

# **CITY OF NEW BERN** **North Carolina**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2020

**Prepared by:**  
**City of New Bern Finance Department**

**Submitted by:**  
**Mary Hogan, MPA, CPA**  
**Director of Finance**

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Jameesha Harris  
Robert V. Aster  
Johnnie Ray Kinsey  
Barbara J. Best  
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Dana E. Outlaw  
Mayor  
Mark A. Stephens  
City Manager  
Brenda E. Blanco  
City Clerk  
Mary M. Hogan  
Director of Finance

January 8, 2021

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, 2020, 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 solid waste utilities; therefore, these activities are included in the reporting entity. The New Bern Housing Authority, the New Bern-Craven County Public Library, Swiss Bear Downtown Development Corporation, and Friends of the Fireman's Museum do not meet the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

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

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

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## **ECONOMIC CONDITION AND OUTLOOK**

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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 6.6 percent compared to a statewide rate of 7.6 percent. The 2019 census population for the city was reported as 30,010.

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 2020 held a ribbon cutting ceremony to mark the opening of the, 80,000-square foot three-story SECU Comprehensive Cancer Center.

New Bern is home to two large manufacturing facilities: Moen, Inc. and BSH Appliances, Corp. Moen, the number one faucet brand in North America and employees more than 800 people. 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. This facility stores and ships home appliances for three BSH brands in North America and employees more than 1,200 people.

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## **MAJOR INITIATIVES FOR THE YEAR**

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Fiscal year 2019-2020 (FY20) 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 which was approved in by the Board of Aldermen to include 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**

Phase I of the VOLT Center, which is city-owned facilities at 205 First Street was renovated and is used as a multi-purpose facility. Groundbreaking took place in August 2017 and the facility was operational in 2020 with a focus on fostering and incubating new businesses, especially in agriculture, food sales, crafts, art, and small-scale manufacturing. Craven Community College is utilizing the main building for training and various classes. Total outdoor vendor space is 12,200 square feet. across 25-30 covered bays. 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.

Phase II of the VOLT Center will be a renovation of existing City facilities to accommodate LE Simulation Training Center that will enable Craven Community College to expand it's workforce development and training initiatives to include an array of law enforcement training. The LE Simulation Training Center will also serve as a central location for high-level Law Enforcement Simulation training across the region.

## **ERP**

The City has completed the Phase II of the ERP implementation and went live with Human Capital Management in March 2020. Phase III, Utility Bill (Customer Information System) will begin in underway with an estimated implementation go-live in the fall of 2021.

## **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.

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## **OTHER INFORMATION**

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### **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 30<sup>th</sup>.

### **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.

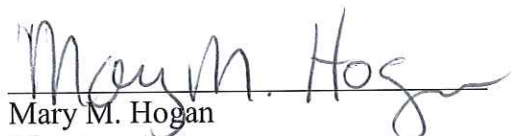
### **Independent Audit**


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

## **CITY OF NEW BERN, NORTH CAROLINA**

### **LIST OF PRINCIPAL OFFICIALS June 30, 2020**

#### **BOARD OF ALDERMEN**

***Dana E. Outlaw***  
Mayor

***Robert Aster***  
Mayor Pro Tem

***Sabrina Bengel***

***Jameesha Harris***

***Johnnie Ray Kinsey***

***Jeffrey T. Odham***

#### **CITY ADMINISTRATION**

***Mark A. Stephens***  
City Manager

***Mary M. Hogan***  
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

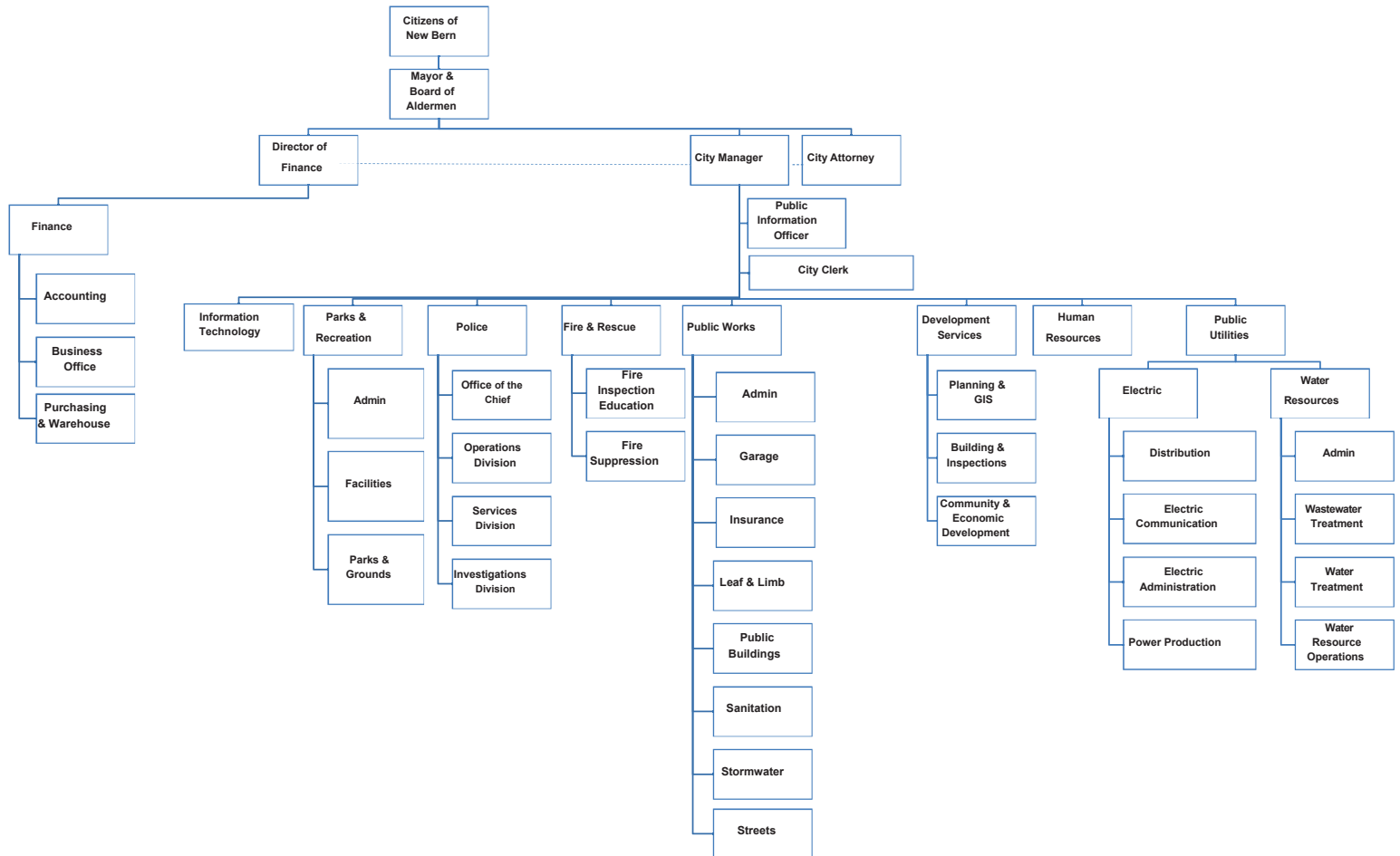
***Robert M. Boyd***  
Fire Chief

***Sonya Hayes***  
Director of Human Resources

***Matthew Montanye***  
Director of Public Works

***Toussaint Summers***  
Chief of Police

City of New Bern  
Organizational Chart  
FY 2019 - 2020





## FINANCIAL SECTION



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

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

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

## Independent Auditors' Report

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

### **Report on the Financial Statements**

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, 2020, 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, 2020, 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 55 through 56 , 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 57 through 58, and the Changes in Total OPEB Liability and Related Ratios page 59, 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 January 8, 2021, 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.*

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Whiteville, NC  
January 8, 2021

## 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, 2020. 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

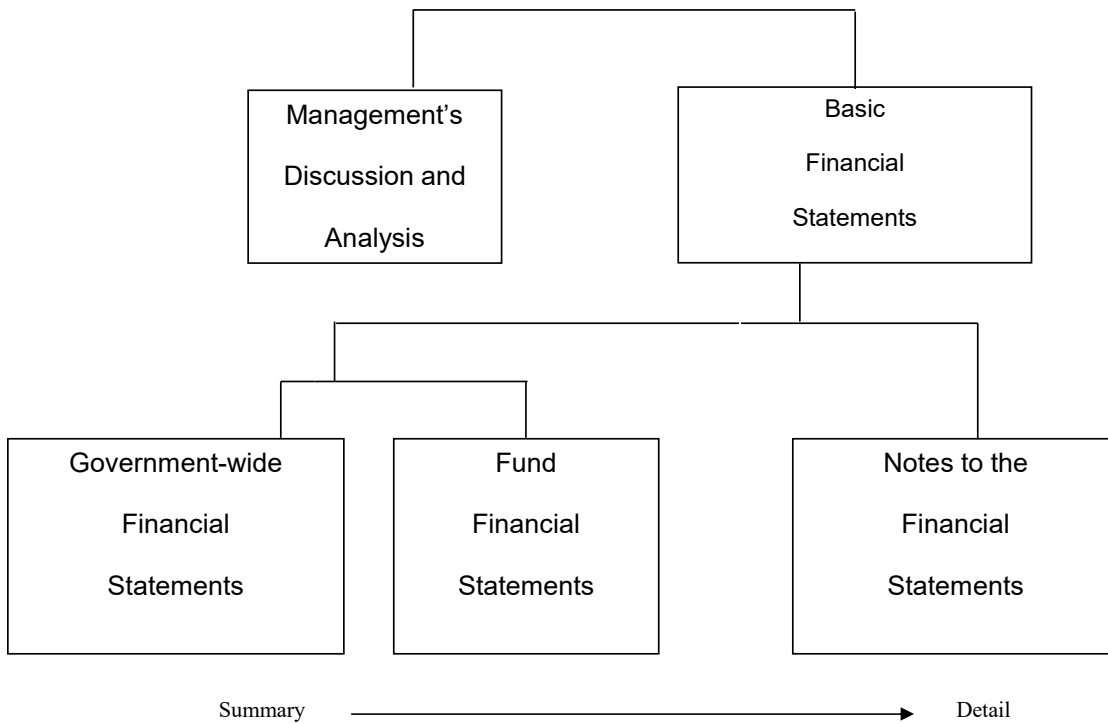
- The assets of the City of New Bern exceeded its liabilities at the close of the fiscal year by \$194,024,470 (net position).
- Total governments total net position increased by \$11,124,458, primarily due to receiving FEMA funding to cover prior year expenditures. In addition, restatements were made that increased beginning net position in the governmental activities by \$2,430,879 and decreased beginning net position in the business-type activities by \$2,430,879 as a result of consolidating the stormwater fund (previously an enterprise fund) with the General Fund and adjustments to the ERP project fund.
- As of the close of the current fiscal year, the City of New Bern's governmental funds reported combined ending fund balances of \$18,395,208, an increase of \$5,660,693 in comparison with the prior year. Approximately \$13.4 million (72.90 percent) is unavailable (nonspendable, restricted by state statute, restricted for Streets); Approximately 12.65 percent is unassigned or available for spending at the government's ..
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,331,940 or 21.95 percent of total General Fund expenditures for the fiscal year; compared to \$1,136,141, or 3.83 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 \$8,538,227 (16.70 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**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Current assets	\$ 23,136,984	\$ 17,587,549	\$ 52,154,613	\$ 51,100,847	\$ 75,291,597	\$ 68,688,396
Capital assets	66,777,971	62,389,067	149,446,329	153,901,212	216,224,300	216,290,279
Deferred outflows of resources	7,820,284	5,666,906	1,643,345	1,826,849	9,463,629	7,493,755
Total assets and deferred outflows of resources	97,735,239	85,643,522	203,244,287	206,828,908	300,979,526	292,472,430
Current and other liabilities	4,924,456	5,132,165	13,805,499	13,427,128	18,729,955	18,559,293
Non-current liabilities	53,212,294	49,002,617	30,927,798	37,156,088	84,140,092	86,158,705
Deferred inflows of resources	340,040	514,934	20,291	56,343	360,331	571,277
Total liabilities and deferred inflows of resources	58,476,790	54,649,716	44,753,588	50,639,559	103,230,378	105,289,275
Net position:						
Invested in capital assets, net of related debt	58,631,163	52,140,067	115,355,022	115,441,237	173,986,185	167,581,304
Restricted	13,146,423	21,920,878	-	1,148,415	13,146,423	23,069,293
Unrestricted	(36,243,815)	(47,350,282)	43,135,677	39,599,697	6,891,862	(7,750,585)
Total net position	\$ 35,533,771	\$ 26,710,663	\$ 158,490,699	\$ 156,189,349	\$ 194,024,470	\$ 182,900,012

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 \$194,024,470 as of June 30, 2020. The City's net position increased by \$11,124,458 for the fiscal year ended June 30, 2020. The largest portion of net position \$173,986,185 (89.67%) reflects the City's investment in capital assets (e.g. land, buildings, machinery, equipment, infrastructure, and distribution systems); less any related debt still outstanding that was issued to acquire those items. The City of New Bern uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position \$13,146,423 (6.78%) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$6,891,862 (3.55%) 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 99.07% in the City-Wide tax districts.
- Continued low cost of debt due to the City's credit rating.

There is still a significant amount of expenses that the City has incurred as a result of Hurricane Damage that has not yet been reimbursed from FEMA.



**City of New Bern's Changes in Net Position**

**Figure 3**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 1,761,137	\$ 1,266,591	\$ 75,562,195	\$ 76,876,520	\$ 77,323,332	\$ 78,143,111
Operating grants and contributions	11,524,680	1,677,370	-	-	11,524,680	1,677,370
Capital grants and contributions	1,430,049	687,000	1,009,050	2,247,452	2,439,099	2,934,452
General revenues:						
Property taxes	15,787,943	14,921,580	-	-	15,787,943	14,921,580
Other taxes and licenses	11,676,899	11,488,514	-	-	11,676,899	11,488,514
Unrestricted investment earnings	271,460	618,976	508,868	598,351	780,328	1,217,327
Miscellaneous	1,953,925	1,015,503	392,046	162,777	2,345,971	1,178,280
Gain/Loss on disposal of fixed assets	(24,307)	(7,142)	15,034	60,108	(9,273)	52,966
Total revenues	44,381,786	31,668,392	77,487,193	79,945,208	121,868,979	111,613,600
<b>Expenses</b>						
General government	2,491,368	2,041,271	-	-	2,491,368	2,041,271
Public safety	21,521,131	20,998,605	-	-	21,521,131	20,998,605
Public Works	9,425,062	14,746,304	-	-	9,425,062	14,746,304
Cultural and recreation	4,596,696	3,519,992	-	-	4,596,696	3,519,992
Economic Development	2,392,588	2,607,397	-	-	2,392,588	2,607,397
Interest on long-term debt and fees	171,712	215,138	-	-	171,712	215,138
Electric	-	-	48,372,089	49,221,183	48,372,089	49,221,183
Water	-	-	8,112,404	7,752,532	8,112,404	7,752,532
Sewer	-	-	10,438,399	10,429,678	10,438,399	10,429,678
Stormwater	-	-	-	639,676	-	639,676
Solid Waste	-	-	3,223,072	2,966,921	3,223,072	2,966,921
Total expenses	40,598,557	44,128,707	70,145,964	71,009,990	110,744,521	115,138,697
Change in net position before transfers	3,783,229	(12,460,315)	7,341,229	8,935,218	11,124,458	(3,525,097)
Transfers	2,609,000	1,968,600	(2,609,000)	(1,968,600)	-	-
<b>Net Position</b>						
Beginning of year - July 1	26,710,664	37,491,188	156,189,349	148,933,922	182,900,013	186,425,110
Restatement	2,430,879	(288,809)	(2,430,879)	288,809	-	-
Beginning of year, as restated	29,141,543	37,202,379	153,758,470	149,222,731	182,900,013	186,425,110
End of year - June 30	\$ 35,533,772	\$ 26,710,664	\$ 158,490,699	\$ 156,189,349	\$ 194,024,471	\$ 182,900,013

**Governmental activities.** Governmental activities increased the City's net position by \$6,392,229. Key elements of this increase are as follows:

- Substantial amount of Hurricane Florence expenses incurred in prior years was reimbursed by FEMA

**Business-type activities:** Business-type activities increased the City's net position by \$4,732,229. Key elements of this increase are as follows:

- Decrease in overall expenditures

### **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 \$7,331,940, while total fund balance reached \$21,681,255. 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 24.76% of total General Fund expenditures, while total fund balance represents 64.91% of that same amount.

At June 30, 2020, the governmental funds of the City of New Bern reported a combined fund balance of \$18,395,208, a 44.45% increase over last year.

**General Fund Budgetary Highlights:** During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments were made during the year to increase the General Fund budget by \$2,981,639.

**Proprietary Funds.** The City of New Bern's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position at the end of the year amounted to \$21,395,591 in the Electric Fund, \$12,168,579 in the Water Fund, \$7,904,950 in the Sewer Fund, and \$571,753 in the Solid Waste Fund.

Three of the four proprietary funds, Water, Sewer, and Solid Waste experienced growth in net position of \$2,397,470, \$2,039,917, and \$231,510, 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. The Electric Fund experienced a decline in net position of \$37,507.

### **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, 2020 totals \$216,224,300 (net of accumulated depreciation). These assets include buildings, land, improvements, equipment, vehicles, infrastructure, plants and distributions systems, and construction in progress.

Major capital asset transactions during the year include:

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

**City of New Bern's Capital Assets**  
**Figure 4**

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Land	\$ 15,564,221	\$ 18,694,396	\$ 14,453,977	\$ 14,453,977	\$ 30,018,198	\$ 33,148,373
Construction in progress	5,542,006	4,821,193	13,559,533	11,280,784	19,101,539	16,101,977
Building and systems	19,534,577	16,653,275	202,112,784	200,011,601	221,647,361	216,664,876
Equipment, furniture, and fixtures	17,488,468	16,996,179	15,973,649	15,546,977	33,462,117	32,543,156
Infrastructure	39,792,488	36,589,100	4,829,691	4,765,408	44,622,179	41,354,508
Vehicles and Motorized Equipment	11,018,902	10,090,611	6,919,155	6,523,268	17,938,057	16,613,879
Total	108,940,662	103,844,754	257,848,789	252,582,015	366,789,451	356,426,769
Accumulated depreciation	(42,162,691)	(38,238,043)	(108,402,460)	(101,898,445)	(150,565,151)	(140,136,488)
Capital assets, net	\$ 66,777,971	\$ 65,606,711	\$ 149,446,329	\$ 150,683,570	\$ 216,224,300	\$ 216,290,281

**Long-term Debt.** As of June 30, 2020, the City of New Bern had total debt outstanding of \$42,585,563 as noted in the following table.

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

	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Direct Placement Installment						
Purchases	\$ 8,494,257	\$ 10,571,477	\$ 2,564,381	\$ 3,423,227	\$ 11,058,638	\$ 13,994,704
Direct Borrowing Notes Payable	-	-	20,774,358	23,694,553	20,774,358	23,694,553
Revenue bonds	-	-	10,752,567	13,434,533	10,752,567	13,434,533
OPEB and Net Pension Liability	45,338,119	39,563,472	2,765,619	2,298,527	48,103,738	41,861,999
Compensated Absences	1,674,418	1,700,519	659,412	633,969	2,333,830	2,334,488
Total	\$ 55,506,794	\$ 51,835,468	\$ 37,516,337	\$ 43,484,809	\$ 93,023,131	\$ 95,320,277

The City of New Bern's total debt decreased by \$2,297,146 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 \$226,245,060.

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:

- Continued development and residential growth throughout the City
- The June 2020 unemployment rate for Craven County was 6.6% compared to 7.6% for the State and 11.2% for the nation. This compares to June 2019 rates of 4.6% for Craven County, 4.1% for the State and 3.6% for the nation.

**Budget Highlights for the Fiscal Year Ending June 30, 2021**

**Governmental Activities:** No Fund Balance in the General Fund was appropriated in the 2021 budget. Management budgeted for some initiatives to continue efforts to make the City more resilient for future storms and continue development within the Choice Neighborhood Initiative area.

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 increase by 3% to \$37,275,808.

Other budget highlights in brief include:

- Salary adjustment will be based on a tiered merit system, with a 1.50% COLA for all staff.

**Business-Type Activities:** The fiscal year 2021 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 \$54.92 million, \$10.63 million, \$12.45 million, and \$3.33 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](http://www.newbernnc.gov) or send an email to [finadm@newbernnc.gov](mailto:finadm@newbernnc.gov) for more information.

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT - WIDE FINANCIAL STATEMENTS

**City of New Bern, North Carolina**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 14,405,557	\$ 35,781,419	\$ 50,186,976
Receivables, net of allowance for uncollectibles	3,605,914	10,240,883	13,846,797
Taxes receivables, net of allowance for uncollectibles	197,148	-	197,148
Notes Receivable	107,000	-	107,000
Due from other governments	2,760,888	-	2,760,888
Internal Balances	(1,094,804)	1,094,804	-
Inventories	149,855	2,514,375	2,664,230
Prepaid Items	1,718,621	-	1,718,621
Restricted Cash and Cash Equivalents	1,286,805	2,523,132	3,809,937
Total current assets	23,136,984	52,154,613	75,291,597
Non-Current assets:			
Capital Assets:			
Non-depreciable	21,106,227	28,013,510	49,119,737
Other capital assets, net of depreciation	45,671,744	121,432,819	167,104,563
Total capital assets	66,777,971	149,446,329	216,224,300
Total non-current assets	66,777,971	149,446,329	216,224,300
<b>Total assets</b>	<b>89,914,955</b>	<b>201,600,942</b>	<b>291,515,897</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferrals	4,938,093	1,643,345	6,581,438
OPEB related deferrals	2,882,191	-	2,882,191
Total Deferred Outflows of Resources	7,820,284	1,643,345	9,463,629
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,113,036	4,112,939	6,225,975
Accrued liabilities	38,814	580,888	619,702
Customer deposits	-	2,523,132	2,523,132
Claims and judgements payable	478,106	-	478,106
Installment notes payable, due within one year	1,792,175	711,901	2,504,076
Notes payable, due within one year	-	2,950,322	2,950,322
Bonds payable, due within one year	-	2,728,493	2,728,493
Compensated absences, due within one year	502,325	197,824	700,149
Total current liabilities	4,924,456	13,805,499	18,729,955
Long-term liabilities:			
Net pension liability (LGERS)	6,983,773	2,765,619	9,749,392
Total OPEB liability	35,387,577	-	35,387,577
Total pension obligation (LEOSSA)	2,966,769	-	2,966,769
Installment notes payable, due in more than one year	6,702,082	1,852,481	8,554,563
Notes payable, due in more than one year	-	17,824,036	17,824,036
Bonds payable, due in more than one year	-	8,024,074	8,024,074
Compensated absences, due in more than one year	1,172,093	461,588	1,633,681
Total long-term liabilities	53,212,294	30,927,798	84,140,092
<b>Total liabilities</b>	<b>58,136,750</b>	<b>44,733,297</b>	<b>102,870,047</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	340,040	20,291	360,331
OPEB related deferrals	3,724,678	-	3,724,678
Total Deferred Inflows of Resources	4,064,718	20,291	4,085,009
<b>NET POSITION</b>			
Net investment in capital assets	58,631,163	115,355,022	173,986,185
Restricted for:			
Stabilization by State Statute	11,226,460	-	11,226,460
Streets	323,023	-	323,023
Debt Service	-	-	-
Public Safety	477,735	-	477,735
Economic Development	1,119,205	-	1,119,205
Unrestricted	(36,243,815)	43,135,677	6,891,862
Total net position	\$ 35,533,771	\$ 158,490,699	\$ 194,024,470

**City of New Bern, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

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
<b>Primary government:</b>							
Governmental Activities:							
General government	\$ 2,491,368	\$ 376,563	\$ 864,608	\$ -	\$ (1,250,197)	\$ -	\$ (1,250,197)
Public safety	21,521,131	461,020	1,343,908	-	(19,716,203)	-	(19,716,203)
Public Works	9,425,062	51,223	8,142,475	-	(1,231,364)	-	(1,231,364)
Cultural and Recreational	4,596,696	143,108	609,405	-	(3,844,183)	-	(3,844,183)
Economic and physical development	2,392,588	729,223	564,284	1,430,049	330,968	-	330,968
Interest on long-term debt	171,712	-	-	-	(171,712)	-	(171,712)
Total governmental activities	40,598,557	1,761,137	11,524,680	1,430,049	(25,882,691)	-	(25,882,691)
Business-type activities:							
Electric	48,372,089	50,836,833	-	-	-	2,464,744	2,464,744
Water	8,112,404	10,055,832	-	262,390	-	2,205,818	2,205,818
Sewer	10,438,399	11,244,254	-	746,660	-	1,552,515	1,552,515
Solid Waste	3,223,072	3,425,276	-	-	-	202,204	202,204
Total business-type activities	70,145,964	75,562,195	-	1,009,050	-	6,425,281	6,425,281
Total primary government	\$ 110,744,521	\$ 77,323,332	\$ 11,524,680	\$ 2,439,099	(25,882,691)	6,425,281	(19,457,410)
General revenues:							
Taxes:							
Ad valorem taxes					15,787,943	-	15,787,943
Sales and use taxes					7,842,360	-	7,842,360
Utilities franchise tax					225,426	-	225,426
Payments in lieu of taxes					1,161,614	-	1,161,614
Other taxes					2,447,499	-	2,447,499
Investment earnings					271,460	508,868	780,328
Miscellaneous					1,953,925	392,046	2,345,971
Gain on disposal of fixed assets					(24,307)	15,034	(9,273)
Transfers					2,609,000	(2,609,000)	-
Total general revenues and transfers					32,274,920	(1,693,052)	30,581,868
Change in net position					6,392,229	4,732,229	11,124,458
Net position, beginning					26,710,663	156,189,349	182,900,012
Restatement (see Note 15)					2,430,879	(2,430,879)	-
Net position beginning, as restated					29,141,542	153,758,470	182,900,012
Net position, ending					\$ 35,533,771	\$ 158,490,699	\$ 194,024,470

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



## FUND FINANCIAL STATEMENTS

**City of New Bern, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	Major Funds		Non-major		Total Governmental Funds
	General	FEMA Hurricane Florence	Governmental Funds		
ASSETS					
Cash and cash equivalents	\$ 9,812,606	\$ -	\$ 1,476,107	\$	11,288,713
Taxes receivable, net	197,148	-	-		197,148
Accounts Receivables, net	3,076,518	10,184	511,853		3,598,555
Notes Receivable	107,000	-	-		107,000
Due from other governments	825,858	1,575,201	359,829		2,760,888
Due from other funds	6,857,203	-	-		6,857,203
Restricted cash and cash equivalents	939,356	-	347,449		1,286,805
Inventory	149,855	-	-		149,855
Prepaid items	1,710,621	-	-		1,710,621
Total assets	\$ 23,676,165	\$ 1,585,385	\$ 2,695,238	\$	27,956,788
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,381,737	\$ 282,430	\$ 427,037	\$	2,091,204
Due to other governments	10,730	-	-		10,730
Due to other funds	-	5,099,694	1,757,509		6,857,203
Total liabilities	1,392,467	5,382,124	2,184,546		8,959,137
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	197,148	-	-		197,148
Liens and other receivables	298,295	-	-		298,295
Miscellaneous	107,000	-	-		107,000
Total deferred inflows of resources	602,443	-	-		602,443
FUND BALANCES					
Nonspendable:					
Inventories	149,855	-	-		149,855
Prepaid items	1,710,621	-	-		1,710,621
Restricted:					
Stabilization by State Statute	11,226,460	-	-		11,226,460
Streets - Powell Bill	323,023	-	-		323,023
Public safety	-	-	477,735		477,735
Economic and physical developments	939,356	-	179,849		1,119,205
Assigned:					
Subsequent year's expenditures	-	-	-		-
Capital Projects	-	-	1,061,562		1,061,562
Unassigned	7,331,940	(3,796,739)	(1,208,454)		2,326,747
Total fund balances	21,681,255	(3,796,739)	510,692		18,395,208
Total liabilities, deferred inflows of resources and fund balances	\$ 23,676,165	\$ 1,585,385	\$ 2,695,238		

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, 2020**

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.	66,777,971
Some receivables are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.	602,443
Benefit payments and pension administration costs for LEOSSA	235,419
OPEB benefit payments and administrative costs made in the current fiscal year are not included in the Statement of Activities	646,482
Deferred outflows of resources are not reported in the funds	
Pension	4,149,793
LEOSSA	552,881
OPEB	2,235,709
Deferred inflows of resources are not recorded on the fund statements	
Pension	(51,241)
LEOSSA	(288,799)
OPEB	(3,724,678)
Internal service funds are used by the City to charge costs to other funds. The assets and liabilities are included in the governmental activities.	1,548,191
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	(8,494,257)
Compensated Absences	(1,674,418)
Net pension liability (LGERS)	(6,983,773)
Total pension liability (LEOSSA)	(2,966,769)
Total OPEB liability	(35,387,577)
Accrued interest payable	(38,814)
Net position of governmental activities	<u>\$ 35,533,771</u>

**City of New Bern, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<b>Major Funds</b>		<b>Non-major</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>FEMA Hurricane Florence Fund</b>	<b>Governmental Funds</b>	
<b>REVENUES</b>				
Ad valorem taxes	\$ 15,752,998	\$ -	\$ -	\$ 15,752,998
Unrestricted intergovernmental	11,754,498	-	-	11,754,498
Restricted intergovernmental	863,078	9,070,012	3,021,639	12,954,729
Licenses, permits and fees	675,417	-	-	675,417
Sales and services	949,770	-	-	949,770
Investment earnings	184,772	-	44,554	229,326
Miscellaneous	448,758	1,318,796	186,371	1,953,925
Total revenues	30,629,291	10,388,808	3,252,564	44,270,663
<b>EXPENDITURES</b>				
Current:				
General government	1,546,075	484,327	45,607	2,076,009
Public safety	18,526,749	3,739	588,385	19,118,873
Public Works	5,727,305	996,227	3,946,863	10,670,395
Cultural and recreation	3,592,917	486,914	134,693	4,214,524
Economic and Physical Development	1,765,000	13,734	1,116,109	2,894,843
Debt service:				
Principal	2,077,220	-	-	2,077,220
Interest and other charges	171,841	-	-	171,841
Total expenditures	33,407,107	1,984,941	5,831,657	41,223,705
Excess (deficiency) of revenues over expenditures	(2,777,816)	8,403,867	(2,579,093)	3,046,958
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	4,735	-	-	4,735
Transfers (to) other funds	(1,203,885)	-	-	(1,203,885)
Transfers from other funds	2,644,000		1,168,885	3,812,885
Total other financing sources (uses)	1,444,850	-	1,168,885	2,613,735
Net Change in fund balance	(1,332,966)	8,403,867	(1,410,208)	5,660,693
Fund balances, beginning	22,829,395	(12,200,606)	1,040,574	11,669,362
Restatement (see Note 15)	184,826	-	880,326	1,065,152
Fund balances, ending	\$ 21,681,255	\$ (3,796,739)	\$ 510,692	\$ 18,395,208

**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, 2020**

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

Net changes in fund balances - total governmental funds	\$	5,660,693
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	5,192,643	
Depreciation expense for governmental assets	(3,992,341)	
Loss on disposal of capital assets	<u>(29,042)</u>	1,171,260
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		1,514,636
OPEB benefit payments and administrative costs made in the current fiscal year are not included on the Statement of Activities		646,482
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		235,419
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		34,945
Change in unavailable revenue for liens and other receivables		(81,273)
Change in miscellaneous notes receivable		(12,000)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments on debt	<u>2,077,220</u>	2,077,220
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		129
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		389,069
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		26,101
Pension expense		(3,238,625)
OPEB expense		<u>(2,031,827)</u>
Total changes in net position of governmental activities	<u>\$</u>	<u>6,392,229</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, 2020**

	Budget			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 15,275,950	\$ 15,275,950	\$ 15,752,998	\$ 477,048
Unrestricted intergovernmental	11,248,990	11,288,990	11,754,498	465,508
Restricted intergovernmental	865,000	865,000	863,078	(1,922)
Licenses, permits and fees	485,500	485,500	675,417	189,917
Sales and services	680,337	680,337	949,770	269,433
Investment earnings	428,010	428,010	184,772	(243,238)
Miscellaneous	192,800	372,561	448,758	76,197
Total revenues	<u>29,176,587</u>	<u>29,396,348</u>	<u>30,629,291</u>	<u>1,232,943</u>
Expenditures:				
Current:				
General government	1,351,360	1,949,711	1,546,075	403,636
Public safety	19,913,535	20,247,368	18,526,749	1,720,619
Public Works	5,726,753	6,133,881	5,727,305	406,576
Cultural and recreation	3,457,400	3,792,069	3,592,917	199,152
Economic and physical development	1,758,029	1,925,458	1,765,000	160,458
Debt service:				
Principal retirement	1,839,406	1,989,421	2,077,220	(87,799)
Interest and other charges	231,398	264,008	171,841	92,167
Total expenditures	<u>34,277,881</u>	<u>36,301,916</u>	<u>33,407,107</u>	<u>2,894,809</u>
Revenues over (under) expenditures	<u>(5,101,294)</u>	<u>(6,905,568)</u>	<u>(2,777,816)</u>	<u>4,127,752</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	4,735	4,735
Installment purchase obligations issued	2,752,640	2,752,640	-	(2,752,640)
Contingency	(71,354)	(26,354)	-	26,354
Transfers (to) other funds	(223,992)	(1,226,596)	(1,203,885)	22,711
Transfer from other funds	2,644,000	2,644,000	2,644,000	-
Total other financing sources (uses)	<u>5,101,294</u>	<u>4,143,690</u>	<u>1,444,850</u>	<u>(2,698,840)</u>
Revenues and other sources over (under) expenditures and other uses	-	(2,761,878)	(1,332,966)	1,428,912
Appropriated fund balance	-	2,761,878	-	(2,761,878)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,332,966)</u>	<u>\$ (1,332,966)</u>
Fund balances, beginning			22,829,395	
Restatement (see Note 15)			184,826	
Fund balances, ending			<u>\$ 21,681,255</u>	

**City of New Bern, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Major Funds</b>			<b>Non-Major Funds</b>			<b>Internal</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Solid Waste</b>	<b>Stormwater</b>	<b>Total</b>	<b>Service Fund</b>
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 16,723,124	\$ 11,360,690	\$ 6,996,879	\$ 700,726	\$ -	\$ 35,781,419	\$ 3,116,844
Accounts receivable, net of allowances	7,238,371	1,266,788	1,376,882	358,842	-	10,240,883	7,359
Prepaid items	-	-	-	-	-	-	8,000
Inventories	2,229,722	115,795	168,858	-	-	2,514,375	-
Restricted cash and cash equivalents	2,523,132	-	-	-	-	2,523,132	-
Total current assets	<u>28,714,349</u>	<u>12,743,273</u>	<u>8,542,619</u>	<u>1,059,568</u>	<u>-</u>	<u>51,059,809</u>	<u>3,132,203</u>
Non-current assets:							
Capital assets:							
Land and other non-depreciable assets	9,632,870	4,699,278	13,681,362	-	-	28,013,510	-
Other capital assets, net of depreciation	26,181,268	43,638,785	50,859,682	753,084	-	121,432,819	-
Capital assets (net)	<u>35,814,138</u>	<u>48,338,063</u>	<u>64,541,044</u>	<u>753,084</u>	<u>-</u>	<u>149,446,329</u>	<u>-</u>
Total noncurrent assets	<u>35,814,138</u>	<u>48,338,063</u>	<u>64,541,044</u>	<u>753,084</u>	<u>-</u>	<u>149,446,329</u>	<u>-</u>
Total assets	<u>64,528,487</u>	<u>61,081,336</u>	<u>73,083,663</u>	<u>1,812,652</u>	<u>-</u>	<u>125,609,823</u>	<u>3,132,203</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflows related to pensions	783,740	393,359	409,562	56,684	-	1,643,345	-
Total Deferred Outflows of Resources	<u>783,740</u>	<u>393,359</u>	<u>409,562</u>	<u>56,684</u>	<u>-</u>	<u>1,643,345</u>	<u>-</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	3,543,788	44,057	112,151	412,943	-	4,112,939	11,102
Accrued liabilities	327,506	42,366	84,604	9,333	-	463,809	-
Accrued interest payable	24,431	69,509	22,645	494	-	117,079	-
Customer deposits	2,523,132	-	-	-	-	2,523,132	-
Claims payable	-	-	-	-	-	-	478,106
Installment notes payable, current	487,640	65,875	109,285	49,101	-	711,901	-
Notes payable, current	-	1,680,331	1,269,991	-	-	2,950,322	-
Bonds payable, current	1,161,488	704,944	862,061	-	-	2,728,493	-
Compensated absences payable, current	106,498	43,582	40,054	7,690	-	197,824	-
Total current liabilities	<u>8,174,483</u>	<u>2,650,664</u>	<u>2,500,791</u>	<u>479,561</u>	<u>-</u>	<u>13,805,499</u>	<u>489,208</u>

**City of New Bern, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Major Funds</b>			<b>Non-Major Funds</b>			<b>Internal</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Solid Waste</b>	<b>Stormwater</b>	<b>Total</b>	<b>Service Fund</b>
Noncurrent liabilities:							
Other non-current liabilities:							
Installment notes payable	1,377,403	161,073	251,046	62,959	-	1,852,481	-
Notes payable	-	15,122,981	2,701,055	-	-	17,824,036	-
Bonds payable	3,974,713	2,277,745	1,771,616	-	-	8,024,074	-
Compensated absences payable	248,494	101,691	93,459	17,944	-	461,588	-
Net pension liability	1,318,972	661,991	689,261	95,395	-	2,765,619	-
Total non-current liabilities	6,919,582	18,325,481	5,506,437	176,298	-	30,927,798	-
Total liabilities	15,094,065	20,976,145	8,007,228	655,859	-	44,733,297	489,208
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension deferrals	9,677	4,857	5,057	700	-	20,291	-
Total Deferred Inflows of Resources	9,677	4,857	5,057	700	-	20,291	-
<b>NET POSITION</b>							
Net Investment in capital assets	28,812,894	28,325,114	57,575,990	641,024	-	115,355,022	-
Other restrictions	-	-	-	-	-	-	-
Unrestricted	21,395,591	12,168,579	7,904,950	571,753	-	42,040,873	2,642,995
Total net position	\$ 50,208,485	\$ 40,493,693	\$ 65,480,940	\$ 1,212,777	\$ -	157,395,895	\$ 2,642,995
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds						1,094,804	
Net position of business-type activities						\$ 158,490,699	



**City of New Bern, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2020**

	<b>Major Funds</b>			<b>Nonmajor Funds</b>			<b>Internal</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Solid Waste Fund</b>	<b>Stormwater Fund</b>	<b>Total</b>	<b>Service Fund</b>
<b>OPERATING REVENUES</b>							
Charges for services	\$ 50,836,833	\$ 10,055,832	\$ 11,244,254	\$ 3,425,276	\$ -	\$ 75,562,195	\$ -
Other operating revenues	63,083	560,706	607,516	-	-	1,231,305	151,624
Employee and retiree contributions	-	-	-	-	-	-	623,891
Employer and other contributions	-	-	-	-	-	-	6,391,411
Total operating revenues	<u>50,899,916</u>	<u>10,616,538</u>	<u>11,851,770</u>	<u>3,425,276</u>	<u>-</u>	<u>76,793,500</u>	<u>7,166,926</u>
<b>OPERATING EXPENSES</b>							
Administrative and general	4,795,573	2,311,023	2,554,041	152,633	-	9,813,270	-
Operations and maintenance	4,353,927	4,167,700	5,607,156	2,973,125	-	17,101,908	-
Production	36,811,350	-	-	-	-	36,811,350	-
Depreciation	2,459,925	1,655,537	2,301,694	103,119	-	6,520,275	-
Claims and payments to third party administrators	-	-	-	-	-	-	6,719,152
Total operating expenses	<u>48,420,775</u>	<u>8,134,260</u>	<u>10,462,891</u>	<u>3,228,877</u>	<u>-</u>	<u>70,246,803</u>	<u>6,719,152</u>
Operating income (loss)	<u>2,479,141</u>	<u>2,482,278</u>	<u>1,388,879</u>	<u>196,399</u>	<u>-</u>	<u>6,546,697</u>	<u>447,774</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Investment earnings	286,348	123,591	95,301	3,628	-	508,868	42,134
Gain/(loss) on disposal of capital assets	1,568	13,466	-	-	-	15,034	-
Interest and other charges	(160,564)	(484,255)	(190,923)	(3,517)	-	(839,259)	-
Total nonoperating revenues (expenses)	<u>127,352</u>	<u>(347,198)</u>	<u>(95,622)</u>	<u>111</u>	<u>-</u>	<u>(315,357)</u>	<u>42,134</u>
Income (loss) before contributions and transfers	2,606,493	2,135,080	1,293,257	196,510	-	6,231,340	489,908
Capital contributions	-	262,390	746,660	-	-	1,009,050	-
Transfer in (out)	(2,644,000)	-	-	35,000	-	(2,609,000)	-
Total income (loss) after contributions and transfers	<u>(37,507)</u>	<u>2,397,470</u>	<u>2,039,917</u>	<u>231,510</u>	<u>-</u>	<u>4,631,390</u>	<u>489,908</u>
Change in net position	(37,507)	2,397,470	2,039,917	231,510	-	4,631,390	489,908
Total net position , previously reported	50,597,196	38,099,223	63,444,023	981,267	2,073,675		2,153,087
Restatement (see Note 15)	(351,204)	(3,000)	(3,000)	-	(2,073,675)		-
Beginning net position, restated	<u>50,245,992</u>	<u>38,096,223</u>	<u>63,441,023</u>	<u>981,267</u>	<u>-</u>		<u>2,153,087</u>
Total net position, ending	<u>\$ 50,208,485</u>	<u>\$ 40,493,693</u>	<u>\$ 65,480,940</u>	<u>\$ 1,212,777</u>	<u>\$ -</u>	<u>4,631,390</u>	<u>\$ 2,642,995</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds						100,839	
Change in Net position of Business-Type Activities						<u>\$ 4,732,229</u>	

**City of New Bern, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Major Funds</b>			<b>Non-Major Funds</b>			<b>Internal Service Fund</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Solid Waste</b>	<b>Stormwater Fund</b>	<b>Total</b>	<b>Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Payments from customers and users	\$ 50,507,786	\$ 9,992,058	\$ 11,207,557	\$ 3,424,469	\$ -	\$ 75,131,870	\$ 7,016,883
Payments to suppliers	(40,047,709)	(3,818,281)	(5,442,692)	(2,368,943)	-	(51,677,625)	(783,982)
Payments to employees	(5,625,103)	(2,540,313)	(2,703,886)	(496,959)	-	(11,366,261)	(6,002,332)
Other revenues	63,083	560,706	607,516	-	-	1,231,305	151,624
Net cash provided (used) by operating activities	4,898,057	4,194,170	3,668,495	558,567	-	13,319,289	382,193
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Increase in due to / from other funds	-	-	-	-	-	-	-
Transfers (to) from other funds	(2,644,000)	-	-	35,000	-	(2,609,000)	-
Net cash provided (used) by noncapital financing activities	(2,644,000)	-	-	35,000	-	(2,609,000)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(2,471,632)	(1,024,087)	(1,632,618)	(154,697)	-	(5,283,034)	-
Capital contributions	-	262,390	746,660	-	-	1,009,050	-
Proceeds from debt	-	-	-	-	-	-	-
Principal paid on bonds and installment purchases	(1,712,556)	(2,437,976)	(2,196,007)	(114,468)	-	(6,461,007)	-
Gain (loss) on disposal of assets	1,568	13,466	-	-	-	15,034	-
Interest paid on bonds and installment purchases	(165,053)	(491,844)	(197,781)	(3,660)	-	(858,338)	-
Net cash provided (used) by capital and related financing activities	(4,347,673)	(3,678,051)	(3,279,746)	(272,825)	-	(11,578,295)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest and dividends	286,348	123,591	95,301	3,628	-	508,868	42,134
Net cash provided (used) by investing activities	286,348	123,591	95,301	3,628	-	508,868	42,134
Net increase (decrease) in cash and investments	(1,807,268)	639,710	484,050	324,370	-	(359,138)	424,327
Balances, beginning	21,404,728	10,723,980	6,515,829	376,356	-	39,020,893	2,692,517
Balances, ending	\$ 19,597,460	\$ 11,363,690	\$ 6,999,879	\$ 700,726	\$ -	\$ 38,661,755	\$ 3,116,844

(continued)

**City of New Bern, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2020**

	<b>Major</b>			<b>Non-Major</b>			<b>Internal Service</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Solid Waste</b>	<b>Stormwater Fund</b>	<b>Total</b>	<b>Fund</b>
Reconciliation of operating income to net cash provided by operating activities							
Operating income	\$ 2,479,141	\$ 2,482,278	\$ 1,388,879	\$ 196,399	\$ -	\$ 6,546,697	\$ 447,774
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	2,459,925	1,655,537	2,301,694	103,119	-	6,520,275	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(303,636)	(63,774)	(36,697)	(809)	-	(404,916)	1,581
(Increase) decrease in due from other governments	-	-	-	-	-	-	-
(Increase) decrease in inventory	(188,268)	(115,795)	(168,858)	-	-	(472,921)	-
(Increase) decrease in prepaid expenses	-	-	-	-	-	-	-
(Increase) in deferred outflows of resources - pensions	64,424	32,334	33,667	4,660	-	135,085	-
Increase (decrease) in net pension liability	251,819	126,387	131,594	18,213	-	528,013	-
Increase (decrease) in deferred inflows of resources - pension	(16,482)	(8,272)	(8,613)	(1,192)	-	(34,559)	-
Increase (decrease) in accounts payable and liabilities	66,391	35,461	(27,983)	232,820	-	306,689	(66,805)
Increase (decrease) in accrued payroll and payroll liabilities	86,027	42,366	42,203	8,857	-	179,453	(357)
Increase (decrease) in customer deposits	(25,412)	-	-	-	-	(25,412)	-
Increase (decrease) in accrued vacation pay	24,128	7,648	12,609	(3,500)	-	40,885	-
Total adjustments	2,418,916	1,711,892	2,279,616	362,168	-	6,772,592	(65,581)
Net cash provided by operating activities	<u>\$ 4,898,057</u>	<u>\$ 4,194,170</u>	<u>\$ 3,668,495</u>	<u>\$ 558,567</u>	<u>\$ -</u>	<u>\$ 13,319,289</u>	<u>\$ 382,193</u>

**City of New Bern, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of New Bern, North Carolina (the "City") have been prepared in conformity with accounting principals generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

**A. Reporting Entity**

Founded in 1710 and chartered under the laws of the State of North Carolina, the City of New Bern, North Carolina is governed by an elected mayor and a six-member board of aldermen. The government provides such services as police and fire protection , cultural and recreational activities, public works, water, sewer, and electric services. The City is managed by a City Manager who is hired directly by the Board. The City does not report any component units.

**B. Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position includes non-current assets and non-current liabilities. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to those who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provide for governmental funds and proprietary funds. Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers most revenues to be available if they are collected within 90 days of the end of the current fiscal period, except for property taxes which uses a 60 day period. At June 30, 2020, taxes receivable for property other than motor vehicles are materially past due and are not considered to be available resources except as noted above to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to other long-term liabilities, such as compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes and related items, sales taxes, franchise taxes, licenses, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, the corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, individual major funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

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

The City reports the following major enterprise funds:

The **Electric Fund** accounts for the operation, maintenance and development of the City's electric system and services.

The **Water Fund** accounts for the operation, maintenance and development of the City's water system and services.

The **Sewer Fund** accounts for the operation, maintenance and development of the City's sewer system and services.

Additionally, the City reports the following fund types:

The **Special Revenue Funds** are used to account for specific revenues, such as various grants and contributions, which are legally restricted or committed to expenditures for particular purposes.

The **Capital Projects Funds** accounts for financial resources to be used for the acquisition and construction of major capital projects.

The **Solid Waste Fund** accounts for the City's solid waste collection services.

The **Internal Service Fund** accounts for the City's partially self-insured health benefits plan and workers compensation program which charges the other funds of the City for the insurance claims.

In accounting and reporting for its proprietary operations, the governmental applies all GASB pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, any inter-fund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### D. Budgets

The City's budgets are adopted as required by the North Carolina General Statutes. Annual appropriated budgets are adopted for all funds, with the exception of capital projects funds and grant-related special revenue funds, for which project length budgets are adopted. In accordance with state law, the budgets adopted for the enterprise funds are adopted on the modified accrual basis of accounting, and a reconciliation is provided along with the budget schedule to reconcile from the modified accrual basis to the accrual basis. The enterprise capital project funds are consolidated with their respective operating fund for reporting purposes. The governmental funds' budgets are adopted on a basis other than accounting principles generally accepted in the United States of America. Budgets are adopted to show use of fund balance as another financing source for both governmental and proprietary funds, as well as the proprietary funds are budgeted on the modified accrual basis of accounting. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General fund, special revenue funds, and the enterprise funds. During the fiscal year ended June 30, 2020, 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, 2020 the General Fund is reporting \$466,881 of open encumbrances.

#### E. Deposits

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

State law [G.S. 159-30(c)] authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust (NCCMT). The City's investments are reported at fair value. Non-participating interest earning investment contracts are accounted for at cost. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. As of June 30, 2020, The Term portfolio has a duration of .15 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. Cash and Cash Equivalents

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income and considers all cash and investments to be cash and cash equivalents.

#### G. Restricted cash and cash equivalents

The City has restricted cash and cash equivalents related to unspent proceeds from long-term debt issued by the Drainage Improvement Fund. These proceeds are held to be disbursed as costs are incurred on the financed construction projects. Customer deposits held by the City are restricted to the service for which the deposits are collected. Additionally, the cash of the Municipal Service District (MSD) are restricted for improvements within the special district. Powell Bill funds are also classified as restricted cash because they can be expended only for the purposes outlined in G.S. 136-41.1 through 136-41.4.

Governmental Activities	
General Fund	
Municipal Service District	\$ 616,333
Restricted for Streets	323,023
Total General Fund	<u>\$ 939,356</u>
Capital Project Funds	
Drainage Improvement - Unspent Loan Proceeds	<u>\$ 347,449</u>
Total Capital Project Funds	<u>\$ 347,449</u>
Total Governmental Activities	<u><u>\$ 1,286,805</u></u>
Business-Type Activities	
Electric Fund - Customer Deposits	\$ 2,523,132
Total Electric Fund	<u>\$ 2,523,132</u>
Total Business-Type Activities	<u><u>\$ 2,523,132</u></u>

#### H. Receivables

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

An estimate amount has been recorded for utility services provided but not billed as of the end of the fiscal year, and is included in accounts receivable, net of uncollected amounts.

#### I. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

#### J. 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."

#### K. 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.

#### L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepaid items in both government-wide and fund financial statements. The City made a deposit on a fire truck that is classified as prepaid expenses.

#### M. 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

#### N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, pension deferrals and OPEB deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category - prepaid taxes, property taxes receivable, pension deferrals, and OPEB deferrals.

#### O. 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.



## P. 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.

## Q. Net Position / Fund Balances

### Net Position

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

### **Fund Balance -**

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within departments.

Assigned for capital projects - portion of fund balance that is assigned for specific projects within the City.

*Unassigned* - the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The City of New Bern has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-City funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

#### R. Defined Benefit Cost-Sharing Plans

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LERS) and additions to/deductions from LERS' fiduciary net position have been determined on the same basis as they are reported by LERS. 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.

#### S. 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 areas 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, 2020:

Fund	Deficit	Corrective Action
FEMA Hurricane Florence	\$ (3,796,739)	Recognition of unavailable intergovernmental revenues
FEMA Hurricane Dorian	(1,208,454)	Recognition of unavailable intergovernmental revenues

## 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, 2020, the City's deposits had a carrying amount of \$2,747,786 and a bank balance of \$5,110,331. 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, 2020, the City's investment balances were as follows:

Investment by Type	Valuation Measurement Method	Book Value at 06/30/2020	Maturity	Rating
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$24,949,840	N/A	AAAm
NC Capital Management Trust Term Portfolio	Fair Value Level 1	26,299,287	.15 years	Unrated

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Level of fair value hierarchy: Level 1: debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

**Interest Rate Risk:** The City does not have a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes (G.S. 159-31) require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2020, 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, 2020, were as follows:

	Accounts	Taxes	Due from other Governments	Total
Governmental Activities:				
General	\$ 3,076,675	\$ 392,291	\$ 825,858	\$ 4,294,824
FEMA Hurricane Florence	10,184	-	1,575,201	1,585,385
Other Governmental	511,853	-	359,829	871,682
Internal Service Fund	7,359	-	-	7,359
Total receivables	3,606,071	392,291	2,760,888	6,759,250
Allowance for doubtful accounts	(157)	(195,143)	-	(195,300)
Net receivables	<u>\$ 3,605,914</u>	<u>\$ 197,148</u>	<u>\$ 2,760,888</u>	<u>\$ 6,563,950</u>
Business-type Activities				
Electric	\$ 7,420,288	\$ -	\$ -	\$ 7,420,288
Water	1,342,208	-	-	1,342,208
Sewer	1,525,909	-	-	1,525,909
Solid Waste	368,950	-	-	368,950
Total receivables	10,657,355	-	-	10,657,355
Allowance for doubtful accounts	(416,472)	-	-	(416,472)
Net receivables	<u>\$ 10,240,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,240,883</u>

Due from other governments consisted of the following:

State & Federal Grants	\$ 1,935,030
Privilege Licenses	-
Sales tax	782,334
Motor Vehicle - Due from the County	43,524
	<u>\$ 2,760,888</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, 2020 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
<b>Governmental activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 18,694,396	\$ 99,213	\$ (26,000)	\$ (3,203,388)	\$ 15,564,221
Construction in Progress	4,821,193	3,895,159	(3,174,346)	-	5,542,006
Total capital assets not being depreciated	23,515,589	3,994,372	(3,200,346)	(3,203,388)	21,106,227
<b>Capital assets being depreciated:</b>					
Buildings and improvements	16,653,275	2,881,302	-	-	19,534,577
Equipment	10,904,046	414,661	(35,621)	-	11,283,086
Furniture and fixtures	6,092,133	121,659	(8,410)	-	6,205,382
Transformers	70,275	-	-	-	70,275
Infrastructure	36,518,825	-	-	3,203,388	39,722,213
Vehicles	10,090,611	954,995	(26,704)	-	11,018,902
Total capital assets	80,329,165	4,372,617	(70,735)	3,203,388	87,834,435
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(7,091,641)	(512,685)	-	(13,087)	(7,617,413)
Equipment	(6,750,891)	(837,311)	32,579	-	(7,555,623)
Furniture and fixtures	(5,580,278)	(163,596)	8,410	-	(5,735,464)
Transformers	(40,759)	(2,811)	-	-	(43,570)
Infrastructure	(11,437,678)	(1,626,723)	-	13,087	(13,051,314)
Vehicles	(7,336,796)	(849,215)	26,704	-	(8,159,307)
Total accumulated	(38,238,043)	(3,992,341)	67,693	-	(42,162,691)
Total capital assets being depreciated, net	42,091,122				45,671,744
Governmental activity capital assets, net	\$ 65,606,711				\$ 66,777,971

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

General government	\$ 392,137
Public safety	1,467,183
Public works	1,495,368
Economic and Physical Development	125,381
Cultural and recreational	512,272
	<u>\$ 3,992,341</u>

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
<b>Business-type activities:</b>					
<b>Electric Fund</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 1,211,987	\$ -	\$ -	-	\$ 1,211,987
Construction in Progress	7,139,080	1,332,556	50,753	-	8,420,883
Total capital assets not being depreciated	8,351,067	1,332,556	50,753	-	9,632,870
<b>Capital assets being depreciated:</b>					
Buildings	5,520,202	-	-	-	5,520,202
Equipment	8,870,271	98,842	-	-	8,969,113
Furniture and fixtures	263,357	33,466	-	-	296,823
Transformers	4,650,903	64,283	-	-	4,715,186
Distribution systems	51,246,416	889,419	-	-	52,135,835
Vehicles	3,408,644	103,819	(16,260)	-	3,496,203
Total capital assets being depreciated	73,959,793	1,189,829	(16,260)	-	75,133,362
<b>Less accumulated depreciation for:</b>					
Buildings	(1,164,944)	(185,640)	-	-	(1,350,584)
Equipment	(5,821,632)	(391,991)	-	-	(6,213,623)
Furniture and fixtures	(191,330)	(50,239)	-	-	(241,569)
Transformers	(3,597,281)	(85,309)	-	-	(3,682,590)
Distribution systems	(33,280,989)	(1,524,594)	-	-	(34,805,583)
Vehicles	(2,452,253)	(222,152)	16,260	-	(2,658,145)
Total accumulated	(46,508,429)	(2,459,925)	16,260	-	(48,952,094)
Total capital assets being depreciated, net	27,451,364				26,181,268
Electric fund capital assets, net	\$ 35,802,431				\$ 35,814,138

<b>Water Fund</b>	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
<b>Capital assets not being depreciated:</b>					
Land	\$ 852,479	\$ -	\$ -	-	\$ 852,479
Construction in progress	3,398,056	509,463	(60,720)	-	3,846,799
Total capital assets not being depreciated	4,250,535	509,463	(60,720)	-	4,699,278
<b>Capital assets being depreciated:</b>					
Buildings	35,655,357	-	-	-	35,655,357
Equipment	2,066,472	224,293	-	-	2,290,765
Furniture and fixtures	7,731	-	-	-	7,731
Distribution systems	26,025,258	263,468	-	-	26,288,726
Vehicles	999,869	87,583	-	-	1,087,452
Total capital assets being depreciated	64,754,687	575,344	-	-	65,330,031
<b>Less accumulated depreciation for:</b>					
Buildings	(7,108,248)	(891,224)	-	-	(7,999,472)
Equipment	(1,636,842)	(83,760)	-	-	(1,720,602)
Furniture and fixtures	(7,731)	-	-	-	(7,731)
Distribution systems	(10,470,173)	(588,306)	-	-	(11,058,479)
Vehicles	(812,715)	(92,247)	-	-	(904,962)
Total accumulated depreciation	(20,035,709)	\$ (1,655,537)	\$ -	-	(21,691,246)
Total capital assets being depreciated, net	44,718,978				43,638,785
Water Fund capital assets, net	\$ 48,969,513				\$ 48,338,063

<b>Sewer Fund</b>	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
<b>Capital assets not being depreciated:</b>					
Land	\$ 12,389,511	\$ -	\$ -	\$ -	\$ 12,389,511
Construction in progress	743,648	548,203	-	-	1,291,851
Total capital assets not being depreciated	13,133,159	548,203	-	-	13,681,362
<b>Capital assets being depreciated:</b>					
Buildings	40,107,721	11,735	-	-	40,119,456
Equipment	3,942,236	70,071	-	-	4,012,307
Furniture and fixtures	89,039	-	-	-	89,039
Distribution systems	41,456,647	936,561	-	-	42,393,208
Vehicles	1,776,258	66,048	-	-	1,842,306
Total capital assets being depreciated	87,371,901	1,084,415	-	-	88,456,316
<b>Less accumulated depreciation for:</b>					
Buildings	(19,884,414)	(1,027,232)	-	-	(20,911,646)
Equipment	(2,632,241)	(199,079)	-	-	(2,831,320)
Furniture and fixtures	(62,225)	(8,250)	-	-	(70,475)
Distribution systems	(11,343,894)	(857,757)	-	-	(12,201,651)
Vehicles	(1,372,166)	(209,376)	-	-	(1,581,542)
Total accumulated depreciation	(35,294,940)	\$ (2,301,694)	\$ -	\$ -	(37,596,634)
Total capital assets being depreciated, net	52,076,961				50,859,682
Sewer Fund capital assets, net	\$ 65,210,120				\$ 64,541,044



<b>Solid Waste Fund</b>	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
<b>Capital assets not being depreciated:</b>					
Construction in progress	\$ -	\$ -	\$ -	\$ -	-
Total capital assets not being depreciated	-	-	-	-	-
<b>Capital assets being depreciated:</b>					
Lines	114,505	-	-	-	114,505
Equipment	307,871	-	-	-	307,871
Vehicles	338,497	154,697	-	-	493,194
Total capital assets being depreciated	760,873	154,697	-	-	915,570
<b>Less accumulated depreciation for:</b>					
Lines	(2,552)	(4,136)	-	-	(6,688)
Equipment	(30,787)	(55,357)	-	-	(86,144)
Vehicles	(26,028)	(43,626)	-	-	(69,654)
Total accumulated depreciation	(59,367)	\$ (103,119)	\$ -	\$ -	(162,486)
Total capital assets being depreciated, net	701,506				753,084
Solid Waste Fund capital assets, net	\$ 701,506				\$ 753,084
Business-type activities	\$ 150,683,570				\$ 149,446,329

## **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](http://www.osc.nc.gov).

**Benefits Provided.** LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service of within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

**Contributions.** Contribution provisions are established by General 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, 2020, was 9.70% of compensation for law enforcement officers and 9.02% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the City of New Bern were \$2,114,442 for the year ended June 30, 2020.

**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, 2020, the City reported a liability of \$9,749,392 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020 (measurement date), the City's proportion was 0.3570% which was a decrease of 0.0245% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the City recognized pension expense of \$4,330,167. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,669,343	\$ -
Changes of assumptions	1,588,989	-
Net difference between projected and actual earnings on pension	237,801	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	182,563	71,532
Employer contributions subsequent to the measurement date	2,114,442	-
Total	<u>\$ 5,793,138</u>	<u>\$ 71,532</u>

\$2,114,442 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June</b>	
2021	\$ 1,732,826
2022	569,271
2023	991,509
2024	313,558
2025	-
Thereafter	-
	<u>\$ 3,607,164</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	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, 2018 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, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of</b>
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	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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%. 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)	\$ 22,298,641	\$ 9,749,392	\$ (681,577)

**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, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	13
Active plan members	81
Total	94

A separate report was not issued for the plan.

### **2. Summary of Significant Accounting Policies:**

**Basis of Accounting.** The City has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statements 73.

### 3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability in the December 31, 2018 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	3.26 percent

The discount rate used to measure the total pension liability is the Standard & Poor's Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

#### Mortality Rate

**Deaths After Retirement (Healthy):** RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

**Deaths Before Retirement:** RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

**Deaths After Retirement (Beneficiary):** RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

**Deaths After Retirement (Disabled):** RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

### 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, 2020 was \$218,413.

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

At June 30, 2020, the City reported a total pension liability of \$2,966,769. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$136,800.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 419,304	\$ 215,005
Changes of assumptions	133,577	73,794
County benefit payments and plan administrative expense made subsequent to the measurement date	235,419	-
Total	<u>\$ 788,300</u>	<u>\$ 288,799</u>

\$235,419 paid as benefits came due subsequent to the measurement date have been reported as deferred outflows of resources. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2021	\$	46,258
2022		48,710
2023		43,189
2024		67,099
2025		58,826
Thereafter		-

*Sensitivity of the City's total pension liability to changes in the discount rate.* The following presents the City's total pension liability calculated using the discount rate of 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 (2.26 percent) and 1-percentage-point higher (4.26 percent) than the current rate.

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 3,196,601	\$ 2,966,769	\$ 2,756,406

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

	<b>2020</b>
Beginning balance	\$ 2,383,204
Service Cost	125,573
Interest on the total pension liability	82,774
Changes of benefit terms	-
Differences	511,459
Changes of assumptions or other inputs	82,172
Benefit payments	(218,413)
Other changes	-
Net Change	583,565
Ending balance of the total pension liability	\$ 2,966,769

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, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

Following is information related to the proportionate share and pension expense for all pension plans:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>Total</u>
Pension Expense	\$ 4,330,167	\$ 136,800	\$ 4,466,967
Pension Liability	9,749,392	2,966,769	12,716,161
Proportionate share of the net pension liability	0.3570%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	1,669,343	419,304	2,088,647
Changes of assumptions	1,588,989	133,577	1,722,566
Net difference between projected and actual earnings on plan investments	237,801	-	237,801
Changes in proportion and differences between contributions and proportionate share of contributions	182,563	-	182,563
Benefit payments and administrative costs paid subsequent to the measurement date	2,114,442	235,419	2,349,861
Deferred Inflows of Resources			
Differences between expected and actual experience	-	215,005	215,005
Changes of assumptions	-	73,794	73,794
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	71,532	-	71,532

### 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, 2020 were \$400,293, which consisted of \$255,628 from the City and \$144,665 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, 2020 were \$1,373,922, which consisted of \$901,097 from the City and \$472,825 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 \$701,503 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, 2019, the date of the last actuarial valuation:

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

### **Total OPEB Liability**

The City's total OPEB liability of \$35,387,577 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

**Actuarial assumptions and other inputs.** The total OPEB liability in the June 30, 2019 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	3.50%
Healthcare cost trend rate	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022
Dental	4.00%



## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
<b>Balance at July 1, 2019</b>	\$ 31,590,758
<b>Changes for the year</b>	
Service cost	1,068,074
Interest	1,215,366
Changes of benefit terms	-
Differences between expected and actual experience	(85,385)
Changes in assumptions or other inputs	2,300,267
Benefit payments	(701,503)
<b>Net changes</b>	<u>3,796,819</u>
<b>Balance at June 30, 2020</b>	<u>\$ 35,387,577</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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, adopted by the LGERS Board.

**Sensitivity of the Total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower and 1-percentage-point higher.

	1% Decrease	Discount Rate (3.50%)	1% Increase
Total OPEB liability	\$ 42,444,123	\$ 35,387,577	\$ 29,903,024

**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	\$ 28,972,886	\$ 35,387,577	\$ 43,890,070

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$2,031,827. At June 30, 2020, 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	\$ 201,062	\$ 75,525
Changes of assumptions	2,034,647	3,649,153
Benefit payments and administrative costs made subsequent to the measurement date	646,482	-
<b>Total</b>	<u>\$ 2,882,191</u>	<u>\$ 3,724,678</u>

\$646,482 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	\$ (341,515)
2022	(341,515)
2023	(341,515)
2024	(341,515)
2025	(341,515)
Thereafter	218,606

**F. Deferred Outflows and Inflows of Resources**

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience		
LGERS	\$ 1,669,343	\$ -
LEOSSA	419,304	215,005
OPEB	201,062	75,525
Changes of assumptions		
LGERS	1,588,989	-
LEOSSA	133,577	73,794
OPEB	2,034,647	3,649,153
Difference between projected and actual investment		
LGERS	237,801	-
Change in proportion and difference between employer		
LGERS	182,563	71,532
Contributions to pension plan in current fiscal year		
LGERS	2,114,442	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	235,419	-
Benefit payments/administration costs paid subsequent to the measurement date (OPEB)	646,482	-
Taxes receivable, net (General)	-	197,148
Liens and other receivables (General)	-	302,513
Intergovernmental (Governmental Funds)	-	77,055
Miscellaneous (General)	-	119,000
Total	<u>\$ 9,463,629</u>	<u>\$ 4,780,725</u>

**NOTE 7: RISK MANAGEMENT**

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

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

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

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

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

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

For the Employee Benefit Insurance Internal Service Fund, a total of \$5,589,338 in claims and changes in estimates were incurred for benefits during the year ended June 30, 2020. Changes in the fund's claims liability amounts in the years ended June 30, 2020 and 2019, were as follows:

#### **EMPLOYEE HEALTH INSURANCE CLAIMS PAYABLE**

<u>Fiscal Year</u>	Current Year			End of Year Claims Liability
	Beginning of Year Claims Liability	Claims and Change in Estimates	Claims Paid	
2020	\$ 484,606	\$ 4,612,216	\$ 4,678,716	\$ 418,106
2019	777,262	5,324,032	5,616,688	484,606

#### **WORKERS COMPENSATION CLAIMS PAYABLE**

<u>Fiscal Year</u>	Current Year			End of Year Claims Liability
	Beginning of Year Claims Liability	Claims and Change in Estimates	Claims Paid	
2020	\$ 60,000	\$ 662,180	\$ 662,180	\$ 60,000
2019	90,000	265,306	295,306	60,000

## 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, 2020 were comprised of the following individual agreements:

<b>Governmental Activities:</b>	<b>Balance as of June 30, 2020</b>
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.	\$ 1,179,384
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.	397,020
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.	248,168
The City entered into a direct placement note issued by SunTrust Bank for \$756,633 in July 2014 with semi-annual payments of \$25,221 for the purchase of a fire truck. The truck is pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.86% and matures in 2029.	479,201
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.	106,468
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.	522,503
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.	268,000
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.	1,856,000

The City entered into a direct placement note issued by BB&T for \$2,219,407 in June 2019 with varying semiannual payments for roadway improvements and workforce development center improvements. The property and all moneys on deposit in the project fund are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.78% and matures in 2029.

1,997,466

The City entered into a direct placement note issued by Bank of America for \$1,800,060 was issued in April 2019 with varying semi-annual payments for the purchase of various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.6096% and matures in 2024.

1,440,048

Total governmental activities

\$ 8,494,258

#### **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.

\$ 387,778

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.

357,791

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.

37,217

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.

1,118,260

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.

76,000

A direct placement note was issued by Bank of America for \$734,167 in April 2019 with varying semi-annual payments for the purchase of various vehicles and equipment. The vehicles and equipment are pledged as collateral while the debt is outstanding. The note bears an interest rate of 2.6096% and matures in 2024.

587,334

Total business-type activities

\$ 2,564,380

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, 2020 for the installment purchase contracts are as follows:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 1,792,174	\$ 221,376	\$ 711,900	\$ 56,380
2022	1,689,735	175,600	681,152	39,989
2023	1,355,210	132,258	465,364	24,850
2024	962,083	98,206	333,210	14,406
2025	602,071	73,677	186,377	7,339
2026-2030	2,092,985	122,928	186,377	3,145
2031-2035	-	-	-	-
Total	\$ 8,494,258	\$ 824,045	\$ 2,564,380	\$ 146,109

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, 2020 are as follows:

Business-Type activities:	Balance as of June 30, 2020
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.	\$ 3,700,756
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.	270,290
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.	16,803,312
Total outstanding notes payable:	\$ 20,774,358

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

Year Ending June 30,	Principal	Interest	Total
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	1,680,331	228,357	1,908,688
2026-2030	8,401,656	570,893	8,972,549
Total:	\$ 20,774,358	\$ 2,303,075	\$ 23,077,433

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.

\$ 5,435,931

In December 2014, the City issued \$3,830,000 of Utility Revenue Bonds for acquisition and construction of a warehouse, AMI, and other improvements at Kale Road. Semi-annual payments of \$213,847 are due on December 1 and June 1. The bonds bear an interest rate of 2.15%. The bonds mature in 2025. The City has pledged future water, sewer, and electric revenues, net of specified operating expenses to repay these bonds.

1,825,123

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.

3,491,512

Total revenue bonds

\$ 10,752,566

Year Ending	Principal	Interest	Total
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	1,420,172	33,999	1,454,171
Total:	<u>\$ 10,752,566</u>	<u>\$ 478,328</u>	<u>\$ 11,230,894</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, 2020, are as follows:

The debt service coverage ratio calculation for the year ended June 30, 2020 is as follows:

Operating revenues	\$ 50,899,916
Operating expenses	(48,420,775)
Add back:	
Investment earnings	286,348
Depreciation	2,459,925
Income available for debt service	<u>\$ 5,225,414</u>
Debt service principal and interest paid (Revenue bond only)	<u>\$ 2,909,621</u>
Debt service coverage ratio	180%

The City's debt service coverage ratio is greater than 120% of the debt service requirement for the year ended June 30, 2020.

d. Changes in Long-Term Liabilities

A summary of changes in long-term obligations follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
<b>Governmental activities:</b>					
Direct placement					
installment purchases	\$ 10,571,477	\$ -	\$ 2,077,220	\$ 8,494,257	\$ 1,792,175
Compensated absences	1,700,519	-	26,101	1,674,418	502,325
Net pension liability	5,589,510	1,394,263	-	6,983,773	-
Total pension liability	2,383,204	583,565	-	2,966,769	-
Total OPEB Liability	31,590,758	3,796,819	-	35,387,577	-
Total Governmental activities	\$ 51,835,468	\$ 5,774,647	\$ 2,103,321	\$ 55,506,794	\$ 2,294,500
<b>Business-type activities:</b>					
Direct borrowing notes payable	\$ 23,694,553	\$ -	\$ 2,920,195	\$ 20,774,358	\$ 2,950,322
Direct placement					
installment purchases	3,423,227	-	858,846	2,564,381	711,900
Revenue bonds	13,434,533	-	2,681,966	10,752,567	2,728,492
Net pension liability	2,298,527	467,092	-	2,765,619	-
Compensated absences	633,969	25,443	-	659,412	197,824
Total Business-type activities	\$ 43,484,809	\$ 492,535	\$ 6,461,007	\$ 37,516,337	\$ 6,588,538

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, 2020, the City of New Bern had a legal debt margin of \$226,245,060.

**NOTE 9: INTERFUND BALANCES AND ACTIVITY**

The comparison of interfund balances as of June 30, 2020 is as follows:

**Due To/From Other Funds**

Receivable Fund	Payable Fund	Amount
General Fund	Grants Special Revenue	\$ 101,453
General Fund	FEMA Hurricane Irene	14,525
General Fund	FEMA Hurricane Florence	5,099,694
General Fund	FEMA Hurricane Dorian	1,457,187
General Fund	MPO Plan	30,098
General Fund	Entitlement Cities CDBG Program	6,653
General Fund	Union Station Train Depot	90,755
General Fund	Martin Marietta Park Project	56,838
		<u>\$ 6,857,203</u>

These funds owe the General Fund for temporary cash shortages in the pooled cash account being covered by the General Fund.



**Transfers to/Transfer From**

Transfers to/from other funds at June 30, 2020, consists of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Electric Fund	\$ 2,644,000
		<u>\$ 2,644,000</u>
MPO Plan Grant Fund	General Fund	\$ 18,100
Grants Special Revenue	General Fund	19,027
Public Private Partnership	General Fund	4,258
2017 Roadway Improvement Project	General Fund	920,000
Martin Marietta Park Project	General Fund	32,500
Drain Improvement Project	General Fund	175,000
Solid Waste	General Fund	35,000
		<u>\$ 1,203,885</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Transfers are also moved from unrestricted enterprise operations to offset operational costs in the General Fund.

**NOTE 10: Net Investment in Capital Assets**

	<u>Governmental</u>	<u>Business-Type</u>
Capital Assets	\$ 66,777,971	\$ 149,446,329
less: long-term debt	(8,494,257)	(34,091,307)
add: unexpended debt proceeds	347,449	-
	<u>\$ 58,631,163</u>	<u>\$ 115,355,022</u>

**NOTE 11: Fund Balance**

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total Fund Balance - General Fund	\$ 21,681,255
Less restricted for:	
Inventories	149,855
Prepays	1,710,621
Stabilization by State statute	11,226,460
Streets	323,023
Economic and Physical Development	939,356
Subsequent year's expenditures	-
Remaining Fund Balance	<u>\$ 7,331,940</u>

The City has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Director will use resources in the following hierarchy; bond proceeds, federal funds, State funds, local non-City funds, and City funds. For purpose of fund balance, classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the City.

The City has not officially adopted a fund balance policy.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<u>Encumbrances</u>	<u>General Fund</u>	<u>NonMajor Funds</u>
	\$ 466,881	\$ -

## **NOTE 12: JOINT VENTURES, JOINTLY GOVERNED ORGANIZATIONS, AND RELATED ORGANIZATIONS**

### **1. Jointly Governed Organization**

Eastern Carolina Council – The City, in conjunction with nine counties and twenty-eight other municipalities, established the Eastern Carolina Council (the “Council”). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council’s governing board. The City paid membership and administrative fees of \$10,570 to the Council during the fiscal year ended June 30, 2020.

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, 2020. The City contributed \$75,000 to the library during the fiscal year ended June 30, 2020.

### **3. Related Organizations**

New Bern Housing Authority – The Board of the New Bern Housing Authority (“Hosing Authority”) is appointed by the Mayor of the City. The City is accountable for the Housing Authority because it appoints the governing board; however, the City is not financially accountable for the Housing Authority.

Friends of New Bern Firemen’s Museum, Inc. – The Board of Directors of the Friends of New Bern Firemen’s Museum (“Museum”) is appointed by the Board of Aldermen of the City. The City is accountable for the Museum because it appoints the governing board; however, the City is not financially accountable for the Museum.

## **NOTE 13: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

### **Federal and State Assisted Programs**

The City has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

## **NOTE 14: SIGNIFICANT EFFECTS OF SUBSEQUENT EVENT**

The City has evaluated events from the date of the balance sheet through the date the report is available to be issued which is the date of the independent auditors' report. The City has not evaluated subsequent events after that date. There were no subsequent events during this period that require disclosure.

## **NOTE 15: RESTATEMENT**

The City elected to move the Stormwater Fund into the General Fund after the City stopped charging fees for stormwater services. As a result, remaining balances had to be restated, resulting in an increase in the General Fund of \$184,826, an increase in the Drainage Improvement Capital Project of \$523,122, and an increase in the government-wide statements of \$1,365,727.

Additionally, the cash balance for the ERP project fund had to be restated between the project fund and the associated enterprise funds. This resulted in the cash balance of the ERP Project Fund increasing \$357,204, which is offset by a decrease of \$3,000 in the Water Fund, \$3,000 decrease in the Sewer Fund, and \$351,204 decrease in the Electric Fund.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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This section contains additional information required by generally accepted accounting principles. Presentation conforms to requirements of the Local Government Commission in North Carolina.

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Schedule of Proportionate Share of the Net Pension Liability (Asset) - Local Government Employee's Retirement System

Schedule of Contributions - Local Government Employees' Retirement System

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance

Schedule of Changes in the Total OPEB Liability and Related Ratios

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

**Local Government Employees' Retirement System**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's proportion of the net liability (asset)	0.35700%	0.33250%	0.33240%	0.34164%	0.36713%	-0.37472%	0.36820%
City's proportion of the net pension liability (asset) (\$)	\$ 9,749,392	\$ 7,888,037	\$ 5,078,151	\$ 7,250,745	\$ 1,647,657	\$ (2,209,896)	\$ 4,438,224
City's covered payroll	\$23,392,399	\$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	41.68%	36.62%	24.39%	36.07%	7.92%	-10.75%	22.19%
Plan fiduciary net position as a percentage of the total	90.86%	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 Seven Fiscal Years**

**Local Government Employees' Retirement System**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,114,442	\$ 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	<u>2,114,442</u>	<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>	<u>\$ -</u>
City's covered payroll	\$23,392,399	\$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	9.04%	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 Four Fiscal Years**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 2,383,204	\$ 2,767,704	\$2,632,626	\$ 2,611,191
Service Cost	125,573	119,819	100,996	106,628
Interest on the total pension liability	82,774	84,313	98,458	91,040
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	511,459	(299,975)	(52,017)	-
Changes of assumptions or other inputs	82,172	(89,532)	151,459	(54,134)
Benefit payments	(218,413)	(199,125)	(163,818)	(122,099)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 2,966,769</u>	<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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability	\$2,966,769	\$ 2,383,204	\$2,767,704	\$ 2,632,626	\$ 2,611,191
Covered Payroll	5,131,526	4,520,892	4,423,296	4,334,746	4,083,468
Total pension liability as a percentage of covered payroll	57.81%	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, 2020**

<b>Total OPEB Liability</b>	<b><u>2020</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Service cost	\$ 1,068,074	\$ 1,142,446	\$ 1,315,824
Interest	1,215,366	1,118,600	991,387
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(85,385)	45,256	260,722
Changes of assumptions	2,300,267	(1,893,219)	(3,439,284)
Benefit payments	<u>(701,503)</u>	<u>(483,111)</u>	<u>(802,639)</u>
<b>Net change in total OPEB liability</b>	<u>3,796,819</u>	<u>(70,028)</u>	<u>(1,673,990)</u>
<b>Total OPEB liability - beginning</b>	<u>31,590,758</u>	<u>31,660,786</u>	<u>33,334,776</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 35,387,577</u></u>	<u><u>\$ 31,590,758</u></u>	<u><u>\$ 31,660,786</u></u>
 <b>Covered payroll</b>	 \$ 19,173,918	 \$ 19,173,918	 \$ 18,184,909
<b>Total OPEB liability as a percentage of covered payroll</b>	184.56%	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:

<b><u>Fiscal year</u></b>	<b><u>Rate</u></b>
2020	3.50%
2019	3.89%
2018	3.56%



SUPPLEMENTARY STATEMENTS  
AND SCHEDULES

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

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**City of New Bern, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
<b>Ad valorem taxes</b>			
Current year	\$ 14,978,000	\$ 15,437,289	\$ 459,289
Prior year	70,950	76,534	5,584
Municipal service district	185,000	195,334	10,334
Penalties and interest	42,000	43,841	1,841
Total	<u>15,275,950</u>	<u>15,752,998</u>	<u>477,048</u>
<b>Unrestricted intergovernmental</b>			
Local option sales tax	7,283,000	7,842,360	559,360
Video programming tax	270,000	225,426	(44,574)
Payments in lieu of taxes	1,168,567	1,161,614	(6,953)
Telecommunications sales tax	215,000	177,302	(37,698)
Utilities franchise tax	2,050,000	2,050,004	4
Piped natural gas tax	70,000	63,210	(6,790)
Public Education Television	27,000	27,353	353
Beer and wine tax	132,000	129,630	(2,370)
Fire protection reimbursement	13,423	12,932	(491)
ABC distributions	60,000	64,667	4,667
Total unrestricted intergovernmental	<u>11,288,990</u>	<u>11,754,498</u>	<u>465,508</u>
<b>Restricted intergovernmental</b>			
Powell Bill allocation	865,000	863,078	(1,922)
State Disaster Assistance grant	-	-	-
Federal Disaster Assistance grant	-	-	-
Total restricted intergovernmental	<u>865,000</u>	<u>863,078</u>	<u>(1,922)</u>
<b>License, permits and fees</b>			
Building permits and inspection fees	415,200	605,889	190,689
Auto and taxi fees	44,000	45,415	1,415
Beer and wine licenses	2,000	243	(1,757)
Other permits	24,300	23,870	(430)
Total licenses, permits and fees	<u>485,500</u>	<u>675,417</u>	<u>189,917</u>
<b>Sales and services</b>			
Public works fees	27,900	28,416	516
Refuse collection fees	20,000	22,808	2,808
Planning and inspections	90,000	123,333	33,333
Public safety fees	350,677	424,218	73,541
Cultural and recreation fees	125,500	138,500	13,000
Rent income	1,500	177,509	176,009
Other sales and services	64,760	34,986	(29,774)
Total sales and services	<u>680,337</u>	<u>949,770</u>	<u>269,433</u>
Investment earnings	<u>428,010</u>	<u>184,772</u>	<u>(243,238)</u>

(continued)

**City of New Bern, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Other revenues</b>			
Proceeds from insurance	149,761	179,908	30,147
Cemetery	90,000	121,175	31,175
Other revenues	132,800	147,675	14,875
Total other revenues	372,561	448,758	76,197
<b>Total Revenues</b>	29,396,348	30,629,291	1,232,943
<b>Expenditures:</b>			
<b>General government:</b>			
<b>Governing body</b>			
Salaries and employee benefits	143,281	142,448	833
Special appropriations	644,711	626,388	18,323
Operating expenditures	132,805	113,310	19,495
Total	920,797	882,146	38,651
<b>Administration</b>			
Salaries and employee benefits	479,400	473,457	5,943
Operating expenditures	116,892	99,550	17,342
Total	596,292	573,007	23,285
<b>Public Education Television (PEG)</b>			
Operating expenditures	33,439	29,287	4,152
Total	33,439	29,287	4,152
<b>Information technology</b>			
Salaries and employee benefits	704,310	685,960	18,350
Operating expenditures	924,253	824,552	99,701
Capital outlay	100,000	83,274	16,726
Total	1,728,563	1,593,786	134,777
<b>Finance</b>			
Salaries and employee benefits	982,165	900,127	82,038
Operating expenditures	485,013	425,875	59,138
Total	1,467,178	1,326,002	141,176
<b>Legal</b>			
Operating expenditures	230,673	226,809	3,864
Total	230,673	226,809	3,864

(continued)

**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, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Human resources</b>			
Salaries and employee benefits	496,231	434,603	61,628
Operating expenditures	110,660	97,325	13,335
Total	606,891	531,928	74,963
<b>Reimbursement from enterprise funds</b>	(3,634,122)	(3,616,890)	(17,232)
<b>Total general government</b>	1,949,711	1,546,075	403,636
<b>Public Safety:</b>			
<b>Police</b>			
Salaries and employee benefits	9,064,869	9,297,915	(233,046)
Operating expenditures	1,915,511	1,766,782	148,729
Capital outlay	553,595	545,481	8,114
Total	11,533,975	11,610,178	(76,203)
<b>Fire department</b>			
Salaries and employee benefits	5,983,982	5,974,911	9,071
Operating expenditures	673,082	628,249	44,833
Capital outlay	1,916,512	159,873	1,756,639
Total	8,573,576	6,763,033	1,810,543
<b>E911 Support:</b>			
Salaries and employee benefits	139,263	139,861	(598)
Operating expenditures	554	13,677	(13,123)
Total	139,817	153,538	(13,721)
<b>Total public safety</b>	20,247,368	18,526,749	1,720,619
<b>Public works</b>			
<b>Streets</b>			
Salaries and employee benefits	1,040,707	1,002,760	37,947
Operating expenditures	1,762,428	1,712,724	49,704
Capital outlay	160,349	160,261	88
Total	2,963,484	2,875,745	87,739
<b>Public buildings</b>			
Salaries and employee benefits	414,137	401,775	12,362
Operating expenditures	687,035	663,961	23,074
Capital outlay	39,400	39,367	33
Total	1,140,572	1,105,103	35,469

(continued)

**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, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Administration</b>			
Salaries and employee benefits	794,759	783,561	11,198
Operating expenditures	293,265	252,774	40,491
Capital outlay	-	-	-
Total	<u>1,088,024</u>	<u>1,036,335</u>	<u>51,689</u>
<b>Stormwater</b>			
Salaries and employee benefits	362,306	348,797	13,509
Operating expenditures	254,889	233,631	21,258
Capital outlay	324,606	127,694	196,912
Total	<u>941,801</u>	<u>710,122</u>	<u>231,679</u>
<b>Total Public Works</b>	<u>6,133,881</u>	<u>5,727,305</u>	<u>406,576</u>
<b>Cultural and recreational:</b>			
<b>Parks and recreation</b>			
Salaries and employee benefits	2,134,244	2,080,382	53,862
Operating expenditures	1,238,831	1,115,931	122,900
Capital outlay	418,994	396,604	22,390
<b>Total Cultural and Recreational</b>	<u>3,792,069</u>	<u>3,592,917</u>	<u>199,152</u>
<b>Economic and physical development</b>			
<b>Planning</b>			
Salaries and employee benefits	1,395,051	1,347,604	47,447
Operating expenditures	417,989	310,701	107,288
Capital outlay	-	-	-
Total	<u>1,813,040</u>	<u>1,658,305</u>	<u>154,735</u>
<b>Municipal service district</b>			
Operating expenditures	112,418	106,695	5,723
Total	<u>112,418</u>	<u>106,695</u>	<u>5,723</u>
<b>Total economic and physical development</b>	<u>1,925,458</u>	<u>1,765,000</u>	<u>160,458</u>
<b>Debt service:</b>			
Principal retirement	1,989,421	2,077,220	(87,799)
Interest and other charges	264,008	171,841	92,167
<b>Total debt service</b>	<u>2,253,429</u>	<u>2,249,061</u>	<u>4,368</u>
<b>Total expenditures</b>	<u>36,301,916</u>	<u>33,407,107</u>	<u>2,894,809</u>
<b>Revenues over (under) expenditures</b>	<u>(6,905,568)</u>	<u>(2,777,816)</u>	<u>4,127,752</u>

(continued)

**City of New Bern, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances - Annual Budget and Actual**  
**For the Fiscal Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	-	4,735	4,735
Transfers in	2,644,000	2,644,000	-
Transfers out	(1,226,596)	(1,203,885)	22,711
Contingency	(26,354)	-	26,354
Installment purchase obligations issued	2,752,640	-	(2,752,640)
Appropriated fund balance	2,761,878	-	(2,761,878)
Total other financing sources (uses)	<u>6,905,568</u>	<u>1,444,850</u>	<u>(5,460,718)</u>
Revenues and other financing sources			
over expenditures and other financing uses	<u>\$ -</u>	(1,332,966)	<u>\$ (1,332,966)</u>
Fund balance, beginning		22,829,395	
Restatement (see Note 15)		<u>184,826</u>	
Fund balance, ending		<u>\$ 21,681,255</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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
Federal Public Disaster					
Assistance Grant	\$ 20,925,000	\$ -	\$ 6,802,509	\$ 6,802,509	\$ (14,122,491)
State Public Disaster					
Assistance Grant	6,975,000	-	2,267,503	2,267,503	(4,707,497)
Insurance Proceeds	2,100,000	779,451	1,318,796	2,098,247	(1,753)
Total revenues	<u>30,000,000</u>	<u>779,451</u>	<u>10,388,808</u>	<u>11,168,259</u>	<u>(18,831,741)</u>
<b>Expenditures</b>					
General government					
Administration					
Salaries and employee benefits	27,486	27,483	-	27,483	3
Operating expenditures	2,080,351	766,689	456,457	1,223,146	857,205
Information technology					
Salaries and employee benefits	43,054	43,050	-	43,050	4
Operating expenditures	2,500	5,643	-	5,643	(3,143)
Finance					
Salaries and employee benefits	37,896	37,890	-	37,890	6
Operating expenditures	11	3,165	-	3,165	(3,154)
Human resources					
Salaries and employee benefits	17,487	17,483	-	17,483	4
Operating expenditures	9	4,688	-	4,688	(4,679)
Insurance	50,000	15,487	27,870	43,357	6,643
Public Safety					
Police					
Salaries and employee benefits	863,841	863,836	-	863,836	5
Operating expenditures	50,000	36,799	2,630	39,429	10,571
Fire					
Salaries and employee benefits	353,265	353,261	-	353,261	4
Operating expenditures	105,000	102,815	1,109	103,924	1,076
Public works					
Streets					
Salaries and employee benefits	171,149	171,144	-	171,144	5
Operating expenditures	320,000	276,847	12,690	289,537	30,463
Public buildings					
Salaries and employee benefits	38,783	38,778	-	38,778	5
Operating expenditures	1,164,491	140,261	267,821	408,082	756,409
Administration					
Salaries and employee benefits	66,111	66,105	5,647	71,752	(5,641)
Operating expenditures	125,000	107,468	4,718	112,186	12,814
Water Fund					
Salaries and employee benefits	221,621	221,610	-	221,610	11
Operating expenditures	91,077	76,797	-	76,797	14,280
Solid Waste					
Salaries and employee benefits	152,766	152,763	-	152,763	3

(continued)

**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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Operating expenditures	4,405,000	3,441,521	170,334	3,611,855	793,145
Sewer Fund					
Salaries and employee benefits	216,178	216,171	-	216,171	7
Operating expenditures	1,713,310	1,302,624	(115,160)	1,187,464	525,846
Stormwater Fund					
Salaries and employee benefits	4,068,719	68,719	648,787	717,506	3,351,213
Operating expenditures	46,659	48,401	(355)	48,046	(1,387)
Electric Fund					
Salaries and employee benefits	846,161	846,141	-	846,141	20
Operating expenditures	3,477,491	3,096,746	1,745	3,098,491	379,000
Cultural and Recreation					
Salaries and employee benefits	140,207	140,199	2,785	142,984	(2,777)
Operating expenditures	8,969,738	214,839	484,129	698,968	8,270,770
Economic and physical development					
Salaries and employee benefits	45,664	45,659	-	45,659	5
Operating expenditures	88,975	28,975	13,734	42,709	46,266
Total expenditures	<u>30,000,000</u>	<u>12,980,057</u>	<u>1,984,941</u>	<u>14,964,998</u>	<u>15,035,002</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(12,200,606)</u>	<u>8,403,867</u>	<u>(3,796,739)</u>	<u>(3,796,739)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (12,200,606)</u>	8,403,867	<u>\$ (3,796,739)</u>	<u>\$ (3,796,739)</u>
Fund Balance (Deficit), beginning of year			<u>(12,200,606)</u>		
Fund Balance (Deficit), end of year			<u>\$ (3,796,739)</u>		



**City of New Bern, North Carolina**  
**Non-Major Funds**  
**Combining Balance Sheet**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 463,445	\$ 1,012,662	\$ 1,476,107
Accounts receivable, net	413,539	98,314	511,853
Due from other governments	359,829	-	359,829
Restricted cash and cash equivalents	-	347,449	347,449
Total assets	<u>\$ 1,236,813</u>	<u>\$ 1,458,425</u>	<u>\$ 2,695,238</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 87,012	\$ 340,025	\$ 427,037
Due to Other Funds	1,700,671	56,838	1,757,509
Total liabilities	<u>1,787,683</u>	<u>396,863</u>	<u>2,184,546</u>
<b>Fund balances</b>			
Restricted:			-
Public safety	477,735	-	477,735
Economic and physical development	179,849	-	179,849
Assigned:			
Capital projects	-	1,061,562	1,061,562
Unassigned	(1,208,454)	-	(1,208,454)
Total fund balances	<u>(550,870)</u>	<u>1,061,562</u>	<u>510,692</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,236,813</u>	<u>\$ 1,458,425</u>	<u>\$ 2,695,238</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, 2020**

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Total</b>
<b>Revenues</b>			
Restricted intergovernmental	\$ 3,021,639	\$ -	\$ 3,021,639
Miscellaneous	88,871	97,500	186,371
Investment earnings	3,304	41,250	44,554
Total revenues	<u>3,113,814</u>	<u>138,750</u>	<u>3,252,564</u>
<b>Expenditures</b>			
General government	45,607	-	45,607
Cultural and recreational	134,693	-	134,693
Public safety	588,385	-	588,385
Public works	1,312,925	2,633,938	3,946,863
Economical and physical development	1,116,109	-	1,116,109
Total expenditures	<u>3,197,719</u>	<u>2,633,938</u>	<u>5,831,657</u>
Excess (deficiency) of revenues over expenditures	(83,905)	(2,495,188)	(2,579,093)
<b>Other financing sources (uses)</b>			
Transfers in	41,385	1,127,500	1,168,885
Total other financing sources (uses)	<u>41,385</u>	<u>1,127,500</u>	<u>1,168,885</u>
Net change in fund balances	(42,520)	(1,367,688)	(1,410,208)
Fund balances (deficit), beginning of year as previously reported	(508,350)	1,548,924	1,040,574
Restatement (see Note 13)	-	880,326	880,326
Fund balances (deficit), beginning of year as restated	<u>(508,350)</u>	<u>2,429,250</u>	<u>1,920,900</u>
Fund balances (deficit), end of year	<u>\$ (550,870)</u>	<u>\$ 1,061,562</u>	<u>\$ 510,692</u>

**City of New Bern, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	<b>Community Development</b>	<b>Emergency Telephone System</b>	<b>Police Special Revenue</b>	<b>Grants Special Revenue</b>	<b>Public- Private Partnership</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,860	\$ 248,742	\$ 56,306	\$ -	\$ -
Accounts receivable, net	-	28,237	-	279,023	-
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 3,860</u>	<u>\$ 276,979</u>	<u>\$ 56,306</u>	<u>\$ 279,023</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ -	\$ 19,029	\$ -	\$ 2,329	\$ -
Due to Other Funds	-	-	-	101,453	-
Total liabilities	<u>-</u>	<u>19,029</u>	<u>-</u>	<u>103,782</u>	<u>-</u>
<b>Fund balances</b>					
Restricted:					
Public safety	-	257,950	56,306	103,392	-
Economic and physical development	3,860	-	-	71,849	-
Unassigned	-	-	-	-	-
Total fund balances	<u>3,860</u>	<u>257,950</u>	<u>56,306</u>	<u>175,241</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,860</u>	<u>\$ 276,979</u>	<u>\$ 56,306</u>	<u>\$ 279,023</u>	<u>\$ -</u>

(continued)

**City of New Bern, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	<b>FEMA Hurricane Irene</b>	<b>MPO Plan</b>	<b>Entitlement Cities CDBG Program</b>	<b>Equitable Sharing U.S. Department of Justice</b>	<b>Neuse River Gateway</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 60,087	\$ 39,450
Accounts receivable, net	-	14,524	1,000	-	-
Due from other governments	14,525	52,902	43,669	-	-
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ 14,525</u>	<u>\$ 67,426</u>	<u>\$ 44,669</u>	<u>\$ 60,087</u>	<u>\$ 39,450</u>
<b>LIABILITIES AND FUND</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ -	\$ 28,638	\$ 37,016	\$ -	\$ -
Due to Other Funds	14,525	30,098	6,653	-	-
Total liabilities	<u>14,525</u>	<u>58,736</u>	<u>43,669</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Restricted:					
Public safety	-	-	-	60,087	-
Economic and physical development	-	8,690	1,000	-	39,450
Unassigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>8,690</u>	<u>1,000</u>	<u>60,087</u>	<u>39,450</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,525</u>	<u>\$ 67,426</u>	<u>\$ 44,669</u>	<u>\$ 60,087</u>	<u>\$ 39,450</u>

(continued)

**City of New Bern, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Balance Sheet**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	<b>City Market Workforce Development</b>	<b>Union Station Train Depot</b>	<b>Resiliency and Hazard Mitigation</b>	<b>FEMA Hurricane Dorian</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 55,000	\$ -	\$ 463,445
Accounts receivable, net	-	90,755	-	-	413,539
Due from other governments	-	-	-	248,733	359,829
Restricted cash and cash equivalents	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 90,755</u>	<u>\$ 55,000</u>	<u>\$ 248,733</u>	<u>\$ 1,236,813</u>
<b>LIABILITIES AND FUND</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 87,012
Due to Other Funds	-	90,755	-	1,457,187	1,700,671
Total liabilities	<u>-</u>	<u>90,755</u>	<u>-</u>	<u>1,457,187</u>	<u>1,787,683</u>
<b>Fund balances</b>					
Restricted:					
Public safety	-	-	-	-	477,735
Economic and physical development	-	-	55,000	-	179,849
Unassigned	-	-	-	(1,208,454)	(1,208,454)
Total fund balances	<u>-</u>	<u>-</u>	<u>55,000</u>	<u>(1,208,454)</u>	<u>(550,870)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 90,755</u>	<u>\$ 55,000</u>	<u>\$ 248,733</u>	<u>\$ 1,236,813</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, 2020**

	<b>Community Development</b>	<b>Emergency Telephone System</b>	<b>Police Special Revenue</b>	<b>Grants Special Revenue</b>	<b>Public- Private Partnership</b>
<b>Revenues</b>					
Restricted intergovernmental	\$ -	\$ 295,571	\$ 7,147	\$ 461,320	\$ -
Miscellaneous	1,079	-	-	-	-
Investment earnings	38	2,234	573	-	-
Total revenues	<u>1,117</u>	<u>297,805</u>	<u>7,720</u>	<u>461,320</u>	<u>-</u>
<b>Expenditures</b>					
General government	-	-	-	2,242	-
Cultural and recreational	-	-	-	91,047	-
Public safety	-	231,081	300	67,100	-
Public works	-	-	-	208,608	-
Economical and physical development	171	-	-	-	-
Total expenditures	<u>171</u>	<u>231,081</u>	<u>300</u>	<u>368,997</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	946	66,724	7,420	92,323	-
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	19,027	4,258
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,027</u>	<u>4,258</u>
Net change in fund balances	946	66,724	7,420	111,350	4,258
Fund balances (deficit), beginning of year	<u>2,914</u>	<u>191,226</u>	<u>48,886</u>	<u>63,891</u>	<u>(4,258)</u>
Fund balances (deficit), end of year	<u>\$ 3,860</u>	<u>\$ 257,950</u>	<u>\$ 56,306</u>	<u>\$ 175,241</u>	<u>\$ -</u>

(continued)

**City of New Bern, North Carolina**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2020**

	<b>FEMA Hurricane Irene</b>	<b>MPO Plan</b>	<b>Entitlement Cities CDBG Program</b>	<b>Equitable Sharing U.S. Department of Justice</b>	<b>Neuse River Gateway</b>
<b>Revenues</b>					
Restricted intergovernmental	\$ -	\$ 196,533	\$ 257,329	\$ 44,723	\$ 55,000
Miscellaneous	-	-	-	-	-
Investment earnings	-	-	-	409	-
Total revenues	-	196,533	257,329	45,132	55,000
<b>Expenditures</b>					
General government	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Public safety	-	-	-	8,895	-
Public works	-	-	-	-	-
Economical and physical development	-	173,280	168,747	-	-
Total expenditures	-	173,280	168,747	8,895	-
Excess (deficiency) of revenues over expenditures	-	23,253	88,582	36,237	55,000
<b>Other financing sources (uses)</b>					
Transfers in	-	18,100	-	-	-
Total other financing sources (uses)	-	18,100	-	-	-
Net change in fund balances	-	41,353	88,582	36,237	55,000
Fund balances (deficit), beginning of year	-	(32,663)	(87,582)	23,850	(15,550)
Fund balances (deficit), end of year	\$ -	\$ 8,690	\$ 1,000	\$ 60,087	\$ 39,450

(continued)

**City of New Bern, North Carolina**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2020**

	<b>City Market Workforce Development</b>	<b>Union Station Train Depot</b>	<b>Resiliency and Hazard Mitigation</b>	<b>FEMA Hurricane Dorian</b>	<b>Total</b>
<b>Revenues</b>					
Restricted intergovernmental	\$ 1,375,049	\$ -	\$ 55,000	\$ 273,967	\$ 3,021,639
Miscellaneous	-	87,792	-	-	88,871
Investment earnings	50	-	-	-	3,304
Total revenues	<u>1,375,099</u>	<u>87,792</u>	<u>55,000</u>	<u>273,967</u>	<u>3,113,814</u>
<b>Expenditures</b>					
General government	-	-	-	43,365	45,607
Cultural and recreational	-	-	-	43,646	134,693
Public safety	-	-	-	281,009	588,385
Public works	-	-	-	1,104,317	1,312,925
Economical and physical development	719,222	44,605	-	10,084	1,116,109
Total expenditures	<u>719,222</u>	<u>44,605</u>	<u>-</u>	<u>1,482,421</u>	<u>3,197,719</u>
Excess (deficiency) of revenues over expenditures	655,877	43,187	55,000	(1,208,454)	(83,905)
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	41,385
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,385</u>
Net change in fund balances	655,877	43,187	55,000	(1,208,454)	(42,520)
Fund balances (deficit), beginning of year	<u>(655,877)</u>	<u>(43,187)</u>	<u>-</u>	<u>-</u>	<u>(508,350)</u>
Fund balances (deficit), end of year	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 55,000</u>	<u>\$ (1,208,454)</u>	<u>\$ (550,870)</u>



**City of New Bern, North Carolina**  
**Community Development**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Program Income	\$ -	\$ 1,079	\$ 1,079
Investment earnings	-	38	38
Total revenues	-	1,117	1,117
<b>Expenditures</b>			
Economic and physical development			
Operating expenditures	5,000	171	4,829
Total expenditures	5,000	171	4,829
Excess (deficiency) of revenues over expenditures	(5,000)	946	5,946
<b>Other financing sources (uses)</b>			
Appropriated fund balance	5,000	-	(5,000)
Transfers in	-	-	-
Total other financing	5,000	-	(5,000)
Net change in fund balance	\$ -	946	\$ 946
Fund Balance (Deficit), beginning of year		2,914	
Fund Balance (Deficit), end of year		\$ 3,860	

**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, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental			
Wireless 911 funds	\$ 299,786	\$ 295,571	\$ (4,215)
Investment earnings	850	2,234	1,384
Total revenues	300,636	297,805	(2,831)
<b>Expenditures</b>			
Public safety			
Operating expenditures	409,720	231,081	178,639
Total expenditures	409,720	231,081	178,639
Excess (deficiency) of revenues over expenditures	(109,084)	66,724	175,808
<b>Other financing sources (uses)</b>			
Appropriated fund balance	109,084	-	(109,084)
Transfers in	-	-	-
Total other financing sources	109,084	-	(109,084)
Net change in fund balance	\$ -	66,724	\$ 66,724
Fund Balance (Deficit), beginning of year		191,226	
Fund Balance (Deficit), end of year		\$ 257,950	

**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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Restricted intergovernmental			
Police grants	\$ 7,725	\$ 7,147	\$ (578)
Investment earnings	-	573	573
	<u>7,725</u>	<u>7,720</u>	<u>(5)</u>
Total revenues			
<b>Expenditures</b>			
Public safety			
Operating expenditures	7,725	300	(7,425)
	<u>7,725</u>	<u>300</u>	<u>(7,425)</u>
Total expenditures			
Net change in fund balance	<u>\$ -</u>	7,420	<u>\$ 7,420</u>
Fund Balance (Deficit), beginning of year		<u>48,886</u>	
Fund Balance (Deficit), end of year		<u>\$ 56,306</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, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental			
Police grants	\$ 119,954	\$ 63,869	\$ (56,085)
Fire grants	64,117	56,121	(7,996)
Cultural and recreational	96,000	91,047	(4,953)
Governing Board	4,500	4,500	-
Development Services	541,472	-	(541,472)
Public Works	280,000	245,783	(34,217)
Total revenues	<u>1,106,043</u>	<u>461,320</u>	<u>(644,723)</u>
<b>Expenditures</b>			
Police			
Operating expenditures	125,713	23,165	102,548
Fire			
Operating expenditures	64,117	43,935	20,182
Cultural and recreational			
Operating expenditures	110,000	91,047	18,953
Governing Board			
Operating expenditures	4,500	2,242	2,258
Economic and physical development			
Operating expenditures	541,472	-	541,472
Public Works			
Operating expenditures	330,000	208,608	121,392
Total expenditures	<u>1,175,802</u>	<u>368,997</u>	<u>806,805</u>
Excess (deficiency) of revenues over expenditures	<u>(69,759)</u>	<u>92,323</u>	<u>162,082</u>
<b>Other financing sources (uses)</b>			
Transfers in	69,027	19,027	(50,000)
Appropriated fund balance	732	-	732
Total other financing sources (uses)	<u>69,759</u>	<u>19,027</u>	<u>(49,268)</u>
Net change in fund balance	<u>\$ -</u>	<u>111,350</u>	<u>\$ 112,814</u>
Fund Balance (Deficit), beginning of year		<u>63,891</u>	
Fund Balance (Deficit), end of year		<u>\$ 175,241</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, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures</b>			
Economic and physical development			
Operating expenditures	\$ 10,000	\$ -	\$ (10,000)
Total expenditures	10,000	-	(10,000)
Excess (deficiency) of revenues over expenditures	(10,000)	-	10,000
<b>Other financing sources (uses)</b>			
Transfers in	10,000	4,258	(5,742)
Total other financing sources	10,000	4,258	(5,742)
Net change in fund balance	\$ -	4,258	\$ 4,258
Fund Balance (Deficit), beginning of year		(4,258)	
Fund Balance (Deficit), end of year		\$ -	

**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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
Federal Public Assistance Disaster grant	\$ -	\$ 110,226	\$ -	\$ 110,226	\$ 110,226
State Public Assistance Disaster grant	-	36,742	-	36,742	36,742
Miscellaneous	78,112	78,112	-	78,112	-
Total revenues	<u>78,112</u>	<u>225,080</u>	<u>-</u>	<u>225,080</u>	<u>146,968</u>
<b>Expenditures</b>					
Public works					
Operating expenditures	<u>267,644</u>	<u>225,080</u>	<u>-</u>	<u>225,080</u>	<u>42,564</u>
Total expenditures	<u>267,644</u>	<u>225,080</u>	<u>-</u>	<u>225,080</u>	<u>42,564</u>
 Net change in fund balance	 <u><u>\$ (189,532)</u></u>	 <u><u>\$ -</u></u>	 <u><u>-</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 189,532</u></u>
 Fund Balance (Deficit), beginning of year			 <u><u>-</u></u>		
Fund Balance (Deficit), end of year			<u><u>\$ -</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, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental			
NC Department of Transportation	\$ 218,978	\$ 196,533	\$ (22,445)
Total revenues	<u>218,978</u>	<u>196,533</u>	<u>(22,445)</u>
<b>Expenditures</b>			
Economic and physical development			
Salaries and employee benefits	138,236	130,471	7,765
Operating expenditures	105,264	42,809	62,455
Total expenditures	<u>243,500</u>	<u>173,280</u>	<u>70,220</u>
Excess (deficiency) of revenues over expenditures	(24,522)	23,253	47,775
<b>Other financing sources (uses)</b>			
Appropriated fund balance	-	-	-
Transfers in	24,522	18,100	(6,422)
Total other financing sources (uses)	<u>24,522</u>	<u>18,100</u>	<u>(6,422)</u>
Net change in fund balance	<u>\$ -</u>	41,353	<u>\$ 41,353</u>
Fund Balance (Deficit), beginning of year		<u>(32,663)</u>	
Fund Balance (Deficit), end of year		<u>\$ 8,690</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, 2020**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total Project to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Restricted intergovernmental					
NC Department of Commerce	\$ 1,475,622	\$ 701,388	\$ 257,329	\$ 958,717	\$ (516,905)
Total revenues	<u>1,475,622</u>	<u>701,388</u>	<u>257,329</u>	<u>958,717</u>	<u>(516,905)</u>
<b>Expenditures</b>					
Economic and physical development					
Operating expenditures	1,475,622	788,970	168,747	957,717	517,905
Capital outlay - construction	-	-	-	-	-
Total expenditures	<u>1,475,622</u>	<u>788,970</u>	<u>168,747</u>	<u>957,717</u>	<u>517,905</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(87,582)</u>	<u>88,582</u>	<u>1,000</u>	<u>1,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (87,582)</u>	<u>88,582</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Fund Balance (Deficit), beginning of year			<u>(87,582)</u>		
Fund Balance (Deficit), end of year			<u>\$ 1,000</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, 2020**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Restricted intergovernmental			
Police grants	\$ 4,000	\$ 44,723	\$ 40,723
Investment earnings	250	409	159
Total revenues	<u>4,250</u>	<u>45,132</u>	<u>40,882</u>
<b>Expenditures</b>			
Public safety			
Operating expenditures	31,850	8,895	22,955
Total expenditures	<u>31,850</u>	<u>8,895</u>	<u>22,955</u>
Excess (deficiency) of revenues over expenditures	(27,600)	36,237	63,837
<b>Other financing sources (uses)</b>			
Appropriated fund balance	<u>27,600</u>	-	<u>(27,600)</u>
Total other financing sources (uses)	<u>27,600</u>	-	<u>(27,600)</u>
Net change in fund balance	<u>\$ -</u>	36,237	<u>\$ 36,237</u>
Fund Balance (Deficit), beginning of year		<u>23,850</u>	
Fund Balance (Deficit), end of year		<u>\$ 60,087</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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
State grant	\$ 75,000	\$ -	\$ 55,000	\$ 55,000	\$ (20,000)
Total revenues	<u>75,000</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>(20,000)</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay - construction	125,000	65,550	-	65,550	59,450
Total expenditures	<u>125,000</u>	<u>65,550</u>	<u>-</u>	<u>65,550</u>	<u>59,450</u>
Excess (deficiency) of revenues over expenditures	(50,000)	(65,550)	55,000	(10,550)	39,450
<b>Other financing sources (uses)</b>					
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>\$ (15,550)</u>	55,000	<u>\$ 39,450</u>	<u>\$ 39,450</u>
Fund Balance (Deficit), beginning of year			<u>(15,550)</u>		
Fund Balance (Deficit), end of year			<u>\$ 39,450</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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
State grant	\$ 1,373,250	\$ 75,000	\$ 1,265,249	\$ 1,340,249	\$ (33,001)
Golden Leaf Grant	549,000	439,200	109,800	549,000	-
Interest Income	-	3	50	53	53
Total revenues	<u>1,922,250</u>	<u>514,203</u>	<u>1,375,099</u>	<u>1,889,302</u>	<u>(32,948)</u>
<b>Expenditures</b>					
Economic and physical development					
Capital outlay - construction	<u>2,856,500</u>	<u>2,104,330</u>	<u>719,222</u>	<u>2,823,552</u>	<u>32,948</u>
Total expenditures	<u>2,856,500</u>	<u>2,104,330</u>	<u>719,222</u>	<u>2,823,552</u>	<u>32,948</u>
Excess (deficiency) of revenues over expenditures	(934,250)	(1,590,127)	655,877	(934,250)	0
<b>Other financing sources (uses)</b>					
Transfers in	314,843	314,843	-	314,843	-
Installment purchase	<u>619,407</u>	<u>619,407</u>	<u>-</u>	<u>619,407</u>	<u>-</u>
Total other financing sources (uses)	<u>934,250</u>	<u>934,250</u>	<u>-</u>	<u>934,250</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (655,877)</u>	655,877	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balance (Deficit), beginning of year			<u>(655,877)</u>		
Fund Balance (Deficit), end of year			<u>\$ 0</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, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Contributions			
NC Department of Transportation	\$ 218,000	\$ 87,792	\$ (130,208)
Total revenues	<u>218,000</u>	<u>87,792</u>	<u>(130,208)</u>
<b>Expenditures</b>			
Economic and physical development			
Operating expenditures	218,000	44,605	(173,395)
Total expenditures	<u>218,000</u>	<u>44,605</u>	<u>(173,395)</u>
 Net change in fund balance	 <u><u>\$ -</u></u>	 43,187	 <u><u>\$ 43,187</u></u>
Fund Balance (Deficit), beginning of year		<u>(43,187)</u>	
Fund Balance (Deficit), end of year		<u><u>\$ -</u></u>	

**City of New Bern, North Carolina**  
**Resiliency and Hazard Mitigation**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
NC Department of Env Quality	\$ 33,000	\$ -	\$ -	\$ -	\$ (33,000)
Foundation Grants	55,000	-	55,000	55,000	-
Total revenues	<u>88,000</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>(33,000)</u>
<b>Expenditures</b>					
Economic and physical development					
Other Professional Services	88,000	-	-	-	88,000
Total expenditures	<u>88,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>55,000</u>	<u>\$ 55,000</u>	<u>\$ 55,000</u>
Fund Balance (Deficit), beginning of year			<u>-</u>		
Fund Balance (Deficit), end of year			<u>\$ 55,000</u>		

**City of New Bern, North Carolina**  
**FEMA Hurricane Dorian**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
Federal Public Disaster					
Assistance Grant	\$ 1,125,000	\$ -	\$ 205,475	\$ 205,475	\$ (919,525)
State Public Disaster					
Assistance Grant	375,000	-	68,492	68,492	(306,508)
Total revenues	<u>1,500,000</u>	<u>-</u>	<u>273,967</u>	<u>273,967</u>	<u>(1,226,033)</u>
<b>Expenditures</b>					
General government					
Administration					
Salaries and employee benefits	9,115	-	9,115	9,115	-
Operating expenditures	-	-	-	-	-
Information technology					
Salaries and employee benefits	11,744	-	11,744	11,744	-
Operating expenditures	1,050	-	1,050	1,050	-
Finance					
Salaries and employee benefits	13,921	-	13,921	13,921	-
Operating expenditures	790	-	790	790	-
Human resources					
Salaries and employee benefits	6,745	-	6,745	6,745	-
Operating expenditures	-	-	-	-	-
Public Safety					
Police					
Salaries and employee benefits	173,099	-	173,099	173,099	-
Operating expenditures	15,636	-	15,636	15,636	-
Fire					
Salaries and employee benefits	84,738	-	84,738	84,738	-
Operating expenditures	5,934	-	5,934	5,934	-
E911					
Salaries and employee benefits	1,602	-	1,602	1,602	-
Operating expenditures	-	-	-	-	-
Public works					
Streets					
Salaries and employee benefits	22,583	-	22,584	22,584	(1)
Operating expenditures	8,516	-	10,407	10,407	(1,891)
Public buildings					
Salaries and employee benefits	11,353	-	11,351	11,351	2
Operating expenditures	9,945	-	9,945	9,945	-
Administration					
Salaries and employee benefits	16,701	-	16,702	16,702	(1)
Operating expenditures	4,988	-	4,987	4,987	1
Water Fund					
Salaries and employee benefits	55,390	-	55,391	55,391	(1)
Operating expenditures	12,447	-	12,448	12,448	(1)

(continued)

**City of New Bern, North Carolina**  
**FEMA Hurricane Dorian**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
Solid Waste					
Salaries and employee benefits	24,096	-	24,062	24,062	34
Operating expenditures	231,570	-	251,089	251,089	(19,519)
Sewer Fund					
Salaries and employee benefits	58,649	-	58,649	58,649	-
Operating expenditures	10,362	-	10,362	10,362	-
Stormwater Fund					
Salaries and employee benefits	8,304	-	8,305	8,305	(1)
Operating expenditures	1,399	-	1,399	1,399	-
Electric Fund					
Salaries and employee benefits	205,029	-	205,031	205,031	(2)
Operating expenditures	442,177	-	401,605	401,605	40,572
Cultural and Recreation					
Salaries and employee benefits	38,934	-	38,926	38,926	8
Operating expenditures	3,097	-	4,720	4,720	(1,623)
Economic and physical development					
Salaries and employee benefits	10,086	-	10,084	10,084	2
Operating expenditures	-	-	-	-	-
Total expenditures	1,500,000	-	1,482,421	1,482,421	17,579
Excess (deficiency) of revenues over expenditures	-	-	(1,208,454)	(1,208,454)	(1,208,454)
Net change in fund balance	\$ -	\$ -	(1,208,454)	\$ (1,208,454)	\$ (1,208,454)
Fund Balance (Deficit), beginning of year			-		
Fund Balance (Deficit), end of year			\$ (1,208,454)		

**City of New Bern, North Carolina**  
**Non-Major Capital Projects Funds**  
**Combining Balance Sheet**  
**Budget and Actual**  
**For the Year Ended June 30, 2020**

	<b>General Capital Project</b>	<b>IT Network Merger</b>	<b>2017 Roadway Improvement Project</b>	<b>Martin Marietta Park Project</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51,614	\$ 21,442	\$ 376,244	\$ -
Accounts receivable, net	-	-	-	97,500
Due from other governments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Total assets	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ 376,244</u>	<u>\$ 97,500</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 308,573	\$ 5,611
Due to Other Funds	-	-	-	56,838
Total liabilities	<u>-</u>	<u>-</u>	<u>308,573</u>	<u>62,449</u>
<b>Fund balances</b>				
Restricted:				
Public safety	-	-	-	-
Streetscape projects	-	-	-	-
ERP Systems	-	-	-	-
Public Works	-	-	-	-
Assigned:				
Capital projects	51,614	21,442	67,671	35,051
Unassigned	-	-	-	-
Total fund balances	<u>51,614</u>	<u>21,442</u>	<u>67,671</u>	<u>35,051</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 51,614</u>	<u>\$ 21,442</u>	<u>\$ 376,244</u>	<u>\$ 97,500</u>

(continued)



**City of New Bern, North Carolina  
Non-Major Capital Projects Funds  
Combining Balance Sheet  
Budget and Actual  
For the Year Ended June 30, 2020**

	<b>ERP Project</b>	<b>Garage Relocation Project</b>	<b>Drainage Improvement Project</b>	<b>City Hall Renovation Project</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 308,306	\$ 16,073	\$ 238,983	\$ -	\$ 1,012,662
Accounts receivable, net	814	-	-	-	98,314
Due from other governments	-	-	-	-	-
Restricted cash and cash equivalents	-	-	347,449	-	347,449
Total assets	<u>\$ 309,120</u>	<u>\$ 16,073</u>	<u>\$ 586,432</u>	<u>\$ -</u>	<u>\$ 1,458,425</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 13,556	\$ -	\$ 12,285	\$ -	\$ 340,025
Due to Other Funds	-	-	-	-	56,838
Total liabilities	<u>13,556</u>	<u>-</u>	<u>12,285</u>	<u>-</u>	<u>396,863</u>
<b>Fund balances</b>					
Restricted:					
Public safety	-	-	-	-	-
Streetscape projects	-	-	-	-	-
ERP Systems	-	-	-	-	-
Public Works	-	-	-	-	-
Assigned:					
Capital projects	295,564	16,073	574,147	-	1,061,562
Unassigned	-	-	-	-	-
Total fund balances	<u>295,564</u>	<u>16,073</u>	<u>574,147</u>	<u>-</u>	<u>1,061,562</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 309,120</u>	<u>\$ 16,073</u>	<u>\$ 586,432</u>	<u>\$ -</u>	<u>\$ 1,458,425</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, 2020**

	<b>General Capital Project</b>	<b>IT Network Merger</b>	<b>2017 Roadway Improvement Project</b>	<b>Martin Marietta Park Project</b>
<b>Revenues</b>				
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	97,500
Investment earnings	-	-	131	-
Total revenues	-	-	131	97,500
<b>Expenditures</b>				
General government	-	-	-	-
Public works	-	-	2,316,214	106,447
Economical and physical development	-	-	-	-
Total expenditures	-	-	2,316,214	106,447
Excess (deficiency) of revenues over expenditures	-	-	(2,316,083)	(8,947)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	920,000	32,500
Total other financing sources (uses)	-	-	920,000	32,500
Net change in fund balances	-	-	(1,396,083)	23,553
Fund balances (deficit), beginning of year	51,614	21,442	1,463,754	11,498
Restatement (see Note 13)	-	-	-	-
Fund balances (deficit), end of year	\$ 51,614	\$ 21,442	\$ 67,671	\$ 35,051

(continued)

**City of New Bern, North Carolina**  
**Combining Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**  
**Nonmajor Capital Projects**  
**For the Year Ended June 30, 2020**

	<b>ERP Project</b>	<b>Garage Relocation Project</b>	<b>Drainage Improvement Project</b>	<b>City Hall Renovation Project</b>	<b>Total</b>
<b>Revenues</b>					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	97,500
Investment earnings	10,875	10,690	19,554	-	41,250
Total revenues	10,875	10,690	19,554	-	138,750
<b>Expenditures</b>					
General government	-	-	-	-	-
Public works	67,748	-	143,529	-	2,633,938
Economical and physical development	-	-	-	-	-
Total expenditures	67,748	-	143,529	-	2,633,938
Excess (deficiency) of revenues over expenditures	(56,873)	10,690	(123,975)	-	(2,495,188)
<b>Other financing sources (uses)</b>					
Transfers in	-	-	175,000	-	1,127,500
Total other financing sources (uses)	-	-	175,000	-	1,127,500
Net change in fund balances	(56,873)	10,690	51,025	-	(1,367,688)
Fund balances (deficit), beginning of year	(4,767)	5,383	-	-	1,548,924
Restatement (see Note 13)	357,204	-	523,122	-	880,326
Fund balances (deficit), end of year	\$ 295,564	\$ 16,073	\$ 574,147	\$ -	\$ 1,061,562

**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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Expenditures</b>					
General government					
Capital outlay	\$ 930,370	\$ 878,754	\$ -	\$ 878,754	\$ 51,616
Total expenditures	930,370	878,754	-	878,754	51,616
Deficiency of revenues under expendi	(930,370)	(878,754)	-	(878,754)	51,616
<b>Other financing sources (uses)</b>					
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	\$ -	\$ 51,614	-	\$ 51,614	\$ 51,614
Fund Balance (Deficit), beginning of year			51,614		
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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Expenditures</b>					
Economic and physical development					
Engineering services	\$ 150,000	\$ 127,154	\$ -	\$ 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>499,058</u>	<u>-</u>	<u>499,058</u>	<u>21,442</u>
Deficiency of revenues under expenditures	(520,500)	(499,058)	-	(499,058)	21,442
<b>Other financing sources (uses)</b>					
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>\$ 21,442</u>	<u>-</u>	<u>\$ 21,442</u>	<u>\$ 21,442</u>
Fund Balance (Deficit), beginning of year			<u>21,442</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, 2020**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total Project to Date</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>					
Restricted intergovernmental					
NC Department of					
Transportation	\$ 687,000	\$ 687,000	\$ -	\$ 687,000	\$ -
Interest Income	-	8	131	139	139
Total revenues	<u>687,000</u>	<u>687,008</u>	<u>131</u>	<u>687,139</u>	<u>139</u>
<b>Expenditures</b>					
Public works					
Capital outlay	<u>6,310,000</u>	<u>1,483,254</u>	<u>2,316,214</u>	<u>3,799,468</u>	<u>2,510,532</u>
Total expenditures	<u>6,310,000</u>	<u>1,483,254</u>	<u>2,316,214</u>	<u>3,799,468</u>	<u>2,510,532</u>
Deficiency of revenues under expenditures	(5,623,000)	(796,246)	(2,316,083)	(3,112,329)	2,510,671
<b>Other financing sources (uses)</b>					
Transfers in	1,580,000	660,000	920,000	1,580,000	-
Installment purchase obligations issued	<u>4,043,000</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>(2,443,000)</u>
Total other financing sources	<u>5,623,000</u>	<u>2,260,000</u>	<u>920,000</u>	<u>3,180,000</u>	<u>(2,443,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,463,754</u>	<u>(1,396,083)</u>	<u>\$ 67,671</u>	<u>\$ 67,671</u>
Fund Balance (Deficit), beginning of year			<u>1,463,754</u>		
Fund Balance (Deficit), end of year			<u>\$ 67,671</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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
<b>NC PARTF Grant</b>	\$ 475,000		\$ -	\$ -	\$ (475,000)
Miscellaneous	97,500	-	97,500	97,500	-
Total revenues	<u>572,500</u>	<u>-</u>	<u>97,500</u>	<u>97,500</u>	<u>(475,000)</u>
<b>Expenditures</b>					
Public works					
Capital outlay	655,000	38,502	106,447	144,949	510,051
Total expenditures	<u>655,000</u>	<u>38,502</u>	<u>106,447</u>	<u>144,949</u>	<u>510,051</u>
Deficiency of revenues under expenditures	(82,500)	(38,502)	(8,947)	(47,449)	35,051
<b>Other financing sources (uses)</b>					
Transfers in	<u>82,500</u>	<u>50,000</u>	<u>32,500</u>	<u>82,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,498</u>	23,553	<u>\$ 35,051</u>	<u>\$ 35,051</u>
Fund Balance (Deficit), beginning of year			<u>11,498</u>		
Fund Balance (Deficit), end of year			<u>\$ 35,051</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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Investment earnings	\$ -	\$ 4,507	\$ 10,875	\$ 15,382	\$ 15,382
Total revenues	-	4,507	10,875	15,382	15,382
<b>Expenditures</b>					
Public works					
Capital outlay	1,350,000	710,250	130,285	840,535	509,465
Capital outlay - transferred to					
Enterprise Funds	-	(343,180)	(62,537)	(405,717)	405,717
Total expenditures	1,350,000	367,070	67,748	434,818	915,182
Deficiency of revenues under expenditures	(1,350,000)	(362,563)	(56,873)	(419,436)	930,564
<b>Other financing sources (uses)</b>					
Installment purchase obligations issued	1,350,000	1,300,000	-	1,300,000	(50,000)
Installment purchase obligations - transferred to Enterprise Fund	-	(585,000)	-	(585,000)	(585,000)
Total other financing sources (uses)	1,350,000	715,000	-	715,000	(635,000)
Net change in fund balance	\$ -	\$ 352,437	(56,873)	\$ 295,564	\$ 295,564
Fund Balance (Deficit), beginning of year			(4,767)		
Restatement (see Note 15)			357,204		
Fund Balance (Deficit), end of year			\$ 295,564		



**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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Investment earnings	\$ -	\$ 17,535	\$ 10,690	\$ 28,225	\$ 28,225
Total revenues	-	17,535	10,690	28,225	28,225
<b>Expenditures</b>					
Public works					
Capital outlay	850,000	862,152	-	862,152	(12,152)
Total expenditures	850,000	862,152	-	862,152	(12,152)
Deficiency of revenues under expenditures	(850,000)	(844,617)	10,690	(833,927)	16,073
<b>Other financing sources (uses)</b>					
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	\$ -	\$ 5,383	10,690	\$ 16,073	\$ 16,073
Fund Balance (Deficit), beginning of year			5,383		
Fund Balance (Deficit), end of year			\$ 16,073		

**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, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Investment earnings	\$ -	\$ 32,144	\$ 19,554	\$ 51,698	\$ 51,698
Total revenues	-	32,144	19,554	51,698	51,698
<b>Expenditures</b>					
Public works					
Capital outlay	1,675,000	1,009,022	143,529	1,152,551	522,449
Total expenditures	1,675,000	1,009,022	143,529	1,152,551	522,449
Deficiency of revenues under expenditures	(1,675,000)	(976,878)	(123,975)	(1,100,853)	574,147
<b>Other financing sources (uses)</b>					
Installment purchase obligations issued	1,500,000	1,500,000	-	1,500,000	-
Transfers in	175,000		175,000	175,000	-
Total other financing sources	1,675,000	1,500,000	175,000	1,675,000	-
Net change in fund balance	\$ -	\$ 523,122	51,025	\$ 574,147	\$ 574,147
Fund Balance (Deficit), beginning of year			-		
Restatement (see Note 13)			523,122		
Fund Balance (Deficit), end of year			\$ 574,147		

**City of New Bern, North Carolina**  
**City Hall Renovations**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual**  
**From Inception and For the Year Ended June 30, 2020**

	Project Authorization	Prior Years	Current Year	Total Project to Date	Variance Positive (Negative)
<b>Revenues</b>					
Restricted intergovernmental					
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
<b>Expenditures</b>					
General Government					
Capital outlay	1,000,000	-	-	-	1,000,000
Total expenditures	1,000,000	-	-	-	1,000,000
Deficiency of revenues under expenditures	(1,000,000)	-	-	-	1,000,000
<b>Other financing sources (uses)</b>					
Installment purchase obligations issued	1,000,000	-	-	-	(1,000,000)
Total other financing sources	1,000,000	-	-	-	(1,000,000)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance (Deficit), beginning of year			-		
Fund Balance (Deficit), end of year			\$ -		

**City of New Bern, North Carolina**  
**Electric Fund**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year Ended June 30, 2020**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Electric charges	\$ 53,011,231	\$ 50,836,833	\$ (2,174,398)
Nonoperating revenues			
Investment earnings	175,400	274,543	99,143
Interfund reimbursements	1,521,884	1,521,884	-
Miscellaneous	25,000	63,083	38,083
Total revenues	<u>54,733,515</u>	<u>52,696,343</u>	<u>(2,037,172)</u>
Expenditures:			
Administration	4,618,978	4,152,525	466,453
Production	38,282,044	36,811,350	1,470,694
Distribution	4,113,714	3,749,917	363,797
Reimbursed expenditures - General Fund	1,601,372	1,601,372	-
Capital outlay	1,871,739	1,469,950	401,789
Debt service	1,877,612	1,877,609	3
Total expenditures	<u>52,365,459</u>	<u>49,662,723</u>	<u>(2,702,736)</u>
Excess of revenues over expenditures	2,368,056	3,033,620	665,564
Other financing sources (uses):			
Proceeds from sale of capital assets	-	1,568	1,568
Proceeds from installment note purchase	-	-	-
Appropriated fund balance	879,563	-	(879,563)
Transfers in	375,000	375,000	-
Transfers out	(3,244,000)	(3,244,000)	-
Transfers out - payments in lieu of taxes	(378,619)	(378,397)	222
Total other financing sources (uses)	<u>(2,368,056)</u>	<u>(3,245,829)</u>	<u>(877,773)</u>
Net change in fund balance	<u>\$ -</u>	<u>(212,209)</u>	<u>\$ (212,209)</u>
<b>Reconciliation from budgetary basis (modified accrual to full accrual:</b>			
Capital outlays		1,189,829	
Payments of debt service - principal		1,712,556	
Proceeds from installment note issuance		-	
Change in accrued interest		4,489	
Increase in compensated absences		(24,128)	
Bad debt expense		(185,163)	
Change in net pension liability and related deferred inflows / outflows		(299,761)	
Depreciation expense		(2,459,925)	
Electric Rate Stabilization Fund		(363,195)	
2019 Electrical Improvements Fund		600,000	
Total reconciling items		<u>174,702</u>	
Change in net position		<u>\$ (37,507)</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, 2020**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 11,805	\$ 11,805
Total	<u>-</u>	<u>11,805</u>	<u>11,805</u>
Excess of revenues over expenditures	<u>-</u>	<u>11,805</u>	<u>11,805</u>
Other financing sources (uses):			
Appropriated fund balance	375,000	-	(375,000)
Transfers out	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>
Total financing sources (uses)	<u>-</u>	<u>(375,000)</u>	<u>(375,000)</u>
Net change in fund balances and net position	<u>\$ -</u>	<u>\$ (363,195)</u>	<u>\$ (363,195)</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, 2020**

	Project Authorization	Prior Years	Current Years	Total to Date	Variance Positive (Negative)
Expenditures					
Electrical Improvements	\$ 1,600,000	\$ 50,753	\$ 1,296,077	\$ 1,346,830	\$ 253,170
Total	<u>1,600,000</u>	<u>50,753</u>	<u>1,296,077</u>	<u>1,346,830</u>	<u>253,170</u>
Other financing sources (uses):					
Transfer in - Electric Fund	<u>1,600,000</u>	<u>1,000,000</u>	<u>600,000</u>	<u>1,600,000</u>	<u>-</u>
Total financing sources (uses)	<u>1,600,000</u>	<u>1,000,000</u>	<u>600,000</u>	<u>1,600,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 949,247</u>	<u>\$ (696,077)</u>	<u>\$ 253,170</u>	<u>\$ 253,170</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, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Operating revenues			
Rates and charges	\$ 9,741,000	\$ 10,055,832	\$ 314,832
Nonoperating revenues			
Investment earnings	50,175	106,480	56,305
Interfund reimbursements	327,983	327,983	-
Miscellaneous	457,000	560,706	103,706
Total revenues	<u>10,576,158</u>	<u>11,051,001</u>	<u>474,843</u>
Expenditures:			
Administration	599,966	594,714	5,252
System maintenance and extensions	2,026,810	1,700,167	326,643
Reimbursed expenditures - General Fund	1,687,674	1,687,674	-
Treatment	2,473,061	2,309,436	163,625
Capital outlay	629,888	409,862	220,026
Debt Service	2,928,823	2,929,820	(997)
Total expenditures	<u>10,346,222</u>	<u>9,631,673</u>	<u>714,549</u>
Excess (deficiency) of revenues over expend	229,936	1,419,328	1,189,392
Other financing sources (uses):			
Proceeds from sale of capital assets	-	13,466	13,466
Proceeds from installment note issuance	-	-	-
Transfers out	-	-	-
Transfers out - payment in lieu of taxes	(317,461)	(317,394)	67
Budgeted use of fund balance	181,906	-	(181,906)
Contingency	(94,381)	-	94,381
Total other financing sources (uses)	<u>(229,936)</u>	<u>(303,928)</u>	<u>(73,992)</u>
Net change in fund balance	<u>\$ -</u>	1,115,400	<u>\$ 1,115,400</u>

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

Capital outlays	409,863
Donated capital assets	262,390
Proceeds from installment note issuance	-
Payments of debt service - principal	2,437,976
Change in compensated absences	(7,648)
Change in net pension liability and related deferred inflows / outflows	(150,450)
Change in accrued interest	7,589
Depreciation expense	(1,655,537)
Bad debt expense	(39,224)
Water Capital Reserve Fund	14,191
Allocated share of AMI/DSM System Enterprise Capital Project Fund	2,920
Net income (loss)	<u>\$ 2,397,470</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, 2020**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Capital recovery fee	\$ -	\$ -	\$ -
Interest	10,025	14,191	4,166
Total revenues	<u>10,025</u>	<u>14,191</u>	<u>4,166</u>
Expenditures:			
Capital outlays	10,025	-	10,025
Total expenditures	<u>10,025</u>	<u>-</u>	<u>(10,025)</u>
Excess of revenues over expenditures	-	14,191	(5,859)
Other financing sources (uses):			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 14,191</u>	<u>\$ 14,191</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, 2020**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Years	Total	
Expenditures					
Capital outlays	\$ 770,000	\$ 279,401	\$ 39,479	\$ 318,880	\$ 451,120
Other financing sources (uses):					
Transfer in	770,000	385,000	-	385,000	(385,000)
Net change in fund balance	\$ -	\$ 105,599	\$ (39,479)	\$ 66,120	\$ 66,120

**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, 2020**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Years	Total	
Expenditures					
Treatment	\$ 2,187,737	\$ 2,100,979	\$ 1,078	\$ 2,102,057	\$ 85,680
Other financing sources (uses):					
Transfer in	2,187,737	2,187,737	-	2,187,737	-
Net change in fund balance	\$ -	\$ 86,758	\$ (1,078)	\$ 85,680	\$ 85,680

**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, 2020**

	Project Authorization	Prior Years	Current Years	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ 21,000	\$ 29,919	\$ 2,920	\$ 32,839	\$ 11,839
Total	21,000	29,919	2,920	32,839	11,839
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	6,571,603	-	6,571,603	(180,790)
Capital outlay - Water Fund	3,444,136	2,824,019	298,250	3,122,269	321,867
Debt service - interest and fiscal charges	45,300	45,300	-	45,300	-
Total expenditures	10,056,000	9,663,000	298,250	9,961,250	94,750
Deficiency of revenues over expenditures	(10,035,000)	(9,633,081)	(295,330)	(9,928,411)	(82,911)
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	\$ -	\$ 401,919	\$ (295,330)	\$ 106,589	\$ 106,589

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, 2020**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues			
Sewer charges	\$ 11,383,600	\$ 11,244,254	\$ (139,346)
Nonoperating revenues			
Interest	30,100	74,407	44,307
Miscellaneous	483,532	607,516	123,984
Total revenues	<u>11,897,232</u>	<u>11,926,177</u>	<u>28,945</u>
Expenditures:			
System maintenance and extension	3,528,037	2,925,240	602,797
Treatment	3,081,475	2,823,389	258,086
Shared services	2,051,590	2,051,590	-
Capital outlay	760,647	515,967	244,680
Debt Service	2,393,791	2,393,788	3
Total expenditures	<u>11,815,540</u>	<u>10,709,974</u>	<u>(1,105,566)</u>
Excess (deficiency) of revenues over expenditur	81,692	1,216,203	1,134,511
Other financing sources (uses):			
Appropriation of net position	98,677	-	(98,677)
Proceeds from installment purchase insurance	-	-	-
Proceeds from sale of capital assets	500	-	(500)
Transfers out - payment in lieu of taxes	(462,487)	(462,323)	164
Transfers out	-	-	-
Transfers in	281,618	281,618	-
Contingency	-	-	-
Total other financing sources (uses)	<u>(81,692)</u>	<u>(180,705)</u>	<u>(336)</u>
Net change in fund balance	<u>\$ -</u>	1,035,498	<u>\$ 1,035,498</u>

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

Capital outlays	826,696
Donated capital assets	746,660
Proceeds from installment note issuance	-
Payments of debt service - principal	2,196,007
Increase in compensated absences	(12,609)
Change in net pension liability and related deferred inflows /	
outflows	(156,647)
Bad debt expense	(40,128)
Depreciation expense	(2,301,694)
Change in accrued interest payable	6,858
Sewer Debt Service Reserve Fund - Interest	12,555
Sewer Debt Service Reserve Fund - Transfer Out	(281,618)
Sewer Capital Reserve Fund	8,339
Change in net position	<u>\$ 2,039,917</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, 2020**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Capital recovery fee	\$ -	\$ -	\$ -
Interest	1,925	8,339	6,414
Total revenues	<u>1,925</u>	<u>8,339</u>	<u>6,414</u>
Expenditures:			
Capital outlay	1,925	-	1,925
Total expenditures	<u>1,925</u>	<u>-</u>	<u>(1,925)</u>
Other financing sources (uses):			
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,339</u>	<u>\$ 8,339</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, 2020**

		Actual			Variance
	Project		Current		Positive
	Authorization	Prior Years	Years	Total	(Negative)
Expenditures					
Treatment	\$ 500,000	\$ 382,487	\$ 48,733	\$ 431,220	\$ 68,780
Other financing sources (uses):					
Transfer in	450,000	450,000	-	450,000	-
Net change in fund balance	\$ (50,000)	\$ 67,513	\$ (48,733)	\$ 18,780	\$ 68,780

**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, 2020**

	Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$ -	\$ 12,555	\$ 12,555
Total revenues	<u>-</u>	<u>12,555</u>	<u>12,555</u>
Other financing sources (uses):			
Transfers out	(281,618)	(281,618)	-
Fund balance appropriated	281,618	-	(281,618)
Total other financing sources (uses)	<u>-</u>	<u>(281,618)</u>	<u>(281,618)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (269,063)</u>	<u>\$ (269,063)</u>

**City of New Bern, North Carolina**  
**Solid Waste**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**For the Year end June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating revenues			
Collection fees	\$ 3,355,000	\$ 3,425,276	\$ 70,276
Nonoperating revenues			
Interest	-	3,628	3,628
Total revenues	<u>3,355,000</u>	<u>3,428,904</u>	<u>73,904</u>
Expenditures:			
Administration	2,965,135	2,954,945	10,190
Shared services	126,121	126,121	-
Capital outlay	159,800	154,697	5,103
Debt Service	118,129	118,128	1
Total expenditures	<u>3,369,185</u>	<u>3,353,891</u>	<u>(15,294)</u>
Excess (deficiency) of revenues over expenditur	(14,185)	75,013	89,198
Other financing sources (uses):			
Appropriated fund balance	-	-	-
Contingency	(10,815)	-	10,815
Transfers in - general fund	35,000	35,000	-
Transfers out - payment in lieu of taxes	(10,000)	(3,500)	6,500
Installment purchase proceeds	-	-	-
Total other financing sources (uses)	<u>14,185</u>	<u>31,500</u>	<u>17,315</u>
Net change in fund balance	<u>\$ -</u>	106,513	<u>\$ 106,513</u>

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

Capital outlays	154,697
Donated capital assets	-
Proceeds from installment note issuance	-
Payments of debt service - principal	114,468
Change in compensated absences	3,500
Change in net pension liability and related deferred inflows / outflows	(21,680)
Bad debt expense	(23,012)
Depreciation expense	(103,119)
Change in accrued interest payable	143
Change in net position	<u>\$ 231,510</u>



## OTHER SCHEDULES

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This section contains additional information required  
on property taxes.

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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, 2020**

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2019</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 15,467,427	\$ 15,324,167	\$ 143,260
2018-2019	96,219	-	42,637	53,582
2017-2018	36,535	-	12,019	24,516
2016-2017	25,931	-	5,270	20,661
2015-2016	16,911	-	3,815	13,096
2014-2015	12,490	-	551	11,939
2013-2014	29,169	-	1,036	28,133
2012-2013	39,876	-	1,247	38,629
2011-2012	27,227	-	858	26,369
2010-2011	22,561	-	449	22,112
2009-2010	23,506	-	23,506	-
	<u>\$ 330,425</u>	<u>\$ 15,467,427</u>	<u>\$ 15,415,555</u>	<u>\$ 382,297</u>
Plus: Municipal Service District taxes receivable, all years, net of allowance				276
Plus: Ad Valorem Un-Tagged MV-Current				625
Plus: Penalties				8,876
Less allowance for uncollectible accounts - General Fund				(194,927)
Ad valorem taxes receivable - net				<u>\$ 197,148</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 15,752,998
Reconciling items:				
Interest collected				(43,246)
Amounts written off per statute				23,506
Releases, ad valorem				7,170
MV Fee, Adjustments				(128,945)
Less: Municipal Service District taxes, penalty, and interest collected in all years				<u>(195,928)</u>
Total collections and credits				<u>\$ 15,415,555</u>

**City of New Bern, North Carolina**  
**Analysis of Current Tax Levy**  
**Town - Wide Levy**  
**For the Fiscal Year Ended June 30, 2020**

	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	\$ 2,874,815,694	0.4822	\$ 15,162,443	\$ 13,862,363	\$ 1,300,080
Penalties	-		8,737	8,737	
Total	<u>2,874,815,694</u>		<u>15,171,180</u>	<u>13,871,100</u>	<u>1,300,080</u>
Discoveries					
Current year taxes	64,583,792	0.4822	309,069	309,069	-
Penalties	-		14,657	14,657	-
Addbacks	-		-	-	-
Total	<u>64,583,792</u>		<u>323,726</u>	<u>323,726</u>	<u>-</u>
Adjustments	<u>(5,158,027)</u>	0.4822	<u>(27,479)</u>	<u>(27,479)</u>	<u>-</u>
Total Property Valuation	<u>\$ 2,934,241,459</u>				
Net levy			15,467,427	14,167,347	1,300,080
Uncollected taxes at June 30, 2020			<u>143,260</u>	<u>143,260</u>	<u>-</u>
Current year's taxes collected			<u>\$ 15,324,167</u>	<u>\$ 14,024,087</u>	<u>\$ 1,300,080</u>
Current levy collection percentage			<u>99.07%</u>	<u>98.99%</u>	<u>100.00%</u>

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## Statistical Section

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## STATISTICAL SECTION

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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.

<b>Financial Trends</b>	<b><u>Page</u></b> <b>117</b>
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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

<b>Revenue Capacity</b>	<b>129</b>
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These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

<b>Debt Capacity</b>	<b>133</b>
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

<b>Demographic and Economic Information</b>	<b>136</b>
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

<b>Operating Information</b>	<b>140</b>
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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

City of New Bern, North Carolina

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Invested in capital assets, net of related debt	\$ 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	\$ 58,631,163
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	13,146,423
Unrestricted	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)	(36,243,815)
<b>Total governmental activities net assets</b>	<b>\$ 38,619,577</b>	<b>\$ 41,096,459</b>	<b>\$ 46,306,860</b>	<b>\$ 48,712,207</b>	<b>\$ 52,077,953</b>	<b>\$ 62,597,784</b>	<b>\$ 63,465,337</b>	<b>\$ 37,491,188</b>	<b>\$ 26,710,663</b>	<b>\$ 35,533,771</b>
Business-type activities:										
Invested in capital assets, net of related debt	\$ 78,578,999	\$ 80,159,948	\$ 83,796,943	\$ 86,397,864	\$ 88,323,492	\$ 92,187,192	\$ 97,084,561	\$ 105,972,773	\$ 115,441,238	\$ 115,355,022
Restricted	-	-	-	-	-	-	1,163,329	1,413,444	1,148,415	-
Unrestricted	21,659,418	23,829,737	25,922,244	31,462,602	34,398,515	39,952,276	39,653,748	41,547,705	39,599,697	43,135,677
<b>Total business-type activities net assets</b>	<b>\$ 100,238,417</b>	<b>\$ 103,989,685</b>	<b>\$ 109,719,187</b>	<b>\$ 117,860,466</b>	<b>\$ 122,722,007</b>	<b>\$ 132,139,468</b>	<b>\$ 137,901,638</b>	<b>\$ 148,933,922</b>	<b>\$ 156,189,350</b>	<b>\$ 158,490,699</b>
Primary government:										
Invested in capital assets, net of related debt	\$ 112,597,645	\$ 114,985,989	\$ 120,180,081	\$ 123,092,743	\$ 123,931,425	\$ 140,194,539	\$ 147,746,662	\$ 158,109,448	\$ 167,581,305	\$ 173,986,185
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	13,146,423
Unrestricted	22,419,737	25,782,629	30,234,375	37,807,873	44,687,461	48,685,187	45,495,859	20,048,933	(7,750,585)	6,891,862
<b>Total primary government net assets</b>	<b>\$ 138,857,994</b>	<b>\$ 145,086,144</b>	<b>\$ 156,026,047</b>	<b>\$ 166,572,673</b>	<b>\$ 174,799,960</b>	<b>\$ 194,737,252</b>	<b>\$ 201,366,975</b>	<b>\$ 186,425,110</b>	<b>\$ 182,900,013</b>	<b>\$ 194,024,470</b>

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 2,491,368
Public safety	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	21,521,131
Public Works	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	9,425,062
Environmental protection	2,054,485	2,053,938	1,663,347	1,825,829	1,616,542	2,152,786	2,669,329	-	-	-
Culture and recreation	2,280,243	2,549,680	2,497,152	2,503,892	2,508,718	3,467,082	2,944,815	3,414,130	3,519,992	4,596,696
Economic and physical development	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	2,392,588
Interest on long-term debt	518,903	509,077	365,826	342,703	384,309	283,245	173,584	160,982	215,138	171,712
<b>Total governmental activities expenses</b>	<b>27,421,897</b>	<b>29,933,165</b>	<b>28,544,203</b>	<b>29,589,385</b>	<b>29,611,940</b>	<b>32,622,582</b>	<b>35,801,105</b>	<b>37,403,459</b>	<b>44,128,707</b>	<b>40,598,557</b>
Business-type activities:										
Electric	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	48,372,089
Water	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	8,112,404
Sewer	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	10,438,399
Stormwater	-	74,153	671,691	633,072	551,635	610,819	661,680	628,260	639,676	-
Solid Waste	-	-	-	-	-	-	-	-	2,966,921	3,223,072
<b>Total business-type activities expenses</b>	<b>78,231,473</b>	<b>80,037,193</b>	<b>77,916,481</b>	<b>78,739,613</b>	<b>76,875,008</b>	<b>65,148,406</b>	<b>67,585,860</b>	<b>65,834,877</b>	<b>71,009,990</b>	<b>70,145,964</b>
<b>Total primary government expenses</b>	<b>105,653,370</b>	<b>109,970,358</b>	<b>106,460,684</b>	<b>108,328,998</b>	<b>106,486,948</b>	<b>97,770,988</b>	<b>103,386,965</b>	<b>103,238,336</b>	<b>115,138,697</b>	<b>110,744,521</b>
Program revenue:										
Governmental activities:										
Charges for services:										
General government	3,158,508	1,945,596	1,554,015	1,591,361	1,282,636	642,598	269,579	297,137	128,798	376,563
Public safety	355,296	185,272	519,536	337,912	270,426	225,570	250,973	299,447	301,999	461,020
Public Works	247,586	130,132	987	11,000	2,878,437	141,675	85,165	2,991,246	41,031	51,223
Environmental protection	1,861,267	2,149,340	2,280,468	2,817,704	-	2,837,409	2,998,906	-	-	-
Culture and recreation	133,623	167,033	152,022	227,068	133,290	139,581	29,096	152,624	191,078	143,108
Economic and physical development	1,600	565,279	962,406	550,112	519,918	674,188	479,897	692,032	603,685	729,223
Operating grants and contributions:										
General government	-	-	-	174,765	353,805	50,000	479,267	283,414	51,491	864,608
Public safety	125,120	601,199	1,526,387	676,810	417,906	410,522	420,677	357,923	356,214	1,343,908
Public Works	-	1,320,993	812,542	871,986	49,700	-	9,164	-	865,707	8,142,475
Environmental protection	145,054	161,299	-	-	-	-	-	-	-	-
Culture and recreation	12,383	-	-	-	143,168	2,256	-	-	-	609,405
Economic and physical development	52,762	293,530	1,290,569	110,661	714,850	911,759	238,346	405,005	403,958	564,284
Capital grants and contributions:										
General government	-	-	-	-	929,785	-	-	-	-	-
Public Safety	542,146	397,053	-	-	26,845	-	-	-	-	-
Public Works	754,012	834,142	323,776	-	187,745	11,005,003	3,503,246	2,234,401	687,000	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Culture and recreation	460,082	-	-	-	-	-	-	1,650,000	-	-
Economic and physical development	758,500	-	-	68,424	80,260	835,465	-	-	-	1,430,049
<b>Total governmental activities program revenue</b>	<b>8,607,939</b>	<b>8,750,868</b>	<b>9,422,708</b>	<b>7,437,803</b>	<b>7,988,771</b>	<b>17,876,026</b>	<b>8,764,316</b>	<b>9,363,229</b>	<b>3,630,961</b>	<b>14,715,866</b>

City of New Bern, North Carolina

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
Electric	\$ 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	\$ 50,836,833
Water	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	10,055,832
Sewer	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	11,244,254
Stormwater	-	87,917	712,500	675,590	673,773	681,209	716,117	693,316	671,788	-
Solid Waste	-	-	-	-	-	-	-	-	3,348,190	3,425,276
Capital grants and contributions:										
Electric	44,523	-	-	-	33,208	-	-	-	422,447	-
Water	341,531	-	-	152,400	-	-	-	-	1,825,005	262,390
Sewer	303,631	-	-	233,027	76,311	-	-	-	-	746,660
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	-	-	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>90,035,394</b>	<b>85,659,582</b>	<b>86,074,596</b>	<b>88,772,145</b>	<b>85,945,081</b>	<b>75,509,783</b>	<b>74,776,886</b>	<b>76,362,096</b>	<b>79,123,972</b>	<b>76,571,245</b>
<b>Total primary government program revenues</b>	<b>98,643,333</b>	<b>94,410,450</b>	<b>95,497,304</b>	<b>96,209,948</b>	<b>93,933,852</b>	<b>93,385,809</b>	<b>83,541,202</b>	<b>85,725,325</b>	<b>82,754,933</b>	<b>91,287,111</b>
Net (expense) revenue:										
Governmental activities	(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)	(25,882,691)
Business-type activities	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	6,425,281
<b>Total primary government net expense</b>	<b>(7,010,037)</b>	<b>(15,559,908)</b>	<b>(10,963,380)</b>	<b>(12,119,050)</b>	<b>(12,553,096)</b>	<b>(4,385,179)</b>	<b>(19,845,763)</b>	<b>(17,513,011)</b>	<b>(32,383,764)</b>	<b>(19,457,410)</b>

(Continued)



City of New Bern, North Carolina

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General revenues and other changes in net assets:										
Governmental activities:										
Taxes:										
Ad valorem taxes	\$ 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	\$ 15,787,943
Sales taxes	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	7,842,360
Utility franchise tax	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	225,426
Payment in Lieu of Taxes	-	-	860,496	863,337	901,752	931,965	1,067,816	1,096,711	1,140,000	1,161,614
Other taxes	1,658,465	1,702,043	315,351	278,850	1,055,904	833,698	716,339	699,167	2,543,511	2,447,499
Grants & contributions not restricted to specific programs	-	-	-	-	-	-	-	-	-	-
Investment earnings	16,880	16,472	18,930	12,210	12,470	91,606	186,846	474,950	618,976	271,460
Miscellaneous	-	-	-	-	189,166	154,638	856,701	260,563	1,015,503	1,953,925
Gain on sale of capital assets	-	-	-	-	-	12,344	-	24,656	(7,142)	(24,307)
Transfers	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	2,609,000
<b>Total governmental activities</b>	<b>22,962,525</b>	<b>23,659,179</b>	<b>24,331,896</b>	<b>24,556,929</b>	<b>26,995,384</b>	<b>27,024,647</b>	<b>28,229,747</b>	<b>28,862,708</b>	<b>30,006,031</b>	<b>32,274,920</b>
Business-type activities:										
Investment earnings	17,566	13,941	11,506	5,199	6,115	47,609	142,667	275,167	598,351	508,868
Miscellaneous	-	-	-	-	-	-	156,405	-	162,777	392,046
Gain on sale of capital assets	-	-	-	-	-	16,631	26,754	43,184	60,108	15,034
Transfers	(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)	(2,609,000)
<b>Total business-type activities</b>	<b>(1,937,192)</b>	<b>(1,871,121)</b>	<b>(2,428,613)</b>	<b>(1,891,253)</b>	<b>(3,238,607)</b>	<b>(2,702,176)</b>	<b>(2,326,201)</b>	<b>(2,555,880)</b>	<b>(1,147,364)</b>	<b>(1,693,052)</b>
<b>Total primary government</b>	<b>21,025,333</b>	<b>21,788,058</b>	<b>21,903,283</b>	<b>22,665,676</b>	<b>23,756,777</b>	<b>24,322,471</b>	<b>25,903,546</b>	<b>26,306,828</b>	<b>28,858,667</b>	<b>30,581,868</b>
Changes in net position:										
Governmental activities	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)	6,392,229
Business-type activities	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	4,732,229
<b>Total primary government</b>	<b>\$ 14,015,296</b>	<b>\$ 6,228,150</b>	<b>\$ 10,939,903</b>	<b>\$ 10,546,626</b>	<b>\$ 11,203,681</b>	<b>\$ 19,937,292</b>	<b>\$ 6,057,783</b>	<b>\$ 9,106,160</b>	<b>\$ (3,525,098)</b>	<b>\$ 11,124,458</b>

City of New Bern, North Carolina

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

Function / Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 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)	\$ (1,250,197)
Public safety	(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)	(19,716,203)
Transportation	-	-	-	-	-	-	-	-	-	-
Public Works	(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)	(1,231,364)
Environmental protection	(48,164)	256,701	617,121	991,875	(1,616,542)	684,623	329,577	-	-	-
Culture and recreation	(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)	(3,844,183)
Economic and physical development	(592,636)	(872,878)	(125,053)	(1,347,960)	(639,429)	(857,237)	(1,593,945)	(805,805)	(1,599,754)	330,968
Interest on long-term debt	(518,903)	(509,077)	(365,826)	(342,703)	(384,309)	(283,245)	(173,584)	(160,982)	(215,138)	(171,712)
<b>Total governmental activities</b>	<b>(18,813,958)</b>	<b>(21,182,296)</b>	<b>(19,121,495)</b>	<b>(22,151,582)</b>	<b>(21,623,169)</b>	<b>(14,746,556)</b>	<b>(27,036,789)</b>	<b>(28,040,230)</b>	<b>(40,497,746)</b>	<b>(25,882,691)</b>
Business-type activities:										
Electric	4,662,944	1,608,441	4,711,384	4,221,875	4,589,287	5,520,868	3,715,798	7,395,180	3,175,758	2,464,744
Water	4,772,523	1,969,217	1,931,247	2,156,028	2,374,271	2,230,532	1,629,868	1,818,342	3,915,980	2,205,818
Sewer	12,601,919	12,399,277	11,632,535	2,597,540	1,978,852	2,539,587	1,790,923	1,248,641	608,863	1,552,515
Stormwater	-	87,917	41,261	1,057,089	127,663	70,390	54,437	377,399	32,112	-
Solid Waste	-	-	-	-	-	-	-	-	381,269	202,204
<b>Total business-type activities</b>	<b>22,037,386</b>	<b>16,064,852</b>	<b>18,316,427</b>	<b>10,032,532</b>	<b>9,070,073</b>	<b>10,361,377</b>	<b>7,191,026</b>	<b>10,839,562</b>	<b>8,113,982</b>	<b>6,425,281</b>
<b>Total government</b>	<b>\$ 3,223,428</b>	<b>\$ (5,117,444)</b>	<b>\$ (805,068)</b>	<b>\$ (12,119,050)</b>	<b>\$ (12,553,096)</b>	<b>\$ (4,385,179)</b>	<b>\$ (19,845,763)</b>	<b>\$ (17,200,668)</b>	<b>\$ (32,383,764)</b>	<b>\$ (19,457,410)</b>

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Non Spendable	\$ 168,263	\$ 141,201	\$ 140,908	\$ 148,408	\$ 138,418	\$ 106,353	\$ 125,566	\$ 132,738	\$ 103,144	\$ 1,860,476
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	12,488,839
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	1,136,141	7,331,940
<b>Total General Fund</b>	<b>\$ 7,544,149</b>	<b>\$ 10,325,476</b>	<b>\$ 11,852,574</b>	<b>\$ 14,376,605</b>	<b>\$ 20,265,180</b>	<b>\$ 20,453,397</b>	<b>\$ 20,920,711</b>	<b>\$ 19,571,904</b>	<b>\$ 22,829,395</b>	<b>\$ 21,681,255</b>
All Other Governmental Funds:										
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	-	1,061,562
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	657,584
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)	(5,005,193)
<b>Total all other government funds</b>	<b>\$ 1,278,916</b>	<b>\$ 1,303,831</b>	<b>\$ 947,134</b>	<b>\$ 480,400</b>	<b>\$ 453,838</b>	<b>\$ (318,528)</b>	<b>\$ 898,457</b>	<b>\$ 3,662,596</b>	<b>\$ (11,160,031)</b>	<b>\$ (3,286,047)</b>

City of New Bern, North Carolina

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 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	\$ 15,752,998
Other taxes	255,333	262,984	264,417	278,850	264,759	-	-	-	-	-
Intergovernmental	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	24,709,227
Permits and fees	573,392	601,753	584,906	629,737	473,631	614,305	461,845	661,904	558,380	675,417
Charges for services	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	949,770
Investment Earnings	-	-	17,917	11,353	11,636	91,606	186,846	474,950	593,409	229,326
Other	393,056	440,448	240,121	186,493	490,433	175,875	393,324	378,629	413,715	1,953,925
<b>Total revenues</b>	<b>28,890,481</b>	<b>30,590,452</b>	<b>31,188,137</b>	<b>30,179,274</b>	<b>31,662,290</b>	<b>31,057,189</b>	<b>32,207,627</b>	<b>32,422,643</b>	<b>29,607,939</b>	<b>44,270,663</b>
Expenditures:										
General government	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	2,076,009
Public safety	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	19,118,873
Public works	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	10,670,395
Environmental protection	1,997,630	1,952,131	1,792,211	1,772,657	1,805,268	2,035,216	2,615,028	-	-	-
Culture and recreation	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	4,214,524
Economic and physical development	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	2,894,843
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interfund Reimbursements	-	-	(2,891,799)	(3,310,269)	(3,412,228)	-	-	-	-	-
Capital outlay	130,547	538,108	1,052,794	1,857,062	-	-	-	-	-	-
Debt service:										
Principal	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	2,077,220
Interest	518,901	445,677	380,588	349,093	369,686	301,704	183,672	164,535	200,966	171,841
<b>Total expenditures</b>	<b>29,209,243</b>	<b>33,159,078</b>	<b>32,979,885</b>	<b>31,759,320</b>	<b>31,815,747</b>	<b>37,745,369</b>	<b>34,909,962</b>	<b>36,597,893</b>	<b>29,665,698</b>	<b>41,223,705</b>
<b>Excess of revenues (under) expenditures</b>	<b>(318,762)</b>	<b>(2,568,626)</b>	<b>(1,791,748)</b>	<b>(1,580,046)</b>	<b>(153,457)</b>	<b>(6,688,180)</b>	<b>(2,702,335)</b>	<b>(4,175,250)</b>	<b>(57,759)</b>	<b>3,046,958</b>
Other financing sources (uses):										
Transfers in	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	3,812,885
Transfers out	(492,983)	(664,812)	(161,701)	(296,830)	(258,432)	(764,257)	(778,151)	(1,284,536)	(13,923)	(1,203,885)
Proceeds from sales of capital assets	-	-	-	-	801,075	74,540	74,607	138,817	31,970	4,735
Issuance of long-term debt	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	-
<b>Total other financing sources</b>	<b>2,154,575</b>	<b>5,444,643</b>	<b>3,284,351</b>	<b>3,637,343</b>	<b>6,015,470</b>	<b>6,104,031</b>	<b>4,386,634</b>	<b>5,590,582</b>	<b>3,616,445</b>	<b>2,613,735</b>
<b>Net changes in fund balance</b>	<b>\$ 1,835,813</b>	<b>\$ 2,876,017</b>	<b>\$ 1,492,603</b>	<b>\$ 2,057,297</b>	<b>\$ 5,862,013</b>	<b>\$ (584,149)</b>	<b>\$ 1,684,299</b>	<b>\$ 1,415,332</b>	<b>\$ 3,558,686</b>	<b>\$ 5,660,693</b>
Debt service as a percentage of noncapital expenditures	9.9%	9.0%	7.8%	6.2%	7.7%	15.4%	5.4%	6.3%	7.9%	5.8%

City of New Bern, Nor

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
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	242,646,003	197,166,999	91,440	439,904,442	29,941,484	6%	\$0.0707	1,287,249
2019-2020	444,786,550	\$31,497,336	234,223,019	200,222,685	11,040	434,456,744	10,329,806	2%	\$0.0708	1,218,593

Source: City Records

City of New Bern, North Carolina

Electric Rates  
Last Ten Fiscal Years

Electric Rates	Cents Per KWH				Cents Per KWH					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential	\$0.1439	\$0.1373	\$0.1307	\$0.1439	\$0.1214	\$0.1165	\$0.1010	\$0.1133	\$0.1014	\$0.1135
Commercial	0.1367	0.1334	0.1331	0.1305	0.1391	0.1216	0.1175	0.1156	0.1134	0.1168
Large Commercial/Industrial	0.0882	0.0837	0.0827	0.0842	0.0861	0.0771	0.0792	0.0755	0.0763	0.0742
Other	0.1238	0.1358	0.1738	0.1275	0.1284	0.1110	0.1062	0.1046	0.1142	0.1679

Source: City Records

City of New Bern, North Carolina

Electric System - Major Users  
Current Year and Nine Years Ago

2020				
Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales
01	Carolina East Medical Center -P-53206	20061600	\$ 1,127,126.92	2.29%
02	Craven Community P-53209	9939600	\$ 635,906.60	1.29%
03	Hatteras Yacht P-53208	4826400	\$ 349,699.73	0.71%
04	City of New Bern STP P-22026	4530960	\$ 320,401.45	0.65%
05	Wal-Mart Stores-Havelock-73875	4524300	\$ 336,628.90	0.68%
06	Craven Terrace-5-2 P-15457	2565600	\$ 370,478.04	0.75%
07	NC Depart. Of Cultural p-26850	2064300	\$ 208,730.22	0.42%
08	Schlaadt Plastics-53211	2013100	\$ 210,956.56	0.43%
09	Carolina Telephone &Telegraph P-15228	1964000	\$ 205,976.74	0.42%
10	HT Carolina Colours-92584	1769700	\$ 139,599.61	0.28%
Revenue for All				
Totals	\$49,245,420	54,259,560	\$3,905,505	

2011				
Rank	Customer	Annual KWH	Annual Revenues	Percentage of Total Electric Sales
01	Carolina East Medical Center P-53206	18794400	\$ 1,439,911.80	2.37%
02	Craven Community College P-53209	7486800	\$ 670,208.21	1.10%
03	Hatteras Yacht P-53208	6842400	\$ 869,859.54	1.43%
04	Maola-23749-53205	5901600	\$ 488,486.54	0.80%
05	city of New Bern 22711-22026 STP	5518560	\$ 439,831.83	0.72%
06	Wal-Mart Stores-Havelock-73875	4759800	\$ 381,386.93	0.63%
07	Craven Terrace P-15457	3513360	\$ 422,160.64	0.69%
08	Lowe's of New Bern P-56517	2785200	\$ 237,832.84	0.39%
09	New Bern Housing Authority P-15460	2373600	\$ 285,573.96	0.47%
10	Carolina Telephone P-15228	2104800	\$ 242,104.11	0.40%
Revenue for All				
Totals	\$60,845,870	60,080,520	\$5,477,356	

City of New Bern, North Carolina

Water System - Major Users  
Current Year and Nine Years Ago

2020				
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Water Sales
01	Carolina East Medical Center P-53206	50696	\$ 194,573.48	1.96%
02	Craven Wood Energy P-96120	14710	\$ 110,244.34	1.11%
03	Moen Inc. P-67797	7922	\$ 36,131.28	0.36%
04	NB Housing Authority P-15460	7630	\$ 35,916.85	0.36%
05	Craven Terrace P-15457	7510	\$ 36,453.34	0.37%
06	Schlaadt Plastiacs P-53211	5551	\$ 25,633.51	0.26%
07	BSH Home Appliance P-23028	4962	\$ 18,967.89	0.19%
08	UHS Pruitt Corp-26813	4615	\$ 14,120.89	0.14%
09	New Bern Housing Authority P-15554	3909	\$ 22,943.59	0.23%
10	FMC of Craven County P-76816	3094	\$ 14,380.70	0.14%
Revenue for All				
Totals	\$9,938,357	110,599	\$509,366	

2011				
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Water Sales
01	Carolina East Medical Center P-53206	28404	\$ 118,985.52	1.10%
02	Town of Cove City P-26039	12042	\$ 57,805.85	0.53%
03	Moen P-67797	11816	\$ 65,486.10	0.60%
04	NB Housing Authority - P-15554	10407	\$ 46,755.66	0.43%
05	City of New Bern Water Dept-12318	5098	\$ 19,432.62	0.18%
06	BSH Home Appliances P-23028	4962	\$ 38,919.72	0.36%
07	UHS Pruitt Corp. P-26813	4615	\$ 30,676.42	0.28%
08	RPG Hospitality-14617	4298	\$ 23,881.06	0.22%
09	Constant Care Service	4051	\$ 16,185.60	0.15%
10	Norfolk Southern Railway Co. P-13736	3853	\$ 26,264.14	0.24%
Revenue for All				
Totals	\$10,838,332	89,546	\$444,393	

Source: City Records



City of New Bern, North Carolina

Sewer System - Major Users  
Current Year and Nine Years Ago

2020				
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Sewer Sales
01	Carolina East Medical Center P-53206	50696	\$ 259,862.64	2.49%
02	Craven County Wood Energy P-96120	28181	\$ 279,979.81	2.68%
03	Coastal Regional Solid Waste P-50002	10495	\$ 80,776.08	0.77%
04	Moen Inc.P-67797	7922	\$ 48,460.83	0.46%
05	Craven Terrace 5-2P-15457	7510	\$ 47,302.08	0.45%
06	Craven County Government P-86820	7224	\$ 56,361.05	0.54%
07	NB Housing Authority P-15554	3909	\$ 24,761.82	0.24%
08	Schlaadt Plastic P-53211	2623	\$ 23,562.49	0.23%
09	Lexmi Hospitality-84225	1922	\$ 24,438.60	0.23%
10	Craven Terrave LP 5-4 P-15458	1244	\$ 13,905.46	0.13%
Revenue for All				
Totals	\$10,445,653	121,726	\$859,411	

2011				
Rank	Customer	Annual Gallons	Annual Revenues	Percentage of Total Sewer Sales
01	Carolina Regional Medical Center P-53206	28408	\$ 176,292.12	1.63%
02	Housing Authority P-15554	10407	\$ 66,114.93	0.61%
03	Craven County Government-86820	4330	\$ 34,272.97	0.32%
04	Hatteras Yacht P-27077	4297	\$ 41,319.36	0.38%
05	trent Development-20623	4062	\$ 25,134.43	0.23%
06	Coastal Region Solid Waste P-50002	3928	\$ 62,901.60	0.58%
07	Sonoco Product Co. P-53211	1790	\$ 17,126.40	0.16%
08	Craven Co. Board of Education P-69333	841	\$ 13,129.70	0.12%
09	Craven County Wood-67804	324	\$ 3,043.17	0.03%
10	food lion-69111	258	\$ 2,763.90	0.03%
Revenue for All				
Totals	\$10,844,213	58,645	\$442,099	

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%
2020	1,580,474,281	1,030,293,928	287,343,822	344,345,009	19,190,589	2,934,241,459	0.4822	3,280,360,479	<b>89.45%</b>

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
2011	12,150,856	11,833,088	97.38%	295,659	12,128,747	99.82%
2012	13,034,415	12,694,505	97.39%	313,541	13,008,046	99.80%
2013	13,113,654	12,801,046	97.62%	273,980	13,075,026	99.71%
2014	12,713,597	12,533,988	98.59%	151,477	12,685,465	99.78%
2015	12,411,797	11,974,859	96.48%	424,999	12,399,858	99.90%
2016	12,502,513	12,403,793	99.21%	85,625	12,489,418	99.90%
2017	12,728,310	12,633,582	99.26%	74,066	12,707,648	99.84%
2018	13,113,149	13,025,627	99.33%	63,006	13,088,633	99.81%
2019	13,334,950	13,238,731	99.28%	42,637	13,281,368	99.60%
2020	14,167,776	14,024,087	98.99%	-	14,024,517	98.99%

Source: City property tax records

# City of New Bern, North Carolina

## Principal Taxpayers

### Current Year and Nine Years Ago

2020					2011				
Name of Taxpayer	Nature of Property	Assessed Value	Rank	Percentage of Total Assessed Value	Name of Taxpayer	Nature of Property	Assessed Value	Rank	Percentage of Total Assessed Value
BSH Home Appliances	Household Appliances	\$ 105,689,462	1	3.64%	BSH Home Appliances	Household Appliances	87,294,653	1	3.72%
New Bern Apartments LLC	Residential Rental	24,638,902	2	0.85%	New Bern Riverfront	Developer	38,235,778	2	1.63%
New Bern Riverfront Development LLC	Developer (Condos)	17,031,231	3	0.59%	Hatteras Yachts, Inc.	Boat Manufacturing	24,397,495	3	1.04%
Wal Mart Real Estate Business Trust	Retail Sales	15,775,740	4	0.54%	Carolina Creek	Developer	23,007,361	4	0.98%
NC New Bern LLC	Retail Sales	14,408,190	5	0.50%	Carolina Telephone	Telephone Services	20,433,698	5	0.87%
NIC 4 Courtyards of New Bern	Residential Rental	14,366,000	6	0.50%	DDR Xenia & New Bern LLC	Retail Sales	19,641,251	6	0.84%
Strata Woodcross LLC	Residential Rental	14,147,298	7	0.49%	Trent Neuse Hotel LLC	Hotel	15,206,429	7	0.65%
Duke Energy	Power Service	14,054,617	8	0.48%	Thomas F & Karen Webb	Developer	14,635,500	8	0.62%
Atta Holding Company LLC	Medical Offices	13,974,680	9	0.48%	Target	Retail Shopping	10,323,012	9	0.44%
Navis HCY Real Estate LLC	Real Estate	12,067,300	10	0.42%	Atta Holdings	Medical Offices	10,203,048	10	0.44%
Total Assessed Valuation of Top Ten Taxpayer		<u>\$ 246,153,420</u>		8.49%	Total Assessed Valuation of Top Ten Taxpayer		<u>\$ 263,378,225</u>		11.23%
Balance of Assessed Valuation.		<u>\$ 2,653,526,609</u>		91.51%	Balance of Assessed Valuation.		<u>\$ 2,081,124,037</u>		88.77%
Total Assessed Valuation		<u>\$ 2,899,680,029</u>		100.00%	Total Assessed Valuation		<u>\$ 2,344,502,262</u>		100.00%

Source: City property tax records

## City of New Bern, North Carolina

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

<b>Fiscal Year Ending June 30</b>	<b>Direct Rate City</b>	<b>Overlapping Rate Craven County</b>
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
2020	0.4822	0.5494

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

(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.

City of New Bern, North Carolina

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities							
	General Obligation Bonds	Capitalized Leases	Installment Notes Payable	Capitalized Leases	Notes Payable	Installment Notes Payable	General Obligation Bonds	Revenue Bonds	Total Primary Government	Total Debt Per Capita	Total Debt as Percentage of Personal Income
2011	-	-	12,731,877	-	47,724,116	23,617,057	-	-	84,073,050	2,812	2.345%
2012	-	-	14,610,371	-	44,801,300	21,270,822	-	-	80,682,493	2,699	2.199%
2013	-	-	12,449,882	-	41,847,545	3,868,205	-	17,180,000	75,345,632	2,485	1.964%
2014	-	-	12,729,584	-	38,862,038	4,209,693	-	15,576,277	71,377,592	2,360	1.743%
2015	-	-	12,948,539	-	35,843,939	3,648,020	-	17,608,515	70,049,013	2,316	1.305%
2016	-	-	7,926,663	-	32,792,386	6,166,443	-	21,207,039	68,092,531	2,918	1.361%
2017	-	-	8,038,626	-	29,447,558	5,107,437	-	18,662,107	61,255,728	2,605	1.224%
2018	-	-	8,627,381	-	26,585,374	3,859,046	-	16,070,782	55,142,583	2,292	1.314%
2019	-	-	10,571,478	-	23,694,553	3,423,227	-	13,434,534	51,123,791	1,878	1.177%
2020			8,494,257		20,774,358	2,564,381		10,752,567	42,585,563	1,420	0.421%

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, 2020  
(Unaudited)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Craven County Debt	\$ 48,031,231	28.98%	\$ 51,227,866
<b>Subtotal, overlapping debt</b>	<b>\$ 48,031,231</b>		<b>\$ 51,227,866</b>
City Direct Debt	7,926,663	100%	7,926,663
<b>Total direct and overlapping debt</b>	<b>\$ 55,957,894</b>		<b>\$ 59,154,529</b>

**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)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 234,739,317
Total net debt applicable to limit	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	8,494,257
Legal debt margin	\$ 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	\$ 226,245,060
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	5.39%	6.15%	5.12%	5.42%	5.65%	3.36%	3.76%	3.58%	4.63%	3.75%

Notes:

Debt includes Installment proceeds and Notes payable

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Valuation	\$ 2,934,241,459
8%	234,739,317
Less applicable debt	<u>(8,494,257)</u>
Debt margin	<u>\$ 226,245,060</u>



## City of New Bern, North Carolina

### Demographic and Economic Statistics

#### Last Ten Fiscal Years

(Unaudited)

Fiscal Year Ended June 30	Population (1)	Per Capita Personal Income (2)	Personal Income (3)	Public School Enrollment (4)	Unemployment Rate (5)
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	29,942	25,878	4,529,336	13,778	3.1%
2019	30,113	27,224	4,743,930	14,171	4.0%
2020	29,994	27,224	(6)	13,895	4.8%

#### 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
- (4) Craven County Public Schools  
<https://www.publicschoolreview.com/north-carolina/craven-county-schools/3703310-school-district>
- (5) Provided by U.S Bureau of Labor Statistics <https://www.cravencountync.gov/2108/Workforce-Data>
- (6) Information is not presently available

**City of New Bern, North Carolina**

**Principal Employers**

**Current Year and Nine Years Ago**

**(Unaudited)**

	2020				2011		
			Percentage of Total County				Percentage of Total County
Employer	Employees	Rank	Employment		Employees	Rank	Employment
Department of Defense	5498	1	13.82%	Department of Defense	5,408	1	14.20%
CarolinaEast Health Systems	2303	2	5.79%	CarolinaEast Health Systems	2,100	2	5.51%
Craven County Schools	1646	3	4.14%	Craven County Schools	1,917	3	5.03%
BSH Home Appliances	1200	4	3.02%	State of North Carolina	938	4	2.46%
Moen Incorporated	820	5	2.05%	BSH Home Appliances	800	5	2.10%
State of North Carolina	797	6	2.00%	Moen Incorporated	630	6	1.65%
Craven County	650	7	1.63%	Craven County	626	7	1.64%
Wal-Mart	622	8	1.56%	Hatteras Yachts (Brunswick Corp)	540	8	1.42%
Craven Community College	531	9	1.34%	City of New Bern	509	9	1.34%
City of New Bern	451	10	1.13%	Craven Community College	460	10	1.21%

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)

Functions/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
Governing Board	1	1	1	1	1	1	-	-	-	
Administration	3	4	4	4	4	4	5	5	5	4
Information Technology	7	7	8	8	8	7	7	7	7	7
Finance:										
Accounting	11	10	10	10	10	9	9	9	9	9
Warehouse	4	4	4	4	4	3	3	3	4	4
Tax Collection	3	3	3	1	-	-	-	-	-	-
Human Resources:	6	5	5	6	6	5	5	5	5	5
Police:	127.5	114	112	112	116	109.5	113	115	117	117
Animal Control	-	-	-	-	-	-	-	-	-	-
E911 Support	-	-	-	-	-	-	2	2	2	2
Communications	-	-	-	-	-	-	-	-	-	-
Fire:	66	66	67	67	67	67	66	73	73	73
Parks and Recreation:										
Administration	2	2	2	2	2	3	5	7	7	8
Facilities	-	-	-	-	-	-	11	9	9	8
West New Bern Recreation Center	5	5	5	5	5	4	-	-	-	-
Stanley White Recreation Center	4	4	4	4	4	4	-	-	-	-
Parks	14.6	13	14	14	14	13	13	13	13	13
Aquatics	0.4	0.4	-	-	-	-	-	-	-	-
Special Programs	-	-	-	-	-	-	-	-	-	-
Athletics	3	3.6	3.0	3.0	3.0	3	-	-	-	-
Planning & Inspections:										
Planning & Inspections	17	17	16	17	17	15	16	16	16	16
GIS	1	1	1	-	-	-	-	-	-	-
Public Works:										
Administration	3.5	3	3	3	3	3	3	3	3	4
Garage	4	4	4	4	4	4	4	4	4	5
Public Buildings	6	5	6	6	6	6	6	6	6	6
Streets	26	25	25	25	25	21	21	21	20	18
Cemeteries	1	1	-	-	-	-	-	-	-	-
Leaf & Limb	9	8	7	7	7	7	7	7	8	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Engineering	9	-	-	-	-	-	-	-	-	-
Solid Waste										8
Water:										
Water Resources Administration	-	7	7	7	7	7	6	6	6	6
Water Treatment	7	12	11	11	11	11	12	12	12	12
Water Distribution System Maintenance	20	25	30	30	30	27	25	25	19	19
Hydrant Maintenance	4	-	-	-	-	-	-	-	-	-
Sewer:										
Sewer Treatment	19	21	21	21	20	19	19	19	20	20
Sewer Collection System Maintenance	27	21	16	14	14	12	16	16	20	21
PreTreatment	2	-	-	-	-	-	-	-	-	-

**City of New Bern, North Carolina**

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Electric:										
Electric Administration	7	7	7	7	7	6	6	6	6	7
Utility Billing	5	5	5	5	-	-	-	-	-	-
Utility Service	16	15	15	10	-	-	-	-	-	-
Distribution O&M	30	32	32	36	36	34	34	34	34	34
Power Supply	4	4	4	4	4	3	4	4	5	5
Communications Control	5	5	6	6	7	7	7	7	7	7
Utility Business Office	16	16	16	16	30	29	27	27	27	27
Stormwater:										
Stormwater	-	-	5	5	5	6	6	6	6	6
Other:										
Emergency Telephone System (E911)	2	2	2	2	2	1.5	-	-	-	-
Metropolitan Planning Organization	-	-	-	-	-	2	2	2	2	2
Municipal Service District	2	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>500</b>	<b>478</b>	<b>481</b>	<b>477</b>	<b>479</b>	<b>453</b>	<b>460</b>	<b>469</b>	<b>472</b>	<b>473</b>

**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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Calls for service	38,397	36,818	48,532	42,819	43,113	42,525	45,002	46,160	45,403	46,020
Conduct DUI/Traffic Check Points	**	**	70	118	157	48	34	54	42	22
Answer 90% of 911 call in 10 seconds	**	**	99.6%	97.50%	98.05%	98.02%	98.21%	98.06%	97.61%	98.18%
Dispatch Emergency call in 90 seconds	**	**	85.30%	91.15%	72.35%	89.80%	70.15%	78.50%	80.00%	46.40%
Dispatch Non-Emergent call in 15 minutes	**	**	97.80%	75.00%	74.40%	76.10%	99.79%	99.91%	99.80%	93.80%
Maintain 100% state certification for sworn and non-sworn	**	**	100.00%	98.78%	98.78%	98.78%	100.00%	100.00%	100.00%	0.00%
Conduct directed traffic enforcement	**	**	**	**	**	362	196	370	1,361	1888
Conduct directed radar enforcement campaigns	**	**	1	4	21	****	12	230	580	712
Arrests	**	**	1,944	1,750	1,595	1,545	1,497	1,774	1,478	1,290
Fire:										
Calls for service	1,124	1,090	992	1,115	1,223	1,251	1,485	1,683	1,982	1,770
Value of Endangered Property	**	**	**	50,260,192	13,718,938	122,605,907	11,477,095	40,955,210	180,755,380	282,268,870
Value of Property Loss	\$ 1,658,581	\$ 6,131,061	\$ 1,389,713	\$ 2,811,003	\$ 656,825	\$ 1,201,657	\$ 1,691,425	\$ 10,326,546	\$ 1,765,436	\$ 1,616,775
Fire Inspections	**	1,860	1,787	1,519	1,568	1,420	1,606	1,743	1,978	1,946
Fire Investigations	**	43	32	36	33	31	27	30	27	44
People Educated by Fire Education Programs	**	7,033	7,298	8,857	9,929	11,065	13,697	9,360	8,453	2,179
Child Passenger Safety Seat Inspections	**	299	295	268	227	236	220	173	189	42
Permits Issued	**	140	82	126	91	113	131	101	58	75
Firefighter Training Hours	**			19,176	19,522	18,503	18,568	19,803	29,051	19,502
Recreation program attendance:										
Athletics	95,750	98,500	98,500	99,000	99,500	100,000	0	0	0	40,000
Centers & Parks	278,501	285,500	286,000	286,500	306,000	310,000	0	0	0	344,000
Other Programs	90,550	96,775	97,000	97,225	100,000	105,000	0	0	0	55,000
Planning & Development:										
Total building permits	573	652	605	529	511	317	290	517	774	258
Total value of all permits	\$38,992,626	\$47,994,419	\$37,189,233	\$40,634,053	\$32,604,601	\$65,763,473	\$33,242,973	\$120,929,581	\$102,353,540	\$102,527,556.00
Public service:										
Garbage collected (ton)	7,640	7,719	7,626	7,854	8,135	8,521	8,303	8,561	8,814	3,087
Recycle collected (ton) ***	1,791	2,403	1,795	2,191	2,222	2,185	2,188	2,102	1,625	576.92 July 2019- June 2020
Stormwater										
Calls for service	**	**	450	178	264	355	248	216	209	n/a
Yearly rainfall	**	**	43.99"	37.14"	54.91	67.15	63.14	55.81	39.08	n/a
Stormwater fee	**	**	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	\$2.10 / ERU	n/a
Residential ERU's	**	**	**	12,516	12,756	12,906	12,966	13,182	12,753	n/a
Commercial ERU's	**	**	**	20,452	20,006	19,923	19,420	22,972	14,290	n/a

Source: Various City records

Note: \* Includes Hurricane Irene Loss

\*\* Data not available

\*\*\* Numbers are derived from Craven County Recycling tonnages.

Only totals were available, however based on the percentage of households in the city to county,

33.53% was used from the total collected to generate an approximate City value.

\*\*\*\* Tracking Changes Amended, stats unavailable

**City of New Bern, North Carolina**

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Capital Assets	4	4	5	5	5	5	5	5	5	5
Fire & Rescue:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Fire Training Academy Building	1	1	1	1	1	1	1	1	1	1
Fire Training Academy Classroom	1	1	1	1	1	1	1	1	1	1
Parks & Recreation:										
Acreage	312	312	312	350	360	363	363	1251	1251	1254
Parks	21	21	21	23	24	24	24	25	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	6	6	6
Tennis Courts	4	4	4	4	4	4	4	4	4	2
Swimming pools	1	1	1	1	1	1	1	1	1	6
Parks with Playground Equipment	9	9	10	11	12	13	13	13	13	1
Picnic Shelters	8	8	9	10	10	11	11	11	11	13
Community Centers	3	3	3	3	3	2	2	2	2	14
Natural Sites	4	4	4	4	4	4	4	4	4	2
Gymnasium	2	2	2	2	2	2	2	2	2	4
Spray Ground	1	1	1	1	1	1	2	2	2	2
Dog Park	1	1	1	1	1	1	1	1	1	2
Boat Launch/Ramp/Pier	8	8	8	8	10	11	11	11	11	1
Picnic Tables	75	75	87	90	95	98	98	98	98	15
Park Benches	108	108	126	130	138	143	143	143	143	104
Multi-purpose Fields	2	2	2	2	2	2	3	3	3	148
Walking Trails	6	6	6	6	6	6	6	7	7	3
Outdoor Restrooms	9	9	9	9	9	9	10	10	10	7
Public Parking Lots	11	11	11	11	11	12	12	12	12	11
Public Art	3	4	4	5	5	5	5	6	6	14
Horseshoe Courts	3	3	3	3	3	3	3	9	9	6
Outdoor Volleyball Courts	2	2	2	2	2	2	2	2	2	9
Bike Racks	7	7	7	25	25	25	25	25	25	2
Wastewater:										27
*Sanitary Sewers (miles)	211.4	211.7	211.7	414.88	416.77	417.58	419.11	437.02	437.02	438.42
*Storm Sewers (miles)	62.4	62.5	62.5	74.35	74.62	76.58	77.56	76.94	76.94	78.48
*Average Daily Flow	3.82	3.63	3.63	3.89	3.88	4.55	4.25	4.26	4.26	4.19
Electric:										
Average Daily Usage (kWh)	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	1,218,593
Mile of Distribution Lines	515	515	518	520	630	550	550	550	550	550

**Source: Various City records**

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

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## Compliance Section

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

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Telephone (910) 642-2109  
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**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, 2020, 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 January 8, 2021.

**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.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs [2020-001] that we consider to be material weaknesses.



### 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**

**January 8, 2021**



***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 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, 2020. 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 the requirements of laws, regulations, contracts, and grants 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 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 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, 2020.

**Members**

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

## 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.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
January 8, 2021



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

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---

**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, 2020. 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 the requirements of laws, regulations, contracts, and grants 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, 2020.

#### 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**

**January 8, 2021**

**City of New Bern, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2020**

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**Section I. Summary of Auditor's Results**

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Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☒ Yes

☐ No

Significant deficiency(ies) identified

☐ Yes

☒ No

Noncompliance material to financial statements noted

☐ Yes

☒ No

Federal Awards

Internal control over major Federal programs:

Material Weakness(es) identified?

☐ Yes

☒ No

Significant Deficiency(s)

☐ Yes

☒ No

Type of auditor's report issued on compliance for major Federal

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes

☒ No

Identification of major Federal programs:

CFDA #

Program Name

97.036

Disaster Grants - Public Assistance

Dollar threshold used to distinguish between Type A and Type B Program

\$ 750,000

Auditee qualified as low-risk auditee?

☐ Yes

☒ No

State Awards

Internal control over major State programs:

Material Weakness(es) identified?

☐ Yes

☒ No

Significant Deficiency(s)

☐ Yes

☒ No

Type of auditor's report issued on compliance for major State 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

Disaster Grants - Public Assistance

**City of New Bern, North Carolina  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020**

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**Section II – Financial Statement Findings**

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**Finding 2020-001                      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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2019-003

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

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

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**Section III – Federal Award Findings and Questioned Costs**

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None Reported.

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**Section IV – State Award Findings and Questioned Costs**

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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, 2020**

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**Section II – Financial Statement Findings**

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Finding: 2020-001

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, 2021

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**Section III – Federal Award Findings and Questioned Costs**

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None Reported.

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**Section IV – State Award Findings and Questioned Costs**

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None Reported.



**City of New Bern, North Carolina**  
**Summary Schedule of Prior Year's Findings**  
**For the Fiscal Year Ended June 30, 2020**

Finding: 2019-001  
Status: Corrected

Finding: 2019-002  
Status: Corrected

Finding: 2019-003  
Status: Repeat as Finding 2020-001

**City of New Bern, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2020**

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)	Provided to Subrecipients 1(e)	Local Expenditures 1(d)
<b>Federal Grants:</b>						
<b>Cash Programs:</b>						
<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	\$ 168,747	\$ -	\$ -	\$ -
<u>U.S. Department of Justice</u>						
Passed-through N.C. Department of Public Safety Bulletproof Vest Program	16.607		4,693	-	-	4,694
Edward Byrne Memorial Justice Assistance Grant (JAG) Program	16.738		13,778	-	-	-
Equitable Sharing Program	16.922		8,895	-	-	-
<u>U.S. Department of Commerce</u>						
Investments for Public Works and Economic Development Facilities	11.300	04-01-07167	609,372	-	-	-
<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	16,251	2,032	-	2,031
Highway Planning and Construction	20.205-5	48476.1.16	122,373	-	-	30,593
<u>U.S. Department of Homeland Security</u>						
Passed-through N.C. Department of Public Safety						
Disaster Grants - Public Assistance	97.036		9,409,190	3,136,397	-	-
Disaster Grants - Public Assistance	97.036		224,196	74,732	-	-
Total Federal Awards			\$ 10,577,495	\$ 3,213,161	\$ -	\$ 37,318
<b>State Grants:</b>						
<b>Cash Assistance:</b>						
<u>N.C. Department of Transportation:</u>						
Powell Bill		DOT-4 32570	\$ -	\$ 543,524	\$ -	\$ -
<u>N.C. Department of Commerce</u>						
Passed-through Golden LEAF Foundation						
Golden LEAF Disaster Recovery Grant - Hurricane Florence		FY 2020-011	-	32,143	-	-
Golden LEAF Disaster Recovery Grant - Hurricane Florence		FY 2019-363	-	208,608	-	-
Total Federal and State Awards			\$ 10,577,495	\$ 3,997,436	\$ -	\$ 37,318

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, 2020. 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.