



# CITIZENS' FINANCIAL REPORT

City of New Bern, North Carolina

For Fiscal Year Ended June 30,

# 2023





### PURPOSE OF THIS REPORT

The Citizens’ Annual Financial Report is prepared to provide residents and other interested parties with an overview of the City of New Bern’s financial results. This report is intended to increase awareness and provide transparency about the City’s financial operations.

The Citizens’ Financial Report is not an audited document and does not include details by fund or component unit, nor does it include the other disclosures required by generally accepted accounting principles. However, the financial information provided in this report is obtained from the audited financial statements in the City’s Annual Comprehensive Financial Report (ACFR) for fiscal year 2022-2023.

This report is designed to provide a summary of the City’s overall financial condition in a user-friendly format and to serve as a supplement, not a replacement, to the ACFR. To view the ACFR, visit our website [www.newbernnc.gov](http://www.newbernnc.gov) and search “finance” or scan the QR code.



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## GOVERNING BODY

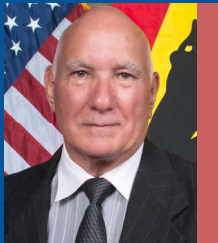


**Jeffrey T. Odham**

**Mayor**

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*Term expires December 2025*



**Rick Prill**

**Alderman, Ward 1**

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*Term expires December 2025*



**Robert "Bobby" Aster**

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*Term expires December 2025*



**Hazel B. Royal**

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**Johnnie Ray Kinsey**

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**Barbara J. Best**

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*Term expires December 2025*



**Robert "Bob" Brinson Jr.**

**Alderman, Ward 6**

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*Term expires December 2025*

## MANAGER'S MESSAGE

To our Citizens, Mayor, and Board of Aldermen:

I am pleased to present our second Popular Annual Financial Report (PAFR) for the City of New Bern, *also known as the Citizens' Financial Report*. This report is designed to provide an easy-to-read overview of the City's financial position for fiscal year 2023 (July 1, 2022 - June 30, 2023) and serve as a supplement to the FY 2023 Annual Comprehensive Financial Report (ACFR).



Unlike the ACFR, which is a complex and detailed financial report, the PAFR connects summarized financial data with the City's goals and objectives by highlighting accomplishments throughout the various departments. Additionally, it is designed to connect with our citizens by exhibiting transparency in providing important and relevant information. I hope our readers gain a better understanding of the City's activities and the vast amount of services we provide.

A huge "thank you" to our Finance Department for producing this outstanding document, and to our entire staff for providing top-quality services to our residents and visitors throughout the year.

As our City continues to grow, we are reminded that "everything comes together here" through the continued dedication and service of our staff, the governing board, and our citizens.

Please feel free to share any questions, concerns, or recommendations you may have with us.

Sincerely,

Foster Hughes

City Manager



*The City of New Bern Board of Aldermen consists of the Mayor and six Aldermen, each representing one of New Bern's six wards. The members are elected in a nonpartisan election.*

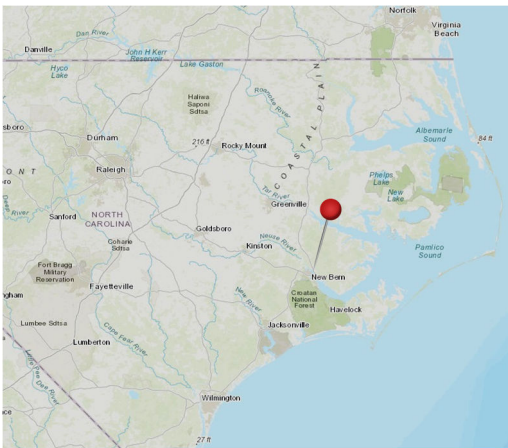


## CITY OVERVIEW

### HISTORY

The City of New Bern was settled in 1710 at the site of the Tuscaroran village called Chattoka. New Bern is the second oldest colonial town in North Carolina. The Swiss & Palatine German immigrants named the settlement Bern to honor their leader Baron Christoph DeGraffenried from the hometown of Bern, Switzerland. Bern is the old Germanic word for bear, and the bear became the city's symbol.

In 1774, New Bern became the location of the first Provincial Congress in the colonies and was the state capital following the Revolutionary War until the early 1790s when the capital was relocated to Raleigh.



### LOCATION

New Bern is the largest municipality in Craven County and serves as the County seat. The City is centrally located to 157,000 acres of the Croatan National Forest, which is nationally recognized for its trails and recreation opportunities. New Bern has an area of 29.84 square miles. New Bern is nestled at the confluence of the Neuse and Trent Rivers and is located 110 miles east of Raleigh, the State Capitol, and 35 miles west of the Atlantic Ocean. The City is easily accessible by US 70, US 17, and NC 43.

## BY THE NUMBERS



**31,539**  
Population



**\$55,673**  
Median Household Income



**\$202,500**  
Median Home Value



**42.0**  
Median Age



**\$35,300**  
Per Capita Income



**\$1,019**  
Median Gross Rent



**14,182**  
# of Households



**90.00%**  
High School Graduate *(or Higher)*



**28.40%**  
Bachelor's Degree *(or Higher)*



**30.11 Sq. Miles**  
City Limits



**18 Minutes**  
Mean Travel Time to Work



**3.8%**  
Unemployment Rate



**180 Miles**  
Streets



**15**  
Boat Launch/Ramps



**27**  
Parks



**440 Miles**  
Sewer Lines



**338 Miles**  
Water Lines



**1,071 Miles**  
Electric Distribution Lines

The **STATEMENT OF NET POSITION** shows the difference between total assets (what the City owns) & total liabilities (what the City owes), with the difference between the two being reported as net position. A positive net position means that the City's assets exceeded liabilities.

The STATEMENT OF NET POSITION is reported by activity type: governmental activities and business-type activities. Governmental activities account for general government activities financed primarily by taxes; business-type activities are activities financed by fees charged for goods or services such as water, sewer, solid waste, and electric. The Total Net Position for the City at June 30, 2023 was \$217.7 million which includes \$193.6 million net investment in Capital Assets.

### STATEMENT OF NET POSITION

(in millions)

	Governmental Activities		Business-Type Activities	
	2023	2022	2023	2022
<b>ASSETS</b>				
Current & Other Assets	\$ 42.29	39.64	48.90	57.23
Noncurrent Assets	70.93	68.01	149.58	146.31
<b>TOTAL ASSETS</b>	<b>113.21</b>	<b>107.65</b>	<b>198.48</b>	<b>203.54</b>
Deferred Outflows	17.69	16.20	3.51	2.20
<b>TOTAL ASSETS/DEFERRED OUTFLOWS</b>	<b>\$ 130.90</b>	<b>123.85</b>	<b>201.99</b>	<b>205.75</b>
<b>LIABILITIES</b>				
Current Liabilities	\$ 5.65	12.68	12.19	14.39
Noncurrent Liabilities	64.08	62.84	17.97	17.01
<b>TOTAL LIABILITIES</b>	<b>69.73</b>	<b>75.52</b>	<b>30.15</b>	<b>31.39</b>
Deferred Inflows	14.54	9.89	0.76	2.87
<b>TOTAL LIABILITIES/DEFERRED INFLOWS</b>	<b>\$ 84.27</b>	<b>85.41</b>	<b>30.91</b>	<b>34.27</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 59.93	58.59	133.63	124.44
Restricted	15.37	13.52	-	-
Unrestricted (Deficit)	(28.67)	(33.68)	37.44	47.04
<b>TOTAL NET POSITION</b>	<b>\$ 46.63</b>	<b>38.44</b>	<b>171.07</b>	<b>171.48</b>



## GENERAL FUND

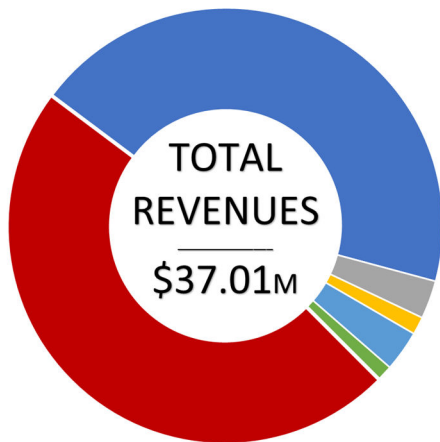
The **GENERAL FUND** is the City's primary operating fund & accounts for all financial resources of the general government except those required to be accounted for in a different fund. Most governmental services and functions are provided through the General Fund, including general government, public safety, public works, cultural & recreational, and economic & physical development.

### WHERE DOES THE MONEY COME FROM?

For the fiscal year ending June 30, 2023, General Fund revenues totaled \$37,013,407, an increase of 8.25% from the prior year. Growth in commercial and residential development account for the increase in ad valorem taxes, while market performance accounts for the increase in investment earnings. Other financing sources are not included in revenue but are utilized to offset expenses. Other financing sources may include proceeds from sale of capital assets, transfers in from other funds, installment purchase obligation issued, and appropriated fund balance.

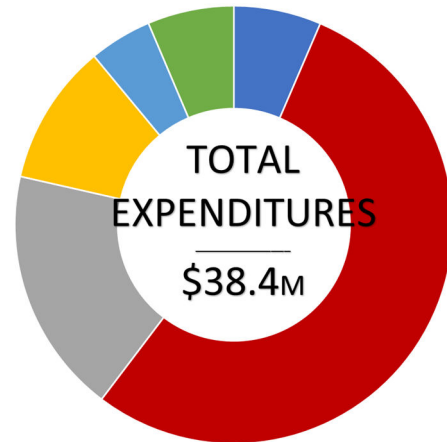
### WHERE DOES THE MONEY GO?

For the fiscal year ending June 30, 2023, General Fund expenditures totaled \$38,402,434, an increase of 13% from the prior year. Increases in salaries due to the market pay study account for the broadest increase in expenditures from prior year.



Revenue Sources (in millions)

Ad valorem taxes	\$ 17.66
Intergovernmental	\$ 16.27
License, Permits & Fees	\$ 1.05
Sales & Services	\$ 0.49
Investment Earnings	\$ 1.13
Other Revenues	\$ 0.41



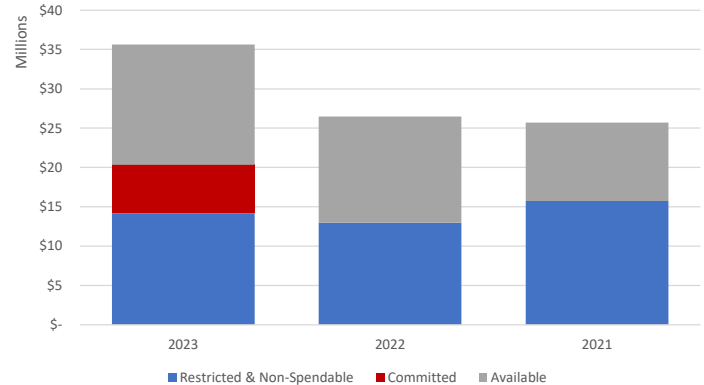
Expenditures (in millions)

General Government	\$ 2.48
Public Safety	\$ 20.69
Public Works	\$ 7.00
Cultural & Recreation	\$ 4.01
Economic & Physical Development	\$ 1.78
Debt Service	\$ 2.45

## FUND BALANCE

FUND BALANCE represents unspent funds (revenues minus expenditures) and represents fiscal sustainability. Fund balance may be used for emergencies, cash flow throughout the year, or to fund capital projects. The City has a policy to maintain a fund balance between 25% and 35% of general fund expenditures. The available fund balance for FY2023 is 40% or \$15.3 million.

Fund Balance  
General Fund



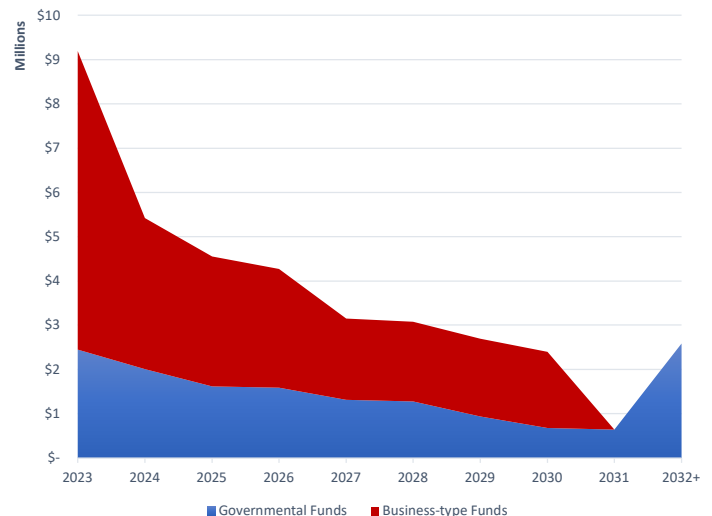
## LONG TERM DEBT

The City issues debt to fund general governmental and business-type capital needs. Outstanding debt as of June 30, 2023 totals **\$25,657,284**, a decrease of **18.4%** from the prior year. The total amount of principal & interest paid for debt service in FY2023 was \$9,481,622.

Part of the City's debt portfolio is made up of revenue bonds. Bond covenants require that the City maintain a debt service coverage ratio of 120%, which means that the City has enough revenue to pay operational costs and debt service. The debt service coverage ratio calculation for FY2023 is as follows:

Electric Fund	Water Fund	Sewer Fund
200%	474%	222%

Total Debt Service Payments  
by Fiscal Year



The City did not issue any new debt in FY2023. Planned debt issuance for FY2024 includes:



**\$4.9 million**  
**Vehicles & Equipment**



**\$6 million**  
**Sewer Improvements**



**\$10 million**  
**Stanley White Recreation Center**



## ENTERPRISE FUNDS

PROPRIETARY (or business-type) activities rely on fees charged to customers for services rendered. The City has four proprietary funds (water, sewer, electric, & solid waste) where the cost of providing the service is financed or recovered through user charges. For more detailed information on the Proprietary funds, please refer to the 2023 Annual Comprehensive Financial Report.



The **WATER FUND** accounts for the operation of the City's water system, which includes treatment of an average of 3.75 million gallons of water daily and maintenance of 2 water production systems, 20 production wells, 6 elevated storage tanks, 3 ground storage tanks, & 338 miles of water lines.



The **SEWER FUND** accounts for the operation of the City's wastewater system, which includes treatment of an average of 4.41 million gallons of wastewater daily, and maintenance of 3,800 sewer manholes, 3,500 residential sewer pump stations, 111 major collection pump stations, & 5 vacuum sewer pump stations.



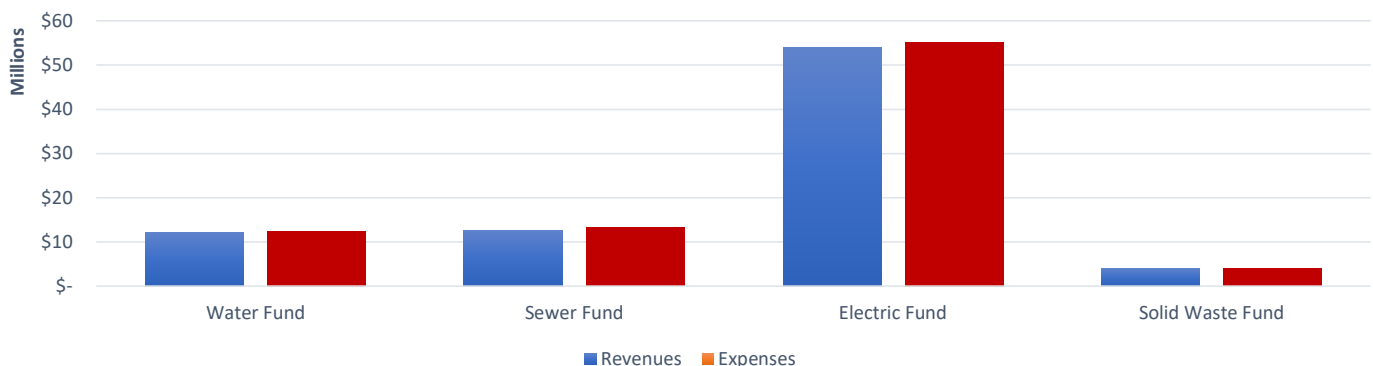
The **ELECTRIC FUND** accounts for the operation of the City's electric system, which includes 6 delivery points supplying 460 miles of overhead distribution lines, 611 miles of underground distribution lines, 15,600 utility poles, 6,745 street lights & serves 19,900 residential electric customers.



The **SOLID WASTE FUND** accounts for the operation of the City's solid waste collection and maintains the contract for residential garbage & recycling collection, collects vegetative debris & white goods, performs chipping operations & litter abatements.

### Enterprise Funds

Revenue vs Expenses







### CITY HALL ELEVATOR

In FY2022, the Board of Aldermen approved the construction of an elevator annex and accessible restrooms to the historic City Hall in the amount of \$3.9 million. The project broke ground on May 10, 2022 and was completed 17 months later with a ribbon cutting ceremony held in October, 2023. Residents & staff now have easier access to public meetings held in the Court Room located on the second floor of City Hall.

### SIDEWALK PROJECTS

Expansion, connection & repairs of the City sidewalk system continued during FY2023. Repairs to sidewalks in the Council Bluffs section of East Front Street & North Craven street were completed.

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; Country Club Road in front of the Pembroke Community.



### PLEASANT HILL COMMUNITY CENTER

Construction of a community center at Pleasant Hill park was approved in FY2021. The 4,000 square foot community center includes a fully equipped kitchen, restrooms, and a large multi-purpose room. In addition to recreational programs, after-school care, summer camps, exercise & cultural arts classes, the facility is also available for rent for special events. A ribbon-cutting ceremony marked the grand opening in April 2023.



## 2023 HIGHLIGHTS

### CITIZEN'S POLICE ACADEMY

The New Bern Police Department hosted two sessions of the Citizen's Police Academy. The 10 week program allows citizens the opportunity to learn about departmental operations while encouraging communication and conversation to help build a strong citizen/police partnership.



### NEW BERN 101

New Bern 101, the City's interactive program to introduce participants to local government graduated sessions 3 & 4 during the fiscal year. Participants get a behind-the-scenes look at city projects, take tours of city buildings, and hear directly from staff about what it takes to budget for and operate our 9 internal departments.

### SYNTHETIC ICE RINK

In partnership with Swiss Bear and New Bern Area Chamber of Commerce, the City purchased a synthetic ice rink just in time for the holidays. The synthetic rink does not require refrigeration and is able to accommodate between 30-40 skaters at a time. Skating sessions at Union Point Park were offered in 45 minute sessions for a fee which included skate fitting & rental.



### CAREERS ON WHEELS

Staff from several departments participated in the interactive career fair hosted at Craven Community College for 5th graders. Students were able to see the equipment, participate in hands-on activities & ask questions.



### BATTLE OF THE BADGES

The Police & Fire-Rescue departments engaged in a good natured rivalry as they partnered with the Red Cross for the United Badges Blood Drive. This annual blood drive helps replenish critical blood supply shortages.

### MARKET PAY STUDY

Piedmont Triad Regional Council conducted a market pay study for the City. The analysis provided necessary data to ensure the City's salaries are competitive and comparable with employees in relevant labor markets. The Board of Aldermen unanimously voted in favor of phase 1 of the pay classification implementation, while phase 2 feasibility was evaluated during the FY2024 budget process.



## STANLEY WHITE RECREATION CENTER

5 years after Hurricane Florence destroyed the Stanley White Recreation Center, construction of the new facility is underway. The new building is being constructed out of the floodplain and within close proximity to neighborhoods, businesses, and pedestrian traffic. It also shines a meaningful spotlight on an essential community amenity which will now stand along a major gateway into New Bern. The 35,000 square foot facility is scheduled to be completed in the fall of 2024 and will feature a double gymnasium, elevated track, cardio, weight and fitness rooms, meeting space, a health screening room, game room, and kitchen. The building will also serve as an emergency shelter. The Parks & Recreation department will provide program offerings such as athletics, classes, summer camps, special events, and community rental use.



## SEWER IMPROVEMENT PROJECTS

Repairs to 2,000 linear feet of existing sewer lines are scheduled with the NORTHWEST INTERCEPTOR PROJECT. Construction of a new transmission main, increased transmission capacity and relocation of an existing lift station will begin with the final phase of the TOWNSHIP 7 SEWER PROJECT.



## STRATEGIC PLANNING

The Board of Aldermen and the City's leadership team will be working with the UNC School of Government's Center for Public Leadership & Governance to develop a strategic plan to guide the City. This process will include developing organizational values, reevaluating vision and mission statements, identifying priorities, and defining success for the City and staff.

## DUFFYFIELD COMMUNITY RESILIENCE IMPROVEMENT PROJECT

The Duffyfield area, specifically in Henderson Park, was identified as a priority in the City's Resiliency & Hazard Mitigation Plan. The goal of the project is to create an open greenspace to treat and store storm-water runoff, reduce flood risk to downstream residential properties, support recreational activities and sustain a critical community asset. This project is slated to begin in 2024.







## FINANCIAL REPORTING

The City of New Bern was named a 2022 Triple Crown Award winner by the Government Financial Officers Association of the United States and Canada (GFOA). New Bern was recognized for receiving the GFOA's Certificate of Achievement for Excellence in Financial Reporting, the Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award.

The Triple Crown designation represents a significant achievement in financial reporting and transparency. To qualify, each entity must meet the high standards of all three separate award programs. Each award program recognized governments that produce reports which communicate their financial stories in a transparent manner and meet applicable standards.



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