

CITY OF NEW BERN

North Carolina



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

City of New Bern, North Carolina
Table of Contents
June 30, 2019

<u>Exhibit</u>		<u>Page(s)</u>
	Introductory Section	
	Letter of Transmittal	i - vi
	GFOA Certificate of Achievement	vii
	List of Principal Officials	viii
	Organizational Chart	ix
	Financial Section:	
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-11
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position	12
2	Statement of Activities	13
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds	14
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
4	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	16
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Annual Budget and Actual – General Fund	18
6	Statement of Revenues, Expenditures, and Changes in Fund Balances – Annual Budget and Actual – FEMA Hurricane Florence	19
7	Statement of Net Position– Proprietary Funds	20-21
8	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	22
9	Statement of Cash Flows – Proprietary Funds	23-24
	Notes to the Financial Statements	25-56

City of New Bern, North Carolina
Table of Contents
June 30, 2019

<u>Exhibit</u>		<u>Page(s)</u>
	Required Supplementary Information	
A-1	Schedule of Proportionate Share of the Net Pension Liability (Asset) - Local Government Employees' Retirement System	57
A-2	Schedule of Contributions - Local Government Employees' Retirement System	58
A-3	Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	59
A-4	Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance	60
A-5	Schedule of Changes in the Total OPEB Liability and Related Ratios	61
	Individual Fund Statements and Schedules:	
B-1	Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual - General Fund	62-66
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - FEMA Hurricane Florence	67-68
C-1	Combining Balance Sheet - Non-major Governmental Fund	69
C-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-major Governmental Funds	70
C-3	Balance Sheet - Special Revenue Funds	71-73
C-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Special Revenue Funds	74-76
C-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Community Development Fund	77
C-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Telephone System Fund	78
C-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Police Special Revenue Fund	79

City of New Bern, North Carolina
Table of Contents
June 30, 2019

<u>Exhibit</u>		<u>Page(s)</u>
C-8	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Grants Special Revenue Fund	80
C-9	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Public-Private Partnership Fund	81
C-10	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - FEMA Hurricane Irene Fund	82
C-11	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - MPO Plan Fund	83
C-12	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Entitlement Cities CDBG Program Fund	84
C-13	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Equitable Sharing U.S. Department of Justice Fund	85
C-14	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Neuse River Gateway Fund	86
C-15	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - City Market Workforce Development Fund	87
C-16	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Union Station Train Depot Fund	88
D-1	Balance Sheet - Capital Project Funds	89-90
D-2	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Project Funds	91-92
D-3	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Capital Project Funds	93
D-4	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - IT Network Merger Fund	94

City of New Bern, North Carolina
Table of Contents
June 30, 2019

<u>Exhibit</u>		<u>Page(s)</u>
D-5	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - 2017 Roadway Improvement Project Fund	95
D-6	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Martin Marietta Park Project Fund	96
D-7	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - ERP Project Fund	97
D-8	Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Garage Relocation Project Fund	98
E-1	Schedule of Revenues and Expenditures - Budget and Actual - Electric Fund	99
E-1a	Schedule of Revenues and Expenditures - Budget and Actual - Electric Rate Stabilization Fund	100
E-1b	Schedule of Revenues and Expenditures - Budget and Actual - 2019 Electrical Improvements Project Fund	101
E-2	Schedule of Revenues and Expenditures - Budget and Actual - Water Fund	102
E-2a	Schedule of Revenues and Expenditures - Budget and Actual - Water Capital Reserve Fund	103
E-2b	Schedule of Revenues and Expenditures - Budget and Actual - West New Bern Water System Improvement Capital Project Fund	104
E-2c	Schedule of Revenues and Expenditures - Budget and Actual - 2017 Water Improvement Project Fund	105
E-2d	Schedule of Revenues and Expenditures - Budget and Actual - Water Resource Relocation Project Fund	106
E-3	Schedule of Revenues and Expenditures - Budget and Actual - AMI/DSM System Enterprise Capital Project Fund	107
E-4	Schedule of Revenues and Expenditures - Budget and Actual - Sewer Fund	108
E-4a	Schedule of Revenues and Expenditures - Budget and Actual - Sewer Capital Reserve Fund	109

City of New Bern, North Carolina
Table of Contents
June 30, 2019

<u>Exhibit</u>		<u>Page(s)</u>
E-4b	Schedule of Revenues and Expenditures - Budget and Actual - Township 7 Sewer Improvement Capital Project Fund	110
E-4c	Schedule of Revenues and Expenditures - Budget and Actual - 2017 Sewer Improvement Project Fund	111
E-4d	Schedule of Revenues and Expenditures - Budget and Actual - Sewer Debt Service Reserve Fund	112
E-5	Schedule of Revenues and Expenditures - Budget and Actual - Stormwater Fund	113
E-5	Schedule of Revenues and Expenditures - Budget and Actual - Drainage Improvement Project Fund	114
E-6	Schedule of Revenues and Expenditures - Budget and Actual - Solid Waste Fund	115
Other Schedules		
F-1	Schedule of Ad Valorem Taxes Receivable	116
F-1a	Analysis of Current Tax Levy (City - Wide Levy)	117
Statistical Section		
	Net Position by Component - Last Ten Fiscal Years	118
	Changes in Net Position - Last Ten Fiscal Years	119-121
	Program Revenues by Function/Program - Last Ten Fiscal Years	122
	Fund Balances - Governmental Funds - Last Ten Fiscal Years	123
	Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	124
	The Electric System - Electricity Purchased, Consumed and Unbilled - Last Ten Fiscal Years	125
	Electric Rates - Last Ten Fiscal Years	126
	Electric System - Major Users - Current and Nine Years Ago	127
	Water System - Major Users - Current and Nine Years Ago	128
	Sewer System - Major Users - Current and Nine Years Ago	129

City of New Bern, North Carolina
Table of Contents
June 30, 2019

<u>Exhibit</u>	<u>Page(s)</u>
Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	130
Property Tax Levies and Collections - Last Ten Fiscal Years	131
Principal Taxpayers - Current and Nine Years Ago	132
Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years	133
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	134
Direct and Overlapping Governmental Activities Debt	135
Legal Debt Margin Information - Last Ten Fiscal Years	136
Demographic and Economic Statistics - Last Ten Fiscal Years	137
Principal Employers - Current Year and Nine Years ago	138
Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years	139-140
Operating Indicators by Function/Program - Last Ten Fiscal Years	141-142
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	143
 Compliance Section:	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements performed in accordance with <i>Governmental Auditing Standards</i>	144-145
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	146-147
Report on Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance In Accordance With Applicable Sections of Uniform Guidance and the State Single Audit Implementation Act	148-149
Schedule of Findings and Responses	150-152
Corrective Action Plan	153
Summary Schedule of Prior Year Audit Findings	154
Schedule of Expenditures of Federal and State Awards	155

INTRODUCTORY SECTION



THIS PAGE WAS LEFT INTENTIONALLY BLANK



NEW BERN
CITY OF NEW BERN

Aldermen

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

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

Dana E. Outlaw
Mayor
Mark A. Stephens
City Manager
Brenda E. Blanco
City Clerk
Mary M. Hogan
Director of Finance

April 21, 2020

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

The Comprehensive Annual Financial Report of the **CITY OF NEW BERN**, North Carolina (the City) for the fiscal year ended June 30, 2019, is hereby submitted. The basic financial statements contained herein have been audited by the independent certified public accounting firm of Thompson, Price, Scott, Adams & Co, P.A., a firm of licensed certified public accountants, and their unmodified opinion is included in the financial section. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the data enclosed is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position and, where applicable, the cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

The City is required to undergo a “Single Audit” in conformity with *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act.

Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, and the auditor’s reports on the internal control over financial reporting and compliance with applicable laws, regulations, and contract and grant agreements, is included in a separate reporting package.

ECONOMIC CONDITION AND OUTLOOK

New Bern, settled in 1710 at the confluence of the Trent and Neuse Rivers, is located 110 miles east of Raleigh, the State Capitol, and 35 miles west of the Atlantic Ocean. New Bern is the largest municipality in Craven County and serves as the County seat. Rich in history, it is the site of North Carolina’s Colonial Capital and its first State Capitol. New Bern is also the Birthplace of Pepsi Cola, a drink first created by Caleb Bradham, a local pharmacist, in 1898. Downtown New Bern offers museums, shops, galleries, restaurants, historic sites, waterfront hotels, bed and breakfast accommodations, marinas, a convention center, parks, historic homes and churches. Tryon Palace Historic Sites & Gardens, the first permanent seat of colonial government in North Carolina, offers visitors an opportunity to experience over 300 years of American history and acres of period-inspired gardens. The City is centrally located to several growing communities including the cities of Jacksonville, Morehead City, Greenville, and Kinston, all around 40 miles and less than an hour’s drive away. The City is easily accessible by US 70, US 17, and NC 43. As of June 2017, the community had an unemployment rate of 4.2 percent compared to a statewide rate of 3.9 percent. The 2018 census population for the city was reported as 30,113.

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

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

Government (federal, state and local) is the largest single employer in the County. CarolinaEast Health System, now a 5-star rated establishment, is the City’s largest single employer and in January 2017 held a groundbreaking ceremony for construction of the, 80,000-square foot three-story SECU Comprehensive Cancer Center with an estimated construction time line of 14 months.

New Bern is home to two large manufacturing facilities: Moen, Inc. and BSH Appliances, Corp. Moen, the number one faucet brand in North America, constructed a new component warehouse in the summer of 2016 that brought 75 new jobs to the area. BSH Appliances, a German-based manufacturer, is the world's third largest home appliance manufacturer specializing in cooking, washing/drying, refrigeration/freezing, and other consumer products. New Bern is host to the largest of the three U.S.-based factories. BSH Home Appliances did a 359,000 square-foot, \$16 million expansion to its New Bern location almost doubling the number of loading dock from 25 to 59. This facility stores and ships home appliances for three BSH brands in North America and employees more than 1,100 people.

MAJOR INITIATIVES FOR THE YEAR

Fiscal year 2018-2019 (FY19) included the planning and implementation phases of several initiatives as well as the continuation or completion of projects begun during previous fiscal years.

Martin Marietta Park

In September 2017, Martin Marietta Materials, Inc. donated approximately 55 acres of property to the City. In the spring of 2018, the City invited the public to comment on proposed amenities residents would like to see inside the park. Those surveys and comments were collected and analyzed by independent consultant McGill & Associates, who assisted the City in creating a master plan for the park. In April, the Board of Aldermen approved moving forward with the master plan which includes walking, running and cycling paths and trails, an outdoor performance area, open space for recreation and environmental stewardship, water activities and adventure activities. The City received a grant from the NC Parks & Recreation Trust Fund in the amount of \$475,000 to begin Phase I which includes installing a children's playground, boat launch, fishing pier, picnic shelter, park benches, multi-purpose trails, nature trail, and nature observation deck.

Volt Center

The city-owned facilities at 205 First Street are being renovated and will be used as a multi-purpose facility. Groundbreaking took place in August 2017. The facility will focus on fostering and incubating new businesses, especially in agriculture, food sales, crafts, art, and small-scale manufacturing. Furthermore, Craven Community College will be utilizing the main building for training and various classes. Total outdoor vendor space is 12,200 square feet. across 25-30 covered bays and total indoor space of between 5,000-8,000 square feet, additional 6,000-7,000 square feet of flexible storage and workshop space, and approximately 10,000 square feet of flexible open space is available for large gatherings or a concert stage and possible restaurant incubator. Funding for this project includes grants and contributions from: U.S. Department of Commerce Economic Development Administration, Golden Leaf Foundation, NC Department of Transportation, City of New Bern, Craven 100 Alliance, and the Bate Foundation.

ERP

The City has completed the Phase I of the ERP implementation and went live with Financials in March 2019. Phase II, Human Capital Management will begin in June 2019 with an estimated implementation go-live in January 2020.

MAJOR INITIATIVES FOR THE FUTURE

Fiscal year 2018-2019 (FY19) includes the planning and implementation phases of several initiatives as well as the continuation or completion of projects begun during previous fiscal years.

West New Bern Water System Improvements Project

This project will involve installing new water mains, constructing a new elevated storage tank and increasing the capacity of the water system distribution pumps to improve the domestic and fire flow supply to the western portions of New Bern. These changes to the water distribution system will improve system pressures and firefighting capabilities. The project is in the permitting and easement acquisition phases. The project should be ready to move into the construction phase in the second half of FY21. The estimated construction cost is \$3 million.

Township No. 7 Sewer System Improvements Project – Phase III

This project will involve modifications to the sanitary sewer in the Township No. 7 area to include, *an upgrade to the existing pumps and control components at the equalization basin along with the construction of a new transmission force main across the Trent River. The need for these improvements had 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.* The project is in the permitting and easement acquisition phases and should be ready to move into the construction phase in the second half of FY21. The estimated construction cost is \$3 million.

Trent Road Substation Transformer Bank A Replacement

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

County Line Road Substation (Engineering and Design)

Engineering and design of a new substation at a strategic location to be determined; between James City and Havelock. This project will provide capacity for the electric system and free up capacity at the Glenburnie Substation. Capacity at the Glenburnie substation is needed to support

I-43 corridor growth. The project will also improve electric system reliability and redundancy, while expansion will provide the necessary level of capacity for the growth of the highway 70 corridor and provide backup to the existing 25 MVA transformer and circuits. The estimated cost of the engineering and design phase is \$150,000.

OTHER INFORMATION

Budget preparation process

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

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

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

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

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

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

North Carolina General Statutes require one public hearing be held for public comment on the proposed budget. In a concentrated attempt to provide an opportunity to the citizens of New Bern, a public hearing is scheduled by the Board for public input on the budget. This hearing is usually conducted in late May or early June. The Board formally adopts the budget at a regular Board of Aldermen meeting on or before June 30th.

Acknowledgements

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

Awards

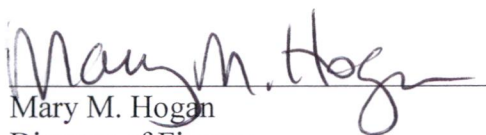
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Bern for the fiscal year ended June 30, 2018, which was the seventh year the City prepared a comprehensive annual financial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

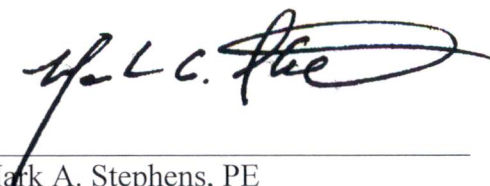
Independent Audit

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

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

Respectfully submitted,


Mary M. Hogan
Director of Finance


Mark A. Stephens, PE
City Manager



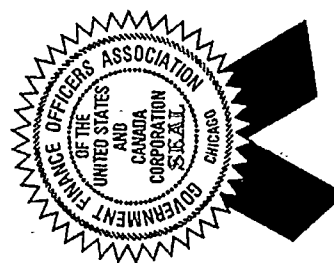
**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
City of New Bern, North Carolina



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Christopher P. Morill

Date September 6, 2019

CITY OF NEW BERN, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2019

BOARD OF ALDERMEN

Dana E. Outlaw

Mayor

Jeffrey T. Odham

Mayor Pro Tem

Robert Aster

Barbara J. Best

Jameesha Harris

Johnnie Ray Kinsey

Sabrina Bengel

CITY ADMINISTRATION

Mark A. Stephens

City Manager

Joseph R. Sabatelli

Director of Finance

Brenda E. Blanco

City Clerk

Foster Hughes

Director of Parks & Recreation

Charles Bauschard

Director of Utilities

Jeffrey Ruggieri

Director of Development Services

Robert M. Boyd

Fire Chief

Sonya Hayes

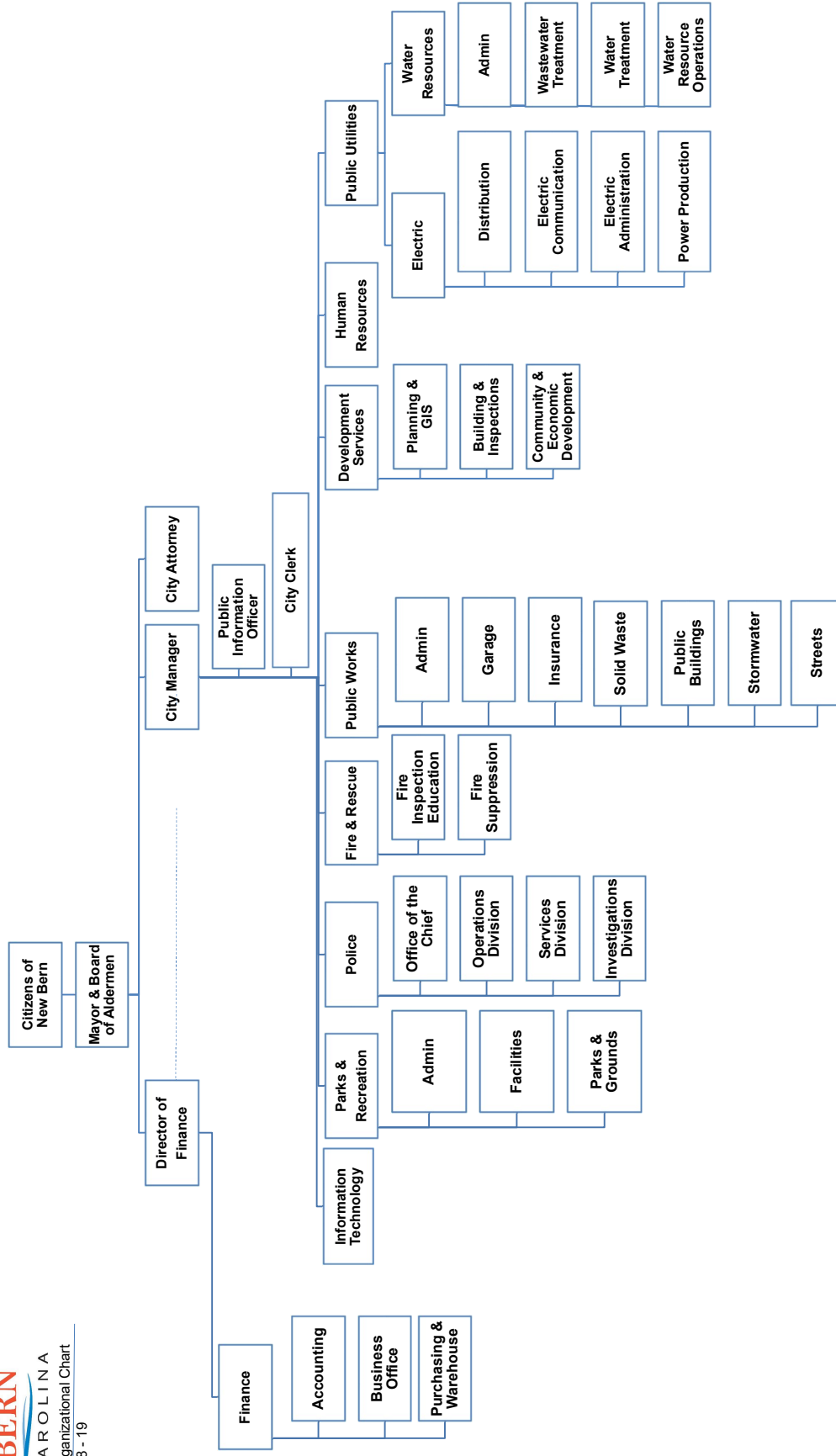
Director of Human Resources

Matthew Montanye

Director of Public Works

Toussaint Summers

Chief of Police





THIS PAGE WAS LEFT INTENTIONALLY BLANK

FINANCIAL SECTION



THIS PAGE WAS LEFT INTENTIONALLY BLANK



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

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

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

Independent Auditors' Report

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Members

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

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

Opinions

In our opinion, based upon our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Bern, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 11, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions on pages 57 through 58 , 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 59 through 60, and the Changes in Total OPEB Liability and Related Ratios page 61, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budgetary schedules, Schedule of Expenditures of Federal and State Awards, and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2020 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
April 21, 2020

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, 2019. 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

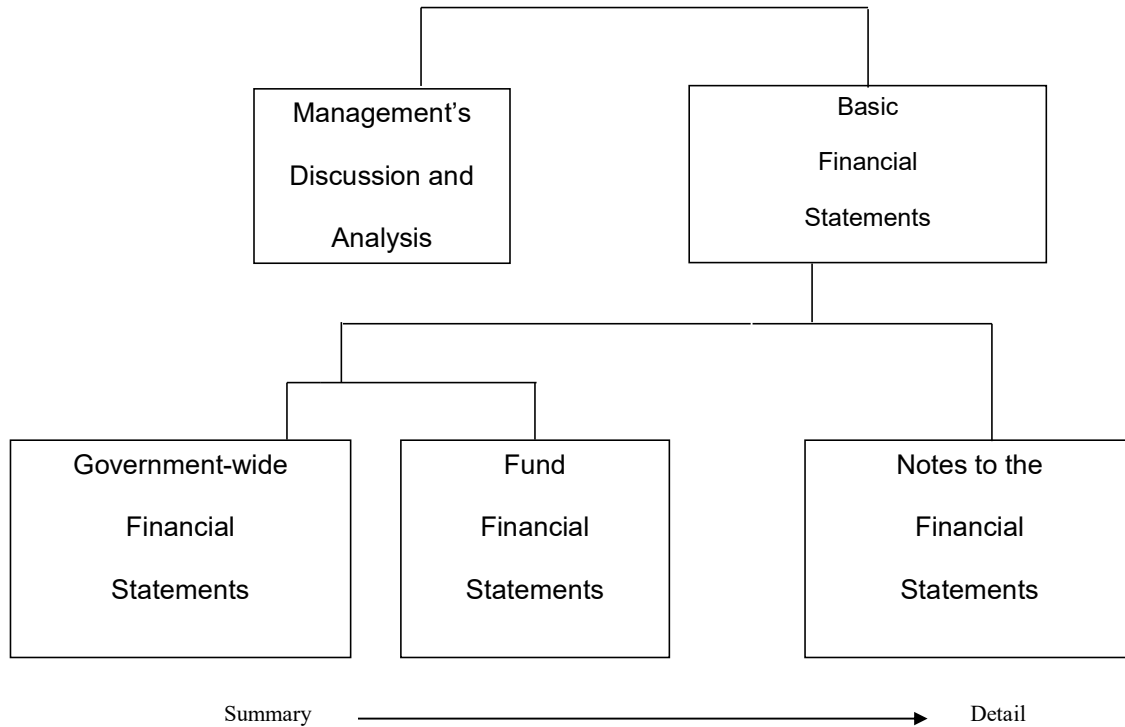
- The assets of the City of New Bern exceeded its liabilities at the close of the fiscal year by \$182,900,013 (net position).
- Total governments total net position decreased by \$3,525,097, primarily due to decreases in the governmental activities net position. In addition, restatements were made that decreased beginning net position in the governmental activities by \$288,809 and increased beginning net position in the business-type activities by \$288,809 as a result of separating solid waste activities from the General Fund and properly reflected stormwater project activity.
- As of the close of the current fiscal year, the City of New Bern's governmental funds reported combined ending fund balances of \$11,669,364, a decrease of \$10,075,844 in comparison with the prior year. Approximately \$19.5 million (167.23 percent) is unavailable (nonspendable or restricted by state statute); Approximately -88.73 percent is unassigned or available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,136,141 or 3.83 percent of total General Fund expenditures for the fiscal year; compared to \$13,864,240, or 38.5 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 \$4,018,793 (7.29 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, and electric and stormwater services 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 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 Boards; 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 stormwater 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		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Current assets	\$ 17,587,549	\$ 28,811,306	\$ 51,100,847	\$ 51,829,585	\$ 68,688,396	\$ 80,640,891
Capital assets	62,389,067	59,537,584	153,901,212	152,069,309	216,290,279	211,606,893
Deferred outflows of resources	5,666,906	3,847,253	1,826,849	1,237,501	7,493,755	5,084,754
Total assets and deferred outflows of resources	85,643,522	92,196,143	206,828,908	205,136,395	292,472,430	297,332,538
Current and other liabilities	5,132,165	2,353,631	13,427,128	7,376,891	18,559,293	9,730,522
Non-current liabilities	49,002,617	48,988,999	37,156,088	48,705,086	86,158,705	97,694,085
Deferred inflows of resources	514,934	3,362,325	56,343	120,496	571,277	3,482,821
Total liabilities and deferred inflows of resources	54,649,716	54,704,955	50,639,559	56,202,473	105,289,275	110,907,428
Net position:						
Invested in capital assets, net of related debt	52,140,067	52,136,675	115,441,237	105,972,773	167,581,304	158,109,448
Restricted	21,920,878	6,853,285	1,148,415	1,413,444	23,069,293	8,266,729
Unrestricted	(47,350,282)	(21,498,772)	39,599,697	41,547,705	(7,750,585)	20,048,933
Total net position	\$ 26,710,664	\$ 37,491,188	\$ 156,189,349	\$ 148,933,922	\$ 182,900,013	\$ 186,425,110

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 \$182,900,013 as of June 30, 2019. The City's net position decreased by \$3,525,097 for the fiscal year ended June 30, 2019, which included a restatement of beginning net position to correct beginning balances that increased beginning net position by \$288,809. The largest portion of net position \$167,581,304 (91.62%) 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 \$23,069,293 (12.61%) represents resources that are subject to external restriction on how they may be used. The remaining balance of (\$7,750,585) (-4.24%) is unrestricted.

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

- Continued diligence in the collection of property taxes by maintaining a tax collection percentage of 99.34% in the City-Wide tax districts.
- Continued low cost of debt due to the City's credit rating.

A large portion of the decrease was due to expenses related to damages from Hurricane Florence that have not been reimbursed by FEMA.

City of New Bern's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 1,266,591	\$ 4,432,486	\$ 76,876,520	\$ 76,362,096	\$ 78,143,111	\$ 80,794,582
Operating grants and contributions	1,677,370	1,046,342	-	-	1,677,370	1,046,342
Capital grants and contributions	687,000	3,884,401	2,247,452	312,343	2,934,452	4,196,744
General revenues:						
Property taxes	14,921,580	14,575,810	-	-	14,921,580	14,575,810
Other taxes and licenses	11,488,514	10,652,498	-	-	11,488,514	10,652,498
Unrestricted investment earnings	618,976	474,950	598,351	275,167	1,217,327	750,117
Miscellaneous	1,015,503	285,219	162,777	43,184	1,178,280	328,403
Gain/Loss on disposal of fixed assets	(7,142)	-	60,108	-	52,966	-
Total revenues	31,668,391	35,351,706	79,945,208	76,992,790	111,613,599	112,344,496
Expenses						
General government	2,041,271	2,837,204	-	-	2,041,271	2,837,204
Public safety	20,998,605	18,258,916	-	-	20,998,605	18,258,916
Public Works	14,746,304	10,829,385	-	-	14,746,304	10,829,385
Cultural and recreation	3,519,992	3,414,130	-	-	3,519,992	3,414,130
Economic Development	2,607,397	1,902,842	-	-	2,607,397	1,902,842
Interest on long-term debt and fees	215,138	160,982	-	-	215,138	160,982
Electric	-	-	49,221,183	46,482,917	49,221,183	46,482,917
Water	-	-	7,752,532	8,338,702	7,752,532	8,338,702
Sewer	-	-	10,429,678	10,384,998	10,429,678	10,384,998
Stormwater	-	-	639,676	628,260	639,676	628,260
Solid Waste	-	-	2,966,921	-	2,966,921	-
Total expenses	44,128,707	37,403,459	71,009,990	65,834,877	115,138,697	103,238,336
Change in net position before transfers	(12,460,316)	(2,051,753)	8,935,218	11,157,913	(3,525,097)	9,106,160
Transfers	1,968,600	2,874,231	(1,968,600)	(2,874,231)	-	-
Net Position						
Beginning of year - July 1	37,491,188	36,668,710	148,933,922	140,650,240	186,425,110	177,318,950
Restatement	(288,809)	-	288,809	-	-	-
Beginning of year, as restated	37,202,379	36,668,710	149,222,731	140,650,240	186,425,110	177,318,950
End of year - June 30	\$ 26,710,663	\$ 37,491,188	\$ 156,189,349	\$ 148,933,922	\$ 182,900,013	\$ 186,425,110

Governmental activities. Governmental activities decreased the City's net position by \$10,862,635. Key elements of this decrease are as follows:

- Extensive Hurricane Florence expenses not reimbursed by FEMA
- Decrease in capital grants received
- Restatement of beginning fund balance due to Solid Waste activities being removed from the General Fund

Business-type activities: Business-type activities increased the City's net position by \$7,255,427. Key elements of this increase are as follows:

- Increase of Capital Contributions
- Revenues increasing with respect to increases in expenses
- Restatement of beginning fund balance due to Solid Waste activities being removed from the General Fund

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, unreserved 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 \$1,136,141, while total fund balance reached \$22,829,395. The City of New Bern has determined that the City should maintain an available fund balance between 25% and 35% 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 76.70% of total General Fund expenditures, while total fund balance represents 77.04% of that same amount.

At June 30, 2019, the governmental funds of the City of New Bern reported a combined fund balance of \$11,669,364, a 46.34% decrease over last

General Fund Budgetary Highlights: During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments were made during the year to increase the General Fund budget by \$1,651,157.

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 \$23.4 million in the Electric Fund, \$9.6 million in the Water Fund, \$6.5 million in the Sewer Fund, \$471,702 in the Stormwater Fund, and a deficit of \$1.4M in the Solid Waste Fund.

All five proprietary funds, Electric, Water, Sewer, Stormwater and Solid Waste experienced growth in net position of \$1.0 million, \$2.6 million, \$2.9 million, \$380,556 and \$90,690 respectively. The primary reason for the increases in net position for these funds are requirements for revenues to exceed operational expenses sufficient enough to meet debt service requirements.

Capital Asset and Debt Administration

Capital Assets. The City of New Bern's capital assets for its governmental and business-type activities as of June 30, 2019 totals \$216,290,279 (net of accumulated depreciation). These assets include buildings, land, improvements, equipment, vehicles, infrastructure, plants and distributions systems, and construction in progress.

Major capital asset transactions during the year include:

- Purchase of multiple police vehicles
- Completion of ERP Project
- Starting work on new Workforce Development Center

City of New Bern's Capital Assets
Figure 4

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	\$ 18,694,396	\$ 18,684,164	\$ 14,453,977	\$ 14,453,977	\$ 33,148,373	\$ 33,138,141
Construction in progress	3,812,170	1,157,791	12,289,806	15,250,298	16,101,976	16,408,089
Building and systems	16,653,275	16,177,688	200,011,601	190,871,607	216,664,876	207,049,295
Equipment, furniture, and fixtures	16,900,014	17,084,933	15,643,141	15,063,504	32,543,155	32,148,437
Infrastructure	34,567,266	32,444,898	6,787,242	6,589,278	41,354,508	39,034,176
Vehicles and Motorized Equipment	9,554,133	9,734,306	7,059,745	6,352,778	16,613,878	16,087,084
Total	100,181,254	95,283,780	256,245,512	248,581,442	356,426,766	343,865,222
Accumulated depreciation	(37,792,187)	(35,746,196)	(102,344,300)	(96,512,133)	(140,136,487)	(132,258,329)
Capital assets, net	\$ 62,389,067	\$ 59,537,584	\$ 153,901,212	\$ 152,069,309	\$ 216,290,279	\$ 211,606,893

Long-term Debt. As of June 30, 2019, the City of New Bern had total debt outstanding of \$51,123,790 as noted in the following table.

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Direct Placement Installment Purchases	\$ 10,249,000	\$ 8,627,381	\$ 3,745,704	\$ 3,859,046	\$ 13,994,704	\$ 12,486,427
Direct Borrowing Notes Payable	-	-	23,694,553	26,585,374	23,694,553	26,585,374
Revenue bonds	-	-	13,434,533	16,070,782	13,434,533	16,070,782
OPEB and Net Pension Liability	42,769,778	37,902,211	2,298,527	1,604,429	45,068,305	39,506,640
Compensated Absences	1,685,077	1,440,674	633,969	585,454	2,319,046	2,026,128
Total	\$ 54,703,855	\$ 47,970,266	\$ 43,807,286	\$ 48,705,085	\$ 98,511,141	\$ 96,675,351

The City of New Bern's total debt decreased by \$1,835,790 during the past fiscal year, primarily due to principal payments on all outstanding debt.

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 \$221,353,117.

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:

- An increase to the tax rate of \$.0222, to cover the removal of Stormwater fees
- Continued development and residential growth throughout the City
- The June 2019 unemployment rate for Craven County was 4.6% compared to 4.1% for the State and 3.6% for the nation. This compares to June 2018 rates of 4.3% for Craven County, 4.2% for the State and 4.0% for the nation.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities: The City has chosen to increase property tax rates in the 2020 budget of \$.4822 per \$100 of assessed value to offset a decrease in stormwater fees. No Fund Balance in the General Fund was appropriated in the 2020 budget. Management believes that continued restrictions on spending will maintain the City's financial position and all vacant positions are evaluated thoroughly for need of continued funding.

The City will be consolidating the Stormwater Fund into the General Fund.

The North Carolina General Assembly has approved an expansion of the statewide sales tax to select services and additional items not previously taxed as well as modifications to the distribution of sales tax with a lesser emphasis on point of sale and more emphasis per capita. These modifications took effect March 2016 and will continue to have a positive impact on the City's budget.

Budgeted expenditures in the General Fund are expected to decrease by 2.6% to \$36,176,970. This decrease is primarily due to fewer major equipment replacements.

Other budget highlights in brief include:

- Substantial budget decreases in Employees' Benefit insurance
- Salary adjustment will be based on a tiered merit system, with a 1.20% COLA for all staff.

Business-Type Activities: The fiscal year 2020 budget maintains the rate decreases effective July 1, 2015 in the electric, water, and sewer, and no rate change for stormwater services. The budget also reflects additional electric rate reductions of 12% and 1.25% effective September 1, 2015 and April 1, 2016 respectively made possible by the sale of the electric generating assets of the North Carolina Eastern Municipal Power Association, of which the City is a member and purchases its wholesale power; additionally, due to expected improved conditions on wholesale power costs, an additional rate reduction of 1.5% was effective July 1, 2017. No additional rate decreases will be implemented due to an increase in wholesale prices.

Adopted budgets for the Electric, Water, Sewer, Stormwater and Solid Waste Funds are \$55.71 million, \$10.58 million, \$12.15 million, \$0 (getting consolidated in the General Fund), and \$3.385 million respectively.

Requests for Information

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, City of New Bern, P.O. Box 1129, New Bern, NC 28563-1129. One can also call (252) 639-2711, visit our website www.newbernnc.gov or send an email to finadm@newbernnc.gov for more information.



THIS PAGE WAS LEFT INTENTIONALLY BLANK

BASIC FINANCIAL STATEMENTS



THIS PAGE WAS LEFT INTENTIONALLY BLANK

GOVERNMENT - WIDE FINANCIAL STATEMENTS



THIS PAGE WAS LEFT INTENTIONALLY BLANK

City of New Bern, North Carolina
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,819,014	\$ 33,584,912	\$ 41,403,926
Receivables, net of allowance for uncollectibles	3,084,988	9,868,742	12,953,730
Taxes receivables, net of allowance for uncollectibles	162,205	-	162,205
Notes Receivable	119,000	-	119,000
Due from other governments	985,711	-	985,711
Due from other funds	1,500,000	(1,500,000)	-
Internal Balances	(993,965)	993,965	-
Inventories	100,369	2,041,454	2,141,823
Prepaid Items	10,775	-	10,775
Restricted Cash and Cash Equivalents	4,799,452	6,111,774	10,911,226
Total current assets	17,587,549	51,100,847	68,688,396
Non-Current assets:			
Capital Assets:			
Non-depreciable	22,506,566	26,743,783	49,250,349
Other capital assets, net of depreciation	39,882,501	127,157,429	167,039,930
Total capital assets	62,389,067	153,901,212	216,290,279
Total non-current assets	62,389,067	153,901,212	216,290,279
Total assets	79,976,616	205,002,059	284,978,675
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals	4,637,725	1,826,849	6,464,574
OPEB related deferrals	1,029,181	-	1,029,181
Total Deferred Outflows of Resources	5,666,906	1,826,849	7,493,755
LIABILITIES			
Current liabilities:			
Accounts payable	2,053,327	3,806,157	5,859,484
Accrued liabilities	39,300	421,229	460,529
Customer deposits	-	2,548,544	2,548,544
Claims and judgements payable	544,606	-	544,606
Installment notes payable, due within one year	1,989,409	858,847	2,848,256
Notes payable, due within one year	-	2,920,194	2,920,194
Bonds payable, due within one year	-	2,681,966	2,681,966
Compensated absences, due within one year	505,523	190,191	695,714
Total current liabilities	5,132,165	13,427,128	18,559,293
Long-term liabilities:			
Net pension liability (LGRS)	5,589,510	2,298,527	7,888,037
Total OPEB liability	31,590,758	-	31,590,758
Total pension obligation (LEOSSA)	2,383,204	-	2,383,204
Installment notes payable, due in more than one year	8,259,591	2,886,857	11,146,448
Notes payable, due in more than one year	-	20,774,359	20,774,359
Bonds payable, due in more than one year	-	10,752,567	10,752,567
Compensated absences, due in more than one year	1,179,554	443,778	1,623,332
Total long-term liabilities	49,002,617	37,156,088	86,158,705
Total liabilities	54,134,782	50,583,216	104,717,998
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	514,934	56,343	571,277
OPEB related deferrals	4,283,142	-	4,283,142
Total Deferred Inflows of Resources	4,798,076	56,343	4,854,419
NET POSITION			
Net investment in capital assets	52,140,067	115,441,237	167,581,304
Restricted for:			
Stabilization by State Statute	19,411,492	-	19,411,492
Debt Service	-	1,148,415	1,148,415
Public Safety	263,962	-	263,962
Economic Development	2,245,424	-	2,245,424
Unrestricted	(47,350,282)	39,599,697	(7,750,585)
Total net position	\$ 26,710,664	\$ 156,189,349	\$ 182,900,013

City of New Bern, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
General government	\$ 2,041,271	\$ 128,798	\$ 51,491	\$ -	\$ (1,860,982)	\$ -	\$ (1,860,982)
Public safety	20,998,605	301,999	356,214	-	(20,340,392)	-	(20,340,392)
Public Works	14,746,304	41,031	865,707	687,000	(13,152,566)	-	(13,152,566)
Cultural and Recreational	3,519,992	191,078	-	-	(3,328,914)	-	(3,328,914)
Economic and physical development	2,607,397	603,685	403,958	-	(1,599,754)	-	(1,599,754)
Interest on long-term debt	215,138	-	-	-	(215,138)	-	(215,138)
Total governmental activities	44,128,707	1,266,591	1,677,370	687,000	(40,497,746)	-	(40,497,746)
Business-type activities:							
Electric	49,221,183	51,974,494	-	-	-	2,753,311	2,753,311
Water	7,752,532	9,843,507	-	422,447	-	2,513,422	2,513,422
Sewer	10,429,678	11,038,541	-	1,825,005	-	2,433,868	2,433,868
Stormwater	639,676	671,788	-	-	-	32,112	32,112
Solid Waste	2,966,921	3,348,190	-	-	-	381,269	381,269
Total business-type activities	71,009,990	76,876,520	-	2,247,452	-	8,113,982	8,113,982
Total primary government	\$ 115,138,697	\$ 78,143,111	\$ 1,677,370	\$ 2,934,452	(40,497,746)	8,113,982	(32,383,764)
General revenues:							
Taxes:							
Ad valorem taxes					14,921,580	-	14,921,580
Sales and use taxes					7,571,708	-	7,571,708
Utilities franchise tax					233,295	-	233,295
Payments in lieu of taxes					1,140,000	-	1,140,000
Other taxes					2,543,511	-	2,543,511
Investment earnings					618,976	598,351	1,217,327
Miscellaneous					1,015,503	162,777	1,178,280
Gain on disposal of fixed assets					(7,142)	60,108	52,966
Transfers					1,968,600	(1,968,600)	-
Total general revenues and transfers					30,006,030	(1,147,364)	28,858,666
Change in net position					(10,491,716)	6,966,618	(3,525,097)
Net position, beginning					37,491,188	148,933,922	186,425,110
Restatement					(288,809)	288,809	-
Net position beginning, as restated					37,202,379	149,222,731	186,425,110
Net position, ending					\$ 26,710,663	\$ 156,189,349	\$ 182,900,013

FUND FINANCIAL STATEMENTS

City of New Bern, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	Major Funds		Non-major	
	General	FEMA Hurricane Florence	Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,698,072	\$ -	\$ 428,425	\$ 5,126,497
Taxes receivable, net	162,205	-	-	162,205
Accounts Receivables, net	3,076,048	-	-	3,076,048
Notes Receivable	119,000	-	-	119,000
Due from other governments	894,130	-	91,581	985,711
Due from other funds	13,328,798	-	-	13,328,798
Restricted cash and cash equivalents	2,178,618	-	2,620,834	4,799,452
Inventory	100,369	-	-	100,369
Prepaid items	2,775	-	-	2,775
Total assets	\$ 24,560,015	\$ -	\$ 3,140,840	\$ 27,700,855
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,145,356	\$ 621,635	\$ 273,383	\$ 2,040,374
Due to other governments	1,546	-	-	1,546
Due to other funds	-	11,578,971	1,749,827	13,328,798
Total liabilities	1,146,902	12,200,606	2,023,210	15,370,718
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	162,205	-	-	162,205
Liens and other receivables	302,513	-	-	302,513
Intergovernmental	-	-	77,055	77,055
Miscellaneous	119,000	-	-	119,000
Total deferred inflows of resources	583,718	-	77,055	660,773
FUND BALANCES				
Nonspendable:				
Inventories	100,369	-	-	100,369
Prepaid items	2,775	-	-	2,775
Restricted:				
Stabilization by State Statute	19,411,492	-	-	19,411,492
Public safety	-	-	263,962	263,962
Streetscapes projects	-	-	-	-
ERP Projects	-	-	-	-
Economic and physical developments	2,178,618	-	66,806	2,245,424
Assigned:				
Capital Projects	-	-	1,553,691	1,553,691
Unassigned	1,136,141	(12,200,606)	(843,884)	(11,908,350)
Total fund balances	22,829,395	(12,200,606)	1,040,575	11,669,364
Total liabilities, deferred inflows of resources and fund balances	\$ 24,560,015	\$ -	\$ 3,140,840	

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

City of New Bern, North Carolina
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

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.	62,389,067
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	660,773
Benefit payments and pension administration costs for LEOSSA	100,608
Deferred outflows of resources are not reported in the funds	
Pension	4,442,490
LEOSSA	94,627
OPEB	1,029,181
Deferred inflows of resources are not recorded on the fund statements	
Pension	(137,016)
LEOSSA	(377,918)
OPEB	(4,283,142)
Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the governmental activities.	1,159,122
Stormwater Improvements - debt was recorded on governmental activities but project expenses are on Enterprise Fund Statements. This is the amount of the loan due back to the Governmental activities for this project.	1,500,000
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	(10,249,000)
Compensated Absences	(1,685,077)
Net pension liability (LGERS)	(5,589,510)
Total pension liability (LEOSSA)	(2,383,204)
Total OPEB liability	(31,590,758)
Accrued interest payable	(38,943)
Net position of governmental activities	\$ 26,710,664

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Major Funds		Non-major	Total Governmental Funds
	General Fund	FEMA Hurricane Florence Fund	Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 14,928,512	\$ -	\$ -	\$ 14,928,512
Unrestricted intergovernmental	11,525,983	-	-	11,525,983
Restricted intergovernmental	917,198	-	1,447,172	2,364,370
Licenses, permits and fees	558,380	-	-	558,380
Sales and services	670,742	-	-	670,742
Investment earnings	593,409	-	25,567	618,976
Miscellaneous	413,715	779,451	65,639	1,258,805
Total revenues	29,607,939	779,451	1,538,377	31,925,767
EXPENDITURES				
Current:				
General government	1,010,449	931,446	101,259	2,043,154
Public safety	17,158,185	1,359,908	362,902	18,880,995
Public Works	4,811,427	10,259,031	2,447,606	17,518,064
Cultural and recreation	3,014,102	355,038	-	3,369,140
Economic and Physical Development	1,527,204	74,634	2,394,126	3,995,964
Debt service:				
Principal	1,943,365	-	-	1,943,365
Interest and other charges	200,966	-	-	200,966
Total expenditures	29,665,698	12,980,057	5,305,893	47,951,648
Excess (deficiency) of revenues over expenditures	(57,759)	(12,200,606)	(3,767,516)	(16,025,881)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	31,970	-	-	31,970
Transfers (to) other funds	(13,923)	-	-	(13,923)
Transfers from other funds	1,968,600	-	13,923	1,982,523
Installment purchase obligations issued	1,629,798	-	2,319,669	3,949,467
Total other financing sources (uses)	3,616,445	-	2,333,592	5,950,037
Net Change in fund balance	3,558,686	(12,200,606)	(1,433,924)	(10,075,844)
Fund balances, beginning	19,571,904	-	2,474,499	22,046,403
Restatement	(301,195)	-	-	(301,195)
Fund balances, ending	\$ 22,829,395	\$ (12,200,606)	\$ 1,040,575	\$ 11,669,364

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, 2019

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

Net changes in fund balances - total governmental funds		\$ (10,075,844)
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	7,281,550	
Depreciation expense for governmental assets	(3,664,510)	
Loss on disposal of capital assets	<u>(39,112)</u>	3,577,928
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		1,321,298
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		791,405
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		100,608
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		(6,932)
Change in unavailable revenue for liens and other receivables		(362,302)
Change in miscellaneous notes receivable		119,000
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	(3,949,467)	
Principal payments on debt	<u>1,943,365</u>	(2,006,102)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		(14,172)
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		(159,084)
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		(264,492)
Pension expense		(1,632,174)
Other postemployment benefits		<u>(1,880,853)</u>
Total changes in net position of governmental activities		<u>\$ (10,491,716)</u>

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual
General Fund
For the Year Ended June 30, 2019

	Budget		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Ad valorem taxes	\$ 14,641,300	\$ 14,641,300	\$ 14,928,512	\$ 287,212
Unrestricted intergovernmental	10,942,952	10,954,776	11,525,983	571,207
Restricted intergovernmental	865,000	865,000	917,198	52,198
Licenses, permits and fees	482,800	482,800	558,380	75,580
Sales and services	631,177	730,177	670,742	(59,435)
Investment earnings	276,810	276,810	593,409	316,599
Miscellaneous	187,800	187,800	413,715	225,915
Total revenues	28,027,839	28,138,663	29,607,939	1,469,276
Expenditures:				
Current:				
General government	1,391,964	1,558,895	1,010,449	548,446
Public safety	17,527,024	18,008,768	17,158,185	850,583
Public Works	7,123,888	7,645,366	4,811,427	2,833,939
Cultural and recreation	3,495,920	3,576,700	3,014,102	562,598
Economic and physical development	1,719,719	1,723,919	1,527,204	196,715
Debt service:				
Principal retirement	1,993,383	2,199,407	1,943,365	256,042
Interest and other charges	324,215	324,215	200,966	123,249
Total expenditures	33,576,113	35,037,270	29,665,698	5,371,572
Revenues over (under) expenditures	(5,548,274)	(6,898,607)	(57,759)	6,840,848
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	31,970	31,970
Installment purchase obligations issued	1,079,075	1,551,559	1,629,798	78,239
Contingency	(72,766)	(262,766)	-	262,766
Transfers (to) other funds	(232,835)	(232,835)	(13,923)	218,912
Transfer from other funds	2,624,800	2,824,800	1,968,600	(856,200)
Total other financing sources (uses)	3,398,274	3,880,758	3,616,445	(264,313)
Revenues and other sources over (under) expenditures and other uses	(2,150,000)	(3,017,849)	3,558,686	6,576,535
Appropriated fund balance	2,150,000	3,017,849	-	(3,017,849)
Net change in fund balances	\$ -	\$ -	3,558,686	\$ 3,558,686
Fund balances, beginning			19,571,904	
Restatement (see Note 13)			(301,195)	
Fund balances, ending			\$ 22,829,395	

City of New Bern, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Annual Budget and Actual
FEMA Hurricane Florence
For the Year Ended June 30, 2019

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Restricted intergovernmental	\$ -	\$ 12,900,000	\$ -	\$ (12,900,000)
Insurance Proceeds	-	2,100,000	779,451	(1,320,549)
Total revenues	-	15,000,000	779,451	(14,220,549)
Expenditures				
General government	-	573,443	931,446	(358,003)
Public Safety	-	1,362,106	1,359,908	2,198
Public works	-	12,411,516	10,259,031	2,152,485
Cultural and Recreation	-	578,296	355,038	223,258
Economic and physical development	-	74,639	74,634	5
Total expenditures	-	15,000,000	12,980,057	2,019,943
Excess (deficiency) of revenues over expenditures	-	-	(12,200,606)	(12,200,606)
Net change in fund balance	\$ -	\$ -	(12,200,606)	\$ (12,200,606)
Fund Balance (Deficit), beginning of year			-	
Fund Balance (Deficit), end of year			\$ (12,200,606)	

City of New Bern, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

	Major Funds			Non-Major Funds		Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Solid Waste	Stormwater		
ASSETS							
Current assets:							
Cash and investments	\$ 18,793,028	\$ 8,755,787	\$ 5,608,824	\$ 341,769	\$ 85,504	\$ 33,584,912	\$ 2,692,517
Accounts receivable, net of allowances	6,934,735	1,203,013	1,340,185	358,034	32,775	9,868,742	8,940
Prepaid items	-	-	-	-	-	-	8,000
Inventories	2,041,454	-	-	-	-	2,041,454	-
Restricted cash and cash equivalents	2,611,700	1,968,193	907,005	34,587	590,289	6,111,774	-
Total current assets	30,380,917	11,926,993	7,856,014	734,390	708,568	51,606,882	2,709,457
Non-current assets:							
Capital assets:							
Land and other non-depreciable assets	8,351,067	4,250,535	13,133,159	-	1,009,022	26,743,783	-
Other capital assets, net of depreciation	27,451,364	44,718,978	52,076,961	701,506	2,208,620	127,157,429	-
Capital assets (net)	35,802,431	48,969,513	65,210,120	701,506	3,217,642	153,901,212	-
Total noncurrent assets	35,802,431	48,969,513	65,210,120	701,506	3,217,642	153,901,212	-
Total assets	66,183,348	60,896,506	73,066,134	1,435,896	3,926,210	127,079,854	2,709,457
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows related to pensions	848,164	425,693	443,229	61,344	48,419	1,826,849	-
Total Deferred Outflows of Resources	848,164	425,693	443,229	61,344	48,419	1,826,849	-
LIABILITIES							
Current liabilities:							
Accounts payable	3,477,397	8,596	140,134	180,124	(94)	3,806,157	11,407
Accrued liabilities	241,479	-	42,401	476	715	285,071	357
Accrued interest payable	28,920	77,098	29,503	637	-	136,158	-
Customer deposits	2,548,544	-	-	-	-	2,548,544	-
Claims payable	-	-	-	-	-	-	544,606
Due to other funds	-	-	-	-	1,500,000	1,500,000	-
Installment notes payable, current	571,977	65,002	107,400	114,468	-	858,847	-
Notes payable, current	-	1,680,331	1,239,863	-	-	2,920,194	-
Bonds payable, current	1,140,579	692,643	848,744	-	-	2,681,966	-
Compensated absences payable, current	99,259	41,288	36,271	8,740	4,633	190,191	-
Total current liabilities	8,108,155	2,564,958	2,444,316	304,445	1,505,254	14,927,128	556,370

(continued)

City of New Bern, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

	Major Funds		Non-Major Funds		Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Solid Waste	Stormwater	
Noncurrent liabilities:						
Other non-current liabilities:						
Installment notes payable	1,865,043	226,947	360,330	112,060	322,477	-
Notes payable	-	16,803,312	3,971,047	-	-	-
Bonds payable	5,136,201	2,982,689	2,633,677	-	-	-
Compensated absences payable	231,605	96,337	84,633	20,394	10,809	-
Net pension liability	1,067,153	535,604	557,667	77,182	60,921	-
Total non-current liabilities	8,300,002	20,644,889	7,607,354	209,636	394,207	-
Total liabilities	16,408,157	23,209,847	10,051,670	514,081	1,899,461	556,370
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	26,159	13,129	13,670	1,892	1,493	-
Total Deferred Inflows of Resources	26,159	13,129	13,670	1,892	1,493	-
NET POSITION						
Net Investment in capital assets	27,151,787	28,486,782	56,956,064	(638,850)	3,485,454	-
Other restrictions	-	-	-	1,148,415	-	-
Unrestricted	23,445,409	9,612,441	6,487,959	471,702	(1,411,779)	2,153,087
Total net position	\$ 50,597,196	\$ 38,099,223	\$ 63,444,023	\$ 981,267	\$ 2,073,675	\$ 2,153,087
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					993,965	
Net position of business-type activities					\$ 156,189,349	

City of New Bern, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Major Funds			Nonmajor Funds			Total	Internal Service
	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Stormwater Fund			
OPERATING REVENUES								
Charges for services	\$ 51,974,494	\$ 9,843,507	\$ 11,038,541	\$ 3,348,190	\$ 671,788	\$	76,876,520	\$ -
Other operating revenues	48,789	487,386	599,709	-	-	-	1,135,884	150,724
Employee and retiree contributions	-	-	-	-	-	-	-	628,627
Employer and other contributions	-	-	-	-	-	-	-	6,113,152
Total operating revenues	52,023,283	10,330,893	11,638,250	3,348,190	671,788		78,012,404	6,892,503
OPERATING EXPENSES								
Administrative and general	4,225,228	2,191,825	2,438,220	133,833	59,453		9,048,559	-
Operations and maintenance	4,172,343	3,973,520	5,756,109	2,769,430	463,615		17,135,017	-
Production	38,460,381	-	-	-	-		38,460,381	-
Depreciation	2,324,812	1,568,984	2,216,653	59,367	114,107		6,283,923	-
Claims and payments to third party administrators	-	-	-	-	-		-	7,174,456
Total operating expenses	49,182,764	7,734,329	10,410,982	2,962,630	637,175		70,927,880	7,174,456
Operating income (loss)	2,840,519	2,596,564	1,227,268	385,560	34,613		7,084,524	(281,953)
NONOPERATING REVENUES (EXPENSES)								
Investment earnings	335,015	131,199	97,714	1,203	33,220		598,351	40,759
Gain/(loss) on disposal of capital assets	14,026	26,566	(10,172)	-	29,688		60,108	-
Interest and other charges	(188,594)	(533,694)	(237,781)	(6,207)	(6,831)		(973,107)	-
Total nonoperating revenues (expenses)	160,447	(375,929)	(150,239)	(5,004)	56,077		(314,648)	40,759
Income (loss) before contributions and transfers	3,000,966	2,220,635	1,077,029	380,556	90,690		6,769,876	(241,194)
Capital contributions	-	422,447	1,825,005	-	-		2,247,452	-
Transfer in (out)	(1,968,600)	-	-	-	-		(1,968,600)	-
Total income (loss) after contributions and transfers	1,032,366	2,643,082	2,902,034	380,556	90,690		7,048,728	(241,194)
Change in net position	1,032,366	2,643,082	2,902,034	380,556	90,690		7,048,728	(241,194)
Total net position , beginning	49,564,830	35,456,141	60,541,989	-	2,294,887		2,394,281	-
Restatement (see Note 13)	-	-	-	600,711	(311,902)		-	-
Total net position, ending	\$ 50,597,196	\$ 38,099,223	\$ 63,444,023	\$ 981,267	\$ 2,073,675		7,048,728	\$ 2,153,087
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds								(82,110)
Change in Net position of Business-Type Activities								\$ 6,966,618

City of New Bern, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Major Funds			Non-Major Funds			Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Solid Waste	Stormwater Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Payments from customers and users	\$ 51,814,748	\$ 9,762,274	\$ 10,931,611	\$ 3,291,351	\$ 698,867	\$ 76,498,851	\$ 6,741,772
Payments to suppliers	(41,854,898)	(3,776,229)	(5,676,209)	(2,302,712)	(265,577)	(53,875,626)	(673,651)
Payments to employees	(5,188,547)	(2,521,642)	(2,613,123)	(415,533)	(295,104)	(11,033,949)	(6,975,162)
Other revenues	48,789	487,386	599,709	-	-	1,135,884	150,724
Net cash provided (used) by operating activities	4,820,092	3,951,789	3,241,988	573,106	138,186	12,725,160	(756,317)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Increase in due to / from other funds	-	-	-	-	-	-	-
Transfers (to) from other funds	(1,968,600)	-	-	-	-	(1,968,600)	-
Net cash provided (used) by noncapital financing activities	(1,968,600)	-	-	-	-	(1,968,600)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and construction of capital assets	(2,232,641)	(1,151,194)	(3,245,122)	(34,428)	(787,447)	(7,450,832)	-
Capital contributions	-	422,447	1,825,005	-	-	2,247,452	-
Proceeds from debt	433,738	133,000	133,000	34,429	70,000	804,167	-
Principal paid on bonds and installment purchases	(1,808,796)	(2,448,447)	(2,297,465)	(192,384)	(81,970)	(6,829,062)	-
Gain (loss) on disposal of assets	14,026	26,566	51,280	-	29,688	121,560	-
Interest paid on bonds and installment purchases	(190,176)	(540,525)	(244,042)	(5,570)	(8,339)	(988,652)	-
Net cash provided (used) by capital and related financing activities	(3,783,849)	(3,558,153)	(3,777,344)	(197,953)	(778,068)	(12,095,367)	-
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest and dividends	335,015	131,199	97,714	1,203	33,220	598,351	40,759
Net cash provided (used) by investing activities	335,015	131,199	97,714	1,203	33,220	598,351	40,759
Net increase (decrease) in cash and investments	(597,342)	524,835	(437,642)	376,356	(606,663)	(740,456)	(715,558)
Balances, beginning	22,002,070	10,199,145	6,953,471	-	1,282,456	40,437,142	3,408,075
Balances, ending	\$ 21,404,728	\$ 10,723,980	\$ 6,515,829	\$ 376,356	\$ 675,793	\$ 39,696,686	\$ 2,692,517

(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 Fiscal Year Ended June 30, 2019

	Major			Non-Major		Total	Internal Service Fund
	Electric Fund	Water Fund	Sewer Fund	Solid Waste	Stormwater Fund		
Reconciliation of operating income to net cash provided by operating activities							
Operating income	\$ 2,840,519	\$ 2,596,564	\$ 1,227,268	\$ 385,560	\$ 34,613	\$ 7,084,524	\$ (281,953)
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	2,324,812	1,568,984	2,216,653	59,367	114,107	6,283,923	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(52,371)	(81,233)	(106,930)	(56,839)	27,079	(270,294)	(7)
(Increase) decrease in due from other governments	-	-	-	-	-	-	-
(Increase) decrease in inventory	200,391	-	-	-	-	200,391	-
(Increase) decrease in prepaid expenses	-	-	-	-	-	-	-
(Increase) in deferred outflows of resources - pensions							
Increase (decrease) in net pension liability	(237,275)	(101,266)	(177,250)	(61,344)	(12,213)	(589,348)	-
Increase (decrease) in deferred inflows of resources - pension	269,188	129,320	207,162	54,824	11,245	671,739	-
Increase (decrease) in accounts payable and liabilities	(33,770)	(17,383)	(12,653)	1,892	(2,239)	(64,153)	-
Increase (decrease) in accrued payroll and payroll liabilities	(361,245)	(123,893)	(81,324)	180,125	(37,351)	(423,688)	(323,273)
Increase (decrease) in customer deposits	(28,248)	(14,445)	(46,587)	476	(181)	(88,985)	(151,084)
Increase (decrease) in accrued vacation pay	(107,375)	-	-	-	-	(107,375)	-
Total adjustments	5,466	(4,859)	15,649	9,045	3,125	28,426	-
Net cash provided by operating activities	1,979,573	1,355,225	2,014,720	187,546	103,572	5,640,636	(474,364)
	\$ 4,820,092	\$ 3,951,789	\$ 3,241,988	\$ 573,106	\$ 138,185	\$ 12,725,160	\$ (756,317)

City of New Bern, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

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, 2019, 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 judgments, 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 fund:

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

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

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 **Stormwater fund** accounts for the maintenance and development of the City's stormwater system.

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, 2019, 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, 2019 the General Fund is reporting \$2,112,516 of open encumbrances.

E. Deposits

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

State law [G.S. 159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at fair value. The NCCMT Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2019, The Term portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

F. Restricted cash and cash equivalents

The City has restricted cash and cash equivalents related to unspent proceeds from long-term debt issued by the General Fund, City Market Workforce Development, 2017 Roadway Improvement Project, ERP Project Fund, Garage Relocation Project Fund, Water Fund, Sewer Fund, Electric Fund, Solid Waste Fund and Stormwater Fund . These proceeds are held to be disbursed as costs are incurred on the financed construction projects. Customer deposits held by the City are restricted to the service for which the deposits are collected. Additionally, the cash of the Municipal Service District (MSD) are restricted for improvements within the special district.

G. Receivables

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

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.

H. Allowances

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.

I. 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."

J. 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.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items in both government-wide and fund financial statements.

L. Capital Assets

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

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

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

M. 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 outflow of resources (expense) until then. The City reports several deferred outflows related to the pension plans and total other postemployment benefit (OPEB) liability; one type of deferred outflow of resources being recognized is a deferred outflow of resources for the City's actual contributions to the pension plan and OPEB plan during the fiscal year ended June 30, 2018, which was subsequent to the measurement date of the net pension liability and total OPEB liability. The deferred outflows will be applied to future measurement periods. The City has four (4) items that qualify for reporting in this category which occurs in the governmental activities and in the individual proprietary funds. The City reports deferred outflows of resources for the: (1) difference between expected and actual experience of the pension plan and OPEB plan, (2) net difference between projected and actual investment earnings on the pension plan assets, (3) changes in proportion and the difference between the City's actual contributions towards the pension plan and the City's proportionate share of contributions, and (4) changes in the plan assumptions. The net difference between projected and actual investment earnings on the pension plan assets are amortized over five (5) years, while the remaining deferred outflows of resources will be amortized over the remaining service period of plan members.

In addition to liabilities, the statement of net 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two (2) items that qualify for reporting in this category which occurs in the governmental activities and in the individual proprietary funds. The City reports a deferred inflow of resources for the: (1) differences between expected and actual experience of the pension plan, (2) the difference between the City's actual contributions towards the pension plan and the City's proportionate share of contributions, and (3) changes in the assumptions and other inputs of the pension plan and OPEB plan. The deferred inflows of resources will be amortized over the remaining service period of plan members. Additionally, the City reports one (1) item which is reported as a deferred inflow of resources which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the accrual of ad valorem taxes and intergovernmental revenues which are earned by the City but are not considered available for the liquidation of current expenditures. Additionally, deferred inflows of resources are reported for outstanding lien receivables which are not collected within 90 days of the City's fiscal year-end.

N. 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.

O. Long-Term Obligations

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

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

P. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance - Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

Fund balances are classified 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.

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.

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.

Unassigned - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the General Fund. Additionally, any fund balance deficits in other governmental funds are reported as unassigned.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: (1) Committed, (2) Assigned, and (3) Unassigned.

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted using the same definitions as used for restricted fund balance as described in the section about. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Q. Pensions

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.

R. 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, 2019:

Fund	Deficit	Corrective Action
Public-Private Partnership	\$ (4,258)	Recognition of unavailable intergovernmental revenues
FEMA Hurricane Florence	(12,200,606)	Recognition of unavailable intergovernmental revenues
MPO Plan	(32,663)	Recognition of unavailable intergovernmental revenues
Entitlement Cities CDBG Program	(87,582)	Recognition of unavailable intergovernmental revenues
Neuse River Gateway	(15,550)	Recognition of unavailable intergovernmental revenues
City Market Workforce Development	(655,877)	Recognition of unavailable intergovernmental revenues
Union Station Train Depot	(43,187)	Recognition of unavailable intergovernmental revenues

C. Timeliness of Audit.

The audit report was issued almost 6 months after the required due date of October 31, 2019. The City experience major damage from hurricanes and had turnover in the finance officer position. As a result key items were not reconciled and additional time was needed to reconcile the ledger and obtain the information necessary to complete the audit.

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, 2019, the City's deposits had a carrying amount of \$3,167,306 and a bank balance of \$5,313,042. Of the bank balance, \$500,000 was covered under federal depository insurance and the remainder was covered by collateral held under the Pooling Method. The City's petty cash fund totaled \$7,350.

At June 30, 2019, the City's investment balances were as follows:

Investment by Type	Valuation Measurement Method	Book Value at 06/30/2019	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$23,246,799	N/A	AAAm
NC Capital Management Trust Term Portfolio	Fair Value Level 1	25,893,697	.11 years	Unrated

The City considers amounts invested in the NCCMT to be cash equivalents for financial reporting purposes.

Fair Value Measurement: The investment in the NCCMT term portfolio is 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: securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. The NCCMT's government cash portfolio is valued using amortized costs. The NCCMT's Term Portfolio is valued using the estimated fair value through hierarchy level 1 measurement markets.

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, 2019, 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, 2019, were as follows:

	Accounts	Taxes	Due from other Governments	Total
Governmental Activities:				
General	\$ 3,076,048	\$ 343,539	\$ 894,130	\$ 4,313,717
FEMA Hurricane Florence	-	-	-	-
Other Governmental	-	-	91,581	91,581
Internal Service Fund	8,940	-	-	8,940
Total receivables	3,084,988	343,539	985,711	4,414,238
Allowance for doubtful accounts	-	(181,334)	-	(181,334)
Net receivables	\$ 3,084,988	\$ 162,205	\$ 985,711	\$ 4,232,904
Business-type Activities				
Electric	\$ 7,090,935	\$ -	\$ -	\$ 7,090,935
Water	1,280,412	-	-	1,280,412
Sewer	1,490,406	-	-	1,490,406
Stormwater	36,817	-	-	36,817
Solid Waste	359,521	-	-	359,521
Total receivables	10,258,091	-	-	10,258,091
Allowance for doubtful accounts	(389,349)	-	-	(389,349)
Net receivables	\$ 9,868,742	\$ -	\$ -	\$ 9,868,742

Due from other governments consisted of the following:

State & Federal Grants	\$	91,581
Privilege Licenses		1,205
Sales tax		810,601
Motor Vehicle - Due from the County		82,324
	\$	<u>985,711</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, 2019 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 18,684,164	\$ 42,953	\$ -	\$ (32,721)	\$ 18,694,396
Construction in Progress	1,157,791	3,871,031	(1,216,652)	-	3,812,170
Total capital assets not being depreciated	<u>19,841,955</u>	<u>3,913,984</u>	<u>(1,216,652)</u>	<u>(32,721)</u>	<u>22,506,566</u>
Capital assets being depreciated:					
Buildings and improvements	16,177,688	624,437	-	(148,850)	16,653,275
Equipment	11,096,660	927,577	(183,802)	(1,032,554)	10,807,881
Furniture and fixtures	5,988,273	103,860	-	-	6,092,133
Transformers	70,275	-	-	-	70,275
Infrastructure	32,374,623	2,122,368	-	-	34,496,991
Vehicles	9,734,306	805,976	(173,877)	(812,272)	9,554,133
Total capital assets	<u>75,441,825</u>	<u>4,584,218</u>	<u>(357,679)</u>	<u>(1,993,676)</u>	<u>77,674,688</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,733,955)	(424,752)	-	67,066	(7,091,641)
Equipment	(6,946,394)	(641,805)	144,690	724,683	(6,718,826)
Furniture and fixtures	(5,146,577)	(433,701)	-	-	(5,580,278)
Transformers	(37,948)	(2,811)	-	-	(40,759)
Infrastructure	(9,895,974)	(1,244,770)	-	-	(11,140,744)
Vehicles	(6,985,348)	(916,671)	173,877	508,203	(7,219,939)
Total accumulated depreciation	<u>(35,746,196)</u>	<u>\$ (3,664,510)</u>	<u>\$ 318,567</u>	<u>\$ 1,299,952</u>	<u>(37,792,187)</u>
Total capital assets being depreciated, net	<u>39,695,629</u>				<u>39,882,501</u>
Governmental activity capital assets, net	<u>\$ 59,537,584</u>				<u>\$ 62,389,067</u>

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

General government	\$	380,521
Public safety		1,730,193
Public works		1,140,666
Environmental protection		-
Cultural and recreational		413,130
	\$	<u>3,664,510</u>

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Business-type activities:					
Electric Fund					
Capital assets not being depreciated:					
Land	\$ 1,211,987	\$ -	\$ -	\$ -	\$ 1,211,987
Construction in Progress	6,492,909	1,210,439	564,268	-	7,139,080
Total capital assets not being depreciated	<u>7,704,896</u>	<u>1,210,439</u>	<u>564,268</u>	<u>-</u>	<u>8,351,067</u>
Capital assets being depreciated:					
Buildings	5,485,205	34,997	-	-	5,520,202
Equipment	8,502,946	387,320	(19,995)	-	8,870,271
Furniture and fixtures	263,357	-	-	-	263,357
Transformers	4,567,444	83,459	-	-	4,650,903
Distribution systems	50,393,660	852,756	-	-	51,246,416
Vehicles	3,216,970	227,938	(36,264)	-	3,408,644
Total capital assets being depreciated	<u>72,429,582</u>	<u>1,586,470</u>	<u>(56,259)</u>	<u>-</u>	<u>73,959,793</u>
Less accumulated depreciation for:					
Buildings	(986,961)	(177,983)	-	-	(1,164,944)
Equipment	(5,468,184)	(373,443)	19,995	-	(5,821,632)
Furniture and fixtures	(144,109)	(47,221)	-	-	(191,330)
Transformers	(3,516,909)	(80,372)	-	-	(3,597,281)
Distribution systems	(31,830,687)	(1,450,302)	-	-	(33,280,989)
Vehicles	(2,293,026)	(195,491)	36,264	-	(2,452,253)
Total accumulated	<u>(44,239,876)</u>	<u>(2,324,812)</u>	<u>56,259</u>	<u>\$ -</u>	<u>(46,508,429)</u>
Total capital assets being depreciated, net	<u>28,189,706</u>				<u>27,451,364</u>
Electric fund capital assets, net	<u>\$ 35,894,602</u>				<u>\$ 35,802,431</u>

Water Fund	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:					
Land	\$ 852,479	\$ -	\$ -	\$ -	\$ 852,479
Construction in progress	6,345,509	617,517	(3,564,970)	-	3,398,056
Total capital assets not being depreciated	7,197,988	617,517	(3,564,970)	-	4,250,535
Capital assets being depreciated:					
Buildings	34,192,669	1,462,688	-	-	35,655,357
Equipment	2,138,477	-	(72,005)	-	2,066,472
Furniture and fixtures	7,731	-	-	-	7,731
Distribution systems	23,500,528	2,524,730	-	-	26,025,258
Vehicles	888,874	113,274	-	(2,279)	999,869
Total capital assets being depreciated	60,728,279	4,100,692	(72,005)	(2,279)	64,754,687
Less accumulated depreciation for:					
Buildings	(6,232,214)	(876,034)	-	-	(7,108,248)
Equipment	(1,626,433)	(80,371)	69,962	-	(1,636,842)
Furniture and fixtures	(7,731)	-	-	-	(7,731)
Distribution systems	(9,945,345)	(524,828)	-	-	(10,470,173)
Vehicles	(727,242)	(87,752)	-	2,279	(812,715)
Total accumulated depreciation	(18,538,965)	(1,568,985)	69,962	2,279	(20,035,709)
Total capital assets being depreciated, net	42,189,314				44,718,978
Water Fund capital assets, net	\$ 49,387,302				\$ 48,969,513

Sewer Fund**Capital assets not being depreciated:**

Land	\$ 12,389,511	\$ -	\$ -	\$ -	\$ 12,389,511
Construction in progress	2,099,537	841,095	(2,196,984)	-	743,648
Total capital assets not being depreciated	14,489,048	841,095	(2,196,984)	-	13,133,159

Capital assets being depreciated:

Buildings	39,470,693	637,028	-	-	40,107,721
Equipment	3,983,224	244,703	(285,691)	-	3,942,236
Furniture and fixtures	89,039	-	-	-	89,039
Distribution systems	37,828,852	3,627,795	-	-	41,456,647
Vehicles	1,783,791	91,485	(99,018)	-	1,776,258
Total capital assets being depreciated	83,155,599	4,601,011	(384,709)	-	87,371,901

Less accumulated depreciation for:

Buildings	(18,892,124)	(992,290)	-	-	(19,884,414)
Equipment	(2,650,794)	(205,686)	224,239	-	(2,632,241)
Furniture and fixtures	(52,736)	(9,489)	-	-	(62,225)
Distribution systems	(10,534,032)	(809,862)	-	-	(11,343,894)
Vehicles	(1,271,858)	(199,326)	99,018	-	(1,372,166)
Total accumulated depreciation	(33,401,544)	\$ (2,216,653)	\$ 323,257	\$ -	(35,294,940)

Total capital assets being depreciated, net	49,754,055				52,076,961
Sewer Fund capital assets, net	\$ 64,243,103				\$ 65,210,120

Stormwater Fund**Capital assets not being depreciated:**

Construction in progress	\$ 312,343	\$ 696,679	\$ -	\$ -	\$ 1,009,022
Total capital assets not being depreciated	312,343	696,679	-	-	1,009,022

Capital assets being depreciated:

Lines	2,021,834				2,021,834
Equipment	78,730	17,434			96,164
Vehicles	463,143	73,334			536,477
Total capital assets being depreciated	2,563,707	90,768	-	-	2,654,475

Less accumulated depreciation for:

Lines	(246,388)	(50,546)			(296,934)
Equipment	(21,772)	(10,292)			(32,064)
Vehicles	(63,588)	(53,269)			(116,857)
Total accumulated depreciation	(331,748)	\$ (114,107)	\$ -	\$ -	(445,855)

Total capital assets being depreciated, net	2,231,959				2,208,620
Stormwater Fund capital assets, net	\$ 2,544,302				\$ 3,217,642

Solid Waste Fund	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
Capital assets not being depreciated:					
Construction in progress	\$ -	\$ -	\$ -	\$ -	-
Total capital assets not being depreciated	-	-	-	-	-
Capital assets being depreciated:					
Lines	-	-	-	114,505	114,505
Equipment	-	-	-	307,871	307,871
Vehicles	-	34,428	-	304,069	338,497
Total capital assets being depreciated	-	34,428	-	726,445	760,873
Less accumulated depreciation for:					
Lines	-	(2,552)	-	-	(2,552)
Equipment	-	(30,787)	-	-	(30,787)
Vehicles	-	(26,028)	-	-	(26,028)
Total accumulated depreciation	-	\$ (59,367)	\$ -	-	(59,367)
Total capital assets being depreciated, net	-				701,506
Solid Waste Fund capital assets, net	\$ -				\$ 701,506
Business-type activities	\$ 152,069,309				\$ 153,901,212

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2018, was 8.50% of compensation for law enforcement officers and 7.82% 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 \$1,864,644 for the year ended June 30, 2019.

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, 2019, the City reported a liability of \$7,888,037 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2019, the City's proportion was 0.33250% which was an increase of 0.00010% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the City recognized pension expense of \$2,146,716. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,216,937	\$ 40,834
Changes of assumptions	2,093,181	-
Net difference between projected and actual earnings on pension	1,082,793	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,784	152,525
Employer contributions subsequent to the measurement date	1,864,644	-
Total	<u>\$ 6,269,339</u>	<u>\$ 193,359</u>

\$1,864,644 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June	
2020	\$ 2,024,201
2021	1,318,239
2022	237,276
2023	631,620
2024	-
Thereafter	-
	<u>\$ 4,211,336</u>

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

- 3.0 percent
- 3.50 to 8.10 percent, including inflation and productivity factor
- 7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income expectations of forward yields projected and interpolated for multiple tenor and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates for each major asset class as of June 30, 2018 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. This represents a reduction from the discount rate used in the prior year rate of 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 18,947,749	\$ 7,888,037	\$ (1,353,631)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) 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, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Active plan members	79
Total	89

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.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate used to measure the total pension liability is the Standard & Poor's 20-year Municipal Bond High Grade Rate Index. Since the prior measurement date, the discount rate has changed from 3.16% to 3.64% due to a change in the Municipal Bond Rate.

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, 2019 was \$100,608.

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

At June 30, 2019, the City reported a total pension liability of \$2,383,204. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the City recognized pension expense of \$144,020.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 278,619
Changes of assumptions	94,627	99,299
County benefit payments and plan administrative expense made subsequent to the measurement date	100,608	-
Total	<u>\$ 195,235</u>	<u>\$ 377,918</u>

\$100,608 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ (60,703)
2021	(60,703)
2022	(58,251)
2023	(63,772)
2024	(39,862)
Thereafter	-

\$100,608 paid as benefits came due subsequent to the measurement date are reported as deferred outflows of resources.

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 3.64 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 (2.64 percent) and 1-percentage-point higher (4.64 percent) than the current rate.

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 2,573,959	\$ 2,383,204	\$ 2,208,311

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

	2019
Beginning balance	\$ 2,767,704
Service Cost	119,819
Interest on the total pension liability	84,313
Changes of benefit terms	-
Differences	(299,975)
Changes of assumptions or other inputs	(89,532)
Benefit payments	(199,125)
Other changes	-
Net Change	(384,500)
Ending balance of the total pension liability	\$ 2,383,204

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2019 were \$427,185, which consisted of \$265,440 from the City and \$161,745 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2019 were \$1,314,774, which consisted of \$892,438 from the City and \$422,336 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 \$636,858 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, 2018, the date of the last actuarial valuation:

	General Employees:
Retirees and dependents receiving benefits	81
Active plan members	396
Total	<u>477</u>

Contributions

The City Board of Aldermen has elected to fund the HCB Plan on a “pay as you go” basis. Per the City resolution, retirees are able to continue to receive health insurance at active employee rates, subsidized by City contributions. For the fiscal year ended June 30, 2019, the City contributed \$791,405 for the pay as you go benefits for the HCB Plan.

Total OPEB Liability

The City's total OPEB liability of \$31,590,758 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2018 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	1.00 percent
Wage inflation	3.50 percent
Salary increase, including wage inflation	
General employees	3.50 - 7.75 percent, including inflation
Firefighters	3.50 - 7.75 percent, including inflation
Law Enforcement Officers	3.50 - 7.35 percent, including inflation
Discount rate	3.89 percent
Healthcare cost trend rate	
Pre-Medicare	7.25% for 2018
Medicare	5.38% for 2018
Dental	4.00%

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index.

Change in assumption and other inputs reflect a change in the discount rate from 3.56% to 3.89%. The current mortality rates were based on the RP-2014 mortality tables, with adjustments for experience and generational mortality improvements using Scale MP-2015. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2018	\$ 31,660,786
Changes for the year	
Service cost	1,142,446
Interest	1,118,600
Changes of benefit terms	-
Differences between expected and actual experience	45,256
Changes in assumptions or other inputs	(1,893,219)
Benefit payments	(483,111)
Net changes	<u>(70,028)</u>
Balance at June 30, 2019	<u>\$ 31,590,758</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

Mortality rates were based on the RP-2014 Total Date Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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	Discount Rate (3.56%)	1% Increase
Total OPEB liability	\$ 26,243,865	\$ 31,590,758	\$ 38,598,151

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 37,720,379	\$ 34,590,758	\$ 26,802,410

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$1,880,853. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 237,776	\$ -
Changes of assumptions	-	4,283,142
Benefit payments and administrative costs made subsequent to the measurement date	791,405	-
Total	<u>\$ 1,029,181</u>	<u>\$ 4,283,142</u>

\$791,405 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ (597,275)
2021	(597,275)
2022	(597,275)
2023	(597,275)
2024	(597,275)
Thereafter	(1,058,991)

F. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
LGERS	\$ 1,216,937	\$ 40,834
LEOSSA	-	278,619
OPEB	237,776	-
Changes of assumptions		
LGERS	2,093,181	-
LEOSSA	94,627	99,299
OPEB	-	4,283,142
Difference between projected and actual investment		
LGERS	1,082,793	-
Change in proportion and difference between employer		
LGERS	11,784	152,525
Contributions to pension plan in current fiscal year		
LGERS	1,864,644	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	100,608	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	791,405	
Taxes receivable, net (General)	-	162,205
Liens and othr receivables (General)	-	302,513
Intergovernmental (Governmental Funds)	-	77,055
Miscellaneous (General)	-	119,000
Total	<u>\$ 7,493,755</u>	<u>\$ 5,515,192</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 and Tax Collector are each individually bonded for \$100,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

For the Employee Benefit Insurance Internal Service Fund, a total of \$5,589,338 in claims and changes in estimates were incurred for benefits during the year ended June 30, 2019. Changes in the fund's claims liability amounts in the years ended June 30, 2019 and 2018, were as follows:

EMPLOYEE HEALTH INSURANCE CLAIMS PAYABLE

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Change in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2019	\$ 777,262	\$ 5,324,032	\$ 5,616,688	\$ 484,606
2018	446,416	4,904,825	4,573,979	777,262

WORKERS COMPENSATION CLAIMS PAYABLE

<u>Fiscal Year</u>	<u>Beginning of Year Claims Liability</u>	<u>Current Year Claims and Change in Estimates</u>	<u>Claims Paid</u>	<u>End of Year Claims Liability</u>
2019	\$ 90,000	\$ 265,306	\$ 295,306	\$ 60,000
2018	464,685	233,802	608,487	90,000

NOTE 8: LONG-TERM OBLIGATIONS

a. Installment Purchases

As authorized by State law (G.S. 160A-20 and 153A-158.1), the City financed various property and equipment acquisitions by installment purchases. In the event of default the entire outstanding principal and interest balance is immediately payable and the bank may proceed with additional options as legally allowed. Installment purchase contracts at June 30, 2019 were comprised of the following individual agreements:

Governmental Activities:	<u>Balance as of June 30, 2019</u>
The City entered into a direct placement note issued by BB&T for \$5,896,923 in May 2008 with varying quarterly payment for aquatic center and swimming pool construction, downtown streetscape projects, and Elizabeth Avenue fire station improvements. The properties are pledged as collateral while the debt is outstanding. The note bears an interest rate of 3.31% and matures in 2023. In April 2012 the City modified the note to reduce the interest rate to 2.92% on the remaining principal of \$4,422,692.	\$ 1,344,023
The City entered into a direct placement note issued by BB&T for \$3,409,618 in June 2012 with varying semi-annual payments for the purchase and installation of radio network. The equipment is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.04% and matures in 2022.	589,568
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.	279,189
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.	529,642
The City entered into a direct placement note issued by BB&T Bank for \$848,040 in June 2015 with semi-annual payments of \$121,304 for various vehicle acquisitions. The vehicles are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.49% and matures in 2020.	152,071
The City entered into a direct placement note issued by First Citizens Bank for \$1,117,000 in December 2015 with varying annual payments for the purchase various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.58% and matures in 2021.	325,870
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.	589,170

The City entered into a direct placement note issued by First Citizens Bank & Trust for \$708,000 in June 2017 with semiannual payments of \$86,000 (fixed principal) for the purchase various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.90% and matures in 2022.

402,000

The City entered into a direct placement note issued by PNC Bank for \$2,320,000 in June 2018 with semi-annual payments of \$166,000 (fixed principal) for city-wide drainage improvements. The improvements are pledged as collateral while the debt is outstanding. The note bears an interest rate of 3.34% and matures in 2028.

2,088,000

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.

2,219,407

The City entered into a direct placement note issued by Bank of America for \$1,730,060 was issued in April 2019 with varying semi-annual payments for the purchase of various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.6096% and matures in 2024.

1,730,060

Total governmental activities

\$ 10,249,000

Business-Type Activities:

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

\$ 739,903

A direct placement note was issued by BB&T for \$1,238,760 in June 2012 with varying semiannual payments for the purchase and installation of the radio network. The equipment is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.04% and matures in 2022.

531,314

A direct placement note was issued by BB&T for \$587,569 in June 2015 with varying semiannual payments for the purchase of equipment for the Electric and Solid Waste Funds. The equipment is pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.49% and matures in 2020.

105,362

A direct placement note was issued by First Citizens Bank for \$488,000 in December 2015 with varying semi-annual payments for the purchase of vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.58% and matures in 2021.

146,321

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.

1,304,637

The City entered into a direct placement note issued by First Citizens Bank & Trust for \$152,000 in June 2017 with semiannual payments of \$86,000 (fixed principal) for the purchase various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 1.90% and matures in 2022.

114,000

A direct placement note was issued by Bank of America for \$804,167 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.

804,167

Total business-type activities

\$ 3,745,704

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, 2019 for the installment purchase contracts are as follows:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 1,989,409	\$ 259,652	\$ 946,658	\$ 81,047
2021	1,713,751	215,570	790,322	62,186
2022	1,618,613	171,885	752,275	43,704
2023	1,284,088	130,577	536,486	26,531
2024	948,083	97,932	347,210	14,680
2025-2029	2,669,835	196,244	372,753	10,484
2030-2034	25,221	361	-	-
Total	<u>\$ 10,249,000</u>	<u>\$ 1,072,221</u>	<u>\$ 3,745,704</u>	<u>\$ 238,632</u>

b. Notes Payable

The City has various note payable agreements with the State outstanding for water and sewer distribution expansion and improvement projects. In the event of a default the entire outstanding principal and interest are immediately payable, additional action may be taken as legally allowed. The outstanding balances for the notes as of June 30, 2019 are as follows:

Business-Type activities:	<u>Balance as of June 30, 2019</u>
A direct borrowing note issued by North Carolina Department of Environment and Natural Resources for \$20,110,036 was issued in February 2003 with variable semi-annual payments for a wastewater treatment plant expansion. The note bears an interest rate of 2.57% and matures in 2023.	\$ 4,873,047
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.	337,863
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.	<u>18,483,643</u>
Total outstanding notes payable:	<u><u>\$ 23,694,553</u></u>

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

Year Ending June 30,	Principal	Interest	Total
2020	\$ 2,920,194	\$ 552,879	\$ 3,473,073
2021	2,950,322	482,894	3,433,216
2022	2,981,224	412,135	3,393,359
2023	3,012,921	340,582	3,353,503
2024	1,747,904	268,214	2,016,118
2025-2029	8,401,655	761,190	9,162,845
2030-2034	1,680,333	38,059	1,718,392
Total:	<u>\$ 23,694,553</u>	<u>\$ 2,855,953</u>	<u>\$ 26,550,506</u>

c. Revenue Bonds

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

\$ 7,192,319

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.

2,207,402

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.

4,034,814

Total revenue bonds

\$ 13,434,535

Year Ending	Principal	Interest	Total
2020	\$ 2,681,967	\$ 227,655	\$ 2,909,622
2021	2,728,492	181,129	2,909,621
2022	2,775,840	133,782	2,909,622
2023	2,824,025	85,597	2,909,622
2024	1,004,037	43,821	1,047,858
2025-2029	1,420,174	33,999	1,454,173
Total:	<u>\$ 13,434,535</u>	<u>\$ 705,983</u>	<u>\$ 14,140,518</u>

The City is in compliance with the covenants as to rates, fees, rentals and charges in Section 704 and Section 711 of the Bond Order, authorizing the issuance of the Electric, Water and Sewer Revenue Bonds, Series 2013, Series 2014, and Series 2016, secured solely by the pledge of net revenue of the City's combined enterprise funds (Electric, Water and Sewer). Pursuant to Section 704(a) of the Bond and related agreements, the City has made certain covenants that provide for rates to be set at levels to provide annually to maintain a debt service coverage ratio of 120% (1.20) for parity indebtedness and 100% (1.0) for parity and subordinated indebtedness. In addition, pursuant to Section 711 of the Bond agreement, the principal amount of installment debt (liens) cannot exceed 15% of net investment in capital assets. The debt service coverage requirements for the year ended June 30, 2019, are as follows:

The debt service coverage ratio calculation for the year ended June 30, 2019 is as follows:

Operating revenues	\$ 52,023,283
Operating expenses	(49,182,764)
Add back:	
Investment earnings	335,015
Depreciation	2,324,812
Income available for debt service	<u>\$ 5,500,346</u>
Debt service principal and interest paid (Revenue bond only)	<u>\$ 2,636,249</u>
Debt service coverage ratio	209%

The City's debt service coverage ratio is greater than 120% of the debt service requirement for the year ended June 30, 2019.

d. Changes in Long-Term Liabilities

A summary of changes in long-term obligations follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
Governmental activities:					
Direct placement					
installment purchases	\$ 8,242,899	\$ 3,949,466	\$ 1,943,365	\$ 10,249,000	\$ 1,989,409
Compensated absences	1,420,585	2,081,121	1,816,629	1,685,077	505,523
Net pension liability	3,473,721	2,115,789	-	5,589,510	-
Total pension liability	2,767,704	-	384,500	2,383,204	-
Total Net OPEB Liability	31,660,786	-	70,028	31,590,758	-
Total Governmental activities	\$ 47,565,695	\$ 8,146,376	\$ 4,214,522	\$ 51,497,549	\$ 2,494,932
Business-type activities:					
Direct borrowing notes payable	\$ 26,585,374	\$ -	\$ 2,890,821	\$ 23,694,553	\$ 2,920,194
Direct placement					
installment purchases	4,243,528	804,167	1,301,991	3,745,704	946,658
Revenue bonds	16,070,782	-	2,636,249	13,434,533	2,681,967
Net pension liability	1,604,430	694,097	-	2,298,527	-
Compensated absences	605,543	356,676	328,250	633,969	190,191
Total Business-type activities	\$ 49,109,657	\$ 1,854,940	\$ 7,157,311	\$ 43,807,286	\$ 6,739,010

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, 2019, the City of New Bern had a legal debt margin of \$221,353,117.

NOTE 9: INTERFUND BALANCES AND ACTIVITY

The comparison of interfund balances as of June 30, 2019 is as follows:

Due To/From Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Public-Private Partnership	\$ 4,258
General Fund	FEMA Hurricane Irene	14,525
General Fund	FEMA Hurricane Florence	11,578,971
General Fund	MPO Plan	30,285
General Fund	Entitlement Cities CDBG Program	57,757
General Fund	Neuse River Gateway	15,550
General Fund	City Market Workforce Development	1,129,638
General Fund	Union Station Train Depot	16,167
General Fund	Drainage Improvement Projects	980,033
General Fund	2017 Roadway Improvement Project	129,853
General Fund	ERP Project	475,811
General Fund	Stormwater Fund	1,500,000
		<u>\$ 15,932,848</u>

The nonmajor funds owe the General Fund for temporary cash shortages in the pooled cash account being covered by the General Fund. As of the report date \$3,935,954 has been received from FEMA for Hurricane Florence.

Transfers to/Transfer From

Transfers to/from other funds at June 30, 2019, consists of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 1,968,600
		<u>\$ 1,968,600</u>
MPO Plan Grant Fund	General Fund	\$ 13,923
2019 Electrical	Electric Fund	1,000,000
Improvements Fund		
Electric Fund	Electric Rate Stabilization Fund	500,000
		<u>\$ 1,013,923</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: 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 \$10,528 to the Council during the fiscal year ended June 30, 2019.

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, 2019. The City contributed \$75,000 to the library during the fiscal year ended June 30, 2019.

3. Related Organizations

New Bern Housing Authority – The Board of the New Bern Housing Authority (“Housing 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 11: 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 12: 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.

NOTE 13: RESTATEMENT

The City elected to move Solid Waste activity into a separate fund instead of being included in the General Fund. As a result beginning balances had to be established for the Solid Waste Fund and removed from the General Fund, the total amount of the restatement was \$600,711 to the Solid Waste Fund and (\$301,195) to the General Fund. An additional \$12,386 was recorded in Governmental Activities to reflect moving capital outlay & debt that was not recorded on the General Fund Statements.

In addition, the City recorded a project for stormwater improvements as a governmental project. However, the expenses were capitalized as CIP in the Stormwater fund. A restatement of \$311,902 was recorded to move the expenditures to date to the Stormwater Fund.

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



THIS PAGE WAS LEFT INTENTIONALLY BLANK

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

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
City's proportion of the net liability (asset) (%)	0.33250%	0.33240%	0.34164%	0.36713%	-0.37472%	0.36820%
City's proportion of the net pension liability (asset) (\$)	\$ 7,888,037	\$ 5,078,151	\$ 7,250,745	\$ 1,647,657	\$ (2,209,896)	\$ 4,438,224
City's covered payroll	\$ 21,540,082	\$ 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	36.62%	24.39%	36.07%	7.92%	-10.75%	22.19%
Plan fiduciary net position as a percentage of the total	91.63%	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 Six Fiscal Years**

Local Government Employees' Retirement System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,864,644	\$ 1,666,638	\$ 1,565,018	\$ 1,419,969	\$ 1,486,944	\$ 1,461,830
Contributions in relation to the contractually required contribution	<u>1,864,644</u>	<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>	<u>\$ -</u>
City's covered payroll	\$ 23,392,399	\$ 21,540,082	\$ 20,816,691	\$ 20,102,718	\$ 20,791,805	\$ 20,561,521
Contributions as a percentage of covered payroll	7.97%	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 Three Fiscal Years

	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>

Note: 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 Four Fiscal Years

	<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 schedules:

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.

Note: 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
For the Year Ended June 30, 2019

Total OPEB Liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 1,142,446	\$ 1,315,824
Interest	1,118,600	991,387
Changes in benefit terms	-	-
Differences between expected and actual experience	45,256	260,722
Changes of assumptions	(1,893,219)	(3,439,284)
Benefit payments	(483,111)	(802,639)
Net change in total OPEB liability	<u>(70,028)</u>	<u>(1,673,990)</u>
Total OPEB liability - beginning	<u>31,660,786</u>	<u>33,334,776</u>
Total OPEB liability - ending	<u><u>\$ 31,590,758</u></u>	<u><u>\$ 31,660,786</u></u>
 Covered payroll	 \$ 19,173,918	 \$ 18,184,909
Total OPEB liability as a percentage of covered payroll	164.76%	174.10%

Notes to 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:

<u>Fiscal year</u>	<u>Rate</u>
2018	3.56%
2019	3.89%



THIS PAGE WAS LEFT INTENTIONALLY BLANK

SUPPLEMENTARY STATEMENTS
AND SCHEDULES

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



THIS PAGE WAS LEFT INTENTIONALLY BLANK

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes			
Current year	\$ 14,337,000	\$ 14,599,283	\$ 262,283
Prior year	70,300	74,957	4,657
Municipal service district	195,000	202,787	7,787
Penalties and interest	39,000	51,485	12,485
Total	<u>14,641,300</u>	<u>14,928,512</u>	<u>287,212</u>
Unrestricted intergovernmental			
Local option sales tax	7,014,000	7,571,708	557,708
Video programming tax	270,000	233,295	(36,705)
Payments in lieu of taxes	1,141,246	1,140,000	(1,246)
Telecommunications sales tax	236,000	217,767	(18,233)
Utilities franchise tax	1,995,000	2,093,122	98,122
Piped natural gas tax	60,000	76,221	16,221
Public Education Television	27,000	27,027	27
Beer and wine tax	135,000	129,374	(5,626)
Fire protection reimbursement	13,530	13,192	(338)
ABC distributions	63,000	24,277	(38,723)
Total unrestricted intergovernmental	<u>10,954,776</u>	<u>11,525,983</u>	<u>571,207</u>
Restricted intergovernmental			
Powell Bill allocation	865,000	865,707	707
State Disaster Assistance grant	-	12,873	12,873
Federal Disaster Assistance grant	-	38,618	38,618
Total restricted intergovernmental	<u>865,000</u>	<u>917,198</u>	<u>52,198</u>
License, permits and fees			
Building permits and inspection fees	415,500	484,975	69,475
Auto and taxi fees	41,000	60,370	19,370
Beer and wine licenses	2,000	(140)	(2,140)
Other permits	24,300	13,175	(11,125)
Total licenses, permits and fees	<u>482,800</u>	<u>558,380</u>	<u>75,580</u>
Sales and services			
Public works fees	17,000	18,785	1,785
Refuse collection fees	20,000	22,246	2,246
Planning and inspections	90,000	118,710	28,710
Public safety fees	353,677	275,632	(78,045)
Cultural and recreation fees	155,000	186,185	31,185
Rent income	1,500	11,790	10,290
Other sales and services	93,000	37,394	(55,606)
Total sales and services	<u>730,177</u>	<u>670,742</u>	<u>(59,435)</u>
Investment earnings	<u>276,810</u>	<u>593,409</u>	<u>316,599</u>

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Other revenues			
Proceeds from insurance	30,000	129,158	99,158
Cemetery	85,000	119,800	34,800
Other revenues	72,800	164,757	91,957
Total other revenues	187,800	413,715	225,915
Total Revenues	28,138,663	29,607,939	1,469,276
Expenditures:			
General government:			
Governing body			
Salaries and employee benefits	139,934	137,968	1,966
Special appropriations	185,714	164,499	21,215
Operating expenditures	126,695	109,302	17,393
Total	452,343	411,769	40,574
Administration			
Salaries and employee benefits	613,316	449,246	164,070
Operating expenditures	116,404	82,493	33,911
Total	729,720	531,739	197,981
Public Education Television (PEG)			
Operating expenditures	36,950	32,736	4,214
Total	36,950	32,736	4,214
Information technology			
Salaries and employee benefits	645,213	568,095	77,118
Operating expenditures	1,004,400	842,534	161,866
Capital outlay	39,547	40,016	(469)
Total	1,689,160	1,450,645	238,515
Finance			
Salaries and employee benefits	963,795	902,354	61,441
Operating expenditures	413,822	443,123	(29,301)
Total	1,377,617	1,345,477	32,140
Legal			
Operating expenditures	230,673	226,594	4,079
Total	230,673	226,594	4,079

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Human resources			
Salaries and employee benefits	461,949	453,277	8,672
Operating expenditures	118,897	75,365	43,532
Total	580,846	528,642	52,204
Reimbursement from enterprise funds	(3,538,414)	(3,517,153)	(21,261)
Total general government	1,558,895	1,010,449	548,446
Public Safety:			
Police			
Salaries and employee benefits	8,673,352	8,652,117	21,235
Operating expenditures	1,909,918	1,658,003	251,915
Capital outlay	608,055	504,057	103,998
Total	11,191,325	10,814,177	377,148
Fire department			
Salaries and employee benefits	5,813,200	5,537,454	275,746
Operating expenditures	668,305	596,318	71,987
Capital outlay	202,000	77,002	124,998
Total	6,683,505	6,210,774	472,731
E911 Support:			
Salaries and employee benefits	133,638	133,234	404
Operating expenditures	300	-	300
Total	133,938	133,234	704
Total public safety	18,008,768	17,158,185	850,583
Public works			
Streets			
Salaries and employee benefits	1,211,605	1,031,818	179,787
Operating expenditures	4,274,334	1,905,258	2,369,076
Capital outlay	266,500	209,461	57,039
Total	5,752,439	3,146,537	2,605,902
Public buildings			
Salaries and employee benefits	377,608	360,101	17,507
Operating expenditures	587,859	482,023	105,836
Capital outlay	32,774	-	32,774
Total	998,241	842,124	156,117

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Administration			
Salaries and employee benefits	577,923	544,886	33,037
Operating expenditures	316,763	277,880	38,883
Total	894,686	822,766	71,920
Total Public Works	7,645,366	4,811,427	2,833,939
Cultural and recreational:			
Parks and recreation			
Salaries and employee benefits	2,046,985	1,866,294	180,691
Operating expenditures	1,132,035	858,218	273,817
Capital outlay	397,680	289,590	108,090
Total Cultural and Recreational	3,576,700	3,014,102	562,598
Economic and physical development			
Planning			
Salaries and employee benefits	1,385,727	1,283,166	102,561
Operating expenditures	298,692	206,497	92,195
Capital outlay	25,000	22,881	2,119
Total	1,709,419	1,512,544	196,875
Municipal service district			
Operating expenditures	14,500	14,660	(160)
Total	14,500	14,660	(160)
Total economic and physical development	1,723,919	1,527,204	196,715
Debt service:			
Principal retirement	2,199,407	1,943,365	256,042
Interest and other charges	324,215	200,966	123,249
Total debt service	2,523,622	2,144,331	379,291
Total expenditures	35,037,270	29,665,698	5,371,572
Revenues over (under) expenditures	(6,898,607)	(57,759)	6,840,848
Other financing sources (uses):			
Proceeds from sale of capital assets	-	31,970	31,970
Transfers in	2,824,800	1,968,600	(856,200)
Transfers out	(232,835)	(13,923)	218,912
Contingency	(262,766)	-	262,766
Installment purchase obligations issued	1,551,559	1,629,798	78,239
Appropriated fund balance	3,017,849	-	(3,017,849)
Total other financing sources (uses)	6,898,607	3,616,445	(3,282,162)

City of New Bern, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues and other financing sources			
over expenditures and other financing uses	<u>\$ -</u>	3,558,686	<u>\$ 3,558,686</u>
Fund balance, beginning		19,571,904	
Restatement (see Note 13)		(301,195)	
Fund balance, ending		<u>\$ 22,829,395</u>	

City of New Bern, North Carolina
FEMA Hurricane Florence
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal Public Disaster					
Assistance Grant	\$ 9,675,000	\$ -	\$ -	\$ -	\$ (9,675,000)
State Public Disaster					
Assistance Grant	3,225,000	-	-	-	(3,225,000)
Insurance Proceeds	2,100,000	-	779,451	779,451	(1,320,549)
Total revenues	15,000,000	-	779,451	779,451	(14,220,549)
Expenditures					
General government					
Administration					
Salaries and employee benefits	27,486	-	27,483	27,483	3
Operating expenditures	395,000	-	787,554	787,554	(392,554)
Information technology					
Salaries and employee benefits	43,054	-	43,050	43,050	4
Operating expenditures	2,500	-	2,480	2,480	20
Finance					
Salaries and employee benefits	37,896	-	37,890	37,890	6
Operating expenditures	11	-	10	10	1
Human resources					
Salaries and employee benefits	17,487	-	17,483	17,483	4
Operating expenditures	9	-	9	9	-
Insurance	50,000	-	15,487	15,487	34,513
Public Safety					
Police					
Salaries and employee benefits	863,841	-	863,836	863,836	5
Operating expenditures	50,000	-	49,188	49,188	812
Fire					
Salaries and employee benefits	353,265	-	353,261	353,261	4
Operating expenditures	95,000	-	93,623	93,623	1,377
Public works					
Streets					
Salaries and employee benefits	171,149	-	171,144	171,144	5
Operating expenditures	320,000	-	89,036	89,036	230,964
Public buildings					
Salaries and employee benefits	38,783	-	38,778	38,778	5
Operating expenditures	1,324,491	-	76,372	76,372	1,248,119
Administration					
Salaries and employee benefits	66,111	-	66,105	66,105	6
Operating expenditures	25,000	-	3,890	3,890	21,110
Water Fund					
Salaries and employee benefits	221,621	-	221,610	221,610	11
Operating expenditures	61,077	-	17,844	17,844	43,233

City of New Bern, North Carolina
FEMA Hurricane Florence
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Solid Waste					
Salaries and employee benefits	152,766	-	152,763	152,763	3
Operating expenditures	4,630,000	-	4,917,416	4,917,416	(287,416)
Sewer Fund					
Salaries and employee benefits	216,178	-	216,171	216,171	7
Operating expenditures	763,310	-	222,038	222,038	541,272
Stormwater Fund					
Salaries and employee benefits	68,719	-	68,719	68,719	-
Operating expenditures	46,659	-	46,656	46,656	3
Electric Fund					
Salaries and employee benefits	846,161	-	846,141	846,141	20
Operating expenditures	3,459,491	-	3,104,348	3,104,348	355,143
Cultural and Recreation					
Salaries and employee benefits	140,207	-	140,199	140,199	8
Operating expenditures	438,089	-	214,839	214,839	223,250
Economic and physical development					
Salaries and employee benefits	45,664	-	45,659	45,659	5
Operating expenditures	28,975	-	28,975	28,975	-
Total expenditures	<u>15,000,000</u>	<u>-</u>	<u>12,980,057</u>	<u>12,980,057</u>	<u>2,019,943</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(12,200,606)</u>	<u>(12,200,606)</u>	<u>(12,200,606)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(12,200,606)</u>	<u>\$ (12,200,606)</u>	<u>\$ (12,200,606)</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ (12,200,606)</u>		

City of New Bern, North Carolina
Non-Major Funds
Combining Balance Sheet
Budget and Actual
For the Year Ended June 30, 2019

	Special Revenue Funds	Capital Project Funds	Total
ASSETS			
Cash and cash equivalents	\$ 343,871	\$ 84,554	\$ 428,425
Accounts receivable, net	-	-	-
Due from other governments	91,581	-	91,581
Restricted cash and cash equivalents	619,410	2,001,424	2,620,834
Total assets	<u>\$ 1,054,862</u>	<u>\$ 2,085,978</u>	<u>\$ 3,140,840</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 217,976	\$ 55,407	\$ 273,383
Due to Other Funds	1,268,180	481,647	1,749,827
Total liabilities	<u>1,486,156</u>	<u>537,054</u>	<u>2,023,210</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - intergovernmental	<u>77,055</u>	-	<u>77,055</u>
Total deferred inflows of resources	<u>77,055</u>	<u>-</u>	<u>77,055</u>
Fund balances			
Restricted:			-
Public safety	263,962	-	263,962
Streetscape projects	-	-	-
ERP Systems	-	-	-
Economic and physical development	66,806	-	66,806
Assigned:			
Capital projects	-	1,553,691	1,553,691
Unassigned	<u>(839,117)</u>	<u>(4,767)</u>	<u>(843,884)</u>
Total fund balances	<u>(508,349)</u>	<u>1,548,924</u>	<u>1,040,575</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,054,862</u>	<u>\$ 2,085,978</u>	<u>\$ 3,140,840</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, 2019

	Special Revenue Funds	Capital Projects Funds	Total
Revenues			
Restricted intergovernmental	\$ 760,172	\$ 687,000	\$ 1,447,172
Miscellaneous	65,639	-	65,639
Investment earnings	3,754	21,812	25,567
Total revenues	<u>829,565</u>	<u>708,812</u>	<u>1,538,377</u>
Expenditures			
General government	-	101,259	101,259
Cultural and recreational	-	-	-
Public safety	362,902	-	362,902
Public works	-	2,447,606	2,447,606
Economical and physical development	2,391,876	2,250	2,394,126
Total expenditures	<u>2,754,778</u>	<u>2,551,115</u>	<u>5,305,893</u>
Excess (deficiency) of revenues over expenditures	(1,925,213)	(1,842,303)	(3,767,516)
Other financing sources (uses)			
Transfers in	13,923	-	13,923
Installment purchase obligations issued	619,407	1,700,262	2,319,669
Total other financing sources (uses)	<u>633,330</u>	<u>1,700,262</u>	<u>2,333,592</u>
Net change in fund balances	(1,291,883)	(142,041)	(1,433,924)
Fund balances (deficit), beginning of year	<u>783,534</u>	<u>1,690,965</u>	<u>2,474,499</u>
Fund balances (deficit), end of year	<u><u>\$ (508,349)</u></u>	<u><u>\$ 1,548,924</u></u>	<u><u>\$ 1,040,575</u></u>

City of New Bern, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
Budget and Actual
For the Year Ended June 30, 2019

	Community Development	Emergency Telephone System	Police Special Revenue	Grants Special Revenue	Public- Private Partnership
ASSETS					
Cash and cash equivalents	\$ 6,037	\$ 196,059	\$ 48,886	\$ 69,039	\$ -
Accounts receivable, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 6,037</u>	<u>\$ 196,059</u>	<u>\$ 48,886</u>	<u>\$ 69,039</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 3,123	\$ 4,833	\$ -	\$ 5,147	\$ -
Due to Other Funds	-	-	-	-	4,258
Total liabilities	<u>3,123</u>	<u>4,833</u>	<u>-</u>	<u>5,147</u>	<u>4,258</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - intergovernmental	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Restricted:					
Public safety	-	191,226	48,886	-	-
Economic and physical development	2,914	-	-	63,892	-
Unassigned	-	-	-	-	(4,258)
Total fund balances	<u>2,914</u>	<u>191,226</u>	<u>48,886</u>	<u>63,892</u>	<u>(4,258)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,037</u>	<u>\$ 196,059</u>	<u>\$ 48,886</u>	<u>\$ 69,039</u>	<u>\$ -</u>

City of New Bern, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
Budget and Actual
For the Year Ended June 30, 2019

	FEMA Hurricane Irene	MPO Plan	Entitlement Cities CDBG Program	Equitable Sharing U.S. Department of Justice
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 23,850
Accounts receivable, net	-	-	-	-
Due from other governments	14,525	35,782	41,274	-
Restricted cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 14,525</u>	<u>\$ 35,782</u>	<u>\$ 41,274</u>	<u>\$ 23,850</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 2,379	\$ 29,825	\$ -
Due to Other Funds	14,525	30,285	57,757	-
Total liabilities	<u>14,525</u>	<u>32,664</u>	<u>87,582</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	-	35,781	41,274	-
Total deferred inflows of resources	<u>-</u>	<u>35,781</u>	<u>41,274</u>	<u>-</u>
Fund balances				
Restricted:				
Public safety	-	-	-	23,850
Economic and physical development	-	-	-	-
Unassigned	-	(32,663)	(87,582)	-
Total fund balances	<u>-</u>	<u>(32,663)</u>	<u>(87,582)</u>	<u>23,850</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,525</u>	<u>\$ 35,782</u>	<u>\$ 41,274</u>	<u>\$ 23,850</u>

City of New Bern, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
Budget and Actual
For the Year Ended June 30, 2019

	Neuse River Gateway	City Market Workforce Development	Union Station Train Depot	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 343,871
Accounts receivable, net	-	-	-	-
Due from other governments	-	-	-	91,581
Restricted cash and cash equivalents	-	619,410	-	619,410
Total assets	<u>\$ -</u>	<u>\$ 619,410</u>	<u>\$ -</u>	<u>\$ 1,054,862</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 145,649	\$ 27,020	\$ 217,976
Due to Other Funds	15,550	1,129,638	16,167	1,268,180
Total liabilities	<u>15,550</u>	<u>1,275,287</u>	<u>43,187</u>	<u>1,486,156</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	-	-	-	77,055
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,055</u>
Fund balances				
Restricted:				
Public safety	-	-	-	263,962
Economic and physical development	-	-	-	66,806
Unassigned	(15,550)	(655,877)	(43,187)	(839,117)
Total fund balances	<u>(15,550)</u>	<u>(655,877)</u>	<u>(43,187)</u>	<u>(508,349)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 619,410</u>	<u>\$ -</u>	<u>\$ 1,054,862</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, 2019

	Community Development	Emergency Telephone System	Police Speical Revenue	Grants Special Revenue
Revenues				
Restricted intergovernmental	\$ -	\$ 320,560	\$ 33,654	\$ 2,000
Miscellaneous	639	-	-	-
Investment earnings	74	2,904	404	-
Total revenues	<u>713</u>	<u>323,464</u>	<u>34,058</u>	<u>2,000</u>
Expenditures				
General government	-	-	-	-
Cultural and recreational	-	-	-	-
Public safety	-	313,602	5,590	34,630
Public works	-	-	-	-
Economical and physical development	3,123	-	-	-
Total expenditures	<u>3,123</u>	<u>313,602</u>	<u>5,590</u>	<u>34,630</u>
Excess (deficiency) of revenues over expenditures	(2,410)	9,862	28,468	(32,630)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Installment purchase obligations issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,410)	9,862	28,468	(32,630)
Fund balances (deficit), beginning of year	<u>5,324</u>	<u>181,364</u>	<u>20,418</u>	<u>96,522</u>
Fund balances (deficit), end of year	<u>\$ 2,914</u>	<u>\$ 191,226</u>	<u>\$ 48,886</u>	<u>\$ 63,892</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, 2019**

	Public- Private Partnership	FEMA Hurricane Irene	MPO Plan	Entitlement Cities CDBG Program	Equitable Sharing U.S. Department of Justice
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ 74,558	\$ -	\$ -
Miscellaneous	-	-	-	-	-
Investment earnings	-	-	-	-	369
Total revenues	-	-	74,558	-	369
Expenditures					
General government	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Public safety	-	-	-	-	9,080
Public works	-	-	-	-	-
Economical and physical development	4,258	-	134,597	80,772	-
Total expenditures	4,258	-	134,597	80,772	9,080
Excess (deficiency) of revenues over expenditures	(4,258)	-	(60,039)	(80,772)	(8,711)
Other financing sources (uses)					
Transfers in	-	-	13,923	-	-
Transfers out	-	-	-	-	-
Installment purchase obligations issued	-	-	-	-	-
Total other financing sources (uses)	-	-	13,923	-	-
Net change in fund balances	(4,258)	-	(46,116)	(80,772)	(8,711)
Fund balances (deficit), beginning of year	-	-	13,453	(6,810)	32,561
Fund balances (deficit), end of year	<u>\$ (4,258)</u>	<u>\$ -</u>	<u>\$ (32,663)</u>	<u>\$ (87,582)</u>	<u>\$ 23,850</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, 2019

	Neuse River Gateway	City Market Workforce Development	Union Station Train Depot	Total
Revenues				
Restricted intergovernmental	\$ -	\$ 329,400	\$ -	\$ 760,172
Miscellaneous	-	-	65,000	65,639
Investment earnings	-	3	-	3,754
Total revenueus	-	329,403	65,000	829,565
Expenditures				
General government	-	-	-	-
Cultural and recreational	-	-	-	-
Public safety	-	-	-	362,902
Public works	-	-	-	-
Economical and physical development	37,409	1,999,443	132,274	2,391,876
Total expenditures	37,409	1,999,443	132,274	2,754,778
Excess (deficiency) of revenues over expenditures	(37,409)	(1,670,040)	(67,274)	(1,925,213)
Other financing sources (uses)				
Transfers in	-	-	-	13,923
Transfers out	-	-	-	-
Installment purchase obligations issued	-	619,407	-	619,407
Total other financing sources (uses)	-	619,407	-	633,330
Net change in fund balances	(37,409)	(1,050,633)	(67,274)	(1,291,883)
Fund balances (deficit), beginning of year	21,859	394,756	24,087	783,534
Fund balances (deficit), end of year	\$ (15,550)	\$ (655,877)	\$ (43,187)	\$ (508,349)

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Program Income	\$ -	\$ 639	\$ 639
Investment earnings	-	74	74
Total revenues	-	713	713
Expenditures			
Economic and physical development			
Operating expenditures	5,000	3,123	1,877
Total expenditures	5,000	3,123	1,877
Excess (deficiency) of revenues over expenditures	(5,000)	(2,410)	2,590
Other financing sources (uses)			
Appropriated fund balance	5,000	-	(5,000)
Transfers in	-	-	-
Total other financing	5,000	-	(5,000)
Net change in fund balance	\$ -	(2,410)	\$ (2,410)
Fund Balance (Deficit), beginning of year		5,324	
Fund Balance (Deficit), end of year		\$ 2,914	

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Wireless 911 funds	\$ 320,560	\$ 320,560	\$ -
Investment earnings	350	2,904	2,554
Total revenues	320,910	323,464	2,554
Expenditures			
Public safety			
Operating expenditures	500,729	313,602	187,127
Total expenditures	500,729	313,602	187,127
Excess (deficiency) of revenues over expenditures	(179,819)	9,862	189,681
Other financing sources (uses)			
Appropriated fund balance	179,819	-	(179,819)
Transfers in	-	-	-
Total other financing sources	179,819	-	(179,819)
Net change in fund balance	\$ -	9,862	\$ 9,862
Fund Balance (Deficit), beginning of year		181,364	
Fund Balance (Deficit), end of year		\$ 191,226	

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Police grants	\$ 7,675	\$ 33,654	\$ 25,979
Investment earnings	15	404	389
Total revenues	<u>7,690</u>	<u>34,058</u>	<u>26,368</u>
Expenditures			
Public safety			
Operating expenditures	<u>7,690</u>	<u>5,590</u>	<u>(2,100)</u>
Total expenditures	<u>7,690</u>	<u>5,590</u>	<u>(2,100)</u>
Net change in fund balance	<u>\$ -</u>	28,468	<u>\$ 28,468</u>
Fund Balance (Deficit), beginning of year		<u>20,418</u>	
Fund Balance (Deficit), end of year		<u>\$ 48,886</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Police grants	\$ 74,201	\$ -	\$ (74,201)
Fire grants	-	2,000	2,000
	<u>74,201</u>	<u>2,000</u>	<u>(72,201)</u>
Total revenues	<u>74,201</u>	<u>2,000</u>	<u>(72,201)</u>
Expenditures			
Public safety			
Operating expenditures	56,840	34,630	22,210
Cultural and recreational			
Operating expenditures	2,079	-	2,079
Economic and physical development			
Operating expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>108,919</u>	<u>34,630</u>	<u>74,289</u>
Excess (deficiency) of revenues over expenditures	<u>(34,718)</u>	<u>(32,630)</u>	<u>2,088</u>
Other financing sources (uses)			
Transfers in	50,000	-	(50,000)
Transfers out	<u>(15,282)</u>	<u>-</u>	<u>15,282</u>
Total other financing sources (uses)	<u>34,718</u>	<u>-</u>	<u>(34,718)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>(32,630)</u>	<u><u>\$ (32,630)</u></u>
Fund Balance (Deficit), beginning of year		<u>96,522</u>	
Fund Balance (Deficit), end of year		<u><u>\$ 63,892</u></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, 2019

	Budget	Actual	Variance Positive (Negative)
Expenditures			
Economic and physical development			
Operating expenditures	\$ 7,500	\$ 4,258	\$ (3,242)
Total expenditures	<u>7,500</u>	<u>4,258</u>	<u>(3,242)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,500)</u>	<u>(4,258)</u>	<u>3,242</u>
Other financing sources (uses)			
Transfers in	7,500	-	(7,500)
Total other financing sources	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>
Net change in fund balance	<u>\$ -</u>	(4,258)	<u>\$ (4,258)</u>
Fund Balance (Deficit), beginning of year		<u>-</u>	
Fund Balance (Deficit), end of year		<u>\$ (4,258)</u>	

City of New Bern, North Carolina
FEMA Hurricane Irene
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Federal Public Assistance Disaster grant	\$ 31,923	\$ 110,226	\$ -	\$ 110,226	\$ 78,303
State Public Assistance Disaster grant	10,641	36,742	-	36,742	26,101
Miscellaneous	-	78,112	-	78,112	78,112
Total revenues	<u>42,564</u>	<u>225,080</u>	<u>-</u>	<u>225,080</u>	<u>182,516</u>
Expenditures					
Public works					
Operating expenditures	<u>42,564</u>	<u>225,080</u>	<u>-</u>	<u>225,080</u>	<u>(182,516)</u>
Total expenditures	<u>42,564</u>	<u>225,080</u>	<u>-</u>	<u>225,080</u>	<u>(182,516)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ -</u>		

City of New Bern, North Carolina
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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
NC Department of Transportation	\$ 199,643	\$ 74,558	\$ (125,085)
Total revenues	<u>199,643</u>	<u>74,558</u>	<u>(125,085)</u>
Expenditures			
Economic and physical development			
Salaries and employee benefits	154,168	89,945	64,223
Operating expenditures	96,947	44,652	52,295
Total expenditures	<u>251,115</u>	<u>134,597</u>	<u>116,518</u>
Excess (deficiency) of revenues over expenditures	(51,472)	(60,039)	(8,567)
Other financing sources (uses)			
Appropriated fund balance	28,115	-	(28,115)
Transfers in	23,357	13,923	(9,434)
Total other financing sources (uses)	<u>51,472</u>	<u>13,923</u>	<u>(37,549)</u>
Net change in fund balance	<u>\$ -</u>	(46,116)	<u>\$ (46,116)</u>
Fund Balance (Deficit), beginning of year		<u>13,453</u>	
Fund Balance (Deficit), end of year		<u>\$ (32,663)</u>	

City of New Bern, North Carolina
Entitlement Cities CDBG Program
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	<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 Commerce	\$ 1,475,622	\$ 701,388	\$ -	\$ 701,388	\$ (774,234)
Total revenues	<u>1,475,622</u>	<u>701,388</u>	<u>-</u>	<u>701,388</u>	<u>(774,234)</u>
Expenditures					
Economic and physical development					
Operating expenditures	1,427,622	708,198	80,772	788,970	638,652
Capital outlay - construction	<u>48,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,000</u>
Total expenditures	<u>1,475,622</u>	<u>708,198</u>	<u>80,772</u>	<u>788,970</u>	<u>686,652</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(6,810)</u>	<u>(80,772)</u>	<u>(87,582)</u>	<u>(87,582)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (6,810)</u>	<u>(80,772)</u>	<u>\$ (87,582)</u>	<u>\$ (87,582)</u>
Fund Balance (Deficit), beginning of year			<u>(6,810)</u>		
Fund Balance (Deficit), end of year			<u>\$ (87,582)</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental			
Police grants	\$ 4,000	\$ -	\$ (4,000)
Investment earnings	141	369	228
Total revenues	<u>4,141</u>	<u>369</u>	<u>(3,772)</u>
Expenditures			
Public safety			
Operating expenditures	<u>31,561</u>	<u>9,080</u>	<u>22,481</u>
Total expenditures	<u>31,561</u>	<u>9,080</u>	<u>22,481</u>
Excess (deficiency) of revenues over expenditures	(27,420)	(8,711)	18,709
Other financing sources (uses)			
Appropriated fund balance	<u>27,420</u>	<u>-</u>	<u>(27,420)</u>
Total other financing	<u>27,420</u>	<u>-</u>	<u>(27,420)</u>
Net change in fund balance	<u>\$ -</u>	<u>(8,711)</u>	<u>\$ (8,711)</u>
Fund Balance (Deficit), beginning of year		<u>32,561</u>	
Fund Balance (Deficit), end of year		<u>\$ 23,850</u>	

City of New Bern, North Carolina
Neuse River Gateway
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
State grant	\$ 75,000	\$ -	\$ -	\$ -	\$ (75,000)
Total revenues	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>
Expenditures					
Economic and physical development					
Capital outlay - construction	125,000	28,141	37,409	65,550	59,450
Total expenditures	<u>125,000</u>	<u>28,141</u>	<u>37,409</u>	<u>65,550</u>	<u>59,450</u>
Excess (deficiency) of revenues over expenditures	(50,000)	(28,141)	(37,409)	(65,550)	(15,550)
Other financing sources (uses)					
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 21,859</u>	(37,409)	<u>\$ (15,550)</u>	<u>\$ (15,550)</u>
Fund Balance (Deficit), beginning of year			<u>21,859</u>		
Fund Balance (Deficit), end of year			<u>\$ (15,550)</u>		

City of New Bern, North Carolina
City Market Workforce Development
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
State grant	\$ 1,373,250	\$ 75,000	\$ -	\$ 75,000	\$ (1,298,250)
Golden Leaf Grant	549,000	109,800	329,400	439,200	(109,800)
Interest Income	-	-	3	3	3
Total revenues	<u>1,922,250</u>	<u>184,800</u>	<u>329,403</u>	<u>514,203</u>	<u>(1,408,047)</u>
Expenditures					
Economic and physical development					
Capital outlay - construction	<u>2,856,500</u>	<u>104,887</u>	<u>1,999,443</u>	<u>2,104,330</u>	<u>752,170</u>
Total expenditures	<u>2,856,500</u>	<u>104,887</u>	<u>1,999,443</u>	<u>2,104,330</u>	<u>752,170</u>
Excess (deficiency) of	(934,250)	79,913	(1,670,040)	(1,590,127)	(655,877)
Other financing sources (uses)					
Transfers in	314,843	314,843	-	314,843	-
Installment purchase	<u>619,407</u>	<u>-</u>	<u>619,407</u>	<u>619,407</u>	<u>-</u>
Total other financing sources (uses)	<u>934,250</u>	<u>314,843</u>	<u>619,407</u>	<u>934,250</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 394,756</u>	(1,050,633)	<u>\$ (655,877)</u>	<u>\$ (655,877)</u>
Fund Balance (Deficit), beginning of year			<u>394,756</u>		
Fund Balance (Deficit), end of year			<u>\$ (655,877)</u>		

City of New Bern, North Carolina
Union Station Train Depot
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Contributions			
NC Department of Transportation	\$ 218,000	\$ 65,000	\$ (153,000)
Total revenues	<u>218,000</u>	<u>65,000</u>	<u>(153,000)</u>
Expenditures			
Economic and physical development			
Operating expenditures	218,000	132,274	(85,726)
Total expenditures	<u>218,000</u>	<u>132,274</u>	<u>(85,726)</u>
 Net change in fund balance	 <u><u>\$ -</u></u>	 (67,274)	 <u><u>\$ (67,274)</u></u>
Fund Balance (Deficit), beginning of year		<u>24,087</u>	
Fund Balance (Deficit), end of year		<u><u>\$ (43,187)</u></u>	

City of New Bern, North Carolina
Non-Major Capital Projects Funds
Combining Balance Sheet
Budget and Actual
For the Year Ended June 30, 2019

	General Capital Project	IT Network Merger	2017 Roadway Improvement Project
ASSETS			
Cash and cash equivalents	\$ 51,614	\$ 21,442	\$ -
Accounts receivable, net	-	-	-
Due from other governments	-	-	-
Restricted cash and cash equivalents	-	-	1,600,008
Total assets	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ 1,600,008</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 6,401
Due to Other Funds	-	-	129,853
Total liabilities	<u>-</u>	<u>-</u>	<u>136,254</u>
Fund balances			
Restricted:			
Public safety	-	-	-
Streetscape projects	-	-	-
ERP Systems	-	-	-
Public Works	-	-	-
Assigned:			
Capital projects	51,614	21,442	1,463,754
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>51,614</u>	<u>21,442</u>	<u>1,463,754</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ 1,600,008</u>

City of New Bern, North Carolina
Non-Major Capital Projects Funds
Combining Balance Sheet
Budget and Actual
For the Year Ended June 30, 2019

	Martin Marietta Park Project	ERP Project	Garage Relocation Project	Total
ASSETS				
Cash and cash equivalents	\$ 11,498	\$ -	\$ -	\$ 84,554
Accounts receivable, net	-	-	-	-
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	-	362,307	39,109	2,001,424
Total assets	<u>\$ 11,498</u>	<u>\$ 362,307</u>	<u>\$ 39,109</u>	<u>\$ 2,085,978</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 15,280	\$ 33,726	\$ 55,407
Due to Other Funds	-	351,794	-	481,647
Total liabilities	<u>-</u>	<u>367,074</u>	<u>33,726</u>	<u>537,054</u>
Fund balances				
Restricted:				
Public safety	-	-	-	-
Streetscape projects	-	-	-	-
ERP Systems	-	-	-	-
Public Works	-	-	-	-
Assigned:				
Capital projects	11,498	-	5,383	1,553,691
Unassigned	<u>-</u>	<u>(4,767)</u>	<u>-</u>	<u>(4,767)</u>
Total fund balances	<u>11,498</u>	<u>(4,767)</u>	<u>5,383</u>	<u>1,548,924</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,498</u>	<u>\$ 362,307</u>	<u>\$ 39,109</u>	<u>\$ 2,085,978</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, 2019

	General Capital Project	IT Network Merger	2017 Roadway Improvement Project
Revenues			
Restricted intergovernmental	\$ -	\$ -	\$ 687,000
Miscellaneous	-	-	-
Investment earnings	-	-	8
Total revenues	<u>-</u>	<u>-</u>	<u>687,008</u>
Expenditures			
General government	101,259	-	-
Public works	-	-	1,462,690
Economical and physical development	<u>-</u>	<u>2,250</u>	<u>-</u>
Total expenditures	<u>101,259</u>	<u>2,250</u>	<u>1,462,690</u>
Excess (deficiency) of revenues over expenditures	(101,259)	(2,250)	(775,682)
Other financing sources (uses)			
Installment purchase obligations issued	<u>-</u>	<u>-</u>	<u>1,600,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,600,000</u>
Net change in fund balances	(101,259)	(2,250)	824,318
Fund balances (deficit), beginning of year	<u>152,873</u>	<u>23,692</u>	<u>639,436</u>
Fund balances (deficit), end of year	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ 1,463,754</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, 2019

	Martin Marietta Park Project	ERP Project	Garage Relocation Project	Total
Revenues				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ 687,000
Miscellaneous	-	-	-	-
Investment earnings	-	4,504	17,300	21,812
Total revenues	-	4,504	17,300	708,812
Expenditures				
General government	-	-	-	101,259
Public works	375	147,907	836,634	2,447,606
Economical and physical development	-	-	-	2,250
Total expenditures	375	147,907	836,634	2,551,115
Excess (deficiency) of revenues over expenditures	(375)	(143,403)	(819,334)	(1,842,303)
Other financing sources (uses)				
Installment purchase obligations issued	-	100,262	-	1,700,262
Total other financing sources (uses)	-	100,262	-	1,700,262
Net change in fund balances	(375)	(43,141)	(819,334)	(142,041)
Fund balances (deficit), beginning of year	11,873	38,374	824,717	1,690,965
Fund balances (deficit), end of year	\$ 11,498	\$ (4,767)	\$ 5,383	\$ 1,548,924

City of New Bern, North Carolina
General Capital Projects
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Expenditures					
General government					
Capital outlay	\$ 930,370	\$ 777,495	\$ 101,259	\$ 878,754	\$ 51,616
Total expenditures	930,370	777,495	101,259	878,754	51,616
Deficiency of revenues under expendi	(930,370)	(777,495)	(101,259)	(878,754)	51,616
Other financing sources (uses)					
Transfers in	930,370	930,368	-	930,368	(2)
Total other financing sour	930,370	930,368	-	930,368	(2)
Net change in fund balance	\$ -	\$ 152,873	(101,259)	\$ 51,614	\$ 51,614
Fund Balance (Deficit), beginning of year			152,873		
Fund Balance (Deficit), end of year			\$ 51,614		

City of New Bern, North Carolina
IT Network Merger
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Expenditures					
Economic and physical development					
Engineering services	\$ 150,000	\$ 124,904	\$ 2,250	\$ 127,154	\$ 22,846
Capital outlay	335,500	371,904	-	371,904	(36,404)
Contingency	35,000	-	-	-	35,000
Total expenditures	<u>520,500</u>	<u>496,808</u>	<u>2,250</u>	<u>499,058</u>	<u>21,442</u>
Deficiency of revenues under expenditures	(520,500)	(496,808)	(2,250)	(499,058)	21,442
Other financing sources (uses)					
Transfer from other funds	-	520,500	-	520,500	520,500
Installment purchase obligations issued	<u>520,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(520,500)</u>
Total other financing sources	<u>520,500</u>	<u>520,500</u>	<u>-</u>	<u>520,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 23,692</u>	(2,250)	<u>\$ 21,442</u>	<u>\$ 21,442</u>
Fund Balance (Deficit), beginning of year			<u>23,692</u>		
Fund Balance (Deficit), end of year			<u>\$ 21,442</u>		

City of New Bern, North Carolina
2017 Roadway Improvements Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
From Inception and For the Year Ended June 30, 2019

	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	-	-	8	8	8
Total revenues	<u>687,000</u>	<u>-</u>	<u>687,008</u>	<u>687,008</u>	<u>8</u>
Expenditures					
Public works					
Capital outlay	<u>6,310,000</u>	<u>20,564</u>	<u>1,462,690</u>	<u>1,483,254</u>	<u>4,826,746</u>
Total expenditures	<u>6,310,000</u>	<u>20,564</u>	<u>1,462,690</u>	<u>1,483,254</u>	<u>4,826,746</u>
Deficiency of revenues under expenditures	(5,623,000)	(20,564)	(775,682)	(796,246)	4,826,754
Other financing sources (uses)					
Transfers in	1,580,000	660,000	-	660,000	(920,000)
Installment purchase obligations issued	<u>4,043,000</u>	<u>-</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>(2,443,000)</u>
Total other financing sources	<u>5,623,000</u>	<u>660,000</u>	<u>1,600,000</u>	<u>2,260,000</u>	<u>(3,363,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 639,436</u>	824,318	<u>\$ 1,463,754</u>	<u>\$ 1,463,754</u>
Fund Balance (Deficit), beginning of year			<u>639,436</u>		
Fund Balance (Deficit), end of year			<u>\$1,463,754</u>		

City of New Bern, North Carolina
Martin Meriatta Park Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Miscellaneous	\$ 113,750	\$ -	\$ -	\$ -	\$ (113,750)
Total revenues	<u>113,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,750)</u>
Expenditures					
Public works					
Capital outlay	180,000	38,127	375	38,502	141,498
Total expenditures	<u>180,000</u>	<u>38,127</u>	<u>375</u>	<u>38,502</u>	<u>141,498</u>
Deficiency of revenues under expenditures	(66,250)	(38,127)	(375)	(38,502)	27,748
Other financing sources (uses)					
Transfers in	<u>66,250</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>(16,250)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,873</u>	<u>(375)</u>	<u>\$ 11,498</u>	<u>\$ 11,498</u>
Fund Balance (Deficit), beginning of year			<u>11,873</u>		
Fund Balance (Deficit), end of year			<u>\$ 11,498</u>		

City of New Bern, North Carolina
ERP Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 3	\$ 4,504	\$ 4,507	\$ 4,507
Total revenues	-	3	4,504	4,507	4,507
Expenditures					
Public works					
Capital outlay	1,350,000	438,326	271,924	710,250	639,750
Capital outlay - transferred to Enterprise Funds	-	(219,163)	(124,017)	(343,180)	343,180
Total expenditures	1,350,000	219,163	147,907	367,070	982,930
Deficiency of revenues under expenditures	(1,350,000)	(219,160)	(143,403)	(362,563)	987,437
Other financing sources (uses)					
Installment purchase obligations issued	1,350,000	500,000	800,000	1,300,000	(50,000)
Installment purchase obligations - transferred to Enterprise Fund	-	(242,466)	(699,738)	(942,204)	(942,204)
Total other financing sources (uses)	1,350,000	257,534	100,262	357,796	(992,204)
Net change in fund balance	\$ -	\$ 38,374	(43,141)	\$ (4,767)	\$ (4,767)
Fund Balance (Deficit), beginning of year			38,374		
Fund Balance (Deficit), end of year			\$ (4,767)		

City of New Bern, North Carolina
Garage Relocation Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 235	\$ 17,300	\$ 17,535	\$ 17,535
Total revenues	-	235	17,300	17,535	17,535
Expenditures					
Public works					
Capital outlay	850,000	25,518	836,634	862,152	(12,152)
Total expenditures	850,000	25,518	836,634	862,152	(12,152)
Deficiency of revenues under expenditures	(850,000)	(25,283)	(819,334)	(844,617)	5,383
Other financing sources (uses)					
Transfers in	30,000	30,000	-	30,000	-
Installment purchase obligations issued	820,000	820,000	-	820,000	-
Total other financing sources (uses)	850,000	850,000	-	850,000	-
Net change in fund balance	\$ -	\$ 824,717	(819,334)	\$ 5,383	\$ 5,383
Fund Balance (Deficit), beginning of year			824,717		
Fund Balance (Deficit), end of year			\$ 5,383		

City of New Bern, North Carolina
Electric Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Electric charges	\$ 52,637,153	\$ 51,974,494	\$ (662,659)
Nonoperating revenues			
Investment earnings	50,365	314,189	263,824
Interfund reimbursements	1,407,037	1,407,037	-
Miscellaneous	20,000	48,789	28,789
Total revenues	<u>54,114,555</u>	<u>53,744,509</u>	<u>(370,046)</u>
Expenditures:			
Administration	3,897,772	3,412,289	485,483
Production	38,202,569	38,460,381	(257,812)
Distribution	3,740,127	3,457,693	282,434
Reimbursed expenditures - General Fund	1,533,250	1,533,250	-
Capital outlay	2,909,810	2,001,180	908,630
Debt service	1,999,603	1,998,972	631
Total expenditures	<u>52,283,131</u>	<u>50,863,765</u>	<u>(1,419,366)</u>
Excess of revenues over expenditures	1,831,424	2,880,744	1,049,320
Other financing sources (uses):			
Proceeds from sale of capital assets	-	14,026	14,026
Proceeds from installment note purchase	113,976	433,738	319,762
Appropriated fund balance	1,548,019	-	(1,548,019)
Transfers in	500,000	500,000	-
Transfers out	(3,624,800)	(2,968,600)	656,200
Transfers out - payments in lieu of taxes	(368,619)	(368,619)	-
Total other financing sources (uses)	<u>(1,831,424)</u>	<u>(2,389,455)</u>	<u>(558,031)</u>
Net change in fund balance	<u>\$ -</u>	491,289	<u>\$ 491,289</u>
Reconciliation from budgetary basis (modified accrual to full accrual:			
Capital outlays		1,290,139	
Payments of debt service - principal		1,808,796	
Proceeds from installment note issuance		(433,738)	
Change in accrued interest		1,582	
Increase in compensated absences		(5,466)	
Bad debt expense		(318,107)	
Change in net pension liability and related deferred inflows / outflows		1,857	
Depreciation expense		(2,324,812)	
Electric Rate Stabilization Fund		(479,174)	
2019 Electrical Improvements Fund		1,000,000	
Total reconciling items		<u>541,077</u>	
Change in net position		<u>\$ 1,032,366</u>	

City of New Bern, North Carolina
Electric Rate Stabilization Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 20,826	\$ 20,826
Total	<u>-</u>	<u>20,826</u>	<u>20,826</u>
Excess of revenues over expenditures	<u>-</u>	<u>20,826</u>	<u>20,826</u>
Other financing sources (uses):			
Appropriated fund balance	500,000	-	(500,000)
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total financing sources (uses)	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
Net change in fund balances and net position	<u>\$ -</u>	<u>\$ (479,174)</u>	<u>\$ (479,174)</u>

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

	Project Authorization	Prior Years	Current Years	Total to Date	Variance Positive (Negative)
Expenditures					
Electrical Improvements	\$ 1,600,000	\$ -	\$ 50,753	\$ 50,753	\$ 1,549,247
Total	<u>1,600,000</u>	<u>-</u>	<u>50,753</u>	<u>50,753</u>	<u>1,549,247</u>
Other financing sources (uses):					
Transfer in - Electric Fund	1,600,000	-	1,000,000	1,000,000	(600,000)
Total financing sources (uses)	<u>1,600,000</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>(600,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 949,247</u>	<u>\$ 949,247</u>	<u>\$ 949,247</u>

City of New Bern, North Carolina
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year end June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Rates and charges	\$ 9,772,000	\$ 9,843,507	\$ 71,507
Nonoperating revenues			
Investment earnings	23,175	110,842	87,667
Interfund reimbursements	303,728	303,728	-
Miscellaneous	497,500	487,386	(10,114)
Total revenues	<u>10,596,403</u>	<u>10,745,463</u>	<u>149,060</u>
Expenditures:			
Administration	585,456	545,083	(40,373)
System maintenance and extensions	2,072,113	1,879,716	(192,397)
Reimbursed expenditures - General Fund	1,590,209	1,590,209	-
Treatment	2,335,987	2,087,993	(247,994)
Capital outlay	410,000	268,387	(141,613)
Debt Service	2,989,196	2,988,972	(224)
Total expenditures	<u>9,982,961</u>	<u>9,360,360</u>	<u>(622,601)</u>
Excess (deficiency) of revenues over expenses	613,442	1,385,103	771,661
Other financing sources (uses):			
Proceeds from sale of capital assets	-	26,566	26,566
Proceeds from installment note issuance	40,000	133,000	93,000
Transfers out	(321,306)	-	321,306
Transfers out - payment in lieu of taxes	(299,849)	(312,461)	(12,612)
Budgeted use of fund balance	71,678	-	(71,678)
Contingency	(103,965)	-	103,965
Total other financing sources (uses)	<u>(613,442)</u>	<u>(152,895)</u>	<u>460,547</u>
Net change in fund balance	<u>\$ -</u>	1,232,208	<u>\$ 1,232,208</u>

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

Capital outlays	268,387
Donated capital assets	422,447
Proceeds from installment note issuance	(133,000)
Payments of debt service - principal	2,448,447
Change in compensated absences	4,859
Change in net pension liability and related deferred inflows / outflows	(10,670)
Change in accrued interest	6,831
Depreciation expense	(1,568,984)
Bad debt expense	(47,800)
Water Capital Reserve Fund	16,905
Allocated share of AMI/DSM System Enterprise Capital	
Project Fund	3,452
Net income (loss)	<u>\$ 2,643,082</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, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Capital recovery fee	\$ -	\$ -	\$ -
Interest	3,725	16,905	13,180
Total revenues	<u>3,725</u>	<u>16,905</u>	<u>13,180</u>
Expenditures:			
Capital outlays	318,725	-	318,725
Total expenditures	<u>318,725</u>	<u>-</u>	<u>(318,725)</u>
Excess of revenues over expenditures	(315,000)	16,905	(305,545)
Other financing sources (uses):			
Transfers in	315,000	-	(315,000)
Total other financing sources (uses)	<u>315,000</u>	<u>-</u>	<u>(315,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 16,905</u>	<u>\$ 16,905</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)
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Years	Total	
Expenditures					
Capital outlays	\$ 770,000	\$ 279,401	\$ -	\$ 279,401	\$ 490,599
Other financing sources (uses):					
Transfer in	770,000	385,000	-	385,000	(385,000)
Net change in fund balance	\$ -	\$ 105,599	\$ -	\$ 105,599	\$ 105,599

City of New Bern, North Carolina
2017 Water Improvement Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

		<u>Actual</u>			Variance
	<u>Project</u> <u>Authorization</u>	<u>Prior Years</u>	<u>Current Years</u>	<u>Total</u>	<u>Positive</u> <u>(Negative)</u>
Expenditures					
Treatment	<u>\$ 2,187,737</u>	<u>\$ 1,896,833</u>	<u>\$ 204,146</u>	<u>\$ 2,100,979</u>	<u>\$ 86,758</u>
Other financing sources (uses):					
Transfer in	<u>2,187,737</u>	<u>2,187,737</u>	<u>-</u>	<u>2,187,737</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 290,904</u>	<u>\$ (204,146)</u>	<u>\$ 86,758</u>	<u>\$ 86,758</u>

City of New Bern, North Carolina
Water Resource Relocation Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Years	Capitalized Projects	Total
Expenditures					
Distribution	\$ 1,440,000	\$ 1,230,267	\$ 232,421	\$ (1,462,688)	\$ -
Other financing sources (uses):					
Transfer in	1,440,000	1,440,000	-	(1,440,000)	-
Net change in fund balance	\$ -	\$ 209,733	\$ (232,421)	\$ (22,688)	\$ -

City of New Bern, North Carolina
AMI/DSM SYSTEM ENTERPRISE CAPITAL PROJECT
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Years	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 21,000	\$ 26,467	\$ 3,452	\$ 29,919	\$ 8,919
Total	21,000	26,467	3,452	29,919	8,919
Expenditures					
Professional services - Electric Fund	107,253	153,580	-	153,580	(46,327)
Professional services - Water Fund	68,498	68,498	-	68,498	-
Capital outlay - Electric Fund	6,390,813	5,752,197	819,406	6,571,603	(180,790)
Capital outlay - Water Fund	3,444,136	2,824,019	-	2,824,019	620,117
Debt service - interest and fiscal charges	45,300	45,300	-	45,300	-
Total expenditures	10,056,000	8,843,594	819,406	9,663,000	393,000
Deficiency of revenues over expenditures	(10,035,000)	(8,817,127)	(815,954)	(9,633,081)	(384,081)
Other financing sources (uses):					
Transfer in	1,250,100	1,250,100	-	1,250,100	-
Debt issued - Electric Fund	5,677,000	5,677,000	-	5,677,000	-
Debt issued - Sewer Fund	3,107,900	3,107,900	-	3,107,900	-
Total financing sources (uses)	10,035,000	10,035,000	-	10,035,000	-
Net change in fund balance	\$ -	\$ 1,217,873	\$ (815,954)	\$ 401,919	\$ 401,919

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

City of New Bern, North Carolina
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year end June 30, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Sewer charges	\$ 11,488,950	\$ 11,038,541	\$ (450,409)
Nonoperating revenues			
Interest	15,850	71,192	55,342
Miscellaneous	575,250	599,709	24,459
Total revenues	<u>12,080,050</u>	<u>11,709,442</u>	<u>(370,608)</u>
Expenditures:			
System maintenance and extension	3,433,123	3,098,868	334,255
Treatment	3,004,640	2,765,347	239,293
Shared services	1,929,350	1,929,350	-
Capital outlay	992,282	748,146	244,136
Debt Service	2,541,732	2,541,507	225
Total expenditures	<u>11,901,127</u>	<u>11,083,218</u>	<u>(817,909)</u>
Excess (deficiency) of revenues over expenditure	178,923	626,224	447,301
Other financing sources (uses):			
Appropriation of net position	583,777	-	(583,777)
Proceeds from installment purchase insurance	40,000	133,000	93,000
Proceeds from sale of capital assets	500	(10,172)	(10,672)
Transfers out - payment in lieu of taxes	(445,987)	(449,165)	(3,178)
Transfers out	(578,179)	-	578,179
Transfers in	281,618	281,618	-
Contingency	(60,652)	-	60,652
Total other financing sources (uses)	<u>(178,923)</u>	<u>(44,719)</u>	<u>564,329</u>
Net change in fund balance	<u>\$ -</u>	581,505	<u>\$ 581,505</u>

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

Capital outlays	889,161
Donated capital assets	1,825,005
Proceeds from installment note issuance	(133,000)
Payments of debt service - principal	2,297,465
Increase in compensated absences	(15,649)
Change in net pension liability and related deferred inflows / outflows	(17,260)
Bad debt expense	(59,705)
Depreciation expense	(2,216,653)
Change in accrued interest payable	6,261
Sewer Debt Service Reserve Fund - Interest	16,588
Sewer Debt Service Reserve Fund - Transfer Out	(281,618)
Sewer Capital Reserve Fund	9,934
Change in net position	<u>\$ 2,902,034</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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Capital recovery fee	\$ -	\$ -	\$ -
Interest	1,925	9,934	8,009
Total revenues	<u>1,925</u>	<u>9,934</u>	<u>8,009</u>
Expenditures:			
Capital outlay	576,925	-	576,925
Total expenditures	<u>576,925</u>	<u>-</u>	<u>(576,925)</u>
Other financing sources (uses):			
Transfers in	575,000	-	(575,000)
Total other financing sources (uses)	<u>575,000</u>	<u>-</u>	<u>(575,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 9,934</u>	<u>\$ 9,934</u>

City of New Bern, North Carolina
Township 7 Sewer Improvements Capital Project Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

		Actual			Variance
	Project	Prior Years	Current	Total	Positive
	Authorization		Years		(Negative)
Expenditures					
Treatment	\$ 450,000	\$ 349,219	\$ 33,268	\$ 382,487	\$ 67,513
Other financing sources (uses):					
Transfer in	450,000	450,000	-	450,000	-
Net change in fund balance	\$ -	\$ 100,781	\$ (33,268)	\$ 67,513	\$ 67,513

City of New Bern, North Carolina
2017 Sewer Improvement Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Prior Years	Current Years	Total	Variance Positive (Negative)
Expenditures					
Treatment	\$ 2,011,059	\$ 1,705,102	\$ 491,853	\$ 2,196,955	\$ (185,896)
Other financing sources (uses):					
Transfer in	2,011,059	2,011,059	-	2,011,059	-
Net change in fund balance	\$ -	\$ 305,957	\$ (491,853)	\$ (185,896)	\$ (185,896)

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, 2019

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 16,588	\$ 16,588
Total revenues	<u>-</u>	<u>16,588</u>	<u>16,588</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>
Net change in fund balance	<u>\$ -</u>	<u>\$ (265,030)</u>	<u>\$ (265,030)</u>

City of New Bern, North Carolina
Stormwater Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues			
Rates and charges	\$ 682,400	\$ 671,788	\$ (10,612)
Nonoperating revenues			
Investment earnings	-	1,517	1,517
Total revenues	<u>682,400</u>	<u>673,305</u>	<u>(9,095)</u>
Expenditures:			
Stormwater system maintenance	554,365	463,698	90,667
Reimbursed expenditures - General Fund	57,764	57,764	-
Capital outlay	91,000	90,768	232
Debt Service	90,921	90,309	612
Total expenditures	<u>794,050</u>	<u>702,539</u>	<u>91,511</u>
Other financing sources (uses):			
Appropriated use of fund balance	241,650	-	(241,650)
Gain (loss) on disposal of capital assets	-	29,688	29,688
Proceeds from installment purchase	70,000	70,000	-
Transfer out	(200,000)	-	200,000
Total other financing sources (uses)	<u>111,650</u>	<u>99,688</u>	<u>(11,962)</u>
Net change in fund balance	<u>\$ -</u>	70,454	<u>\$ 70,454</u>

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

Principal repayment on long-term debt	81,970
Proceeds from installment note issuance	(70,000)
Capital outlay	90,769
Depreciation	(114,107)
(Increase) Decrease in accrued interest	1,508
Bad debt expense	(1,689)
Change in net pension liability and related deferred inflows / outflows	3,207
(Increase) Decrease in compensated absences	(3,125)
Investment Earnings (Stormwater Improvements)	31,703
Change in net position	<u>\$ 90,690</u>

City of New Bern, North Carolina
Drainage Improvements Project
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 441	\$ 31,703	\$ 32,144	\$ 32,144
Total revenues	-	441	31,703	32,144	32,144
Expenditures					
Public works					
Capital outlay	1,500,000	312,343	696,679	1,009,022	490,978
Total expenditures	1,500,000	312,343	696,679	1,009,022	490,978
Deficiency of revenues under expenditures	(1,500,000)	(311,902)	(664,976)	(976,878)	523,122
Other financing sources (uses)					
Installment purchase obligations issued	1,500,000	1,500,000	-	1,500,000	-
Total other financing sources	1,500,000	1,500,000	-	1,500,000	-
Net change in fund balance	\$ -	\$ 1,188,098	\$ (664,976)	\$ 523,122	\$ 523,122

City of New Bern, North Carolina
Solid Waste
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Year end June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues			
Collection fees	\$ 3,375,000	\$ 3,348,190	\$ (26,810)
Nonoperating revenues			
Interest	-	1,203	1,203
Total revenues	<u>3,375,000</u>	<u>3,349,393</u>	<u>(25,607)</u>
Expenditures:			
Administration	2,890,302	2,765,013	125,289
Shared services	117,345	117,345	-
Capital outlay	35,000	34,428	572
Debt Service	197,955	197,954	1
Total expenditures	<u>3,240,602</u>	<u>3,114,740</u>	<u>(125,862)</u>
Excess (deficiency) of revenues over expenditur	134,398	234,653	100,255
Other financing sources (uses):			
Appropriated fund balance	5,044	-	(5,044)
Contingency	(128,442)	-	128,442
Transfers out - payment in lieu of taxes	(11,000)	(9,755)	1,245
Installment purchase proceeds	-	34,429	34,429
Total other financing sources (uses)	<u>(134,398)</u>	<u>24,674</u>	<u>159,072</u>
Net change in fund balance	<u>\$ -</u>	259,327	<u>\$ 259,327</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Capital outlays		34,428	
Donated capital assets		-	
Proceeds from installment note issuance		(34,429)	
Payments of debt service - principal		192,384	
Change in compensated absences		(9,045)	
Change in net pension liability and related deferred inflows / outflows		4,628	
Bad debt expense		(6,733)	
Depreciation expense		(59,367)	
Change in accrued interest payable		(637)	
Change in net position		<u>\$ 380,556</u>	

OTHER SCHEDULES

This section contains additional information required
on property taxes.

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

City of New Bern, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Fiscal Year Ended June 30, 2019

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2018</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2019</u>
2018-2019	\$ -	\$ 14,582,070	\$ 14,485,851	\$ 96,219
2017-2018	87,522	-	50,987	36,535
2016-2017	45,248	-	19,316	25,932
2015-2016	30,198	-	13,287	16,911
2014-2015	17,018	-	4,528	12,490
2013-2014	33,331	-	4,162	29,169
2012-2013	44,753	-	4,877	39,876
2011-2012	30,621	-	3,394	27,227
2010-2011	25,456	-	2,895	22,561
2009-2010	25,193	-	1,687	23,506
2008-2009	30,114	-	30,114	-
	<u>\$ 369,454</u>	<u>\$ 14,582,070</u>	<u>\$ 14,621,098</u>	<u>\$ 330,426</u>

Plus: Municipal Service District taxes receivable, all years, net of allowance	413
Plus: Ad Valorem Un-Tagged MV-Current	180
Plus: Penalties	10,918
Less allowance for uncollectible accounts - General Fund	(179,732)
Ad valorem taxes receivable - net	<u>\$ 162,205</u>

Reconciliation with Revenues:

Ad valorem taxes - General Fund	\$ 14,928,512
Reconciling items:	
Interest collected	(50,773)
Amounts written off per statute	30,114
Releases, ad valorem	13,190
MV Fee, Adjustments	(96,438)
Less: Municipal Service District taxes, penalty, and interest collected in all years	(203,508)
Total collections and credits	<u>\$ 14,621,098</u>

City of New Bern, North Carolina
Analysis of Current Tax Levy
Town - Wide Levy
For the Fiscal Year Ended June 30, 2019

	City-Wide Levy			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current rate	\$ 2,833,751,596	0.46	\$ 14,289,910	\$ 13,042,789	\$ 1,247,121
Penalties					
Total	<u>2,833,751,596</u>		<u>14,289,910</u>	<u>13,042,789</u>	<u>1,247,121</u>
Discoveries					
Current year taxes	71,969,738	0.46	328,981	328,981	-
Penalties			16,251	16,251	-
Addbacks			581	581	-
Total	<u>71,969,738</u>		<u>345,813</u>	<u>345,813</u>	<u>-</u>
Adjustments	<u>(10,694,877)</u>	<u>0.46</u>	<u>(53,653)</u>	<u>(53,653)</u>	<u>-</u>
Total Property Valuation	<u><u>\$ 2,895,026,457</u></u>				
Net levy			14,582,070	13,334,949	1,247,121
Uncollected taxes at June 30, 2019			<u>96,219</u>	<u>96,219</u>	<u>-</u>
Current year's taxes collected			<u>\$ 14,485,851</u>	<u>\$ 13,238,730</u>	<u>\$ 1,247,121</u>
Current levy collection percentage			<u>99.34%</u>	<u>99.28%</u>	<u>100.00%</u>

Statistical Section



THIS PAGE WAS LEFT INTENTIONALLY BLANK

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> 118
-------------------------	----------------------------------

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	130
-------------------------	------------

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

Debt Capacity	134
----------------------	------------

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	137
---	------------

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	141
------------------------------	------------

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.



THIS PAGE WAS LEFT INTENTIONALLY BLANK

City of New Bern, North Carolina

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Invested in capital assets, net of related debt	\$ 31,419,739	\$ 34,018,646	\$ 34,826,041	\$ 36,383,138	\$ 36,694,879	\$ 35,607,933	\$ 48,007,347	\$ 50,662,101	\$ 52,136,675	\$ 52,140,067
Restricted	-	3,840,612	4,317,526	5,611,591	5,672,057	6,181,074	5,857,526	6,961,125	6,853,285	21,920,878
Unrestricted	3,051,269	760,319	1,952,892	4,312,131	6,345,271	10,288,946	8,732,911	5,842,111	(21,498,772)	(47,350,282)
Total governmental activities	\$ 34,471,008	\$ 38,619,577	\$ 41,096,459	\$ 46,306,860	\$ 48,712,207	\$ 52,077,953	\$ 62,597,784	\$ 63,465,337	\$ 37,491,188	\$ 26,710,663
Business-type activities:										
Invested in capital assets, net of related debt	\$ 76,160,558	\$ 78,578,999	\$ 80,159,948	\$ 83,796,943	\$ 86,397,864	\$ 88,323,492	\$ 92,187,192	\$ 97,084,561	\$ 105,972,773	\$ 115,441,237
Restricted	-	-	-	-	-	-	-	1,163,329	1,413,444	1,148,415
Unrestricted	14,211,130	21,659,418	23,829,737	25,922,244	31,462,602	34,398,515	39,952,276	39,653,748	41,547,705	38,605,732
Total business-type activities	\$ 90,371,688	\$ 100,238,417	\$ 103,989,685	\$ 109,719,187	\$ 117,860,466	\$ 122,722,007	\$ 132,139,468	\$ 137,901,638	\$ 148,933,922	\$ 155,195,384
Primary government:										
Invested in capital assets, net of related debt	\$ 107,580,297	\$ 112,597,645	\$ 114,985,989	\$ 120,180,081	\$ 123,092,743	\$ 123,931,425	\$ 140,194,539	\$ 147,746,662	\$ 158,109,448	\$ 167,581,304
Restricted	-	3,840,612	4,317,526	5,611,591	5,672,057	6,181,074	5,857,526	8,124,454	8,266,729	23,069,293
Unrestricted	17,262,399	22,419,737	25,782,629	30,234,375	37,807,873	44,687,461	48,685,187	45,495,859	20,048,933	(8,744,550)
Total primary government	\$ 124,842,696	\$ 138,857,994	\$ 145,086,144	\$ 156,026,047	\$ 166,572,673	\$ 174,799,960	\$ 194,737,252	\$ 201,366,975	\$ 186,425,110	\$ 181,906,047

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
General government	\$ 1,715,925	\$ 1,959,814	\$ 2,737,701	\$ 2,980,543	\$ 3,175,305	\$ 3,687,719	\$ 2,200,210	\$ 2,370,566	\$ 2,837,204	\$ 2,041,271
Public safety	17,093,862	15,232,805	15,127,179	15,660,542	15,369,029	14,532,403	15,545,847	18,360,960	18,258,916	20,998,605
Public Works	4,376,173	3,970,149	5,223,903	2,998,765	4,295,470	4,927,792	5,694,763	6,969,663	10,829,385	14,746,304
Environmental protection	2,033,675	2,054,485	2,053,938	1,663,347	1,825,829	1,616,542	2,152,786	2,669,329	-	-
Culture and recreation	2,708,074	2,280,243	2,549,680	2,497,152	2,503,892	2,508,718	3,467,082	2,944,815	3,414,130	3,519,992
Economic and physical development	1,791,932	1,405,498	1,731,687	2,378,028	2,077,157	1,954,457	3,278,649	2,312,188	1,902,842	2,607,397
Interest on long-term debt	563,132	518,903	509,077	365,826	342,703	384,309	283,245	173,584	160,982	215,138
Total governmental activities expenses	30,282,773	27,421,897	29,933,165	28,544,203	29,589,385	29,611,940	32,622,582	35,801,105	37,403,459	44,128,707
Business-type activities:										
Electric	60,061,164	61,298,449	60,325,099	57,737,100	59,713,453	57,874,790	47,214,077	48,964,225	46,482,917	49,221,183
Water	6,331,408	6,699,559	9,195,478	8,677,687	8,665,646	8,503,552	7,916,627	8,395,327	8,338,702	7,752,532
Sewer	10,677,006	10,233,465	10,442,463	10,830,003	9,727,442	9,945,031	9,406,883	9,564,628	10,384,998	10,429,678
Stormwater	-	-	74,153	671,691	633,072	551,635	610,819	661,680	628,260	639,676
Solid Waste	-	-	-	-	-	-	-	-	-	2,966,921
Total business-type activities expenses	77,069,578	78,231,473	80,037,193	77,916,481	78,739,613	76,875,008	65,148,406	67,585,860	65,834,877	71,009,990
Total primary government expenses	107,352,351	105,653,370	109,970,358	106,460,684	108,328,998	106,486,948	97,770,988	103,386,965	103,238,336	115,138,697

Program revenue:

Governmental activities:										
Charges for services:										
General government	2,919,172	3,158,508	1,945,596	1,554,015	1,591,361	1,282,636	642,598	269,579	297,137	128,798
Public safety	414,458	355,296	185,272	519,536	337,912	270,426	225,570	250,973	299,447	301,999
Public Works	179,765	247,586	130,132	987	11,000	2,878,437	141,675	85,165	2,991,246	41,031
Environmental protection	1,550,860	1,861,267	2,149,340	2,280,468	2,817,704	-	2,837,409	2,998,906	-	-
Culture and recreation	133,105	133,623	167,033	152,022	227,068	133,290	139,581	29,096	152,624	191,078
Economic and physical development	3,300	1,600	565,279	962,406	550,112	519,918	674,188	479,897	692,032	603,685
Operating grants and contributions:										
General government	-	-	-	-	174,765	353,805	50,000	479,267	283,414	51,491
Public safety	479,895	125,120	601,199	1,526,387	676,810	417,906	410,522	420,677	357,923	356,214
Public Works	-	-	1,320,993	812,542	871,986	49,700	-	9,164	-	865,707
Environmental protection	63,892	145,054	161,299	-	-	-	-	-	-	-
Culture and recreation	7,875	12,383	-	-	-	143,168	2,256	-	-	-
Economic and physical development	120,605	52,762	293,530	1,290,569	110,661	714,850	911,759	238,346	405,005	403,958
Capital grants and contributions:										
General government	-	-	-	-	-	929,785	-	-	-	-
Public Safety	89,130	542,146	397,053	-	-	26,845	-	-	-	-
Public Works	738,519	754,012	834,142	323,776	-	187,745	11,005,003	3,503,246	2,234,401	687,000
Environmental protection	-	-	-	-	-	-	-	-	-	-
Culture and recreation	27,186	460,082	-	-	-	-	-	-	-	-
Economic and physical development	-	758,500	-	-	68,424	80,260	835,465	-	1,650,000	-
Total governmental activities program revenue	6,727,762	8,607,939	8,750,868	9,422,708	7,437,803	7,988,771	17,876,026	8,764,316	9,363,229	3,630,961

City of New Bern, North Carolina

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services:										
Electric	\$ 64,846,861	\$ 65,916,870	\$ 60,516,535	\$ 61,909,426	\$ 63,763,783	\$ 62,405,986	\$ 52,734,945	\$ 52,680,023	\$ 53,878,097	\$ 51,974,494
Water	9,768,948	11,130,551	10,890,900	10,431,265	10,423,585	10,582,049	10,147,159	10,025,195	10,157,044	9,843,507
Sewer	12,383,344	12,298,288	12,091,162	11,945,804	11,669,211	10,869,545	11,946,470	11,355,551	11,633,639	11,038,541
Stormwater	-	-	87,917	712,500	675,590	673,773	681,209	716,117	693,316	671,788
Solid Waste	-	-	-	-	-	-	-	-	-	3,348,190
Capital grants and contributions:										
Electric	-	44,523	-	-	-	33,208	-	-	-	-
Water	342,085	341,531	-	-	152,400	-	-	-	-	422,447
Sewer	449,829	303,631	-	-	233,027	76,311	-	-	-	1,825,005
Stormwater	-	-	-	-	1,014,571	5,285	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
Electric	-	-	1,417,005	539,058	171,545	24,883	-	-	-	-
Water	-	-	273,795	177,669	245,689	295,774	-	-	-	-
Sewer	-	-	382,268	358,422	422,744	978,027	-	-	-	-
Stormwater	-	-	-	452	-	240	-	-	-	-
Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	87,791,067	90,035,394	85,659,582	86,074,596	88,772,145	85,945,081	75,509,783	74,776,886	76,362,096	79,123,972
Total primary government program revenues	94,518,829	98,643,333	94,410,450	95,497,304	96,209,948	93,933,852	93,385,809	83,541,202	85,725,325	82,754,933
Net (expense) revenue:										
Governmental activities	(23,555,011)	(18,813,958)	(21,182,297)	(19,121,495)	(22,151,582)	(21,623,169)	(14,746,556)	(27,036,789)	(28,040,230)	(40,497,746)
Business-type activities	10,721,489	11,803,921	5,622,389	8,158,115	10,032,532	9,070,073	10,361,377	7,191,026	10,527,219	8,113,982
Total primary government net expense	(12,833,522)	(7,010,037)	(15,559,908)	(10,963,380)	(12,119,050)	(12,553,096)	(4,385,179)	(19,845,763)	(17,513,011)	(32,383,764)

City of New Bern, North Carolina

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 12,043,657	\$ 12,919,994	\$ 13,315,629	\$ 13,251,107	\$ 13,701,543	\$ 13,696,904	\$ 13,817,232	\$ 14,159,750	\$ 14,575,810	\$ 14,921,580
Sales taxes	4,707,615	4,892,122	5,331,248	6,039,107	6,231,042	5,881,437	6,352,004	6,589,457	6,837,929	7,571,708
Utility franchise tax	1,482,365	1,520,306	1,408,725	1,406,786	1,573,495	2,013,029	2,064,744	2,000,811	2,018,691	233,295
Payment in Lieu of Taxes	-	-	-	860,496	863,337	901,752	931,965	1,067,816	1,096,711	1,140,000
Other taxes	1,663,842	1,658,465	1,702,043	315,351	278,850	1,055,904	833,698	716,339	699,167	2,543,511
Grants & contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	12,916	16,880	16,472	18,930	12,210	12,470	91,606	186,846	474,950	618,976
Miscellaneous	-	-	-	-	-	189,166	154,638	856,701	260,563	1,015,503
Gain on sale of capital assets	-	-	-	-	-	-	12,344	-	24,656	(7,142)
Transfers	1,579,957	1,954,758	1,885,062	2,440,119	1,896,452	3,244,722	2,766,416	2,652,027	2,874,231	1,968,600
Total governmental activities	21,490,352	22,962,525	23,659,179	24,331,896	24,556,929	26,995,384	27,024,647	28,229,747	28,862,708	30,006,031
Business-type activities:										
Investment earnings	18,096	17,566	13,941	11,506	5,199	6,115	47,609	142,667	275,167	598,351
Miscellaneous	-	-	-	-	-	-	-	156,405	-	162,777
Gain on sale of capital assets	-	-	-	-	-	-	16,631	26,754	43,184	60,108
Transfers	(1,579,957)	(1,954,758)	(1,885,062)	(2,440,119)	(1,896,452)	(3,244,722)	(2,766,416)	(2,652,027)	(2,874,231)	(1,968,600)
Total business-type activities	(1,561,861)	(1,937,192)	(1,871,121)	(2,428,613)	(1,891,253)	(3,238,607)	(2,702,176)	(2,326,201)	(2,555,880)	(1,147,364)
Total primary government	19,928,491	21,025,333	21,788,058	21,903,283	22,665,676	23,756,777	24,322,471	25,903,546	26,306,828	28,858,667
Changes in net position:										
Governmental activities	(2,064,659)	4,148,567	2,476,882	5,210,401	2,405,347	5,372,215	12,278,091	1,192,958	822,478	(10,491,716)
Business-type activities	9,159,628	9,866,729	3,751,268	5,729,502	8,141,279	5,831,466	7,659,201	4,864,825	8,283,682	6,966,618
Total primary government	\$ 7,094,969	\$ 14,015,296	\$ 6,228,150	\$ 10,939,903	\$ 10,546,626	\$ 11,203,681	\$ 19,937,292	\$ 6,057,783	\$ 9,106,160	\$ (3,525,097)

City of New Bern, North Carolina

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

Function / Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government	\$ 1,203,247	\$ 1,198,694	\$ (792,105)	\$ (1,426,528)	\$ (1,409,179)	\$ (1,121,493)	\$ (1,507,612)	\$ (1,621,720)	\$ (2,256,653)	\$ (1,860,982)
Public safety	(16,110,379)	(14,210,243)	(13,943,655)	(13,614,619)	(14,354,307)	(13,817,226)	(14,909,755)	(17,689,310)	(17,601,546)	(20,340,392)
Transportation	-	-	-	-	-	-	-	-	-	-
Public Works	(3,457,889)	(2,968,551)	(2,938,636)	(1,861,460)	(3,412,484)	(1,811,910)	5,451,915	(3,372,088)	(5,603,738)	(13,152,566)
Environmental protection	(418,923)	(48,164)	256,701	617,121	991,875	(1,616,542)	684,623	329,577	-	-
Culture and recreation	(2,539,908)	(1,674,155)	(2,382,647)	(2,345,130)	(2,276,824)	(2,232,260)	(3,325,245)	(2,915,719)	(1,611,506)	(3,328,914)
Economic and physical development	(1,668,027)	(592,636)	(872,878)	(125,053)	(1,347,960)	(639,429)	(857,237)	(1,593,945)	(805,805)	(1,599,754)
Interest on long-term debt	(563,132)	(518,903)	(509,077)	(365,826)	(342,703)	(384,309)	(283,245)	(173,584)	(160,982)	(215,138)
Total governmental activities	(23,555,011)	(18,813,958)	(21,182,296)	(19,121,495)	(22,151,582)	(21,623,169)	(14,746,556)	(27,036,789)	(28,040,230)	(40,497,746)
Business-type activities:										
Electric	4,785,697	4,662,944	1,608,441	4,711,384	4,221,875	4,589,287	5,520,868	3,715,798	7,395,180	2,753,311
Water	3,779,625	4,772,523	1,969,217	1,931,247	2,156,028	2,374,271	2,230,532	1,629,868	1,818,342	2,513,422
Sewer	2,156,167	2,368,454	2,030,967	1,474,223	2,597,540	1,978,852	2,539,587	1,790,923	1,248,641	2,433,868
Stormwater	-	-	13,764	41,261	1,057,089	127,663	70,390	54,437	377,399	32,112
Solid Waste	-	-	-	-	-	-	-	-	-	381,269
Total business-type activities	10,721,489	11,803,921	5,608,625	8,158,115	10,032,532	9,070,073	10,361,377	7,191,026	10,839,562	8,113,982
Total government	\$ (12,833,522)	\$ (7,010,037)	\$ (15,573,671)	\$ (10,963,380)	\$ (12,119,050)	\$ (12,553,096)	\$ (4,385,179)	\$ (19,845,763)	\$ (17,200,668)	\$ (32,383,764)

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 3,201,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:	2,035,562	-	-	-	-	-	-	-	-	-
Non Spendable	-	168,263	141,201	140,908	148,408	138,418	106,353	125,566	132,738	103,144
Restricted	-	2,771,830	3,397,888	4,261,890	4,731,384	5,373,068	5,370,614	6,978,767	5,574,926	21,590,110
Committed	-	-	-	-	-	-	2,000,000	-	-	-
Unassigned	-	4,604,056	6,786,387	7,449,776	9,496,813	14,753,694	12,976,430	13,816,378	13,864,240	113,614
Total General Fund	\$ 5,236,896	\$ 7,544,149	\$ 10,525,476	\$ 11,852,574	\$ 14,376,605	\$ 20,265,180	\$ 20,453,397	\$ 20,920,711	\$ 19,571,904	\$ 22,829,395
All Other Governmental Funds:										
Reserved	\$ 87,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	1,270,581	-	-	-	-	-	-	-	-	-
Major Capital projects funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Permanent fund	-	-	-	-	-	-	-	-	-	-
Non Spendable in Permanent Fund	-	-	-	735,341	304,226	418,676	34,092	-	-	-
Restricted in Capital Project	-	394,325	326,614	324,372	455,346	-	-	232,315	2,051,189	-
Committed in Capital Project	-	391,977	322,202	289,988	181,101	185,277	-	-	-	-
Assigned in Capital Project	-	-	-	-	-	-	195,745	161,762	827,873	-
Unassigned in Capital Project	-	(2,348)	(4,412)	(33,941)	-	-	-	-	-	-
Restricted in Special Revenue Fund	-	1,288,530	733,213	-	-	389,330	476,420	543,575	453,642	330,768
Assigned in Special Revenue Fund	-	5,500	-	-	-	-	-	-	336,702	-
Unassigned in Special Revenue Fund	-	(799,068)	(73,786)	(368,626)	(460,273)	(539,445)	(1,024,785)	(39,195)	(6,810)	(11,490,799)
Total all other government funds	\$ 1,358,379	\$ 1,278,916	\$ 1,303,831	\$ 947,134	\$ 480,400	\$ 453,838	\$ (318,528)	\$ 898,457	\$ 3,662,596	\$ (11,160,031)

City of New Bern, North Carolina

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Taxes	\$ 11,935,701	\$ 12,882,798	\$ 13,364,849	\$ 13,297,524	\$ 13,804,623	\$ 13,776,239	\$ 13,843,554	\$ 14,178,823	\$ 14,600,912	\$ 14,928,512
Other taxes	268,819	255,333	262,984	264,417	278,850	264,759	-	-	-	-
Intergovernmental	9,112,105	10,477,875	11,706,136	12,628,746	10,570,520	12,035,516	12,285,133	13,335,018	12,535,666	12,443,181
Permits and fees	557,945	573,392	601,753	584,906	629,737	473,631	614,305	461,845	661,904	558,380
Charges for services	3,930,456	4,308,027	4,214,282	4,154,506	4,697,698	4,610,076	4,046,716	3,651,771	3,770,582	670,742
Investment Earnings	-	-	-	17,917	11,353	11,636	91,606	186,846	474,950	593,409
Other	217,419	393,056	440,448	240,121	186,493	490,433	175,875	393,324	378,629	413,715
Total revenues	26,022,445	28,890,481	30,590,452	31,188,137	30,179,274	31,662,290	31,057,189	32,207,627	32,422,643	29,607,939
Expenditures:										
General government	553,996	703,279	962,957	4,490,858	4,503,448	4,127,567	1,941,707	2,160,235	2,257,005	1,010,449
Public safety	15,115,471	14,838,939	18,309,272	15,543,189	15,596,236	16,633,524	16,019,236	16,564,796	16,867,070	17,158,185
Public works	3,394,160	3,491,813	4,801,869	4,436,086	4,947,552	5,462,756	6,160,541	6,567,295	10,261,544	4,811,427
Environmental protection	1,959,738	1,997,630	1,952,131	1,792,211	1,772,657	1,805,268	2,035,216	2,615,028	-	-
Culture and recreation	2,309,096	3,150,315	2,123,400	2,956,433	2,460,377	2,519,151	2,849,572	2,925,043	3,001,879	3,014,102
Economic and physical development	1,647,002	2,249,191	1,872,267	3,222,067	2,121,975	2,559,305	3,461,395	2,345,856	2,057,081	1,527,204
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interfund Reimbursements	-	-	-	(2,891,799)	(3,310,269)	(3,412,228)	-	-	-	-
Capital outlay	457,895	130,547	538,108	1,052,794	1,857,062	-	-	-	-	-
Debt service:										
Principal	2,196,177	2,128,628	2,153,397	1,997,458	1,461,189	1,750,718	4,975,998	1,548,037	1,988,779	1,943,365
Interest	563,134	518,901	445,677	380,588	349,093	369,686	301,704	183,672	164,535	200,966
Total expenditures	28,196,669	29,209,243	33,159,078	32,979,885	31,759,320	31,815,747	37,745,369	34,909,962	36,597,893	29,665,698
Excess of revenues (under) expenditures	(2,174,224)	(318,762)	(2,568,626)	(1,791,748)	(1,580,046)	(153,457)	(6,688,180)	(2,702,335)	(4,175,250)	(57,759)
Other financing sources (uses):										
Transfers in	1,907,075	2,447,741	2,056,879	2,980,737	2,193,282	3,503,154	3,812,981	3,430,178	4,158,767	1,968,600
Transfers out	(327,118)	(492,983)	(664,812)	(161,701)	(296,830)	(258,432)	(764,257)	(778,151)	(1,284,536)	(13,923)
Proceeds from sales of capital assets	-	-	-	-	-	801,075	74,540	74,607	138,817	31,970
Issuance of long-term debt	750,438	199,817	4,052,576	465,315	1,740,891	1,969,673	2,980,767	1,660,000	2,577,534	1,629,798
Total other financing sources	2,330,395	2,154,575	5,444,643	3,284,351	3,637,343	6,015,470	6,104,031	4,386,634	5,590,582	3,616,445
Net changes in fund balance	\$ 156,171	\$ 1,835,813	\$ 2,876,017	\$ 1,492,603	\$ 2,057,297	\$ 5,862,013	\$ (584,149)	\$ 1,684,299	\$ 1,415,332	\$ 3,558,686
Debt service as a percentage of noncapital expenditures	10.1%	9.9%	9.0%	7.8%	6.2%	7.7%	15.4%	5.4%	6.3%	7.9%

City of New Bern, North C:

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
2009-2010	484,521,876	\$47,105,382	240,353,947	214,345,062	322,320	455,021,329	29,500,547	6%	\$0.0972	1,327,457
2010-2011	498,840,126	\$48,546,194	250,929,048	221,371,906	272,880	472,573,834	26,266,292	5%	\$0.0973	1,366,685
2011-2012	458,824,995	\$45,846,007	222,729,647	219,827,592	101,760	442,658,999	16,165,996	4%	\$0.0999	1,257,055
2012-2013	469,665,593	\$46,711,774	233,508,677	218,582,492	14,640	452,105,809	17,559,784	4%	\$0.0995	1,286,755
2013-2014	480,049,085	\$47,455,824	240,283,626	217,521,976	114,000	457,919,602	22,129,483	5%	\$0.0989	1,315,203
2014-2015	479,022,050	\$46,103,643	237,853,174	212,831,495	246,240	450,930,909	28,091,141	6%	\$0.0962	1,312,389
2015-2016	456,681,167	\$35,673,027	224,926,688	212,697,288	341,520	437,965,496	18,715,671	4%	\$0.0781	1,251,181
2016-2017	465,041,161	\$37,529,489	237,551,981	212,751,139	330,960	450,634,080	14,407,081	3%	\$0.0807	1,274,085
2017-2018	477,023,603	\$31,852,370	248,334,829	212,080,854	371,040	460,786,723	16,236,880	3%	\$0.0668	1,306,914
2018-2019	469,845,926	\$33,216,236	237,551,981	213,885,999	91,440	451,529,420	18,316,506	4%	\$0.0707	1,287,249

Source: City Records

City of New Bern, North Carolina

**Electric Rates
Last Ten Fiscal Years**

Electric Rates	Cents Per KWH									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	\$0.1442	\$0.1439	\$0.1373	\$0.1307	\$0.1439	\$0.1214	\$0.1165	\$0.1010	\$0.1133	\$0.1014
Commercial	0.1348	0.1367	0.1334	0.1331	0.1305	0.1391	0.1216	0.1175	0.1156	0.1134
Large Commercial/Industrial	0.0883	0.0882	0.0837	0.0827	0.0842	0.0861	0.0771	0.0792	0.0755	0.0763
Other	0.1248	0.1238	0.1358	0.1738	0.1275	0.1284	0.1110	0.1062	0.1046	0.1142

Source: City Records

City of New Bern, North Carolina

Electric System - Major Users
Current Year and Nine Years Ago

2019

Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales
01	Carolina East Medical Center	18,333,600	\$ 1,119,447.22	2.32%
02	Craven Community College	8,474,400	\$ 545,030.51	1.13%
03	Hatteras Yacht	5,340,000	\$ 394,320.44	0.82%
04	City of New Bern STP	5,250,240	\$ 344,730.97	0.71%
05	Wal-Mart Stores-Havelock	4,599,600	\$ 289,591.90	0.60%
06	Craven Terrace-5-2	2,615,040	\$ 252,668.74	0.52%
07	Lowes of New Bern	2,028,000	\$ 159,397.72	0.33%
08	HT Carolina Colours	1,971,300	\$ 138,003.87	0.29%
09	Carolina Telephone & Telegraph	1,917,600	\$ 182,181.33	0.38%
10	NC Depart. Of Cultural	1,831,500	\$ 202,205.98	0.42%

Revenue for All

Totals	\$48,245,570	52,361,280	\$3,627,579
--------	--------------	------------	-------------

2010

Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales
01	Carolina East Medical Center	18,294,600	\$1,343,452.90	2.30%
02	Craven Community College	7,120,800	\$808,660.10	1.38%
03	Maola	5,626,800	\$491,228.28	0.84%
04	City of New Bern STP	5,606,880	\$435,354.17	0.74%
05	Hatteras Yachts	5,198,400	\$589,002.46	1.01%
06	Wal-Mart Stores Havelock	4,675,800	\$211,973.36	0.36%
07	Craven Terrace	3,327,600	\$392,419.50	0.67%
08	Lowe's of New Bern	2,605,200	\$261,919.08	0.45%
09	New Bern Housing Authority	2,243,760	\$271,829.12	0.46%
10	Carolina Telephone	2,036,800	\$235,499.47	0.40%

Revenue for All

Total	\$58,526,336	56,736,640	\$5,041,338
-------	--------------	------------	-------------

City of New Bern, North Carolina

**Water System - Major Users
Current Year and Nine Years Ago**

2019					2010				
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	30,310	\$134,611.08	1.39%	01	Carolina East Medical Center	29,913	\$89,640.51	1.62%
02	Craven Wood Energy	12,641	\$ 89,991.36	0.93%	02	BSH Home Appliances	18,314	\$68,963.30	1.24%
03	Craven Terrace	7,525	\$ 32,646.02	0.34%	03	Town of Cove City	11,385	\$42,700.89	0.77%
04	NB Housing Authority	6,648	\$ 34,145.88	0.35%	04	Moen P	10,616	\$67,242.04	1.21%
05	Moen Inc.	6,190	\$ 49,600.08	0.51%	05	NB Housing Authority	7,738	\$32,321.34	0.58%
06	New Bern Housing Authority	5,303	\$ 29,037.24	0.30%	06	NB Craven Board of Education	5,771	\$40,783.44	0.74%
07	New Bern Health Holdings	3,858	\$ 16,270.13	0.17%	07	Norfolk Southern Railway Co.	5,334	\$24,863.36	0.45%
08	Schlaadt Plastics	3,847	\$ 19,790.00	0.20%	08	UHS Pruitt Corp.	4,237	\$17,096.39	0.31%
09	BSH Home Appliance	3,773	\$ 3,355.38	0.03%	09	City of New Bern Water Dept.	3,853	\$16,581.65	0.30%
10	FMC of Craven County	3,667	\$ 16,217.11	0.17%	10	Law Enforcement Center	3,628	\$19,338.05	0.35%
Revenue for All					Revenue for All				
Totals	\$9,705.458	83,762	\$425,664		Total:	\$5,544.458	100,789	\$419,531	

Source: City Records

City of New Bern, North Carolina

Sewer System - Major Users
Current Year and Nine Years Ago

		2019				2010			
Rank	Customer	Annual		Percentage of Total Sewer Sales		Annual		Percentage of Total Sewer Sales	
		Gallons	Revenues			Gallons	Revenues		
01	Carolina East Medical Center	30,310	\$129,821.55	1.28%		20,236	\$62,397.23	0.68%	
02	Craven County Wood Energy	28,602	\$268,635.08	2.65%		7,738	\$46,395.13	0.50%	
03	Craven Terrace 5-2	7,525	\$ 41,956.18	0.41%		3,465	\$54,758.85	0.59%	
04	Craven County Government	7,099	\$ 52,412.11	0.52%		3,364	\$19,343.55	0.21%	
05	NB Housing Authority	5,607	\$ 33,544.51	0.33%		3,358	\$23,972.24	0.26%	
06	Coastal Regional Solid Waste	5,488	\$ 50,709.12	0.50%		3,105	\$32,435.56	0.35%	
07	Trent Development Group	3,409	\$ 24,645.06	0.24%		2,459	\$21,846.94	0.24%	
08	Schlaadt Plastic	2,609	\$ 16,105.48	0.16%		749	\$12,456.24	0.14%	
09	Lexmi Hospitality	2,072	\$ 25,506.73	0.25%		324	\$ 2,749.68	0.03%	
10	Craven Terrace LP 5-4	1,244	\$ 10,841.98	0.11%		258	\$ 2,810.22	0.03%	
Revenue for All						Revenue for All			
Totals		\$10,150,401		\$654,178		Total: \$9,212,263		\$279,166	
		93,965				45,056			

Source: City Records

City of New Bern, North Carolina

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal	Real Property		Personal Property		Less	Total Taxable	Total	Estimated	Assessed
Year							Direct	Actual	Value as a
Ended	Residential	Commercial	Motor		Tax Exempt	Assessed	Tax	Taxable	Percentage of
June 30	Property	Property	Vehicles	Other	Real Property	Value	Rate	Value (1)	Actual Value (4)
2010	1,175,109,254	698,743,698	215,576,429	263,121,567	8,048,686	2,344,502,262	0.505	2,346,849,111	99.90%
2011 (3)	1,654,793,516	983,704,603	217,961,102	268,536,167	11,783,558	3,113,211,830	0.41	3,075,384,599	101.23%
2012	1,691,989,475	1,004,138,358	227,578,581	221,190,195	14,850,508	3,130,046,101	0.41	2,931,029,217	106.79%
2013	1,699,293,395	1,007,925,555	233,561,483	269,508,198	15,828,950	3,194,459,681	0.41	2,826,455,212	113.02%
2014	1,721,521,337	1,007,745,243	133,550,747	251,038,877	16,273,696	3,097,582,508	0.41	2,737,831,455	113.14%
2015	1,740,351,357	1,012,722,260	236,218,399	305,526,099	17,492,541	3,277,325,574	0.41	2,742,616,664	119.50%
2016	1,756,129,303	1,022,041,633	235,673,549	286,274,025	17,569,333	3,046,875,628	0.41	3,035,643,746	100.37%
2017	1,539,695,349	1,062,464,443	260,779,493	184,576,735	17,036,205	2,769,700,322	0.46	2,797,677,093	99.00%
2018	1,550,950,898	998,754,218	267,717,313	317,086,179	18,079,727	2,848,711,568	0.46	2,922,954,615	97.46%
2019	1,564,190,598	1,025,949,748	268,448,089	328,764,151	19,224,468	2,899,680,029	0.46	3,051,331,189	95.03%

Source: Craven County Tax Office

Notes:

(1) Per \$100 of value

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

(3) Property tax is reassessed every eight years by Craven County. The last reassessment was on January 1, 2010 and was the basis for fiscal 2011 taxes.

City of New Bern, North Carolina

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	11,031,702	10,769,066	97.62%	239,210	11,008,276	99.79%
2011	12,150,856	11,833,088	97.38%	295,210	12,128,298	99.81%
2012	13,034,415	12,694,505	97.39%	312,683	13,007,188	99.79%
2013	13,113,654	12,801,046	97.62%	272,733	13,073,779	99.70%
2014	12,713,597	12,533,988	98.59%	150,441	12,684,429	99.77%
2015	12,411,797	11,974,859	96.48%	424,448	12,399,307	99.90%
2016	12,502,513	12,403,793	99.21%	81,810	12,485,603	99.86%
2017	12,728,310	12,633,582	99.26%	68,796	12,702,378	99.80%
2018	13,113,149	13,025,627	99.33%	50,987	13,076,614	99.72%
2019	13,334,950	13,238,731	99.28%	-	13,238,731	99.28%

Source: City property tax records

City of New Bern, North

Principal Taxpayers
Current Year and Nine Years Ago

		2019				2010			
Name of Taxpayer	Nature of Property	Percentage of Total Assessed			Name of Taxpayer	Percentage of Total Assessed			Nature of Property
		Assessed Value	Rank	Value		Assessed Value	Rank	Value	
BSH Home Appliances	Household Appliances	\$ 105,689,462	1	3.64%	BSH Home Appliances	\$106,606,112	1	4.55%	Household Appliances
New Bern Apartments LLC	Residential Rental	24,638,902	2	0.85%	Hatteras Yachts, Inc.	24,118,512	2	1.03%	Boat Manufacturing
New Bern Riverfront Development LLC	Developer (Condos)	17,031,231	3	0.59%	New Bern Riverfront	20,722,840	3	0.88%	Development
Wal Mart Real Estate Business Trust	Retail Sales	15,775,740	4	0.54%	Carolina Telephone	15,351,960	4	0.65%	Telephone Services
NC New Bern LLC	Retail Sales	14,408,190	5	0.50%	DDR Xenia & New Bern LLC	13,637,800	5	0.58%	Retail Sales
NIC 4 Courtyards of New Bern	Residential Rental	14,366,000	6	0.50%	Trent Neuse Hotel LLC	13,371,659	6	0.57%	Hotel
Strata Woodcross LLC	Residential Rental	14,147,298	7	0.49%	HS New Bern LLC	12,500,616	7	0.53%	Retail Shopping Center
Duke Energy	Power Service	14,054,617	8	0.48%	Thomas F & Karen Webb	11,845,668	8	0.51%	Developer
Atta Holding Company LLC	Medical Offices	13,974,680	9	0.48%	Target	7,986,728	9	0.34%	Retail Shopping
Navis HCY Real Estate LLC	Real Estate	12,067,300	10	0.42%	Progress Energy Carolinas	7,004,064	10	0.30%	Power Service
Total Assessed Valuation of Top Ten Taxpayer		\$ 246,153,420		8.49%	Total Assessed Valuation of Top Ten Taxpayer			\$ 233,145,959	9.94%
Balance of Assessed Valuation.		\$ 2,653,526,609		91.51%	Balance of Assessed Valuation.			\$ 2,111,356,303	90.06%
Total Assessed Valuation		\$ 2,899,680,029		100.00%	Total Assessed Valuation			\$ 2,344,502,262	100.00%

Source: City property tax records

City of New Bern, North Carolina

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

Fiscal Year Ending June 30	Direct Rate City	Overlapping Rate Craven County
2010	0.5050	0.6100
2011	0.4100	0.4728
2012	0.4100	0.4728
2013	0.4100	0.4728
2014	0.4100	0.4675
2015	0.4100	0.4675
2016	0.4100	0.4675
2017	0.4600	0.5394
2018	0.4600	0.5394
2019	0.4822	0.5494

Notes:

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

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

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

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

Changes will be reflected in next year's report.

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

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

City of New Bern, North Carolina

**Direct and Overlapping Governmental Activities Debt
For the Year Ended June 30, 2019
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Craven County Debt	\$ 56,065,651	28.98%	\$ -
Subtotal, overlapping debt	<u>\$ 56,065,651</u>		<u>\$ -</u>
City Direct Debt	7,926,663	100%	7,926,663
Total direct and overlapping debt	<u><u>\$ 63,992,314</u></u>		<u><u>\$ 7,926,663</u></u>

Sources:

Notes:

- (1) Includes general obligation bonds for Enterprise Fund and General Long-Term Debt Account Group.
- (2) Determined by ratio of assessed valuation of property subject to taxation in Craven County **\$9,904,145,988**
- (3) Amount in debt outstanding column multiplied by percentage applicable.

City of New Bern, North Carolina

Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)
(Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 187,560,181	\$ 249,056,946	\$ 251,991,678	\$ 255,556,774	\$ 247,806,601	\$ 242,008,494	\$ 243,750,050	\$ 221,576,026	\$ 249,314,310	\$ 231,602,117
Total net debt applicable to limit	240,000	12,731,877	14,610,371	12,449,882	12,729,584	12,948,539	7,926,663	8,038,626	8,627,381	10,249,000
Legal debt margin	\$ 187,320,181	\$ 236,325,069	\$ 237,381,307	\$ 243,106,892	\$ 235,077,017	\$ 229,059,955	\$ 235,823,387	\$ 213,537,400	\$ 240,686,929	\$ 221,353,117
Total net debt applicable to the limit as a percentage of debt limit	0.13%	5.39%	6.15%	5.12%	5.42%	5.65%	3.36%	3.76%	3.58%	4.63%

Notes:
Debt includes Installment proceeds and Notes payable

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Valuation	\$ 2,899,680,029
8%	231,974,402
Less applicable debt	10,249,000
Debt margin	\$ 242,223,402

City of New Bern, North Carolina

Demographic and Economic Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Population (1)		Per Capita Personal Income (2)	Personal Income (3)	Public School Enrollment (4)	Unemployment Rate (5)
2010	29,646	*	24,141	3,761,100	14,513	9.6%
2011	29,899		22,762	3,816,083	14,817	9.5%
2012	30,316		22,762	3,910,918	14,749	9.2%
2013	30,242		23,235	4,094,203	14,606	9.9%
2014	30,291		22,555	4,100,424	14,472	7.1%
2015	30,070		23,335	4,121,440	14,297	6.3%
2016	30,101		23,511	4,195,496	14,120	4.9%
2017	29,590		24,062	4,340,800	14,002	4.3%
2018	30,113		25,878	(6)	13,778	0.0%
2019	(6)		(6)	(6)	14,171	0.0%

Notes:

- (1) Population provided US Census Bureau. (2017 is estimate)
<https://www.census.gov/quickfacts/fact/table/newberncitynorthcarolina/PST045218>
- (2) Provided by U.S Census
<https://www.census.gov/quickfacts/fact/table/newberncitynorthcarolina/INC910217>
- (3) Bureau of Economic Analysis, U.S. Department of Commerce. Figures are as of the end of the calendar year ended during the fiscal year.
- (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
- (6) Information is not presently available

City of New Bern, North Carolina

Principal Employers

Current Year and Nine Years Ago

(Unaudited)

Employer	2019				2010		
	Employees	Rank	Percentage of Total County Employment		Employees	Rank	Percentage of Total County Employment
Department of Defense	5164	1	13.22%	Department of Defense	5365	1	13.44%
CarolinaEast Health Systems	2342	2	6.00%	Craven County Schools	1917	2	4.80%
Craven County Schools	1714	3	4.39%	CarolinaEast Health Systems	1900	3	4.76%
BSH Home Appliances	1200	4	3.07%	State of North Carolina	950	4	2.38%
Moen Incorporated	820	5	2.10%	BSH Home Appliances	877	5	2.20%
State of North Carolina	781	6	2.00%	Moen Incorporated	650	6	1.63%
Craven County	661	7	1.69%	Wal-Mart	635	7	1.59%
Wal-Mart	643	8	14.65%	City of New Bern	500	8	1.25%
Craven Community College	547	9	1.40%	Craven County	500	9	1.25%
City of New Bern	482	10	1.23%	Craven Community College	475	10	1.19%

Source: Craven County, NC Department of Commerce LEAD Division

City of New Bern, North Carolina

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

<u>Functions/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government:										
Governing Board	1	1	1	1	1	1	1	-	-	-
Administration	3	3	4	4	4	4	4	5	5	5
Information Technology	7	7	7	8	8	8	7	7	7	7
Finance:										
Accounting	12	11	10	10	10	10	9	9	9	9
Warehouse	5	4	4	4	4	4	3	3	3	4
Tax Collection	3	3	3	3	1	-	-	-	-	-
Human Resources:	6	6	5	5	6	6	5	5	5	5
Police:	141	127.5	114	112	112	116	109.5	113	115	117
Animal Control	-	-	-	-	-	-	-	-	-	-
E911 Support	-	-	-	-	-	-	-	2	2	2
Communications	-	-	-	-	-	-	-	-	-	-
Fire:	68	66	66	67	67	67	67	66	73	73
Parks and Recreation:										
Administration	2	2	2	2	2	2	3	5	7	7
Facilities	-	-	-	-	-	-	-	11	9	9
West New Bern Recreation Center	5	5	5	5	5	5	4	-	-	-
Stanley White Recreation Center	5	4	4	4	4	4	4	-	-	-
Parks	17	14.6	13	14	14	14	13	13	13	13
Aquatics	1	0.4	0.4	-	-	-	-	-	-	-
Special Programs	-	-	-	-	-	-	-	-	-	-
Athletics	3	3	3.6	3.0	3.0	3.0	3	-	-	-
Planning & Inspections:										
Planning & Inspections	19	17	17	16	17	17	15	16	16	16
GIS	1	1	1	1	-	-	-	-	-	-
Public Works:										
Administration	4	3.5	3	3	3	3	3	3	3	3
Garage	4	4	4	4	4	4	4	4	4	4
Public Buildings	7	6	5	6	6	6	6	6	6	6
Streets	31	26	25	25	25	25	21	21	21	20
Cemeteries	1	1	1	-	-	-	-	-	-	-
Leaf & Limb	9	9	8	7	7	7	7	7	7	8
Sanitation	1	-	-	-	-	-	-	-	-	-
Engineering	10	9	-	-	-	-	-	-	-	-
Water:										
Water Resources	-	-	7	7	7	7	7	6	6	6
Administration	-	-	-	-	-	-	-	-	-	-
Water Treatment	5	7	12	11	11	11	11	12	12	12
Water Distribution System	23	20	25	30	30	30	27	25	25	19
Maintenance	-	-	-	-	-	-	-	-	-	-
Hydrant Maintenance	4	4	-	-	-	-	-	-	-	-

City of New Bern, North Carolina

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

<u>Functions/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Sewer:						-	-	-	-	-
Sewer Treatment	20	19	21	21	21	20	19	19	19	20
Sewer Collection System Maintenance	37	27	21	16	14	14	12	16	16	20
PreTreatment	1	2	-	-	-	-	-	-	-	-
Electric:										
Electric Administration	7	7	7	7	7	7	6	6	6	6
Utility Billing	16	5	5	5	5	-	-	-	-	-
Utility Service	15	16	15	15	10	-	-	-	-	-
Distribution O&M	33	30	32	32	36	36	34	34	34	34
Power Supply	4	4	4	4	4	4	3	4	4	5
Communications Control	5	5	5	6	6	7	7	7	7	7
Utility Business Office	16	16	16	16	16	30	29	27	27	27
Stormwater:										
Stormwater	-	-	-	5	5	5	6	6	6	6
Other:										
Emergency Telephone System (E911)	2	2	2	2	2	2	1.5	-	-	-
Metropolitan Planning Organization	-	-	-	-	-	-	2	2	2	2
Municipal Service District	2	2	-	-	-	-	-	-	-	-
Total	556	500	478	481	477	479	453	460	469	472

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	2010	2011	2012	2013	2014
Police:					
Calls for service	44,980	38,397	36,818	48,532	42,819
Conduct DUI/Traffic Check Points	**	**	**	70	118
Answer 90% of 911 call in 10 seconds	**	**	**	99.6%	97.50%
Dispatch Emergency call in 90 seconds	**	**	**	85.30%	91.15%
Dispatch Non-Emergent call in 15 minutes	**	**	**	97.80%	75.00%
Maintain 100% state certification for sworn and no	**	**	**	100.00%	98.78%
Conduct directed traffic enforcement	**	**	**	**	**
Conduct directed radar enforcement campaigns	**	**	**	1	4
Arrests	**	**	**	1,944	1,750
Fire:					
Calls for service	1,034	1,124	1,090	992	1,115
Value of Endangered Property	**	**	**	**	50,260,192
Value of Property Loss	\$ 850,040	\$ 1,658,581	\$ 6,131,061	\$ 1,389,713	\$ 2,811,003
Fire Inspections	**	**	1,860	1,787	1,519
Fire Investigations	**	**	43	32	36
People Educated by Fire Education Programs	**	**	7,033	7,298	8,857
Child Passenger Safety Seat Inspections	**	**	299	295	268
Permits Issued	**	**	140	82	126
Firefighter Training Hours	**	**			19,176
Planning & Development:					
Total building permits	645	573	652	605	529
Total value of all permits	\$56,899,190	\$38,992,626	\$47,994,419	\$37,189,233	\$40,634,053
Public service:					
Garbage collected (ton)	7,495	7,640	7,719	7,626	7,854
Recycle collected (ton) ***	1,644	1,791	2,403	1,795	2,191
Stormwater					
Calls for service	**	**	**	450	178
Yearly rainfall	**	**	**	43.99"	37.14"
Stormwater fee	**	**	**	\$2.10 / ERU	\$2.10 / ERU
Residential ERU's	**	**	**	**	12,516
Commercial ERU's	**	**	**	**	20,452

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

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

Function/Program	2015	2016	2017	2018	2019
Police:					
Calls for service	43,113	42,525	45,002	46,160	45,403
Conduct DUI/Traffic Check Points	157	48	34	54	42
Answer 90% of 911 call in 10 seconds	98.05%	98.02%	98.21%	98.06%	97.61%
Dispatch Emergency call in 90 seconds	72.35%	89.80%	70.15%	78.50%	80.00%
Dispatch Non-Emergent call in 15 minutes	74.40%	76.10%	99.79%	99.91%	99.80%
Maintain 100% state certification for sworn and no	98.78%	98.78%	100.00%	100.00%	100.00%
Conduct directed traffic enforcement	**	362	196	370	1,361
Conduct directed radar enforcement campaigns	21	****	12	230	580
Arrests	1,595	1,545	1,497	1,774	1,478
Fire:					
Calls for service	1,223	1,251	1,485	1,683	1,982
Value of Endangered Property	13,718,938	122,605,907	11,477,095	40,955,210	180,755,380
Value of Property Loss	\$ 656,825	\$ 1,201,657	\$ 1,691,425	\$ 10,326,546	\$ 1,765,436
Fire Inspections	1,568	1,420	1,606	1,743	1,978
Fire Investigations	33	31	27	30	27
People Educated by Fire Education Programs	9,929	11,065	13,697	9,360	8,453
Child Passenger Safety Seat Inspections	227	236	220	173	189
Permits Issued	91	113	131	101	58
Firefighter Training Hours	19,522	18,503	18,568	19,803	29,051
Planning & Development:					
Total building permits	511	317	290	517	774
Total value of all permits	\$32,604,601	\$65,763,473	\$33,242,973	\$120,929,581	\$102,353,540 *****Estimated Value
Public service:					
Garbage collected (ton)	8,135	8,521	8,303	8,561	8,738
Recycle collected (ton) ***	2,222	2,185	2,188	2,102	1,960 July 2018- June 2019
Stormwater					
Calls for service	264	355	248	216	209
Yearly rainfall	54.91	67.15	63.14	55.81	39.08
Stormwater fee	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU
Residential ERU's	12,756	12,906	12,966	13,182	12,753
Commercial ERU's	20,006	19,923	19,420	22,972	14,290

Source: Various City records

Note: * Includes Hurricane Irene Loss

** Data not available

*** Numbers are derived from Craven County Records
Only totals were available, however based on the

33.53% was used from the total collected to get

**** Tracking Changes Amended, stats unavailable

City of New Bern, North Carolina

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

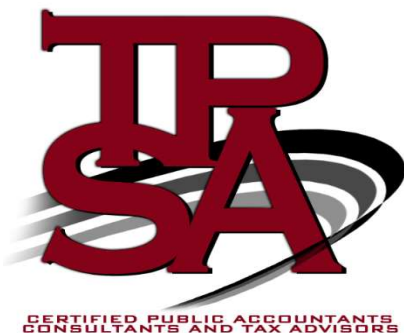
Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Capital Assets	4	4	4	5	5	5	5	5	5	5
Fire & Rescue:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Training Academy Building	1	1	1	1	1	1	1	1	1	1
Fire Training Academy Classroom	1	1	1	1	1	1	1	1	1	1
Parks & Recreation:										
Acreage	312	312	312	312	350	360	363	363	1251	1251
Parks	21	21	21	21	23	24	24	24	25	25
Frisbee Golf Course	1	1	1	1	1	1	1	1	1	1
Baseball/Softball Diamonds	10	10	10	10	10	10	10	10	10	10
Soccer/Football Fields	2	2	2	2	2	2	2	2	2	2
Basketball Courts	4	4	4	4	4	4	4	4	6	6
Tennis Courts	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Parks with Playground Equipment	9	9	9	10	11	12	13	13	13	13
Picnic Shelters	8	8	8	9	10	10	11	11	11	11
Community Centers	3	3	3	3	3	3	2	2	2	2
Natural Sites	4	4	4	4	4	4	4	4	4	4
Gymnasium	2	2	2	2	2	2	2	2	2	2
Spray Ground	1	1	1	1	1	1	1	2	2	2
Dog Park	1	1	1	1	1	1	1	1	1	1
Boat Launch/Ramp/Pier	8	8	8	8	8	10	11	11	11	11
Picnic Tables	75	75	75	87	90	95	98	98	98	98
Park Benches	108	108	108	126	130	138	143	143	143	143
Multi-purpose Fields	2	2	2	2	2	2	2	3	3	3
Walking Trails	6	6	6	6	6	6	6	6	7	7
Outdoor Restrooms	9	9	9	9	9	9	9	10	10	10
Public Parking Lots	11	11	11	11	11	11	12	12	12	12
Public Art	3	3	4	4	5	5	5	5	6	6
Horseshoe Courts	3	3	3	3	3	3	3	3	9	9
Outdoor Volleyball Courts	2	2	2	2	2	2	2	2	2	2
Bike Racks	7	7	7	7	25	25	25	25	25	25
Wastewater:										
*Sanitary Sewers (miles)	211.4	211.4	211.7	211.7	414.88	416.77	417.58	419.11	437.02	437.02
*Storm Sewers (miles)	62.4	62.4	62.5	62.5	74.35	74.62	76.58	77.56	76.94	76.94
*Average Daily Flow	3.82	3.82	3.63	3.63	3.89	3.88	4.55	4.25	4.26	4.26
Electric:										
Average Daily Usage (kWh)	1,366,685	1,366,685	1,257,055	1,286,755	1,254,574	1,304,406	1,251,181	1,274,085	1,306,914	1,287,249
Mile of Distribution Lines	515	515	515	518	520	630	550	550	550	550
Source: Various City records										

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

Compliance Section



THIS PAGE WAS LEFT INTENTIONALLY BLANK



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

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

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

**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Bern, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprises the City of New Bern's basic financial statements, and have issued our report thereon dated April 21, 2020.

Internal Control Over Financial Reporting

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

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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be material weaknesses (19-03). 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. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies (19-01, 19-02).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of New Bern's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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.

City of New Bern's Response to Findings

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

Purpose of this Report

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

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

Whiteville, NC

April 21, 2020



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

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of New Bern, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the City of New Bern's major federal programs for the year ended June 30, 2019. The 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.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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, 2019.

Report on Internal Control Over Compliance

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

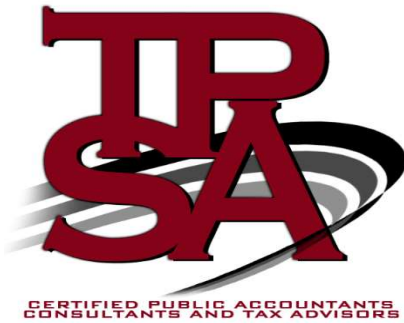
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses 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 or significant deficiencies.

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
April 21, 2020



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

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

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

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
Board of Aldermen
City of New Bern, North Carolina

Report on Compliance for Each Major State Program

We have audited the City of New Bern, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the City of New Bern's major state programs for the year ended June 30, 2019. City of New Bern's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

In our opinion, City of New Bern complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

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

Whiteville, NC

April 21, 2020

City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019

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 the Federal Single Audit Implementation Act

☐ Yes

☒ No

Identification of major Federal programs:

Program Name

Investment for Public Works and Economic Development Facilities (11.300)

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

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

**City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019**

Section II – Financial Statement Findings

Finding 2019-001 Reconciliation of Records

SIGNIFICANT DEFICIENCY

Criteria: AU-C 260 requires communication of certain matters related to internal control over financial reporting.

Condition: In reviewing records and testing certain account balances, we noted that several accounts were not reconciled and adjusted. Several adjustments had to be proposed to correct the financial statements.

Effect: Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes.

Cause: The Finance department has been dealing with the damages from Hurricane Florence. In addition, the Finance department staff turnover has also caused delays in preparing for the annual audit and the preparation of the financial statements.

Recommendation: The finance office should make sure that timely reconciliations are prepared for all accounts. Year end entries should be made by the finance staff prior to year-end closing for receivables, etc.

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

Finding 2019-002 Late Submission of Annual Audit

SIGNIFICANT DEFICIENCY

Criteria: The City's annual audit for the Fiscal Year 2019 is due by October 31, 2019.

Condition: The City's annual audit for the Fiscal Year 2019 was not submitted to LGC by the due date.

Effect: The Federal and State authorities did not get the information timely

Cause: The Finance department has been dealing with the damages from Hurricane Florence. In addition, the Finance department staff turnover has also caused delays in preparing for the annual audit and the preparation of the financial statements.

Recommendation: The City should ensure that all efforts are made to complete the audits timely.

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

**City of New Bern, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2019**

Finding 2019-003 Deficit Fund Balance

MATERIAL WEAKNESS

Criteria: The City should maintain a positive fund balance in each of its funds.

Condition: The City had a deficit fund balance in several project funds.

Effect: When a fund has a negative fund balance another fund has to advance the money to cover the expenditures.

Cause: Projects are waiting reimbursement from grants and other revenue sources.

Recommendation: The City should ensure that all efforts are made to collect the revenue.

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

Section III – Federal Award Findings and Questioned Costs

None Reported.

Section IV – State Award Findings and Questioned Costs

None Reported.

Aldermen

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



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

Dana E. Outlaw
Mayor
Mark A. Stephens
City Manager
Brenda E. Blanco
City Clerk
Mary Hogan
Director of Finance

**City of New Bern, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2019**

Section II – Financial Statement Findings

Finding: 2019-001

Name of contact person: Mary Hogan, Finance Director

Corrective Action: All efforts will be made to ensure records are reconciled timely. Additional staff has been hired to help.

Proposed Completion Date: Implemented immediately

Finding: 2019-002

Name of contact person: Mary Hogan, Finance Director

Corrective Action: All efforts will be made to ensure records are reconciled timely. Additional staff has been hired to help.

Proposed Completion Date: Implemented immediately

Finding: 2019-003

Name of contact person: Mary Hogan, Finance Director

Corrective Action: All efforts will be made to ensure revenues are collected or transfers are made to cover expenditures.

Proposed Completion Date: June 30, 2020

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 Fiscal Year Ended June 30, 2019

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

City of New Bern, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(a)(b)	State/ Pass-through Grantor's Number 1(c)	Fed. (Direct & Pass-through) Expenditures 1(c),2	State Expenditures 1(d)	Pass-through to subrecipients 1(e)	Local Expenditures 1(d)
Federal Grants:						
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce CDBG Entitlement Cities	14.218	B-14-MC-37-0024	\$ 80,772	\$ -	\$ -	\$ -
<u>U.S. Department of Justice</u>						
Passed-through N.C. Department of Public Safety Bulletproof Vest Program	16.607		2,536	-	-	2,537
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		19,170	-	-	-
<u>U.S. Department of Commerce</u>						
Investments for Public Works and Economic Development Facilities	11.300	04-01-07167	655,877	-	-	394,756
<u>U.S. Department of Transportation</u>						
Passed-through N.C. Department of Transportation Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	DOT-11 36230.42.5.6	14,587	1,824	-	6,179
Highway Planning and Contruction	20.205-5	47615.1.16	93,090	-	-	23,273
Governors Highway Safety	20.616	PT-19-06-35	14,412	-	-	6,176
<u>U.S. Department of Homeland Security</u>						
Passed-through N.C. Department of Public Safety NBFD USAR Training	97.067	EMW-2017-SS-00085-S01	14,000	-	-	-
NBPD Protective Equipment	97.067	EMW-2017-SS-00085-S01	4,565			
Total Federal Awards			<u>\$ 899,009</u>	<u>\$ 1,824</u>	<u>\$ -</u>	<u>\$ 432,921</u>
State Grants:						
Cash Assistance:						
<u>N.C. Department of Transportation:</u>						
Powell Bill		DOT-4 32570	\$ -	\$ 865,707	\$ -	\$ -
<u>N.C. Department of Environmental Quality</u>						
Neuse River Gateway Project		7437	-	37,409	-	-
Total Federal and State Awards			<u>\$ 899,009</u>	<u>\$ 904,940</u>	<u>\$ -</u>	<u>\$ 432,921</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, 2019. 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.