	35,843,939	3,648,020	-	17,608,515	70,049,013	2,316	1.700%	4,121,440
2016	-	-	7,926,663	-	32,792,386	6,166,443	-	21,207,039	68,092,531	2,918	1.623%	4,195,496
2017	-	-	8,038,626	-	29,447,558	5,107,437	-	18,662,107	61,255,728	2,605	1.411%	4,340,800
2018	-	-	8,627,381	-	26,585,374	3,859,046	-	16,070,782	55,142,583	2,292	1.269%	4,345,888
2019	-	-	10,571,478	-	23,694,553	3,423,227	-	13,434,534	51,123,791	1,878	1.129%	4,529,336
2020	-	-	8,494,257	-	20,774,358	2,564,381	-	10,752,567	42,585,563	1,420	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	0.634%	5,449,986
2023	-	-	11,180,227	-	11,829,891	705,964	-	2,426,210	26,142,292	829	(3)	(3)

Data Source:
Audited Financial Statements

Notes:

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

City of New Bern, North Carolina

Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2022
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Craven County Debt	\$ 36,885,592	34.50%	\$ 12,725,275
Subtotal, overlapping debt	\$ 36,885,592		\$ 12,725,275
City Direct Debt	11,180,227	100%	11,180,227
Total direct and overlapping debt	\$ 48,065,819		\$ 23,905,502

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 256,405,126
Total net debt applicable to limit	12,729,584	12,948,539	7,926,663	8,038,626	8,627,381	10,249,000	6,702,084	10,860,233	13,300,961	11,886,191
Legal debt margin	<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>\$ 236,358,161</u>	<u>\$ 244,518,935</u>
Total net debt applicable to the limit as a percentage of debt limit	5.42%	5.65%	3.36%	3.76%	3.58%	4.63%	2.94%	4.74%	5.62%	4.86%

Notes:
Debt includes Installment proceeds and Notes payable

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Valuation	\$ 3,205,064,077
8%	256,405,126
Less applicable debt	<u>(11,886,191)</u>
Debt margin	<u>\$ 244,518,935</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)
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	32,039	5,449,986	12,713	3.8%
2023	31,539	(6)	(6)	12,612	3.8%

Notes:

(1) Population provided US Census Bureau. (2017 is estimate)

<https://www.census.gov/quickfacts/fact/table/newberncitynorthcarolina/INC910220>

(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	2023			Employer	2014		
	Employees	Rank	Percentage of Total County Employment		Employees	Rank	Percentage of Total County Employment
Department of Defense (1)	5,456	1	13.43%	Department of Defense (1)	5194	1	13.63%
CaroliinaEast Health Systems	2,890	2	7.11%	CaroliinaEast Health Systems	2180	2	5.72%
BSH Home Appliances	1,521	4	3.74%	Craven County Schools	1961	3	5.14%
Craven County Schools	1,466	3	3.61%	BSH Home Appliances	950	4	2.49%
State of North Carolina	784	5	1.93%	State of North Carolina	923	5	2.42%
Moen Incorporated	705	6	1.74%	Wal-Mart	830	6	2.18%
Craven County	685	7	1.69%	Moen Incorporated	665	7	1.74%
Wal-Mart	537	8	1.32%	Craven County	607	8	1.59%
Craven Community College	529	9	1.30%	City of New Bern	475	9	1.25%
City of New Bern	495	10	1.22%	Craven Community College	420	10	1.10%
	<u>15,068</u>		<u>37.09%</u>		<u>14,205</u>		<u>37.27%</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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
Governing Board	1	1	1	-	-	-				
Administration	4	4	4	5	5	5	4	4	5	5
Information Technology	8	8	7	7	7	7	7	7	8	10
Finance:										
Accounting	10	10	9	9	9	9	9	10	10	10
Warehouse	4	4	3	3	3	4	4	4	4	4
Tax Collection	1	-	-	-	-	-	-	-	-	-
Human Resources:	6	6	5	5	5	5	5	5	5	5
Police:	112	116	109.5	113	115	117.5	117.5	117.5	118.5	119.5
E911 Support	-	-	-	2	2	2	2	2	2	2
Fire:	67	67	67	66	73	73	73	73	75	75
Parks and Recreation:										
Administration	2	2	3	5	7	7	8	8	8	8
Facilities	-	-	-	11	9	9	8	8	8	9
West New Bern Recreation Center	5	5	4	-	-	-	-	-	-	-
Stanley White Recreation Center	4	4	4	-	-	-	-	-	-	-
Parks	14	14	13	13	13	13	13	13	14	14
Aquatics	-	-	-	-	-	-	-	-	-	-
Athletics	3.0	3.0	3	-	-	-	-	-	-	-
Planning & Inspections:										
Planning & Inspections	17	17	15	16	16	16	16	16	19	17
GIS	-	-	-	-	-	-	-	-	-	-
Public Works:										
Administration	3	3	3	3	3	3	4	4	5	5
Garage	4	4	4	4	4	4	5	5	5	5
Public Buildings	6	6	6	6	6	6	6	6	7	7
Streets	25	25	21	21	21	20	19	20	20	20
Cemeteries	-	-	-	-	-	-	-	-	-	-
Leaf & Limb	7	7	7	7	7	8	-	-	-	-
Stormwater	5	5	6	6	6	6	6	6	6	6
Water:										
Water Resources Administration	7	7	7	6	6	6	6	6	6	7
Water Treatment	11	11	11	12	12	12	12	12	12	12
Water Distribution System Maintenance	30	30	27	25	25	19	19	19	22	22
Sewer:										
Sewer Treatment	21	20	19	19	19	20	20	20	20	20
Sewer Collection System Maintenance	14	14	12	16	16	20	21	21	21	20

City of New Bern, North Carolina

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

Electric:										
Electric Administration	7	7	6	6	6	6	7	8	12	12
Utility Billing	5	-	-	-	-	-	-	-	-	-
Utility Service	10	-	-	-	-	-	-	-	-	-
Distribution O&M	36	36	34	34	34	34	34	34	37	37
Power Supply	4	4	3	4	4	5	5	5	6	6
Communications Control	6	7	7	7	7	7	7	7	7	7
Utility Business Office	16	30	29	27	27	27	27	27	25	25
Solid Waste:										
Solid Waste	-	-	-	-	-	-	8	8	8	8
Other:										
Emergency Telephone System (E911)	2	2	1.5	-	-	-	-	-	-	-
Metropolitan Planning Organization	-	-	2	2	2	2	2	2	2	2
Total	477	479	453	460	469	472.5	474.5	477.5	497.5	499.0

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Calls for service	42,819	43,113	42,525	45,002	46,160	45,403	46,020	44,299	44,905	42,073
Conduct DUI/Traffic Check Points	118	157	48	34	54	42	22	29	25	20
Answer 90% of 911 call in 10 seconds	97.50%	98.05%	98.02%	98.21%	98.06%	97.61%	98.18%	98.05%	96.85%	97.43%
Dispatch Emergency call in 90 seconds	91.15%	72.35%	89.80%	70.15%	78.50%	80.00%	46.40%	63.87%	72.13%	71.34%
Dispatch Non-Emergent call in 15 minutes	75.00%	74.40%	76.10%	99.79%	99.91%	99.80%	93.80%	94.94%	94.23%	92.24%
Maintain 100% state certification for sworn and non-sworn	98.78%	98.78%	98.78%	100.00%	100.00%	100.00%	0.00%	96.81%	95.34%	100.00%
Conduct directed traffic enforcement	**	**	362	196	370	1,361	1888	1,884	2,366	1,319
Conduct directed radar enforcement campaigns	4	21	****	12	230	580	712	942	1,610	713
Arrests	1,750	1,595	1,545	1,497	1,774	1,478	1,290	1,328	1,408	1,140
Fire:										
Calls for service	1,115	1,223	1,251	1,485	1,683	1,982	1,770	2,058	2,283	2,459
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	54,626,161
Value of Property Loss	\$ 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	\$ 1,420,001
Fire Inspections	1,519	1,568	1,420	1,606	1,743	1,978	1,946	1,693	1,504	1,895
Fire Investigations	36	33	31	27	30	27	44	41	45	37
People Educated by Fire Education Programs	8,857	9,929	11,065	13,697	9,360	8,453	2,179	4,712	6,939	11,353
Child Passenger Safety Seat Inspections	268	227	236	220	173	189	42	91	72	105
Permits Issued	126	91	113	131	101	58	75	108	95	121
Firefighter Training Hours	19,176	19,522	18,503	18,568	19,803	29,051	19,502	23,858	23,597	21,290
Recreation program attendance:										
Athletics	99,000	99,500	100,000	0	0	0	40,000	15,000	15,000	20,000
Centers & Parks	286,500	306,000	310,000	0	0	0	344,000	250,000	300,000	325,000
Other Programs	97,225	100,000	105,000	0	0	0	55,000	25,000	25,000	25,000
Planning & Development:										
Total building permits	529	511	317	290	517	774	258	795	661	386
Total value of all permits	\$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	\$92,749,373
Public service:										
Garbage collected (ton)	7,854	8,135	8,521	8,303	8,561	8,814	3,087	9,094	9,067	9,118
Recycle collected (ton) ***	2,191	2,222	2,185	2,188	2,102	1,625	576.92	1,758	1,848	2,118
Stormwater										
Calls for service	178	264	355	248	216	209	150	232	93	136
Yearly rainfall	37.14"	54.91"	67.15"	63.14"	55.81"	39.08"	47.75"	65.13"	42.97"	49.65"
Stormwater fee	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	n/a	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	n/a
Commercial ERU's	20,452	20,006	19,923	19,420	22,972	14,290	n/a	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	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	350	360	363	363	1251	1251	1254	1254	1254	1254
Parks	23	24	24	24	25	25	25	27	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	6	6	6	6	7	7
Tennis Courts	4	4	4	4	4	4	2	2	2	2
Pickleball Courts	0	0	0	0	0	0	0	6	6	6
Swimming pools	1	1	1	1	1	1	1	1	1	1
Parks with Playground Equipment	11	12	13	13	13	13	13	13	13	14
Picnic Shelters	10	10	11	11	11	11	14	15	15	14
Recreation Center	3	3	2	2	2	2	2	1	1	1
Community Centers	0	0	0	0	0	0	0	0	0	1
Natural Sites	4	4	4	4	4	4	4	4	4	4
Gymnasium	2	2	2	2	2	2	2	1	1	1
Spray Ground	1	1	1	2	2	2	2	1	1	1
Dog Park	1	1	1	1	1	1	1	2	2	2
Boat Launch/Ramp/Pier	8	10	11	11	11	11	15	15	15	15
Picnic Tables	90	95	98	98	98	98	104	118	118	118
Park Benches	130	138	143	143	143	143	148	172	172	172
Multi-purpose Fields	2	2	2	3	3	3	3	3	3	3
Walking Trails	6	6	6	6	7	7	7	10	10	10
Outdoor Restrooms	9	9	9	10	10	10	11	10	10	10
Public Parking Lots	11	11	12	12	12	12	14	14	14	14
Public Art	5	5	5	5	6	6	6	6	6	6
Horseshoe Courts	3	3	3	3	9	9	9	9	9	9
Outdoor Volleyball Courts	2	2	2	2	2	2	2	2	2	2
Bike Racks	25	25	25	25	25	25	27	27	27	27
Wastewater:										
*Sanitary Sewers (miles)	414.88	416.77	417.58	419.11	437.02	437.02	438.42	440.55	441.96	445.95
*Storm Sewers (miles)	74.35	74.62	76.58	77.56	76.94	76.94	78.48	78.5	78.5	78.5
*Average Daily Flow	3.89	3.88	4.55	4.25	4.26	4.26	4.19	4.79	3.815	3.962
Electric:										
Average Daily Purchased Usage (kWh)	1,254,574	1,304,406	1,251,181	1,293,925	1,253,520	0	0	0	0	1,253,520
Mile of Distribution Lines	520	630	550	550	550	550	550	1072	1072	1122

Source

Various City records

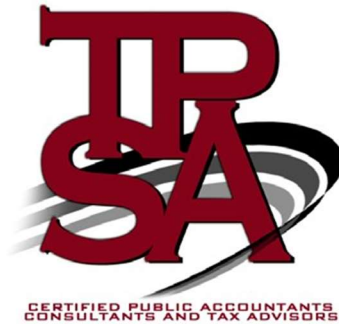


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Compliance Section



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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, 2023, 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 21, 2023.

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 identified no deficiencies in internal control that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

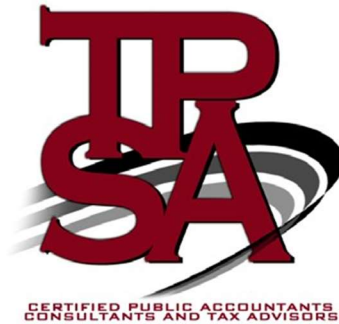
As part of obtaining reasonable assurance about whether City of New Bern's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 21, 2023



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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, 2023. 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, 2023.

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.

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Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

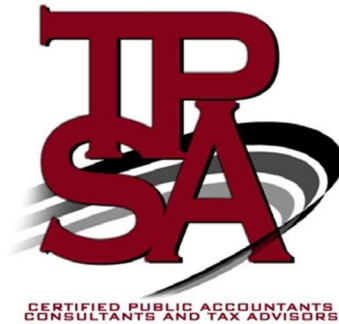
Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 21, 2023



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

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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, 2023. 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, 2023.

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 21, 2023

City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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:

<u>CFDA #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Fiscal Recovery Fund
14.218	CDBG Entitlement Cities

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 programs:

Unmodified

City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

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
Powell Bill

Dollar threshold used to determine a State Major Program

\$ 500,000

Auditee qualified as State low-risk auditee?

☐ Yes

☒ No

Section II – Financial Statement Findings

None reported.

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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(252) 636-4000

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, 2023**

Section II – Financial Statement Findings

None Reported.

Section III – Federal Award Findings and Questioned Costs

None Reported.

Section IV – State Award Findings and Questioned Costs

None Reported.

City of New Bern, North Carolina
Summary Schedule of Prior Year's Findings
For the Year Ended June 30, 2023

Finding: 2022-001
Status: Corrected.

Finding: 2022-002
Status: Corrected.

City of New Bern, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

<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	\$ 292,308	\$ -	\$ -	\$ -
CDBG Entitlement Cities	14.218.119		139,547	-	-	-
Total CDBG			<u>431,855</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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		7,000	-	-	-
<u>U.S. Environmental Protection Agency</u>						
Brownfields Multipurpose, Assessment, Revolving Loan Fund	66.818		2,790	-	-	-
<u>U.S. Department of Justice</u>						
Passed-through N.C. Department of Public Safety						
Bulletproof Vest Program	16.607		30,293	-	-	-
Equitable Sharing Program	16.922		35,813	-	-	-
			<u>66,106</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Transportation</u>						
Passed-through N.C. Department of Transportation						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.42.9.6	55,110	-	-	-
Metropolitan Planning Program	20.205-5	50341.1.16	155,614	-	-	-
Total Highway Planning and Construction			<u>210,724</u>	<u>-</u>	<u>-</u>	<u>-</u>
State and Community Highway Safety	20.600	22021.6.11	14,986	-	-	-
State and Community Highway Safety	20.600	22022.6.2	12,627	-	-	-
Total State and Community Highway Safety			<u>27,613</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>						
Coronavirus State and Local Fiscal Recovery Fund	21.027		6,698,691	-	-	-
Passed-through N.C. Department of Environmental Quality						
Coronavirus State and Local Fiscal Recovery Fund	21.027	n/a	-	34,890	-	-
			<u>6,698,691</u>	<u>34,890</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>						
Passed-through N.C. Department of Public Safety						
Disaster Grants - Public Assistance	97.036	4393DR-NC	2,349,688	-	-	-
DHS Firefighters Grant	97.044		304,451	-	-	-
Total Disaster Grants - Public Assistance			<u>2,654,139</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hazard Mitigation Grant	97.039		24,179	-	-	-
Total Federal Awards			<u>\$ 10,123,097</u>	<u>\$ 34,890</u>	<u>\$ -</u>	<u>\$ -</u>
State Grants:						
Cash Assistance:						
<u>N.C. Department of Transportation:</u>						
Powell Bill		DOT-4 32570	\$ -	\$ 1,105,565	\$ -	\$ -
<u>N.C. Department of Commerce</u>						
Rural Economic Development Grant			-	20,000	-	-
<u>N.C. Department of Public Safety</u>						
NC Office of Recovery and Resiliency (NCORR)						
Special Appropriation			-	222,730	-	-
NC Sheriffs Association						
Internet Crimes Against Children Grant			-	7,241	-	-

City of New Bern, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

<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>						
ElectricCities of NC			-	980	-	-
Resilient Coastal Communities Foundation			-	45,000	-	-
<u>Golden LEAF Foundation</u>						
Golden LEAF Grant			-	24,259	-	-
<u>N.C. Department of Natural & Cultural Resources</u>						
NC Land and Water Fund			-	99,072	-	-
 Total Federal and State Awards			<u>\$ 10,123,097</u>	<u>\$ 1,559,737</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, 2023. 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 23, which include expenditures incurred in prior years that were covered by local funds and reimbursed by FEMA funds in FY 23.