



# 2022

## City of Concord, North Carolina

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Annual Comprehensive Financial  
Report for the Fiscal Year Ended  
June 30, 2022





**CITY OF CONCORD, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
For the Fiscal Year Ended June 30, 2022

Prepared by:  
Finance Department



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October 28, 2022

The Honorable Mayor and  
Members of the City Council  
City of Concord, North Carolina

The Annual Comprehensive Financial Report (ACFR) of the City of Concord, North Carolina, for the fiscal year ended June 30, 2022, is hereby submitted. The financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted governmental auditing standards by a firm of licensed certified public accountants. We believe the data is presented in a manner designed to set forth fairly the financial position and results of operations for the City for fiscal year 2022.

This report was prepared by the Finance Department of the City of Concord and consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Concord has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Concord's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Concord's financial statements have been audited by Martin Starnes & Associates CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Concord for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the City of Concord's financial statements for the fiscal year ended June 30, 2022, and is fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Concord was part of a broader, federally and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with

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special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are contained in the compliance section of this report. GAAP require 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 Concord's MD&A can be found immediately following the report of the independent auditors.

## PROFILE OF THE CITY

The City of Concord is located in the north central portion of Cabarrus County, North Carolina (the "County"). The County is located in the east central part of the Charlotte-Gastonia-Concord MSA. The City, incorporated in 1796, is the County seat and covers an area of approximately 63,627 square miles with an estimated population of 108,229 as of July 1, 2021 per the N.C. Office of State Budget and Management. The City adjoins the City of Charlotte, North Carolina, and is one of six incorporated municipalities in Cabarrus County.

The City is governed by the council-manager form of government. The seven-member non-partisan City Council is elected at large from districts for four-year alternating terms. The Mayor is elected at large and also serves a four-year term. The Council members serve as the City's policy making body, adopting an annual balanced budget, establishing legislative direction for the City, and hiring a professional City Manager to serve as chief executive officer to direct the daily activities of the City's departments. The City Council makes extensive use of appointed boards and commissions in the development of policy decisions.

The City provides its citizens with a wide range of services that include public safety, solid waste and recycling, transportation, recreational activities, planning and community development services, and general administration. In addition, the City owns and operates electric, water, stormwater and wastewater utilities, a general aviation airport, and a municipal golf course. The Cities of Concord and Kannapolis have entered into a joint inter-local agreement that established a fixed route public transportation service, Concord/Kannapolis Area Transit System that began in April of 2004. The City has a Housing Department, which provides housing and housing assistance programs for low-income residents through funding from the Department of Housing and Urban Development. This report includes all of the City's activities related to those services, as well as activities of all component units of the City.

The City Council appoints members of the Alcoholic Beverage Control Board. The City receives a share of the profits but does not participate in managerial control of operations. This organization is included as a component unit in the financial statements under discrete presentation.

First Concord Corporation has been established as a nonprofit organization of the City. It has been specifically organized, and is operated exclusively, for the purpose of promoting the general welfare of the citizens of the City as a financing vehicle for the City. This Corporation is included as a blended component unit within the financial statements.

WeBuild Concord (formerly Concord Family Enrichment Association) is a nonprofit established by the City of Concord to develop and build affordable housing within Concord and surrounding areas. City Council appoints two members to the WeBuild Concord board, in addition to board seats reserved for the leadership from the departments of Planning and Neighborhood

Development and Housing. WeBuild Concord is included as a component unit in the financial statements under discrete presentation.

North Carolina General Statutes require formal budgetary accounting for all funds. The departments of the City are required to submit requests for appropriations to the City Manager in February each year. These requests are used as a starting point for developing a proposed budget. The City Manager presents the proposed budget no later than June 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30. Budgets are legally enacted by adoption by the governing board of an Annual Budget Ordinance or a Capital Project Ordinance. The Annual Budget Ordinance and Capital Project Ordinance may be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. Changes of functions and total budgets of any fund require approval of the governing board. The City Manager is authorized to reallocate departmental appropriations, as he considers necessary, and to affect interdepartmental transfers within a fund as long as it does not exceed 10% of the appropriated monies for the department whose allocation is reduced. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Capital Project Ordinance is used to establish a budget for a project that extends over more than one fiscal year. Capital Project's budget to actual comparisons for each governmental fund for which a capital project budget has been adopted is also included in this report.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end and will be carried forward with their budget appropriations to the subsequent year.

## FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Concord operates.

## LOCAL ECONOMY

The unemployment rate for Cabarrus County at June of 2022 was 3.7%, which is a decrease from a rate of 4.4% in June of 2021. The state's unemployment rate for June of 2022 was 3.4%. (Bureau of Labor Statistics)

As we enter the third year of the COVID-19 pandemic, our community is developing strategies for learning to "live" with the virus and its innumerable variants. Vaccinations are now widely available for those over the age of 5 and promising treatments are on the horizon. COVID-19 continues to shape our lives in unprecedented ways and local governments are not exempt from its impacts.

Budget development for FY 2023 was made more difficult due to levels of inflation not seen in this country in more than 40 years. The US inflation rate (CPI-U) reached 8.3% in April 2022. The City continues to feel the impacts of inflation and the ongoing supply chain crisis through spikes in material costs, double-digit percentage increases in fuel prices, and long delays for equipment

purchases. These uncertainties made for a challenging environment as we developed budgets for the upcoming fiscal year. One bright spot, however, is a fundamental shift in how citizens purchase goods and services. Local governments across the state have experienced unparalleled increases in sales tax revenues, as consumers shifted their spending both closer to home and online. No one knows yet if this revenue growth is sustainable, but the outlook is promising.

The City's economy has benefitted from the City's proximity to Charlotte, ongoing improvements to major interstate highways, the City's partnership with the State to improve other major thoroughfares within the City and the available land zoned for business development located within the City. This has led to increased economic growth and diversification over the past 20 years. Principal products manufactured in the City now include coffee, electrical wiring devices and accessories, foods, motorsports equipment, plastics, printing and publishing, concrete products, lumber and wood, specialized colorings, fabricated metal and machinery products, mobile and modular home components, corrugated packaging and textiles. The distribution, warehousing and shipping industry is a growing sector of the City's economy. This industry benefits from proximity to Charlotte (a regional trucking and manufacturing center with a major commercial international airport, including major freight operations). The most recent investment can be partially traced to the many major transportation projects in Concord that are just completed, currently underway or that will begin in 2022. Concord has great access to Interstate 85, which has six existing interchanges in the City. North Carolina Department of Transportation (NCDOT) projects that are programmed with Concord's participation will continue to enhance the City's accessibility. The I-85 project from NC 73 to 29-601 Connector in Rowan County is complete. This project included significant improvements to the interchanges at Exits 58 (US29) and 60 (Copperfield/Dale Earnhardt). The George Liles Parkway extension is complete and links US 29 in Concord directly to I-85, providing enhanced access to approximately 3000 acres of property zoned for business development in the geographic middle of the City. The City partnered with NCDOT to widen Derita Road, running by Concord Regional Airport, as development along that corridor has been accelerated due to the completion of I-485. I-485 has added another direct route to access I-77, in addition to NC 73 and I-85.

Concord has also evolved into a major tourist destination in North Carolina. Concord Mills has one of the highest numbers of visitors of any attraction in North Carolina. Charlotte Motor Speedway, the ZMax Dragway and NASCAR team race shops bring in hundreds of thousands of people that use lodging and restaurants and shop. This has also led to the development of other facilities such as the Embassy Suites Resort/Concord Convention Center, the Great Wolf Lodge and many other limited service hotels.

Concord has been aggressive in pursuing grants to continue capital improvements in the City. The City has received the following awards:

- Housing HUD Capital Fund Grant for capital improvements and upgrades to public housing facilities.
- Various Federal Transportation Grants for Airport Improvements.
- Federal transportation grants for traffic management purposes.

The City is engaged in short-range and long-range planning to provide the necessary infrastructure to accommodate the City's future growth. The City, other local governments, and local business leaders cooperate in economic recruiting and development efforts. The Cabarrus Economic Development Commission, which operates with a full-time staff, serves as the primary recruiting and marketing entity for economic development. Due to the availability of sites within commercial and industrial parks with all municipal services available located near major highways and interstates, the City is experiencing continued economic development activity.

## LONG TERM FINANCIAL PLANNING

Before COVID-19, the economy in Concord was strong, and the City expects the economy to continue recovering and return to the pre-COVID conditions in the upcoming fiscal year. There are many opportunities to plant the seeds for the future of better paying industrial and technology jobs, mixed-use office parks, and the continued redevelopment of Concord's Center City. The City works closely with the Cabarrus County Economic Development Commission and with private land owners to pursue such opportunities. Concord has been a leader in developing speculative industrial space by partnering with the private sector. While "product" is available, we must look to develop future sites as industrial parks and buildings are completed and occupied.

City Council has adopted a City of Concord Strategic Plan 2020-2023. This plan will guide staff and the City as we work to accomplish the plans that are contained in the document.

The City Council, with staff assistance and help from a consultant, has updated and adopted the City's 2030 Land Use Plan. Over the course of the coming year, staff will continue working to align the Plan with our Development Ordinances for consistency. In addition, staff will be working with private property owners to develop small area plans which will provide a roadmap for future development on large vacant properties. The Plan and associated work will help guide Council on public and private development in Concord as well as what the community will look like in future years. With the growth of the community comes the need to constantly plan for the future. The 2030 Land Use Plan provides a vision for the future, with long-range goals and objectives for all development activities.

The City's downtown is undergoing a metamorphosis, with multiple residential developments underway and an increase in pedestrian friendly amenities. Development (new and infill) is strong in downtown. New businesses and restaurants continue to fill vacancies as soon as they become available. Lansing Melbourne Group (LMG) is constructing three mixed-use Novi projects, representing an estimated \$70 million in private investment. Approximately 294 dwelling units, including 170 affordable/workforce units, are being built. These units provide more options for those who work in the City to live here too. Construction will begin soon on the new Union StreetScape, which will widen sidewalks and create additional opportunities for outdoor dining. Means Avenue will be transformed into an open, pedestrian-friendly space for future programming and activities driven by the expansion and renovation of the County courthouse, with a tentative opening date in 2023. The Annex project, formerly the home of the City's Planning and Human Resources departments, is nearing completion. Its lowest level operates as a non-profit center, providing affordable office space to local non-profits. The main and second levels will soon open as retail, restaurant, and office space. Staff are working diligently to promote downtown Concord as an ideal place to live and work.

Funding is proposed in our CIP to continue the implementation of our Master Plans. The City will use a mix of funding sources to pay for these projects – including reserves, operating revenues, and revenue bonds. Water will partner with Kannapolis and Albemarle on a preliminary study to determine the infrastructure needed to expand Albemarle's water treatment plant. This expansion will provide Concord and Kannapolis an additional 5 million gallons per day of treated water from the Yadkin River Basin. Investing in our water infrastructure allows us to be proactive towards future growth while sustaining our current system. Sewer availability has become a hot topic due to limited capacity within WSACC's Rocky River Wastewater Treatment Plant. The plant will be expanded to meet current and future wastewater needs. Until that expansion is completed, the plant's remaining sewer capacity has been allocated to its four member jurisdictions. Concord's Sewer Allocation Policy assures responsible growth while carefully allocating available sewer

flow. To do this, Council has changed the sewer allocation methodology to require approval of a preliminary sewer allocation before a project may proceed.

Concord entered into a 20-year agreement with NTE Energy effective January 1, 2019 to purchase power. Savings from this contract allowed Electric to complete five substations, three delivery stations, and construct the Electric Operations Center without having to raise rates. A volatile natural gas market caused a dramatic spike in the City's purchased power costs over the last year. This unprecedented increase left Concord at an impasse: either raise base rates or change the Purchased Power Adjustment (PPA). The PPA was created in 2011 to help Concord manage purchased power cost volatilities throughout the year without having to change base rates. To help pay for the cost increase, the City made the tough decision to reset the purchase power adjustment to zero for the first time since 2016. Rate stabilization funds were also used to help alleviate additional cost increases and prevent base rate changes.

Concord-Padgett Regional Airport has partially emerged from the COVID-19 crisis. Flights, parking, and fuel sales have begun to bounce back to pre-pandemic levels. This recovery allowed the Airport to increase fuel sale revenues and continue with maintenance projects. While some projects are still on hold, such as the domicile base for Allegiant Travel Company, there are exciting things coming to the airport. New remote traffic control tower technology from Kongsberg will be implemented at the airport along with installing phase one of three for fiber feedback loop construction and the expansion of the North Apron. These projects allow the Airport to remain at the front of innovation and efficiency.

Citizen surveys continue to state the need for transportation improvements in the City. The City Council has allocated a total of 2.5¢ of the tax rate to be allocated to transportation projects in the City. Staff continue to work closely with NC DOT on projects in the City to reduce traffic and congestion concerns. The City maintains over 297 miles of sidewalk and over 764 lane miles of roads. Major projects in the FY23 budget include sidewalk improvements, funding toward the Spring Street concrete street replacement, land and right-of-way acquisition for the intersection improvements at Poplar Tent Rd/Harris Rd, and construction of the Lincoln Street Bridge replacement.

Federal funding remains the core of the Rider public transit system. As the lead agency, Concord is the responsible party for Federal transit funds for not only Rider but also for Cabarrus County transit, Rowan County transit, and Salisbury transit. The Public Transit Master Plan was completed in 2020. The Plan detailed suggestions for enhancing service, including a consolidation of the City and Cabarrus County's transit systems. In the coming months, both systems will begin the process of planning for consolidation. The study is expected to be complete early in calendar year 2023. It will review governance models, service delivery, staffing structures, financing, public education efforts, and marketing strategies. One anticipated finding is the need for the design and construction of a new operations and maintenance facility to be built with the long range transit plan in mind.

Construction for Fire Station 12 was completed in April 2022 giving necessary coverage for planned industrial development at The Grounds at Concord site. Development throughout the City necessitated adding a ladder truck at Fire Station 10 along with 18 additional personnel to staff it. Concord Police continues to pursue national accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA) with the goal of becoming accredited in FY 2023. In the upcoming school year, Cabarrus County will open the Roberta Road Middle School where the City will provide an additional School Resource Officer (SRO). Concord Police staffs

22 SROs and 2 SRO supervisors to cover all elementary, middle, and high schools within City limits.

The adopted Comprehensive Master Plan and Open Space Connectivity Plan continue to drive Parks and Recreation programming, greenway development, park development, and connectivity to neighborhood parks and schools across the City. The 1¢ dedicated to Parks & Recreation helps to accelerate site control and increase connectivity. To further enhance and expand our parks, the City will place a \$60 million general obligation bond package on the ballot this November. If passed, bond funding will accelerate projects related to the adopted master plans and address City-wide needs for additional recreation resources. The funding will go towards developing playgrounds, splashpads, a pump track, and more at ten locations across the City. Staff continues to focus on site control for greenway development, improved connectivity and other pedestrian-friendly trails throughout the City through donation and dedication, with a goal of having 30 miles of greenways by the year 2030. In the coming year, staff will focus on design plans for the Academy/Gibson Village area, Wilson Street Park, David Phillips Activity Center park development, and the WW Flowe Complex.

For FY 2022-23, the Concord property tax rate continues to be among the lowest third of full-service North Carolina municipalities with populations greater than 35,000. The tax rate remains at \$.48 per \$100 of valuation.

#### CASH MANAGEMENT POLICIES AND PRACTICES

The City maintains a cash and investment pool that is used by all funds, except those restricted by statute or other legal reasons. This pool is used to facilitate disbursement and investment and to maximize investment income. North Carolina statute G.S. 159-30(c) authorizes the City to invest in U.S. Government Agency Securities, U.S. Treasury obligations, commercial paper, bankers' acceptances, certificates of deposits and the North Carolina Capital Management Trust (NCCMT), a SEC-registered mutual fund. The maturities of investments vary. Investment earnings include unrealized gains and losses from the implementation of the Governmental Accounting Standards Board ("GASB") Statement 31, which require certain investments to be recorded at fair value. The City does not expect to realize these gains or losses because the City has historically held investments to maturity.

The objectives of the investment program are to first minimize investment risk and then to maximize investment yield. During the year, the majority of the City's funds were in the City's investment portfolio. Funds were also maintained in the North Carolina Capital Management Trust and Wells Fargo for liquidity and diversity.

As of June 30, 2022, the City's cash resources were invested as follows:

U.S. Government agencies	78.2%
Commercial Paper	18.8%
NCCMT	<u>3.0%</u>
Total	<u>100.0%</u>

The average yield on investments at June 30, 2022 is estimated at 0.86% as compared to 0.74% for all taxable money market funds for the same period.

## RISK MANAGEMENT

The City is fully insured for property and general liability but is self funded for workers' compensation. An appointed safety committee reviews workers' compensation accidents and injuries and discusses remedies to eliminate repetition of such accidents and injuries. The committee also receives and reviews reports of independent safety inspectors such as OSHA to ensure a safe and healthful environment for all employees and the citizens of Concord. In addition, various risk control techniques, including but not limited to employee accident prevention training, have been implemented to minimize accident related losses. A full-time safety, health and risk management officer administers the safety and risk management program and is responsible for administering ADA rules and regulations. Costs associated with risk management are recorded in the general and enterprise funds. Additional information on the City's risk management activity can be found in the notes to the financial statements.

## PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City of Concord administers a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The City is required by Article 12D of G.S. Chapter 143 to provide these 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 total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions.

The City contributes to a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. This plan provides retirement benefits to law enforcement officers and all other employees employed by the City. 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 are vested immediately. The law enforcement officers may make voluntary contributions to the plan.

The City also contributes to the Statewide Local Governmental Employees' Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. This plan provides retirement and disability benefits to plan members and beneficiaries. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate.

The City of Concord also provides postretirement health benefits to retirees and their dependents. As of the end of the current fiscal year, there were 150 retired employees receiving benefits, which are being partially funded.

Additional information on the City's pension arrangements and post employment benefits can be found in the notes to the financial statements.

## FISCAL POLICIES

One of the City's most important fiscal policies is the Reserve Policy. This policy ensures that the City always maintain adequate reserves.



## RESERVE POLICY

1. The City will maintain an unassigned General Fund fund balance minimum between 30% and 35% of General Fund expenditures.
2. The City will evaluate ending unassigned General Fund fund balance each year to determine if an amount is available for transfer to the capital reserve fund. Any amount over the unassigned General Fund balance target is deemed available for transfer to the capital reserve account for future capital projects.
3. These policies will be evaluated each year during the budget process.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Concord, North Carolina for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The annual comprehensive financial report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The City of Concord has received a Certificate of Achievement for the last thirty-three consecutive years.

The presentation of this report could not have been accomplished without the assistance and dedication of the entire staff of the Finance Department. Special thanks go to Deputy Finance Director, Kristin Roe, and the entire accounting staff for their contribution and preparation of this report. We also appreciate the cooperation and assistance of the other City departments, as well as the assistance of the City's independent auditor, Martin Starnes & Associates CPAs, P.A., in their preparation of this report. In addition, we express our appreciation to the Mayor and City Council for their continued support and leadership in conducting the financial activities of the City in a responsible and progressive manner.

Respectfully submitted,



Lloyd Wm. Payne, Jr.  
City Manager



Jessica Jones  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Concord  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**CITY OF CONCORD, NORTH CAROLINA**  
**CITY GOVERNING BODY AND OFFICIALS**

---

Members of the Governing Body  
City Council

William C. "Bill" Dusch Mayor

Terry Crawford Mayor Pro Tempore

Andy Langford  
W. Brian King  
Betty M. Stocks  
JC McKenzie  
Jennifer P. Hubbard  
John Sweat, Jr.

Lloyd Wm. Payne, Jr. City Manager


Jessica Jones Finance Director

VaLerie Kolczynski City Attorney

Kim Deason City Clerk

Citizens of Concord  
Represented by Mayor & Council



**City Attorney**  
Valerie Kolczynski  
704-920-5115

**City Manager**  
Lloyd Payne  
704-920-5215


**City Clerk**  
Kim Deason  
704-920-5205


**Asst. City Manager**  
Joshua Smith  
704-920-5215

**Asst. City Manager**  
Pam Hinson  
704-920-5215

**Asst. City Manager**  
LeDerick Blackburn  
704-920-5215

**Aviation**  
Dirk Vanderleest  
704-920-5912

**Communications**  
Bethany Ledwell  
704-920-5590

**Finance**  
Jessica Jones  
704-920-5222

**Human Resources**  
Chantel Thompson  
704-920-5101

**Buildings & Grounds**  
Susan Sessler  
704-920-5380


**Electric Systems**  
Alex Burris  
704-920-5335

**Emergency Management**  
Ian Crane  
704-920-5211

**Fire**  
Jake Williams  
704-920-5524

**Planning & Neigh. Dev.**  
Steve Osborne  
704-920-5132

**Rider Transit**  
L.J. Weslowski  
704-920-5878

**Engineering**  
Sue Hyde  
704-920-5401

**Fleet Services**  
Douglas Summer  
704-920-5431

**Housing**  
Angela Graham  
704-920-6100

**Parks & Recreation**  
Bob Dowless  
704-920-5610

**Public Affairs & Project Manager**  
Lindsay Manson  
704-920-5210

**Data Services (Contract)**  
Charlie Bridges  
704-920-5290

**Solid Waste & Recycling**  
Robin Barham  
704-920-5351

**Transportation**  
Phillip Graham  
704-920-5338

**Police**  
Gary Gacek  
704-920-5007

**Diversity, Equity, & Inclusion Strategist**  
Jaime Brown  
704-920-6206

**Rocky River Golf Club (Contract)**  
704-455-1200

**Water Resources**  
Jeff Corley  
704-920-5372

# MARTIN STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council  
Concord, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows 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.

We did not audit the financial statements of the City of Concord ABC Board, which represents 95 percent, 95 percent, and 96 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Concord ABC Board, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*.

### ***Change in Accounting Principle***

As discussed in Note 19 to the financial statements, in 2022 the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Other Post-Employment Benefits' Schedule of Changes in the Net OPEB Liability and Related Ratios, the Firefighters and Rescue Squad Workers' Pension Schedules of the Proportionate Share of the Net Pension Liability, and the Local Governmental Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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, economical, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Concord's basic financial statements. The combining and individual fund financial statements, budgetary schedules, ad valorem tax schedules, other schedules, and supplemental financial data schedules (Section 8 housing programs), as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and the other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, ad valorem tax schedules, other schedules, supplemental financial data schedules (Section 8 housing programs), and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022, on our consideration of the City of Concord's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the City of Concord's internal control over financial reporting or on compliance. That report is an integral part of an audit prepared in accordance with *Government Auditing Standards* in considering the City of Concord's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 28, 2022



## MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the City, we offer readers of the City of Concord’s (the “City”) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with the transmittal letter at the front of this report and the City’s financial statements, which follow this narrative.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources for the City’s governmental and business type activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,170,884,194 (*net position*). Of this amount, \$264,351,579 (*unrestricted net position*) may be used to meet the government’s ongoing obligations to citizens and creditors.
- The government’s total net position increased by \$49,942,443, 4 percent. The majority of this growth is attributable to an increase in cash and investments and an increase in capital assets.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$156,384,649 an increase of \$2,490,779 in comparison with the prior year, a 2% increase. Approximately 38 percent of this total amount or \$59,900,414 is available for spending at the government’s discretion (*unassigned*). The increase in combined ending fund balance numbers is a result of an excess of revenues over expenditures for the fiscal year in governmental funds. Other governmental funds assigned and committed fund balances continue to remain stable with transfers from the general fund to support capital projects.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$62,388,124 or 54 percent of total general fund expenditures and transfers.
- The City holds the following current underlying bond rating:

	GO Bonds	LOBS/COPS	Revenue Bonds
Fitch	AAA	AA+	AA+
Moody’s	Aa1	Aa2	Aa2
Standard & Poor’s	AAA	AA+	AA-

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. 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.

### BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the City.

The first two statements (Exhibit A & B) are the *Government-wide Financial Statements*. They provide both short and long-term information about the City's overall financial status, in a manner similar to a private-sector business.

The remaining statements (Exhibits C through L) are *Fund Financial Statements*. These statements focus on the activities of the individual parts of the City's government, reporting the City's operations in more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The governmental fund statements tell how general government services like public safety were financed in the short term as well as what remains for future spending. The proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as the electric, water and wastewater systems. The fiduciary fund statement only reports assets and liabilities and is not reported on the government wide financial statement. Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. Following the notes is the section of *required supplemental information* and a section with combining statements that provide details on the City's non-major governmental funds and internal service fund, all of which are combined into one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by the private-sector companies. The two government-wide statements report the City's *net position* and how they have changed.

The *statement of net position* includes all of the City's assets, deferred inflows/outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public works, public safety, transportation, planning and community development and cultural and recreational. The business-type activities include electric, water, wastewater, aviation, transit, stormwater, public housing and municipal golf course operation.

The government-wide financial statements include not only the City of Concord itself (known as the primary government), but also a legally separate ABC Board, WeBuild Concord and First

Concord Corporation, for which the City of Concord is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 33 through 35 of this report.

## **FUND FINANCIAL STATEMENTS**

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 Concord, like all other governmental entities in North Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements such as the General Statutes or the City's budget ordinance. All of the funds, reflected in the government wide financial statements, of the City of Concord 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. These funds focus on how assets can readily be converted into cash flow in and out, and the balances 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 provide a current financial resource 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 fewer financial resources available to finance the City's programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the General Capital Reserve Fund and the American Rescue Plan Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Concord adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council 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 period 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 budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes

in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Council; 2) the final budget as amended by the Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual resources and charges.

## **Proprietary Funds**

The City maintains two types of proprietary funds. Enterprise Funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater, stormwater, aviation, golf course, transit and public housing 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 of Concord uses an internal service fund to account for the financing of goods and services provided by the Utility Collections department, Customer Care department, Billing department, Engineering department, Purchasing department, Data Services department and Building and Grounds department. Because these operations benefit predominately business type rather than governmental activities, the internal service fund has been blended within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for electric, water, wastewater, stormwater, and aviation operations, all of which are considered to be major funds of the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 48 through 51 of this report.

## **Fiduciary Funds**

The City of Concord accounts for one fiduciary fund. Fiduciary Funds use accounting much like Proprietary fund types and are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Concord's programs. The Fiduciary Fund statements are located on pages 52 through 53 of this document.

## **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 on pages 55 through 99 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's progress in funding its obligation to provide pension benefits and post retirement health benefits to its employees. Required supplementary information can be found on pages 101 through 108 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages

111 through 128 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 164 through 165.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources for the City exceeded liabilities and deferred inflows of resources by \$1,170,884,194 as of June 30, 2022.

By far the largest portion of the City's net position (73 percent) reflects its investment in capital assets (e.g., land, buildings, automotive equipment, office and other equipment, electric system and distributions stations, water treatment and storage facilities, water distribution lines, and wastewater lines, less any related debt still outstanding that was issued to acquire those assets). The City of Concord uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Concord's Statement of Net Position  
Table 1

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$180,499,697	\$193,461,001	\$271,594,339	\$254,871,617	\$452,094,036	\$448,332,618
Capital assets	422,370,001	466,999,596	422,087,773	447,467,144	844,457,774	914,466,740
Total Assets	602,869,698	660,460,597	693,682,112	702,338,761	1,296,551,810	1,362,799,358
Deferred outflows of resources	17,733,817	20,767,249	10,223,924	11,497,876	27,957,741	32,265,125
Long-term liabilities outstanding	80,601,266	70,370,711	59,668,126	46,080,995	140,269,392	116,451,706
Other liabilities	31,342,157	42,220,591	22,308,215	30,344,802	53,650,372	72,565,393
Total liabilities	111,943,423	112,591,302	81,976,341	76,425,797	193,919,764	189,017,099
Deferred inflows of resources	6,224,999	17,592,201	3,423,037	17,570,989	9,648,036	35,163,190
Net position:						
Net investment in capital assets	397,805,262	445,135,068	375,836,060	407,277,620	773,641,322	852,412,688
Restricted	45,564,434	54,119,927	-	-	45,564,434	54,119,927
Unrestricted	59,065,397	51,789,348	242,670,598	212,562,231	301,735,995	264,351,579
Total net position	\$502,435,093	\$551,044,343	\$618,506,658	\$619,839,851	\$1,120,941,751	\$1,170,884,194

An additional portion of the City's net position (4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$264,351,579, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Concord is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of \$48,609,250 in net position reported in connection with the City of Concord's governmental type activities and an increase of \$1,333,193 in net position in connection with the City of Concord's business-type activities.

During the current fiscal year, total net position for business-type activities increased by \$1,333,193, 0.2%. The minimal increase was due to a large increase in the cost of purchased power in the electric fund. These cost increases offset gains in the other enterprise funds.

City of Concord's Changes in Net Position

Table 2

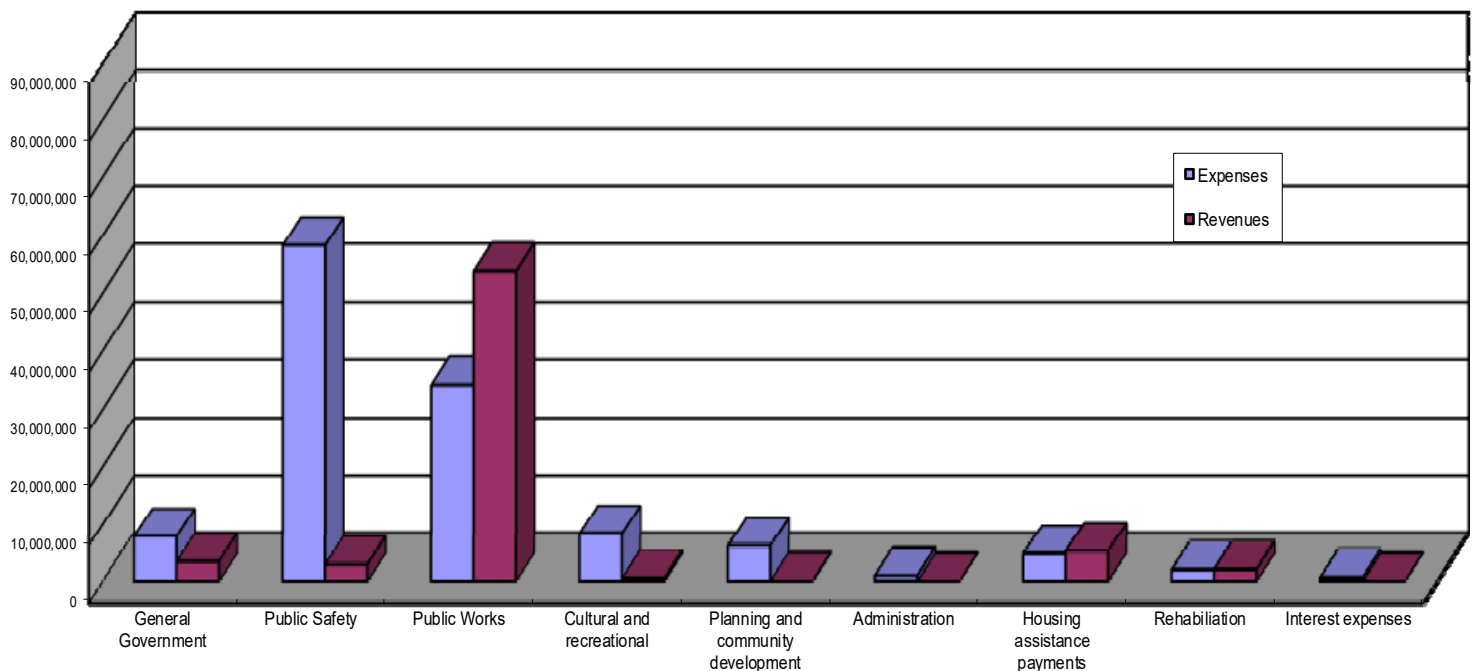
	Governmental Activites		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$9,201,946	9,564,197	\$154,056,187	160,787,775	\$163,258,133	\$170,351,972
Operating grants/ contributions	10,364,942	12,327,509	4,256,267	6,194,809	14,621,209	18,522,318
Capital grants/contributions	79,993,284	46,271,355	17,702,259	13,048,417	97,695,543	59,319,772
General revenues:						
Ad valorem taxes	68,983,413	71,237,932	-	-	68,983,413	71,237,932
Other taxes	22,777,368	26,899,548	-	-	22,777,368	26,899,548
Grants and contributions not restricted to specific programs	5,157,517	5,707,828	-	-	5,157,517	5,707,828
Investment earnings	245,044	(6,419,857)	518,768	(8,212,466)	763,812	(14,632,323)
Miscellaneous/Gain(loss) capital asset sales	2,285,967	2,055,778	583,819	448,812	2,869,786	2,504,590
<b>Total revenues</b>	<b>199,009,481</b>	<b>167,644,290</b>	<b>177,117,300</b>	<b>172,267,347</b>	<b>376,126,781</b>	<b>339,911,637</b>
<b>Expenses:</b>						
General government	8,042,489	7,917,494	-	-	8,042,489	7,917,494
Public safety	56,804,303	58,198,076	-	-	56,804,303	58,198,076
Public works	31,745,286	34,148,019	-	-	31,745,286	34,148,019
Cultural & recreational Planning & community development	7,070,517	8,423,646	-	-	7,070,517	8,423,646
Administration	5,302,309	6,222,328	-	-	5,302,309	6,222,328
Housing assistance payments	2,032,335	998,347	-	-	2,032,335	998,347
Rehabilitation	4,705,017	4,784,111	-	-	4,705,017	4,784,111
Interest on long term debt	1,230,061	2,055,926	-	-	1,230,061	2,055,926
Electric	637,687	678,918	-	-	637,687	678,918
Water	-	-	67,259,271	91,574,771	67,259,271	91,574,771
Wastewater	-	-	24,664,076	24,966,749	24,664,076	24,966,749
Regional airport	-	-	17,311,640	17,366,214	17,311,640	17,366,214
Stormwater	-	-	12,833,374	17,551,407	12,833,374	17,551,407
Other nonmajor business-type activities	-	-	4,652,635	4,748,889	4,652,635	4,748,889
<b>Total expenses</b>	<b>117,570,004</b>	<b>123,426,865</b>	<b>136,955,899</b>	<b>166,542,329</b>	<b>254,525,903</b>	<b>289,969,194</b>
Increase in net position before transfers	81,439,477	44,217,425	40,161,401	5,725,018	121,600,878	49,942,443
Transfers	(1,254,483)	4,391,825	1,254,483	(4,391,825)	-	-
Increase in net position	80,184,994	48,609,250	41,415,884	1,333,193	121,600,878	49,942,443
Net position, July 1	422,250,099	502,435,093	577,090,774	618,506,658	999,340,873	1,120,941,751
Net position, June 30	\$502,435,093	\$551,044,343	\$618,506,658	\$619,839,851	\$1,120,941,751	\$1,170,884,194

## Governmental Activities

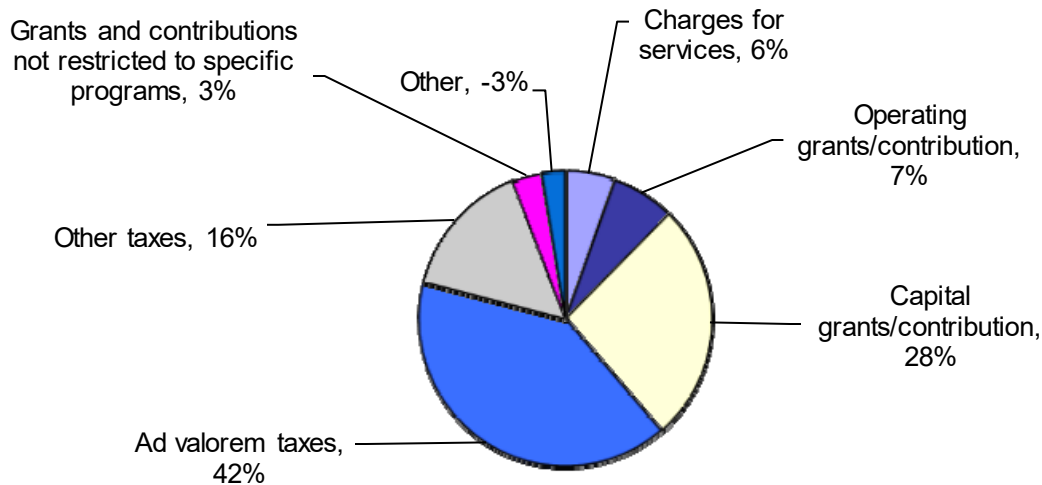
In fiscal year 2022, the net position of governmental activities increased by \$48,609,250, or about 10%. Revenues decreased by more than 16% as a result of a decrease in capital grants and contributions when compared to the prior year. Expenses and transfers were less than total sources which resulted in an increase in net position of \$48,609,250. Table 2 above, illustrates key elements of the changes in the governmental activities net position. Listed below are a few points highlighting significant changes in net position.

- Ad valorem taxes increased by \$2,254,519 (3%) during the year. The City continues to see a steady growth in assessed values.
- Capital grants/contributions increased \$33,721,929 due to a decrease in contributions for capital related to infrastructure.
- Investment earnings decreased \$6,664,992 due to a large market value loss recorded at year end. This was due to the rising interest rate environment and the fact that we hold our investments to maturity.
- Other taxes increased 18%, \$4,122,180 as sales tax revenues continued to grow.
- The total governmental activities increase in expenses was 5%. The City continues to operate as conservatively as possible while maintaining existing services. The increases are primarily related to personnel costs.

### Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities



### Business-type Activities

Business type activities increased the City's net position by \$1,333,193 (0.2%).

Key elements of the increase in business type activities, illustrated in table 2 located on page 22 are as follows:

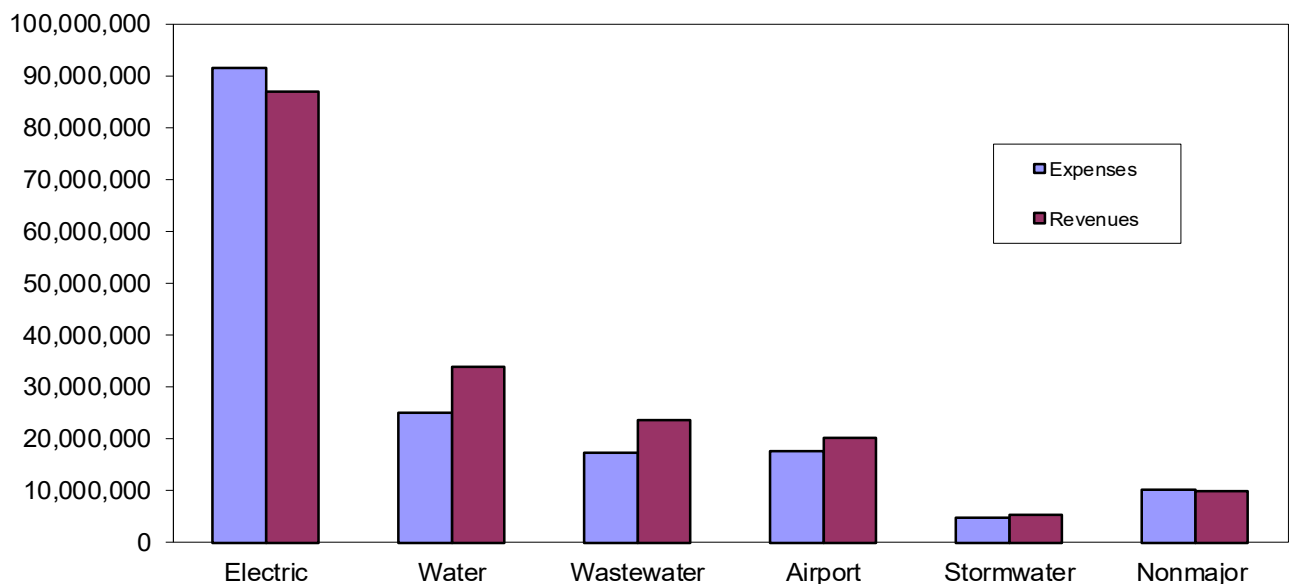
- Charges for services for business-type activities increased by 4%, \$6,731,588.
  - Usage increased 4% for wastewater customers; the City experienced a 2% growth in customers. The wastewater division's charges for service also increased 3%, due to the increase in customers and an increase in development related wastewater fees. Line service charges to developers depend on the timing of development. Wastewater operating revenue exceeded operating expenses by more than \$3.4 million in FY2022. There were no rate increases.
  - Water charges for service increased over 4.8% which was the result of customer growth (2%) in the system, as well as an increase in usage of 0.8%. There were no rate increases. The City continues to encourage customers to conserve and use less water and a tier water rate schedule was adopted in FY2010 by City Council to encourage conservation. In FY2022, water operating income exceeded operating expenses by \$5.3 million.
  - Aviation charges for service increased 53% when compared to the previous year. This large increase was due to rising fuel prices. As the cost of fuel increased, the airport increased the fuel charge to customers as well. The Concord-Padgett Regional Airport (CPRA) continued to experience reduced commercial flights due to the COVID-19 pandemic. Operations have begun to increase with a gradual recovery expected as flights continue to resume. Fiscal year ending 2022 resulted in a net operating loss of \$2.7 million. For the fiscal year ending 2022, takeoffs and landings were up 18% and the commercial flight customers increased 41% when compared to last fiscal year.
  - Stormwater charges for service increased 2% when compared to last year's collections. This increase is a result of normal growth in the City's customer base. There were no fee increases in the current fiscal year. Operating revenues exceeded operating expenditures by \$663,612.



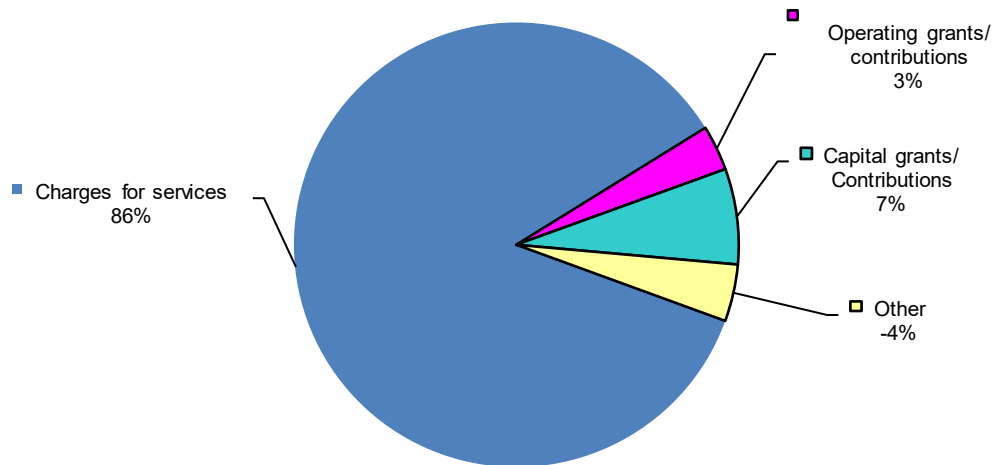
- Electric charges increased 3.1% in fiscal year 2022. A volatile natural gas market caused a dramatic spike in the City’s purchased power costs over the last year. This unprecedented increase left Concord at an impasse: either raise base rates or change the Purchased Power Adjustment (PPA). The PPA was created in 2011 to help Concord manage purchased power cost volatilities throughout the year without having to change base rates. To help pay for the cost increase, the City made the tough decision to reset the purchase power adjustment to zero for the first time since 2016. Rate stabilization funds were also used to help alleviate additional cost increases and prevent base rate changes. The City continues to monitor the profit margin for the electric fund and is currently performing a cost of service study for the Electric department. Due to the increased purchase power costs, the Electric Fund had a net operating loss of \$4,338,65 in fiscal year 2022.
- Expenses, before transfers, increased 22% when compared to the prior year. The City is experiencing a strong increase in development which places more demands on our utility budgets. The City continues to focus on ensuring that operating costs do not outpace the City’s revenue sources.
  - Electric operating expenses increased by 36%. As mentioned above, this increase was due to unprecedented increases in natural gas prices during the year.
  - Water operating costs increased 1%, which reflects normal system growth expenses.
  - Stormwater operating expenses increased 2% which reflects normal system growth expenses.
  - Wastewater operating expenses remained flat.
  - The airport operating expenses increased 37%; the majority of this increase was associated with rising fuel prices.

The City’s internal service fund is reported as a Business-type activity (proprietary fund) since enterprise funds are the largest users of the internal service fund’s activities. The fund supports and assists these departments on a daily basis and is comprised of Utility Collections, Data Services, Billing, Engineering, Customer Care Services, Purchasing, and Building and Grounds.

### Expenses and Program Revenues - Business-Type Activities



## Revenues by Source - Business-type Activities



### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Concord uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the City of Concord's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Concord's governmental funds reported combined ending fund balances of \$156,384,649, an increase of about 2% in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 38% (\$59,900,414) of the City's ending fund balance. The remaining fund balance is classified as follows to indicate that it is not available for new spending because it has already been obligated: 1) non-spendable inventories, prepaids, and leases (\$244,227), 2) restricted for streets, planning & community development, public safety and state statute stabilization (\$54,119,927), and 3) committed for future capital, planning & community development (\$42,120,081).

The general fund is the principal operating fund of the City of Concord. At the end of the current fiscal year, the unassigned fund balance in the general fund was \$62,388,124 while total fund balance for the general fund was \$89,286,479; representing an increase of \$4,960,664. The City continues to fund the capital reserve fund for major projects. The allocation for fiscal year 2022 was \$3,000,000. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned general fund balance represents 54.2% of total general fund expenditures and transfers out, while total fund balance represents 77.6% of that same amount. Key factors in the fund balance numbers are as follows:

- The City's general fund operating revenues actually exceeded operating expenditures by \$16,663,166. Transfers to other funds decreased by \$1,937,149 when compared to the prior year. The majority of the total transfers, \$16,061,757, are for capital projects and debt service. Total departmental expenditure budgets were under projections by 10.3% (\$12,473,625). Ad Valorem collections increased \$2,372,090 (3%) when compared to the prior year.

Other governmental and general fund capital reserve fund balances decreased \$2,469,885 due to funds transferred in prior years being used to complete capital projects.

## **Proprietary Funds**

The City of Concord's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail:

Unrestricted net position of the electric fund, the water fund, the wastewater fund, the regional airport fund, and the stormwater fund at the end of the year were \$95,258,084, \$59,756,839, \$38,069,921, \$10,447,730 and \$14,198,215 respectively. The unrestricted net position of all other enterprise funds was (\$925,408). The total growth in net position for the proprietary funds was \$1,333,193. Factors affecting the growth are addressed in more detail in the discussion of the City of Concord's business-type activities which begins on page 24 of this document.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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) increase in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased revenues and expenditures and other financing sources and uses by \$8,483,856, or more than 7%. This is not a significant budgetary variance between original and final amended budget for the City. The major adjustment to the budget related to a non-operating one-time transfer for planned future projects in the amount of \$3,000,000. Since budget estimates were prepared conservatively, the increase is due in part to increases to revenues as actual amounts were received in excess of original estimates. At year-end, *actual* operating revenues exceeded *final amended revenue budget* numbers by 0.96%. *Actual* operating expenditures were less than *final budgetary* figures by 10%, resulting in excess of revenues over expenditures (before other financing sources/uses) of \$16,663,166.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The City of Concord's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$914,466,740 (net of accumulated depreciation). These assets include land, buildings, machinery and other equipment, improvements and infrastructure. The total net increase in the City of Concord's investment in capital assets for the current fiscal year was 8% (10% increase for governmental activities and 6% increase for business-type activities).

Major capital asset transactions, including construction in progress, during the year included the following:

- Construction of electric substations, system additions, Smart Grid system costs and enhancements/improvements to the electric transmission lines in the amount of \$25,566,972.
- Streets infrastructure and improvements totaling \$43,987,379.
- Fire Station construction \$4,216,679.
- Purchase of vehicles and equipment for general fund totaling \$5,994,595.

- The extension of the distribution and transmission lines for the City's water system, Smart Grid system costs and upgrades/improvements to the system in the amount of \$19,334,902.
- Upgrades/improvements to the wastewater system in the amount of \$3,291,821.
- Strengthening improvements to the airport apron in the amount of \$5,418,753.

Additional information on the City of Concord's capital assets can be found in Note 6 of the Basic Financial Statements located on pages 75 and 76.

Capital Assets  
Table 3

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
	Land	\$ 20,285,803	\$ 20,475,844	\$ 44,139,255	\$ 42,672,866	\$ 64,425,058
Construction in progress	25,584,718	28,621,274	40,551,299	40,726,178	66,136,017	69,347,452
Buildings and systems	65,321,692	65,331,517	80,372,304	79,721,592	145,693,996	145,053,109
Improvements other than buildings	7,665,337	10,565,036	544,400,292	586,411,977	552,065,629	596,977,013
Machinery and equipment	42,428,362	47,071,516	40,617,888	43,741,118	83,046,250	90,812,634
Infrastructure	747,734,914	798,717,538	-	-	747,734,914	798,717,538
Sub-total	909,020,826	970,782,725	750,081,038	793,273,731	1,659,101,864	1,764,056,456
Less Accum. Depreciation	(486,650,825)	(503,783,129)	(327,993,265)	(345,806,587)	(814,644,090)	(849,589,716)
Total	\$ 422,370,001	\$ 466,999,596	\$ 422,087,773	\$ 447,467,144	\$ 844,457,774	\$ 914,466,740

### Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of \$60,010,711 (principal). Of this amount, \$0 comprises debt backed by the full faith and credit of the City and \$27,771,999 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has \$19,180,000 and \$13,058,712 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds  
Table 4

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Installment purchases	\$ 7,902,141	\$ 7,002,371	\$ 7,886,483	\$ 6,056,341	\$ 15,788,624	\$ 13,058,712
Revenue Bonds	293,797	148,095	31,549,203	27,623,904	31,843,000	27,771,999
Installment notes	15,820,850	14,609,350	4,854,150	4,570,650	20,675,000	19,180,000
Total long-term debt	\$ 24,016,788	\$ 21,759,816	\$ 44,289,836	\$ 38,250,895	\$ 68,306,624	\$ 60,010,711

In the current fiscal year, the City of Concord's total debt decreased by \$8,295,913 (12 percent). There is more information available in Note 9 of this document regarding refunding and advance refunding issues in prior years.

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 City's debt as a percentage of assessed value of taxable property is 0.15%. The legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is \$1,168,937,673. The current debt limitation for the City of

Concord is \$1,190,549,394, which is significantly greater than the City of Concord's outstanding general obligation debt.

Additional information on the City of Concord's long-term debt can be found in Note 9 on pages 78 through 83 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

- As we enter the third year of the COVID-19 pandemic, our community is developing strategies for learning to “live” with the virus and its innumerable variants. Vaccinations are now widely available for those over the age of 5 and promising treatments are on the horizon. COVID-19 continues to shape our lives in unprecedented ways and local governments are not exempt from its impacts.

Budget development for FY 2023 was made more difficult due to levels of inflation not seen in this country in more than 40 years. The US inflation rate (CPI-U) reached 8.3% in April 2022. The City continues to feel the impacts of inflation and the ongoing supply chain crisis through spikes in material costs, double-digit percentage increases in fuel prices, and long delays for equipment purchases. These uncertainties made for a challenging environment as we developed budgets for the upcoming fiscal year. One bright spot, however, is a fundamental shift in how citizens purchase goods and services. Local governments across the state have experienced unparalleled increases in sales tax revenues, as consumers shifted their spending both closer to home and online. No one knows yet if this revenue growth is sustainable, but the outlook is promising.

- The unemployment rate for Cabarrus County at June of 2022 was 3.7%, which is a decrease from a rate of 4.4% in June of 2021. The state's unemployment rate for June of 2022 was 3.4%.
- Concord's certified population has increased from 79,066 in 2010 to an estimated 108,229 as of July 1, 2021 (per NC Office of State Budget & Management), which represents a growth rate of 37%. The City experienced a 3% growth in current year population when compared to the certified population estimate as of July 1, 2020. Concord's most recent estimated population is 108,229 according the United States census estimates. Concord is the 10<sup>th</sup> largest city in North Carolina.
- The City's Planning & Community Development Department continues to focus on economic development within the City. This position provides a direct resource for the Cabarrus County Economic Development Commission staff and a liaison for any business seeking to locate or expand in Concord. Job creation and expansion of the tax base has to be a priority.
- Before COVID-19, the economy in Concord was strong, and the City expects the economy to continue recovering and return to the pre-COVID conditions in the upcoming fiscal year. There are many opportunities to plant the seeds for the future of better paying industrial and technology jobs, mixed-use office parks, and the continued redevelopment of Concord's Center City. The City works closely with the Cabarrus County Economic Development Commission and with private land owners to pursue such opportunities. Concord has been a leader in developing speculative industrial space by partnering with the private sector. While “product” is available, we must look to develop future sites as industrial parks and buildings are completed and occupied.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2023. The amount of unassigned fund balance in the general fund is \$62,388,221 as of July 1, 2022. Concord has no appropriation from fund balance for the 2023 fiscal year.

The tax base used in the fiscal year 2023 budget preparation represents an estimated 4% increase in real property values from fiscal year 2022 projections. The increase is a result of continued development and growth in the city. One cent on the City's tax rate produces \$1,442,298 in revenue, after the City's estimated collection rate is applied. This rate compares favorably to past City tax rates and remains one of the lowest in the state among medium to large size cities. The fiscal year 2023 budget does not change the tax rate of \$0.4800 per \$100 property evaluation.

The City's downtown is undergoing a metamorphosis, with multiple residential developments underway and an increase in pedestrian friendly amenities. Development (new and infill) is strong in downtown. New businesses and restaurants continue to fill vacancies as soon as they become available. Lansing Melbourne Group (LMG) is constructing three mixed-use Novi projects, representing an estimated \$70 million in private investment. Approximately 294 dwelling units, including 170 affordable/workforce units, are being built. These units provide more options for those who work in the City to live here too. Construction will begin soon on the new Union StreetScape, which will widen sidewalks and create additional opportunities for outdoor dining. Means Avenue will be transformed into an open, pedestrian-friendly space for future programming and activities driven by the expansion and renovation of the County courthouse, with a tentative opening date in 2023. The Annex project, formerly the home of the City's Planning and Human Resources departments, is nearing completion. Its lowest level operates as a non-profit center, providing affordable office space to local non-profits. The main and second levels will soon open as retail, restaurant, and office space. Staff are working diligently to promote downtown Concord as an ideal place to live and work.

Funding will continue for the implementation of the Water, Wastewater, and Stormwater Master Plans. The City's capital improvement plan covers many of these projects for the upcoming year and into the future. The City has been fortunate to have available funds, which have been used for the past couple of years to pay for many of these needed improvements.

The City is partnering with the land owners to run sewer to the project now called The Grounds (former Phillip Morris site). This project, once complete, will open the way for job-producing development. The former Philip Morris property remains one of the most unique properties in the Charlotte region. The existing building and the additional undeveloped acreage on and off the site mean Concord has over 3,000 acres of property zoned for business near the geographic center of the City when combined with other properties along George Liles Parkway.

Concord entered into a 20-year agreement with NTE Energy effective January 1, 2019 to purchase power. Savings from this contract allowed Electric to complete five substations, three delivery stations, and construct the Electric Operations Center without having to raise rates. A volatile natural gas market caused a dramatic spike in the City's purchased power costs over the last year. This unprecedented increase left Concord at an impasse: either raise base rates or change the Purchased Power Adjustment (PPA). The PPA was created in 2011 to help Concord manage purchased power cost volatilities throughout the year without having to change base rates. To help pay for the cost increase, the City made the tough decision to reset the purchase power adjustment to zero for the first time since 2016. Rate stabilization funds were also used to help alleviate additional cost increases and prevent base rate changes.

Citizen surveys continue to reflect their desire for transportation improvements in the City. Next year's budget includes a total allocation of property tax allocated to transportation improvements at 2.5¢. Staff continue to work closely with NC DOT on projects in our City to reduce traffic and

congestion concerns. The City maintains over 279 miles of sidewalk and over 764 lane miles of roads.

Concord-Padgett Regional Airport has partially emerged from the COVID-19 crisis. Flights, parking, and fuel sales have begun to bounce back to pre-pandemic levels. This recovery allowed the Airport to increase fuel sale revenues and continue with maintenance projects. While some projects are still on hold, such as the domicile base for Allegiant Travel Company, there are exciting things coming to the airport. New remote traffic control tower technology from Kongsberg will be implemented at the airport along with installing phase one of three for fiber feedback loop construction and the expansion of the North Apron. These projects allow the Airport to remain at the front of innovation and efficiency.

Construction for Fire Station 12 was completed in April 2022 giving necessary coverage for planned industrial development at The Grounds at Concord site. Development throughout the City necessitated adding a ladder truck at Fire Station 10 along with 18 additional personnel to staff it. Concord

Affordable housing is an area that needs greater emphasis in our City and is specifically called out in the City's Strategic Plan. An affordable housing study conducted in FY 20 showed a sizable deficit in the number of affordable units within the City. Later that year, the Concord Family Enrichment Association (CFEA) , now known as WeBuild Concord, was formed. This non-profit will allow the City to pursue funding opportunities that are not possible under the City's existing Housing Department. The City is continuing to set aside 1¢ of the tax rate to fund the building of new affordable housing units and/or the renovation of dilapidated housing for affordable housing purposes.

The adopted Comprehensive Master Plan and Open Space Connectivity Plan continue to drive Parks and Recreation programming, greenway development, park development, and connectivity to neighborhood parks and schools across the City. The 1¢ dedicated to Parks & Recreation helps to accelerate site control and increase connectivity. To further enhance and expand our parks, the City will place a \$60 million general obligation bond package on the ballot this November. If passed, bond funding will accelerate projects related to the adopted master plans and address City-wide needs for additional recreation resources. The funding will go towards developing playgrounds, splashpads, a pump track, and more at ten locations across the City. Staff continues to focus on site control for greenway development, improved connectivity and other pedestrian-friendly trails throughout the City through donation and dedication, with a goal of having 30 miles of greenways by the year 2030. In the coming year, staff will focus on design plans for the Academy/Gibson Village area, Wilson Street Park, David Phillips Activity Center park development, and the WW Flowe Complex.

Excellent customer service remains at the core of what the City's staff strive for on a daily basis. Citizen communications will continue to be varied and expansive. Direct mailings such as the "City Circular" newsletter, newspaper placements, the electronic newsletter, the City's website, news releases, television, radio and other outlets will continue. The City's website was overhauled in fiscal year 2021 to make it more user-friendly and easier to navigate.

The City continues to offer a salary plan that will encourage employees to stay and also aid in recruitment. As the City desires to remain competitive in employee recruitment and retention, merit pay continues to be included in the budget for 2023. Below is a list of personnel decisions over the past five years as well as the 2022/23 adoption.

**FY17/18:** Merit adjustments were available on the evaluation date from 3% to 6% based on evaluation ratings.

**FY18/19:** Merit adjustments were available on the evaluation date from 2% to 4% based on evaluation ratings, a 2% market adjustment was provided to all employees effective July 1, 2018, and a 2% career development increase was available to all employees who completed their career development plan.

**FY19/20:** Merit adjustments were available on the evaluation date from 1% to 3% based on evaluation ratings, a 1.5% market adjustment was provided to all employees effective July 1, 2019, and a 2% career development increase was available to all employees who completed their career development plan.

**FY20/21:** Merit adjustments are available on the evaluation date from 1% to 3% based on evaluation ratings, a 1.5% market adjustment will be provided to all employees effective July 13, 2020, and a 1.5% career development increase is available to all employees who complete their career development plan.

**FY21/22:** Merit adjustments are available on the evaluation date from 1% to 3% based on evaluation ratings, a 1.5% market adjustment will be provided to all employees effective July 12, 2021, and a 1.5% career development increase is available to all employees who complete their career development plan.

**FY22/23:** Merit adjustments are available on the evaluation date from 1% to 3% based on evaluation ratings, a 2% market adjustment will be provided to all employees effective July 11, 2022, and a 1.5% career development increase is available to all employees who complete their career development plan.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of Concord's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Concord, P.O. Box 308, Concord, North Carolina 28026. This report may also be viewed on the City's website located at the following address: <http://www.concordnc.gov>.



**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit A**  
**Page 1 of 2**

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Concord ABC Board	WeBuild Concord
Cash and investments	\$ 129,841,845	\$ 213,965,787	\$ 343,807,632	\$ 6,313,211	\$ 1,072,198
Receivables, net	14,248,016	23,509,262	37,757,278	-	-
Internal balances	6,533,667	(6,533,667)	-	-	-
Inventories	166,004	7,350,497	7,516,501	5,134,409	-
Prepaid expenses	74,212	36,755	110,967	131,437	-
Restricted assets - cash and investments	42,369,538	8,279,724	50,649,262	-	-
Right to use leased assets, net of amortization	132,673	70,834	203,507	1,448,460	-
Lease receivable	95,046	8,192,425	8,287,471	-	-
Capital assets:					
Non-depreciable	49,097,118	83,399,044	132,496,162	2,091,221	-
Depreciable, net	417,902,478	364,068,100	781,970,578	6,465,594	-
<b>Total assets</b>	<b>660,460,597</b>	<b>702,338,761</b>	<b>1,362,799,358</b>	<b>21,584,332</b>	<b>1,072,198</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan (LGERS)	13,055,633	7,201,361	20,256,994	410,339	-
Pension plan (LEOSSA)	3,505,575	-	3,505,575	-	-
OPEB deferrals	4,088,930	2,255,414	6,344,344	-	-
Deferred charge on refunding	117,111	2,041,101	2,158,212	-	-
<b>Total deferred outflows of resources</b>	<b>20,767,249</b>	<b>11,497,876</b>	<b>32,265,125</b>	<b>410,339</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	16,872,167	15,650,253	32,522,420	1,647,677	24,063
Accrued interest payable	-	130,035	130,035	-	-
Advance from grantors	15,622,602	4,192,615	19,815,217	-	-
Unearned revenues	66,400	-	66,400	-	-
Deposits payable from restricted assets	4,076,769	3,587,109	7,663,878	-	-
Non-current liabilities:					
Due within one year:					
Long-term debt	4,659,454	5,683,186	10,342,640	-	-
Installment purchases	893,457	1,012,315	1,905,772	-	-
Lease liability	29,742	89,289	119,031	142,914	-
Due in more than one year:					
Net pension liability (LGERS)	8,501,053	4,689,099	13,190,152	217,158	-
Total pension liability (LEOSSA)	11,546,707	-	11,546,707	-	-
Net OPEB liability	28,083,931	3,952,611	32,036,542	-	-

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit A**  
**Page 2 of 2**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Concord ABC Board	WeBuild Concord
<b>LIABILITIES cont.</b>					
Long-term debt	\$ 16,024,957	\$ 32,359,384	\$ 48,384,341	-	-
Long-term installment purchases	6,108,914	5,044,026	11,152,940	-	-
Lease liability	105,149	35,875	141,024	1,339,076	-
<b>Total liabilities</b>	<b>112,591,302</b>	<b>76,425,797</b>	<b>189,017,099</b>	<b>3,346,825</b>	<b>24,063</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals (LGERS)	12,157,892	6,706,177	18,864,069	310,252	-
Pension deferrals (LEOSSA)	373,565	-	373,565	-	-
OPEB deferrals	4,944,887	2,727,551	7,672,438	-	-
Leases	91,035	8,137,261	8,228,296	-	-
Prepaid taxes	24,822	-	24,822	-	-
<b>Total deferred inflows of resources</b>	<b>17,592,201</b>	<b>17,570,989</b>	<b>35,163,190</b>	<b>310,252</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	445,135,068	407,277,620	852,412,688	8,556,815	-
Restricted for:					
Streets	1,313,931	-	1,313,931	-	-
Stabilization by State Statute	51,682,749	-	51,682,749	-	-
Other	1,123,247	-	1,123,247	4,712,419	-
Unrestricted	51,789,348	212,562,231	264,351,579	5,068,360	1,048,135
<b>Total net position</b>	<b>\$ 551,044,343</b>	<b>\$ 619,839,851</b>	<b>\$ 1,170,884,194</b>	<b>\$ 18,337,594</b>	<b>\$ 1,048,135</b>

See Notes to Financial Statements.

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2022**

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Concord ABC Board	WeBuild Concord
					Governmental Activities	Business-type Activities			
Primary Government:									
Governmental activities:									
General government	\$ 7,917,494	\$ 2,747,245	\$ 679,220	\$ -	\$ (4,491,029)	\$ -	\$ (4,491,029)		
Public safety	58,198,076	1,586,622	1,247,786	100,000	(55,263,668)	-	(55,263,668)		
Public works	34,148,019	3,960,973	3,642,363	46,141,355	19,596,672	-	19,596,672		
Cultural and recreational	8,423,646	419,672	113,910	30,000	(7,860,064)	-	(7,860,064)		
Planning and community development	6,222,328	107,861	-	-	(6,114,467)	-	(6,114,467)		
Administration	998,347	-	-	-	(998,347)	-	(998,347)		
Housing assistance payments	4,784,111	649,977	4,624,343	-	490,209	-	490,209		
Rehabilitation	2,055,926	91,847	2,019,887	-	55,808	-	55,808		
Interest expense	678,918	-	-	-	(678,918)	-	(678,918)		
<b>Total governmental activities</b>	<b>123,426,865</b>	<b>9,564,197</b>	<b>12,327,509</b>	<b>46,271,355</b>	<b>(55,263,804)</b>	<b>-</b>	<b>(55,263,804)</b>		
Business-type activities:									
Electric	91,574,771	86,847,414	-	-	-	(4,727,357)	(4,727,357)		
Water	24,966,749	29,633,487	-	4,263,528	-	8,930,266	8,930,266		
Wastewater	17,366,214	20,642,104	-	3,104,192	-	6,380,082	6,380,082		
Regional airport	17,551,407	14,595,561	-	5,680,697	-	2,724,851	2,724,851		
Stormwater	4,748,889	5,412,501	-	-	-	663,612	663,612		
Golf course	2,264,017	2,958,591	-	-	-	694,574	694,574		
Housing	2,337,188	427,670	1,345,687	-	-	(563,831)	(563,831)		
Transit	5,733,094	270,447	4,849,122	-	-	(613,525)	(613,525)		
<b>Total business-type activities</b>	<b>166,542,329</b>	<b>160,787,775</b>	<b>6,194,809</b>	<b>13,048,417</b>	<b>-</b>	<b>13,488,672</b>	<b>13,488,672</b>		
<b>Total primary government</b>	<b>\$ 289,969,194</b>	<b>\$ 170,351,972</b>	<b>\$ 18,522,318</b>	<b>\$ 59,319,772</b>	<b>(55,263,804)</b>	<b>13,488,672</b>	<b>(41,775,132)</b>		
Component units									
Concord ABC Board	\$ 20,943,624	\$ 24,083,577	\$ -	\$ -				\$ 3,139,953	
WeBuild Concord	247,536	-	1,000,001	-					752,465
<b>Total component units</b>	<b>\$ 21,191,160</b>	<b>\$ 24,083,577</b>	<b>\$ 1,000,001</b>	<b>\$ -</b>				<b>3,139,953</b>	<b>752,465</b>
General revenues:									
Taxes:									
Ad valorem					71,237,932	-	71,237,932	-	-
Local government sales tax					26,899,548	-	26,899,548	-	-
Grants and contributions not restricted to specific programs:									
Intergovernmental					5,707,828	-	5,707,828	-	-
Investment earnings					(6,419,857)	(8,212,466)	(14,632,323)	-	-
Gain (loss) on sale of capital assets					(90,027)	(12,652)	(102,679)	-	-
Miscellaneous					2,145,805	461,464	2,607,269	(94)	-
<b>Total general revenues not including transfers</b>					<b>99,481,229</b>	<b>(7,763,654)</b>	<b>91,717,575</b>	<b>(94)</b>	<b>-</b>
Transfers					4,391,825	(4,391,825)	-	-	-
<b>Total general revenues and transfers</b>					<b>103,873,054</b>	<b>(12,155,479)</b>	<b>91,717,575</b>	<b>(94)</b>	<b>-</b>
<b>Change in net position</b>					<b>48,609,250</b>	<b>1,333,193</b>	<b>49,942,443</b>	<b>3,139,859</b>	<b>752,465</b>
Net position - beginning					502,435,093	618,506,658	1,120,941,751	15,197,735	295,670
Net position - ending					<b>\$ 551,044,343</b>	<b>\$ 619,839,851</b>	<b>\$ 1,170,884,194</b>	<b>\$ 18,337,594</b>	<b>\$ 1,048,135</b>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2022**

**Exhibit C  
Page 1 of 2**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	General Fund Capital Reserve	American Rescue Plan		
<b>ASSETS</b>					
Cash and investments	\$ 81,331,981	\$ -	\$ -	\$ 48,509,864	\$ 129,841,845
Receivables:					
Ad valorem taxes, net	928,586	-	-	3,338	931,924
Due from other governmental agencies	1,299,033	-	-	421,050	1,720,083
Sales tax refunds	2,421,452	-	-	-	2,421,452
Interest	109,798	26,940	19,258	65,866	221,862
Due from other funds	6,789,743	-	-	-	6,789,743
Other, net	8,454,459	-	-	498,236	8,952,695
Lease receivable	95,046	-	-	-	95,046
Inventories	166,004	-	-	-	166,004
Prepaid items	71,954	-	-	2,258	74,212
Restricted assets - cash and investments	5,385,445	20,940,932	14,966,044	1,077,117	42,369,538
<b>Total assets</b>	<b>\$ 107,053,501</b>	<b>\$ 20,967,872</b>	<b>\$ 14,985,302</b>	<b>\$ 50,577,729</b>	<b>\$ 193,584,404</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 12,640,944	\$ -	\$ 21,121	\$ 3,468,062	\$ 16,130,127
Due to other funds	-	-	-	256,076	256,076
Advance from grantors	-	-	15,576,652	45,950	15,622,602
Unearned revenues	10,121	-	-	56,279	66,400
Deposits payable from restricted assets	4,071,514	-	-	5,255	4,076,769
<b>Total liabilities</b>	<b>16,722,579</b>	<b>-</b>	<b>15,597,773</b>	<b>3,831,622</b>	<b>36,151,974</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes receivable	928,586	-	-	3,338	931,924
Leases	91,035	-	-	-	91,035
Prepaid taxes	24,822	-	-	-	24,822
<b>Total deferred inflows of resources</b>	<b>1,044,443</b>	<b>-</b>	<b>-</b>	<b>3,338</b>	<b>1,047,781</b>
<b>FUND BALANCES (DEFICITS)</b>					
Non Spendable					
Inventories	166,004	-	-	-	166,004
Prepays	71,954	-	-	2,258	74,212
Leases	4,011	-	-	-	4,011

Continued

**CITY OF CONCORD, NORTH CAROLINA  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2022**

**Exhibit C  
Page 2 of 2**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	General Fund Capital Reserve	American Rescue Plan		
Restricted					
Stabilization by State Statute	\$ 24,540,108	\$ 26,940	\$ 125,111	\$ 26,990,590	\$ 51,682,749
Transportation	1,313,931	-	-	-	1,313,931
Public safety	802,347	-	-	-	802,347
Planning and community development	-	-	-	320,900	320,900
Committed					
Future capital purchases	-	20,940,932	-	20,563,838	41,504,770
Planning and community development	-	-	-	615,311	615,311
Unassigned	62,388,124	-	(737,582)	(1,750,128)	59,900,414
<b>Total fund balances</b>	<b>89,286,479</b>	<b>20,967,872</b>	<b>(612,471)</b>	<b>46,742,769</b>	<b>156,384,649</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 107,053,501</b>	<b>\$ 20,967,872</b>	<b>\$ 14,985,302</b>	<b>\$ 50,577,729</b>	<b>\$ 193,584,404</b>

See Notes to Financial Statements.

**CITY OF CONCORD, NORTH CAROLINA**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit D**

Fund balances - total governmental funds		\$ 156,384,649
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	\$ 970,782,725	
Less accumulated depreciation	<u>503,783,129</u>	466,999,596
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Right to use assets at historical cost	161,289	
Accumulated amortization	<u>28,616</u>	132,673
Deferred outflows of resources related to pensions (LGERS) are not reported in the governmental funds		13,055,633
Deferred outflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		3,505,575
Deferred outflows of resources related to OPEB are not reported in the governmental funds		4,088,930
Long-term liabilities, including accrued interest are not due and payable in the current period and therefore are not reported in the governmental funds		
Governmental bond payable	(14,757,445)	
Governmental installment purchases	(7,002,371)	
Leases	(134,891)	
Total pension liability (LEOSSA)	(11,546,707)	
Net pension liability (LGERS)	(8,501,053)	
Net OPEB liability	(28,083,931)	
Accrued vacation payable	<u>(4,737,730)</u>	(74,764,128)
Deferred charge on refunding	229,502	
Less accumulated amortization	<u>112,391</u>	117,111
Bond premium	(1,964,825)	
Less accumulated amortization	<u>(775,589)</u>	(1,189,236)
Deferred inflows of resources related to pensions (LGERS) are not reported in the governmental funds		(12,157,892)
Deferred inflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		(373,565)
Deferred inflows of resources related to OPEB are not reported in the governmental funds		(4,944,887)
Costs of health claims not accrued in the governmental fund statements		(541,380)
Costs of workers' compensation claims reserves not accrued in the governmental fund statements		(200,660)
Earned revenues considered deferred inflows of resources in fund statements		<u>931,924</u>
Net position of governmental activities		<u>\$ 551,044,343</u>

See Notes to Financial Statements.

**CITY OF CONCORD, NORTH CAROLINA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**Year Ended June 30, 2022**

**Exhibit E**  
**Page 1 of 2**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	General Fund Capital Reserve	American Rescue Plan		
<b>Revenues</b>					
Ad valorem taxes	\$ 71,276,851	\$ -	\$ -	\$ 132,722	\$ 71,409,573
Other taxes	26,899,548	-	-	-	26,899,548
Unrestricted intergovernmental revenues	5,707,828	-	-	-	5,707,828
Restricted intergovernmental revenues	6,001,294	-	679,220	7,065,945	13,746,459
Licenses and permits	2,972,892	-	-	-	2,972,892
Investment earnings	(3,113,861)	(720,504)	(612,471)	(1,973,021)	(6,419,857)
Investment earnings, restricted	12,274	-	-	-	12,274
Program income	-	-	-	1,703,516	1,703,516
Other revenues	5,904,587	-	-	5,588	5,910,175
<b>Total revenues</b>	<b>115,661,413</b>	<b>(720,504)</b>	<b>66,749</b>	<b>6,934,750</b>	<b>121,942,408</b>
<b>Expenditures</b>					
Current:					
General government	6,765,787	-	537,624	-	7,303,411
Public safety	54,151,171	-	-	-	54,151,171
Public works	20,272,067	-	-	-	20,272,067
Cultural and recreational	7,596,989	-	-	-	7,596,989
Planning and community development	3,705,019	-	-	2,272,728	5,977,747
Administration	-	-	-	998,347	998,347
Housing assistance payments	-	-	-	4,784,111	4,784,111
Rehabilitation	-	-	-	2,055,926	2,055,926
Capital outlay	5,338,323	-	117,675	12,742,954	18,198,952
Debt service	1,168,891	-	-	1,870,411	3,039,302
<b>Total expenditures</b>	<b>98,998,247</b>	<b>-</b>	<b>655,299</b>	<b>24,724,477</b>	<b>124,378,023</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>16,663,166</b>	<b>(720,504)</b>	<b>(588,550)</b>	<b>(17,789,727)</b>	<b>(2,435,615)</b>

Continued

**CITY OF CONCORD, NORTH CAROLINA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
Year Ended June 30, 2022**

**Exhibit E  
Page 2 of 2**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	General Fund Capital Reserve	American Rescue Plan		
Other Financing Sources (Uses)					
Lease liabilities issued	\$ 161,289	\$ -	\$ -	\$ -	\$ 161,289
Proceeds from sale of capital assets	373,280	-	-	-	373,280
Transfers from other funds	3,824,686	4,050,000	-	28,924,497	36,799,183
Transfers to other funds	(16,061,757)	(12,616,652)	(23,921)	(3,705,028)	(32,407,358)
<b>Total other financing sources (uses)</b>	<b>(11,702,502)</b>	<b>(8,566,652)</b>	<b>(23,921)</b>	<b>25,219,469</b>	<b>4,926,394</b>
<b>Net change in fund balances</b>	<b>4,960,664</b>	<b>(9,287,156)</b>	<b>(612,471)</b>	<b>7,429,742</b>	<b>2,490,779</b>
Fund Balances					
Beginning	84,325,815	30,255,028	-	39,313,027	153,893,870
Ending	\$ 89,286,479	\$ 20,967,872	\$ (612,471)	\$ 46,742,769	\$ 156,384,649

See Notes to Financial Statements.



**CITY OF CONCORD, NORTH CAROLINA  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2022**

**Exhibit F**

Net change in fund balances - total governmental funds \$ 2,490,779

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 18,037,663	
Capital contributions	45,963,550	
Current year's depreciation	<u>(18,908,311)</u>	45,092,902

Right to use leased asset capital outlay expenditures which were capitalized	161,289	
Amortization expense for intangible assets	<u>28,616</u>	132,673

Repayment of long term debt principal is considered an expenditure in the governmental funds, but their repayment reduces long-term liabilities in the statement of net position.

New long-term debt issued		(161,289)
Principal payments		2,283,370
Premium		103,412

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 the governmental fund

Current year amortization of deferred charge on refunding	(12,468)	
Change in law enforcement officers special separation allowance and related deferred inflows and deferred outflows	(1,040,012)	
Change in OPEB liability and related deferred inflows and deferred outflows	(41,636)	
Change in pension liability (LGERS) and related deferred inflows and deferred outflows	707,326	
Change in long-term compensated absences	<u>(371,886)</u>	(758,676)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		(171,641)
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Costs of health claims paid in the governmental fund statements		(119,204)
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Costs of workers' compensation claims not accrued in the governmental fund statements		180,231
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Basis of property disposed of during the year		<u>(463,307)</u>
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Change in net position of governmental activities	<u>\$ 48,609,250</u>
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See Notes to Financial Statements.

**CITY OF CONCORD, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2022**

**Exhibit G**  
**Page 1 of 6**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Ad valorem taxes:				
Current year	\$ 68,104,889	\$ 69,604,889	\$ 70,740,457	\$ 1,135,568
Prior years	208,000	208,000	312,236	104,236
Penalties and interest	150,000	150,000	224,158	74,158
	<u>68,462,889</u>	<u>69,962,889</u>	<u>71,276,851</u>	<u>1,313,962</u>
Other taxes:				
Local government sales tax	20,516,278	25,234,820	26,899,548	1,664,728
Unrestricted intergovernmental revenues:				
Officers' fees	20,000	20,000	26,786	6,786
Utilities sales tax	4,926,880	4,926,880	5,260,603	333,723
Beer and wine tax	400,000	400,000	420,439	20,439
	<u>5,346,880</u>	<u>5,346,880</u>	<u>5,707,828</u>	<u>360,948</u>
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,295,162	2,951,564	2,951,564	-
Cabarrus County schools	1,104,682	1,104,682	1,123,419	18,737
Transportation (federal, state and local)	348,820	348,820	329,410	(19,410)
On-behalf of payments - Fire and Rescue	-	-	(19,301)	(19,301)
Other restricted intergovernmental revenues	878,747	1,488,826	1,616,202	127,376
	<u>4,627,411</u>	<u>5,893,892</u>	<u>6,001,294</u>	<u>107,402</u>
Licenses and permits:				
Vehicle licenses	1,700,000	1,760,000	2,015,774	255,774
Zoning permits	315,000	315,000	306,419	(8,581)
Fire permits and inspections	172,000	172,000	225,647	53,647
Business registration fee	-	-	6,371	6,371
Other	10,500	33,500	418,681	385,181
	<u>2,197,500</u>	<u>2,280,500</u>	<u>2,972,892</u>	<u>692,392</u>
Investment earnings	-	-	(3,113,861)	(3,113,861)
Investment earnings restricted	-	-	12,274	12,274
	<u>-</u>	<u>-</u>	<u>(3,101,587)</u>	<u>(3,101,587)</u>
Other general revenues:				
Public safety	172,570	211,170	237,556	26,386
Environmental protection	2,909,780	3,079,780	3,107,142	27,362
Miscellaneous	977,264	2,134,320	2,140,217	5,897
Recreational	351,375	416,375	419,672	3,297
	<u>4,410,989</u>	<u>5,841,645</u>	<u>5,904,587</u>	<u>62,942</u>
<b>Total revenues</b>	<b>105,561,947</b>	<b>114,560,626</b>	<b>115,661,413</b>	<b>1,100,787</b>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2022**

**Exhibit G**  
**Page 2 of 6**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Expenditures</b>				
General government:				
Governing body:				
Salaries and employee benefits	\$ 180,836	\$ 180,836	\$ 185,401	\$ (4,565)
Professional services	134,172	284,172	164,649	119,523
Operating expenditures	193,722	196,722	140,614	56,108
Governing body cost allocations	(318,522)	(318,522)	(347,732)	29,210
	<u>190,208</u>	<u>343,208</u>	<u>142,932</u>	<u>200,276</u>
City Manager's Office:				
Salaries and employee benefits	1,264,988	1,235,753	1,240,242	(4,489)
Professional services	207,805	245,364	119,787	125,577
Operating expenditures	132,417	149,093	108,844	40,249
Administrative cost allocations	(858,544)	(858,544)	(812,827)	(45,717)
	<u>746,666</u>	<u>771,666</u>	<u>656,046</u>	<u>115,620</u>
Public Service Administration department:				
Salaries and employee benefits	185,045	185,045	192,753	(7,708)
Professional services	128	128	128	-
Operating expenditures	398,293	398,293	332,663	65,630
Debt service	149,392	149,392	149,391	1
Administrative cost allocations	(549,273)	(549,273)	(537,917)	(11,356)
	<u>183,585</u>	<u>183,585</u>	<u>137,018</u>	<u>46,567</u>
Finance department:				
Salaries and employee benefits	1,325,115	1,325,115	1,310,958	14,157
Professional services	56,783	56,783	51,383	5,400
Operating expenditures	131,617	131,617	81,629	49,988
Finance cost allocations	(878,309)	(878,309)	(868,129)	(10,180)
	<u>635,206</u>	<u>635,206</u>	<u>575,841</u>	<u>59,365</u>
Tax department:				
Salaries and employee benefits	93,711	93,711	98,025	(4,314)
Professional services	5,622	5,622	30	5,592
Operating expenditures	302,491	330,941	319,178	11,763
Cost allocations	6,205	6,205	5,791	414
	<u>408,029</u>	<u>436,479</u>	<u>423,024</u>	<u>13,455</u>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2022**

**Exhibit G**  
**Page 3 of 6**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal department:				
Salaries and employee benefits	\$ 731,452	\$ 731,452	\$ 765,178	\$ (33,726)
Professional services	75,000	75,000	53,340	21,660
Operating expenditures	62,795	62,795	35,089	27,706
Cost allocations	(522,298)	(522,298)	(511,055)	(11,243)
	<u>346,949</u>	<u>346,949</u>	<u>342,552</u>	<u>4,397</u>
Human resources:				
Salaries and employee benefits	1,225,326	1,225,326	1,228,616	(3,290)
Professional services	323,487	323,487	287,912	35,575
Operating expenditures	181,704	181,704	133,590	48,114
Human resources cost allocations	(985,873)	(985,873)	(953,555)	(32,318)
	<u>744,644</u>	<u>744,644</u>	<u>696,563</u>	<u>48,081</u>
Wellness center:				
Professional services	406,101	446,101	420,180	25,921
Operating expenditures	21,587	21,587	19,229	2,358
Wellness center cost allocations	(204,359)	(204,359)	(152,035)	(52,324)
	<u>223,329</u>	<u>263,329</u>	<u>287,374</u>	<u>(24,045)</u>
Nondepartmental:				
Professional services	71,795	71,795	55,638	16,157
Operating expenditures	3,015,601	2,391,601	1,852,233	539,368
Outside agencies	17,000	21,500	7,128	14,372
Capital outlay	123,282	123,282	247,235	(123,953)
Cost allocations	1,913,697	1,913,697	1,738,829	174,868
	<u>5,141,375</u>	<u>4,521,875</u>	<u>3,901,063</u>	<u>620,812</u>
<b>Total general government</b>	<b>8,619,991</b>	<b>8,246,941</b>	<b>7,162,413</b>	<b>1,084,528</b>
Public safety:				
Police department:				
Salaries and employee benefits	19,311,203	19,311,203	19,275,299	35,904
Professional services	317,739	317,739	330,638	(12,899)
Operating expenditures	4,357,832	4,416,693	4,165,758	250,935
Capital outlay	1,450,266	1,533,046	1,397,645	135,401
Cost allocations	990,192	990,192	921,935	68,257
	<u>26,427,232</u>	<u>26,568,873</u>	<u>26,091,275</u>	<u>477,598</u>
Communications:				
Salaries and employee benefits	1,745,694	1,781,784	1,605,796	175,988
Professional services	7,602	7,602	9,095	(1,493)
Operating expenditures	149,041	161,483	133,701	27,782
Cost allocations	139,961	139,961	130,277	9,684
	<u>2,042,298</u>	<u>2,090,830</u>	<u>1,878,869</u>	<u>211,961</u>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2022**

**Exhibit G**  
**Page 4 of 6**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Fire department:</b>				
Salaries and employee benefits	\$ 20,989,280	\$ 21,059,280	\$ 20,976,124	\$ 83,156
Professional services	316,264	316,264	266,186	50,078
Operating expenditures	3,979,819	3,997,018	3,403,939	593,079
Capital outlay	3,284,910	3,395,352	2,652,823	742,529
Debt service	1,019,500	1,019,500	1,019,500	-
Cost allocations	1,381,608	1,381,608	1,283,611	97,997
	<b>30,971,381</b>	<b>31,169,022</b>	<b>29,602,183</b>	<b>1,566,839</b>
<b>Code enforcement:</b>				
Salaries and employee benefits	801,796	801,796	786,339	15,457
Professional services	1,700	1,700	1,692	8
Operating expenditures	251,459	251,459	145,032	106,427
Capital outlay	56,000	56,000	23,403	32,597
Cost allocations	27,924	27,924	26,061	1,863
	<b>1,138,879</b>	<b>1,138,879</b>	<b>982,527</b>	<b>156,352</b>
<b>Emergency management:</b>				
Salaries and employee benefits	123,944	123,944	129,840	(5,896)
Professional services	13,820	13,820	13,192	628
Operating expenditures	57,835	57,835	31,664	26,171
Cost allocations	3,103	3,103	2,896	207
	<b>198,702</b>	<b>198,702</b>	<b>177,592</b>	<b>21,110</b>
<b>Radio shop:</b>				
Salaries and employee benefits	410,496	420,496	419,501	995
Professional services	3,187	3,187	3,173	14
Operating expenditures	116,000	116,000	77,839	38,161
Capital outlay	10,400	10,400	14,330	(3,930)
Cost allocations	12,411	12,411	11,583	828
	<b>552,494</b>	<b>562,494</b>	<b>526,426</b>	<b>36,068</b>
<b>Total public safety</b>	<b>61,330,986</b>	<b>61,728,800</b>	<b>59,258,872</b>	<b>2,469,928</b>
<b>Public works:</b>				
<b>Traffic services:</b>				
Salaries and employee benefits	396,702	396,702	411,652	(14,950)
Professional services	4,775	4,775	2,865	1,910
Operating expenditures	233,389	233,389	95,185	138,204
Capital outlay	24,000	24,000	-	24,000
Cost allocations	15,513	15,513	14,478	1,035
	<b>674,379</b>	<b>674,379</b>	<b>524,180</b>	<b>150,199</b>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2022**

**Exhibit G**  
**Page 5 of 6**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Transportation signal:				
Salaries and employee benefits	\$ 664,321	\$ 664,321	\$ 724,673	\$ (60,352)
Professional services	31,487	31,487	26,394	5,093
Operating expenditures	590,886	590,886	425,233	165,653
Capital outlay	5,000	5,000	-	5,000
Cost allocations	24,821	24,821	23,165	1,656
	<u>1,316,515</u>	<u>1,316,515</u>	<u>1,199,465</u>	<u>117,050</u>
Transportation:				
Salaries and employee benefits	2,571,248	2,571,248	2,633,282	(62,034)
Professional services	43,670	43,670	25,619	18,051
Operating expenditures	9,681,137	10,519,223	6,260,171	4,259,052
Capital outlay	555,895	555,895	376,357	179,538
Cost allocations	375,805	375,805	342,396	33,409
	<u>13,227,755</u>	<u>14,065,841</u>	<u>9,637,825</u>	<u>4,428,016</u>
Fleet services:				
Salaries and employee benefits	1,178,489	1,178,489	1,179,734	(1,245)
Professional services	440	440	423	17
Operating expenditures	2,475,475	2,794,440	2,916,103	(121,663)
Cost allocations	(3,626,560)	(3,626,560)	(3,762,891)	136,331
	<u>27,844</u>	<u>346,809</u>	<u>333,369</u>	<u>13,440</u>
Solid waste and recycling:				
Salaries and employee benefits	2,656,295	2,656,295	2,446,892	209,403
Professional services	58,512	58,512	83,502	(24,990)
Operating expenditures	5,804,045	5,804,045	5,652,202	151,843
Capital outlay	596,448	596,448	617,754	(21,306)
Cost allocations	198,228	198,228	156,639	41,589
	<u>9,313,528</u>	<u>9,313,528</u>	<u>8,956,989</u>	<u>356,539</u>
Cemetery:				
Salaries and employee benefits	538,169	538,169	429,760	108,409
Professional services	49,000	49,000	38,564	10,436
Operating expenditures	151,427	153,653	119,965	33,688
Capital outlay	16,810	68,254	8,776	59,478
Cost allocations	27,924	27,924	26,061	1,863
	<u>783,330</u>	<u>837,000</u>	<u>623,126</u>	<u>213,874</u>
<b>Total public works</b>	<u>25,343,351</u>	<u>26,554,072</u>	<u>21,274,954</u>	<u>5,279,118</u>

Continued

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (Continued)**  
**For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	\$ 2,474,896	\$ 2,474,896	\$ 2,013,036	\$ 461,860
Professional services	874,643	874,643	598,949	275,694
Operating expenditures	3,214,837	3,214,837	2,428,153	786,684
Cost allocations	2,764,904	2,764,904	2,556,851	208,053
<b>Total cultural and recreational</b>	<b>9,329,280</b>	<b>9,329,280</b>	<b>7,596,989</b>	<b>1,732,291</b>
Planning and community development:				
Planning department:				
Salaries and employee benefits	1,940,869	1,975,869	1,990,711	(14,842)
Professional services	456,632	491,432	394,208	97,224
Operating expenditures	458,650	458,650	332,769	125,881
Incentive grants	561,315	561,315	58,115	503,200
Cost allocations	1,024,720	1,024,720	929,216	95,504
<b>Total planning and       community development</b>	<b>4,442,186</b>	<b>4,511,986</b>	<b>3,705,019</b>	<b>806,967</b>
<b>Total expenditures</b>	<b>109,065,794</b>	<b>110,371,079</b>	<b>98,998,247</b>	<b>11,372,832</b>
<b>Excess of revenues       over expenditures</b>	<b>(3,503,847)</b>	<b>4,189,547</b>	<b>16,663,166</b>	<b>12,473,619</b>
Other Financing Sources (Uses)				
Fund balance appropriated	9,149,109	8,251,754	-	(8,251,754)
Lease liabilities issued	-	-	161,289	161,289
Sale of capital assets	-	278,532	373,280	94,748
Transfers from other funds	3,720,765	3,824,765	3,824,686	(79)
Transfers to other funds	(9,366,027)	(16,544,598)	(16,061,757)	482,841
<b>Total other financing uses</b>	<b>3,503,847</b>	<b>(4,189,547)</b>	<b>(11,702,502)</b>	<b>(7,512,955)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>4,960,664</b>	<b>\$ 4,960,664</b>
Fund Balance				
Beginning			<u>84,325,815</u>	
Ending			<u>\$ 89,286,479</u>	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 June 30, 2022

Exhibit H

	Major Enterprise Funds						Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund				
<b>ASSETS</b>									
Current Assets									
Cash and investments	\$ 90,283,631	\$ 57,238,054	\$ 36,987,653	\$ 11,472,712	\$ 14,575,220	\$ 3,408,517	\$ 213,965,787	\$ -	
Receivables:									
Accounts receivable, net	11,458,248	3,393,383	2,427,574	394,529	559,245	304,493	18,537,472	-	
Due from other governmental agencies	-	114,842	-	1,348,620	-	3,208,600	4,672,062	-	
Interest	126,780	79,237	47,386	25,992	18,694	1,639	299,728	-	
Lease receivable	-	92,120	-	914,630	-	-	1,006,750	-	
Inventories and prepaid expenses	6,122,622	893,142	71,825	110,594	12,881	136,246	7,347,310	39,942	
<b>Total current assets</b>	<b>107,991,281</b>	<b>61,810,778</b>	<b>39,534,438</b>	<b>14,267,077</b>	<b>15,166,040</b>	<b>7,059,495</b>	<b>245,829,109</b>	<b>39,942</b>	
Noncurrent Assets									
Restricted assets - cash and investments	2,742,415	1,109,169	65,560	4,318,609	-	43,971	8,279,724	-	
Lease receivable, non-current	-	2,611,385	-	4,574,290	-	-	7,185,675	-	
Right to use leased assets, net of amortization	-	-	-	-	-	70,834	70,834	-	
Capital assets	196,867,949	201,858,646	146,587,535	134,763,316	68,243,918	32,585,836	780,907,200	12,366,531	
Less accumulated depreciation	(98,351,462)	(88,750,769)	(65,591,656)	(44,253,101)	(27,050,144)	(16,063,510)	(340,060,642)	(5,745,945)	
<b>Total noncurrent assets</b>	<b>101,258,902</b>	<b>116,828,431</b>	<b>81,061,439</b>	<b>99,403,114</b>	<b>41,193,774</b>	<b>16,637,131</b>	<b>456,382,791</b>	<b>6,620,586</b>	
<b>Total assets</b>	<b>209,250,183</b>	<b>178,639,209</b>	<b>120,595,877</b>	<b>113,670,191</b>	<b>56,359,814</b>	<b>23,696,626</b>	<b>702,211,900</b>	<b>6,660,528</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Pension deferrals (LRS)	1,464,580	1,219,471	561,119	838,640	380,831	344,369	4,809,010	2,392,351	
OPEB deferrals	458,696	381,930	175,738	262,655	119,274	107,854	1,506,147	749,267	
Deferred charge on refunding	696,040	1,115,117	229,944	-	-	-	2,041,101	-	
<b>Total deferred outflows of resources</b>	<b>2,619,316</b>	<b>2,716,518</b>	<b>966,801</b>	<b>1,101,295</b>	<b>500,105</b>	<b>452,223</b>	<b>8,356,258</b>	<b>3,141,618</b>	
<b>LIABILITIES</b>									
Current Liabilities									
Accounts payable and accrued expenses	11,258,236	1,069,069	851,999	460,917	490,165	879,555	15,009,941	640,312	
Current portion of long-term debt	1,492,448	2,044,858	1,201,153	1,147,331	55,136	71,580	6,012,506	682,995	
Current portion of lease liability	-	-	-	-	-	89,289	89,289	-	
Accrued interest	30,640	51,911	11,070	21,190	-	-	114,811	15,224	
Advance from Grantor	-	-	-	4,192,615	-	-	4,192,615	-	
Due to other funds	-	-	-	-	-	6,052,844	6,052,844	480,823	
<b>Total current liabilities</b>	<b>12,781,324</b>	<b>3,165,838</b>	<b>2,064,222</b>	<b>5,822,053</b>	<b>545,301</b>	<b>7,093,268</b>	<b>31,472,006</b>	<b>1,819,354</b>	
Noncurrent Liabilities									
Net pension liability (LRS)	953,648	794,047	365,367	546,072	247,975	224,233	3,131,342	1,557,757	
Net OPEB liability	76,626	71,750	208,026	1,681,380	150,997	725,636	2,914,415	1,038,196	
Long-term debt due after one year	8,994,316	15,660,379	2,821,513	5,104,685	24,771	32,159	32,637,823	4,765,587	
Long-term lease liability due after one year	-	-	-	-	-	35,875	35,875	-	
Deposits	2,609,552	807,292	300	125,994	-	43,971	3,587,109	-	
<b>Total noncurrent liabilities</b>	<b>12,634,142</b>	<b>17,333,468</b>	<b>3,395,206</b>	<b>7,458,131</b>	<b>423,743</b>	<b>1,061,874</b>	<b>42,306,564</b>	<b>7,361,540</b>	
<b>Total liabilities</b>	<b>25,415,466</b>	<b>20,499,306</b>	<b>5,459,428</b>	<b>13,280,184</b>	<b>969,044</b>	<b>8,155,142</b>	<b>73,778,570</b>	<b>9,180,894</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Pension deferrals (LRS)	1,363,872	1,135,617	522,535	780,972	354,645	320,689	4,478,330	2,227,847	
OPEB deferrals	554,717	461,881	212,526	317,639	144,242	130,431	1,821,436	906,115	
Leases	-	2,646,175	-	5,491,086	-	-	8,137,261	-	
<b>Total deferred inflows of resources</b>	<b>1,918,589</b>	<b>4,243,673</b>	<b>735,061</b>	<b>6,589,697</b>	<b>498,887</b>	<b>451,120</b>	<b>14,437,027</b>	<b>3,133,962</b>	
<b>NET POSITION</b>									
Net investment in capital assets	89,277,360	96,855,909	77,298,268	84,453,875	41,193,773	16,467,995	405,547,180	1,730,440	
Unrestricted	95,258,084	59,756,839	38,069,921	10,447,730	14,198,215	(925,408)	216,805,381	(4,243,150)	
<b>Total net position</b>	<b>\$ 184,535,444</b>	<b>\$ 156,612,748</b>	<b>\$ 115,368,189</b>	<b>\$ 94,901,605</b>	<b>\$ 55,391,988</b>	<b>\$ 15,542,587</b>	<b>\$ 622,352,561</b>	<b>\$ (2,512,710)</b>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(2,512,710)		
Net position of business-type activities							<b>\$ 619,839,851</b>		

See Notes to Financial Statements.



CITY OF CONCORD, NORTH CAROLINA  
**PROPRIETARY FUNDS**

Exhibit I

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**

**For the Year Ended June 30, 2022**

	Major Enterprise Funds						Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Nonmajor Enterprise Funds		
Operating Revenues								
Charges for services	\$ 84,281,325	\$ 26,648,305	\$ 18,657,793	\$ 14,491,940	\$ 5,378,427	\$ 2,615,196	\$ 152,072,986	\$ 16,183,742
Other operating revenues	2,566,089	2,985,182	1,984,311	103,621	34,074	1,041,512	8,714,789	-
<b>Total operating revenue</b>	<b>86,847,414</b>	<b>29,633,487</b>	<b>20,642,104</b>	<b>14,595,561</b>	<b>5,412,501</b>	<b>3,656,708</b>	<b>160,787,775</b>	<b>16,183,742</b>
Operating Expenses								
General and administrative	3,581,785	-	-	-	-	1,613,589	5,195,374	9,336,279
Professional services	-	-	-	-	-	4,945,756	4,945,756	2,356,868
Water plant and lakes	-	11,019,332	-	-	-	-	11,019,332	-
Water line operation and maintenance	-	8,765,948	-	-	-	-	8,765,948	-
Wastewater line and plant	-	-	13,361,161	-	-	-	13,361,161	-
Purchased power	68,857,364	-	-	-	-	-	68,857,364	-
Power line and plant	14,736,370	-	-	-	-	-	14,736,370	-
Airport operation and maintenance	-	-	-	14,012,983	-	-	14,012,983	-
Stormwater operation and maintenance	-	-	-	-	2,907,789	-	2,907,789	-
Utilities	-	-	-	-	-	338,374	338,374	-
Housing maintenance and repairs	-	-	-	-	-	428,529	428,529	-
Operating supplies	-	-	-	-	-	676,892	676,892	-
Other operating costs	-	-	-	-	-	1,218,307	1,218,307	3,507,029
Depreciation and amortization	4,010,545	4,518,952	3,862,242	3,353,320	1,841,100	1,108,793	18,694,952	615,207
<b>Total operating expenses</b>	<b>91,186,064</b>	<b>24,304,232</b>	<b>17,223,403</b>	<b>17,366,303</b>	<b>4,748,889</b>	<b>10,330,240</b>	<b>165,159,131</b>	<b>15,815,383</b>
<b>Operating income (loss)</b>	<b>(4,338,650)</b>	<b>5,329,255</b>	<b>3,418,701</b>	<b>(2,770,742)</b>	<b>663,612</b>	<b>(6,673,532)</b>	<b>(4,371,356)</b>	<b>368,359</b>
Nonoperating Revenues (Expenses)								
Operating subsidy	-	-	-	-	-	6,194,809	6,194,809	-
Interest earned on investments	(3,511,494)	(2,149,067)	(1,361,579)	(606,133)	(538,110)	(46,083)	(8,212,466)	1
Interest expense	(388,707)	(662,517)	(142,811)	(185,104)	-	(4,059)	(1,383,198)	(198,743)
Gain (loss) on sale of capital assets	107,253	28,902	(5,081)	(145,051)	-	1,325	(12,652)	-
Other	184,685	-	-	-	-	107,162	291,847	-
<b>Total nonoperating revenues (expenses)</b>	<b>(3,608,263)</b>	<b>(2,782,682)</b>	<b>(1,509,471)</b>	<b>(936,288)</b>	<b>(538,110)</b>	<b>6,253,154</b>	<b>(3,121,660)</b>	<b>(198,742)</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(7,946,913)</b>	<b>2,546,573</b>	<b>1,909,230</b>	<b>(3,707,030)</b>	<b>125,502</b>	<b>(420,378)</b>	<b>(7,493,016)</b>	<b>169,617</b>
Capital contributions	-	4,263,528	3,104,192	5,680,697	-	-	13,048,417	-
Transfers in	-	-	-	860,270	-	2,004,818	2,865,088	-
Transfers out	(3,226,021)	(2,634,221)	(478,375)	(10,650)	(907,646)	-	(7,256,913)	-
<b>Transfers in (out)</b>	<b>(3,226,021)</b>	<b>(2,634,221)</b>	<b>(478,375)</b>	<b>849,620</b>	<b>(907,646)</b>	<b>2,004,818</b>	<b>(4,391,825)</b>	<b>-</b>
<b>Change in net position</b>	<b>(11,172,934)</b>	<b>4,175,880</b>	<b>4,535,047</b>	<b>2,823,287</b>	<b>(782,144)</b>	<b>1,584,440</b>	<b>1,163,576</b>	<b>169,617</b>
Net Position								
Beginning, previously reported	195,708,378	152,436,868	110,833,142	92,078,318	56,174,132	13,958,147		(2,682,327)
Ending	\$ 184,535,444	\$ 156,612,748	\$ 115,368,189	\$ 94,901,605	\$ 55,391,988	\$ 15,542,587		\$ (2,512,710)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							169,617	
Change in net position of business-type activities							\$ 1,333,193	

See Notes to Financial Statements.

**CITY OF CONCORD, NORTH CAROLINA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 Year Ended June 30, 2022**

**Exhibit J  
 Page 1 of 2**

	Major Enterprise Funds						Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund				
Cash Flows From Operating Activities									
Receipts from customers	\$ 87,815,999	\$ 29,548,831	\$ 20,741,838	\$ 16,775,668	\$ 5,473,459	\$ 2,650,128	\$ 163,005,923	\$ 16,183,742	
Payments to employees	(7,936,866)	(4,992,904)	(2,445,855)	(3,288,385)	(1,594,869)	(1,209,052)	(21,467,931)	(11,206,195)	
Payments to suppliers	(75,384,650)	(15,291,543)	(10,959,340)	(8,870,577)	(1,045,163)	(7,904,235)	(119,455,508)	(5,977,500)	
<b>Net cash provided by (used in) operating activities</b>	<b>4,494,483</b>	<b>9,264,384</b>	<b>7,336,643</b>	<b>4,616,706</b>	<b>2,833,427</b>	<b>(6,463,159)</b>	<b>22,082,484</b>	<b>(999,953)</b>	
Cash Flows From Noncapital Financing Activities									
Due to (from) other funds	-	-	-	-	-	720,037	720,037	480,823	
Transfers in	-	-	-	860,270	-	2,004,818	2,865,088	-	
Transfers out	(3,226,021)	(2,634,221)	(478,375)	(10,650)	(907,646)	-	(7,256,913)	-	
Operating grants received	-	-	-	-	-	6,194,809	6,194,809	-	
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(3,226,021)</b>	<b>(2,634,221)</b>	<b>(478,375)</b>	<b>849,620</b>	<b>(907,646)</b>	<b>8,919,664</b>	<b>2,523,021</b>	<b>480,823</b>	
Cash Flows from Capital and Related Financing Activities									
Principal payment on long-term debt	(1,074,424)	(1,738,336)	(1,112,539)	(1,830,142)	-	-	(5,755,441)	(283,500)	
Interest paid	(391,629)	(668,243)	(146,380)	(191,982)	-	(4,059)	(1,402,293)	(199,905)	
Lease liability payments made	-	-	-	-	-	(88,684)	(88,684)	-	
Acquisition and construction of capital assets	(29,005,974)	(4,454,211)	(742,956)	(949,017)	(1,433,162)	(727,561)	(37,312,881)	(407,952)	
Capital contributions - federal grant	-	-	-	5,680,697	-	-	5,680,697	-	
Proceeds from the sale of capital assets	107,260	28,902	-	64,326	-	1,325	201,813	-	
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(30,364,767)</b>	<b>(6,831,888)</b>	<b>(2,001,875)</b>	<b>2,773,882</b>	<b>(1,433,162)</b>	<b>(818,979)</b>	<b>(38,676,789)</b>	<b>(891,357)</b>	
Cash Flows From Investing Activities									
Earnings on investments	(3,456,773)	(2,157,850)	(1,365,861)	(617,094)	(538,782)	(45,398)	(8,181,758)	1	
<b>Net cash provided by (used in) investing activities</b>	<b>(3,456,773)</b>	<b>(2,157,850)</b>	<b>(1,365,861)</b>	<b>(617,094)</b>	<b>(538,782)</b>	<b>(45,398)</b>	<b>(8,181,758)</b>	<b>1</b>	
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(32,553,078)</b>	<b>(2,359,575)</b>	<b>3,490,532</b>	<b>7,623,114</b>	<b>(46,163)</b>	<b>1,592,128</b>	<b>(22,253,042)</b>	<b>(1,410,486)</b>	
Cash and cash equivalents:									
Beginning	125,579,124	60,706,798	33,562,681	8,168,207	14,621,383	1,860,360	244,498,553	1,410,486	
Ending	\$ 93,026,046	\$ 58,347,223	\$ 37,053,213	\$ 15,791,321	\$ 14,575,220	\$ 3,452,488	\$ 222,245,511	\$ -	

**Noncash investing, capital and financing activities:**

The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of \$7,367,720 representing donated capital assets.

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS (Continued)**  
**Year Ended June 30, 2022**

**Exhibit J**  
**Page 2 of 2**

	Major Enterprise Funds						Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund				
Operating income (loss)	\$ (4,338,650)	\$ 5,329,255	\$ 3,418,701	\$ (2,770,742)	\$ 663,612	\$ (6,673,532)	\$ (4,371,356)	\$ 368,359	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation and amortization	4,010,545	4,518,952	3,862,242	3,353,320	1,841,100	1,251,807	18,837,966	615,207	
Other income	184,685	-	-	-	-	107,162	291,847	-	
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:									
(Increase) decrease in:									
Accounts receivable	692,400	6,927	99,659	3,519,952	60,958	(127,016)	4,252,880	-	
Due from other governmental agencies	-	(76,982)	-	(1,348,620)	-	(988,974)	(2,414,576)	-	
Lease receivable	-	(2,703,505)	-	(5,488,921)	-	-	(8,192,426)	-	
Inventories and prepaid expenses	(1,517,990)	(76,122)	(41,061)	(41,391)	(3,923)	(40,614)	(1,721,101)	(26,316)	
Deferred outflows of resources for pensions (LGERS)	(192,476)	(123,242)	(93,258)	(82,208)	(25,667)	(21,647)	(538,498)	(379,183)	
Deferred outflows of resources for OPEB	(103,752)	(76,058)	(45,195)	(51,594)	(20,175)	(17,808)	(314,582)	(187,550)	
Increase (decrease) in:									
Accounts payable and accrued expenses	5,482,298	(274,400)	65,135	1,995,035	348,180	114,832	7,731,080	(12,431)	
Vacation accrual	27,793	4,515	(35,321)	8,333	(15,451)	5,700	(4,431)	18,364	
Net pension liability (LGERS)	(1,292,079)	(1,141,197)	(460,578)	(789,307)	(379,020)	(345,489)	(4,407,670)	(1,996,219)	
Net OPEB liability	224,599	187,010	86,050	128,609	58,402	(5,145)	679,525	(1,437,472)	
Deferred inflows of resources for pensions (LGERS)	1,357,840	1,130,419	520,317	777,385	352,961	319,158	4,458,080	2,218,301	
Deferred inflows of resources for OPEB	(132,230)	(130,092)	(40,123)	(90,841)	(47,550)	(43,841)	(484,677)	(181,013)	
Deferred inflows of resources for leases	-	2,646,175	-	5,491,086	-	-	8,137,261	-	
Deposits	91,500	42,729	75	6,610	-	2,248	143,162	-	
<b>Net cash provided by (used in)     operating activities</b>	<b>\$ 4,494,483</b>	<b>\$ 9,264,384</b>	<b>\$ 7,336,643</b>	<b>\$ 4,616,706</b>	<b>\$ 2,833,427</b>	<b>\$ (6,463,159)</b>	<b>\$ 22,082,484</b>	<b>\$ (999,953)</b>	
Non-Cash Capital and Related Financing Activities:									
Right to use asset acquired in exchange for lease liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,848	\$ 213,848	\$ -	

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 June 30, 2022**

**Exhibit K**

	<b>Other Postemployment Benefit Trust Fund</b>
<b>ASSETS</b>	
Cash	<u>\$ 15,159,753</u>
Total assets	<u><u>\$ 15,159,753</u></u>
 <b>LIABILITIES</b>	
Agency payable	<u>\$ -</u>
 <b>NET POSITION</b>	
Net position restricted for postemployment benefits other than pensions	<u><u>\$ 15,159,753</u></u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Fiscal Year Ended June 30, 2022**

**Exhibit L**

	<b>Other Postemployment Benefit Trust Fund</b>
<b>Additions:</b>	
Employer contributions	\$ 3,274,063
Member contributions	296,661
	<u>3,570,724</u>
Investment income (loss)	(1,268,476)
Collections on behalf of employees	-
<b>Total additions</b>	<u>2,302,248</u>
<b>Deductions:</b>	
Benefits	1,708,420
Payments on behalf of employees	-
<b>Total deductions</b>	<u>1,708,420</u>
<b>Change in net position</b>	593,828
<b>Net position restricted for postemployment benefits other than pensions</b>	
Beginning of year	14,565,925
End of year	<u>\$ 15,159,753</u>

See Notes to Financial Statements

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NOTES TO FINANCIAL STATEMENTS

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**Note 1. Summary of Significant Accounting Policies**

The accompanying financial statements and the following accounting policies of the City of Concord, North Carolina (the "City") and its discretely presented component unit, are in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting policies:

**A. Reporting Entity**

The City of Concord is a municipal corporation governed by an elected mayor, mayor pro tempore and a six-member City Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the City's financial statements to emphasize that it is legally separate from the City.

**BLENDED COMPONENT UNIT – FIRST CONCORD CORPORATION**

First Concord Corporation ("First Concord") was established during 1992 as a nonprofit corporation of the City. The City Council appoints one of the three members of the First Concord Board of Directors. First Concord is specifically organized exclusively for the purpose of promoting the general welfare of the citizens of the City as a financing vehicle of the City. It will carry out this function through the acquisition, construction, sale or lease of real estate and improvements, facilities and equipment for the use of the City. In the event First Concord is unable to meet its debt service requirements, the City would be held liable. First Concord Corporation's activities, which have a June 30 year-end, are included in the funds in which the activity takes place.

**DISCRETELY PRESENTED COMPONENT UNIT – CITY OF CONCORD ALCOHOLIC BEVERAGE CONTROL (ABC) BOARD**

The City Council appoints the members of the Alcoholic Beverage Control Board. In addition, the ABC Board is required by State statute to distribute a share of its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Concord ABC Board, 230 International Drive, Concord, North Carolina 28027.

**DISCRETELY PRESENTED COMPONENT UNIT – WEBUILD CONCORD**

WeBuild Concord (formerly Concord Family Enrichment Association) is a nonprofit established by the City of Concord to develop and build affordable housing within Concord and surrounding areas. City Council appoints two members to the WeBuild board, in addition to board seats reserved for the leadership from the departments of Planning and Neighborhood Development and Housing. CFEA, which has a June 30 year end and is presented as if it is a governmental fund (discrete presentation), has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the City's Annual Financial Report.

**B. Basis of Presentation – Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Interfund services provided and used are not eliminated in the process of consolidation. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 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 provided for governmental funds and fiduciary funds even though they are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major

NOTES TO FINANCIAL STATEMENTS

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**Note 1. Summary of Significant Accounting Policies (Continued)**

governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The government reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and state-shared revenues. The primary expenditures are for general government services, public safety, public works, cultural and recreational and planning and community development.

General Fund Capital Reserve: The General Fund Capital Reserve Fund is used to accumulate resources for future capital project needs.

American Rescue Plan Fund: The American Rescue Plan fund is used to account for grant funds awarded to the City as part of the American Rescue Plan Act.

Proprietary funds are presented in the financial statements on the accrual basis of accounting, similar to the basis used by government-wide statements and are accounted for on a flow of economic resources measurement focus. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 charges to customers for sales and services. The City also recognizes as operating revenue the portion of fees intended to recover the cost of connecting new customers or reconnecting current customers to the water and wastewater systems. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary funds are used to account for operations that are financed and operated where the intent of the government's board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the government's board has decided that periodic determination of net income is appropriate for accountability purposes.

The government reports the following major proprietary funds:

Electric, Water, Wastewater and Stormwater Funds: The Electric, Water, Wastewater and Stormwater Funds are used to account for the activities of the City's electric and water distribution operations and wastewater and stormwater collection.

Regional Airport Fund: The Regional Airport Fund is used to account for the operations of the City's regional airport.

Additionally, the government reports the following fund types:

Internal Service Fund: The internal service fund accounts for operations that provide services to other departments or agencies of the government on a cost-reimbursement basis. The City's internal services include various administrative, engineering and maintenance functions that predominately benefit business-type activities.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. City of Concord has two fiduciary funds, one of which is an OPEB trust fund for reporting purposes and one is a custodial fund.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.



NOTES TO FINANCIAL STATEMENTS

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**Note 1. Summary of Significant Accounting Policies (Continued)**

In accordance with North Carolina General Statutes, all governmental funds of the City are maintained during the year using the modified accrual basis of accounting. The governmental fund financial statements are reported on this same basis and use the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are “measurable” and “available”); “measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource 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 in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the 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 receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City of Concord because the tax is levied by Cabarrus County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the City’s policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

**D. Budgetary Data**

The City’s budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Housing Assistance Fund, the Emergency Housing Assistance Fund, the Market Rate Units Fund, the Municipal Service District Fund, the Additional Vehicle Tax Fund, the Electric Operating Fund, the Water Operating Fund, the Wastewater Operating Fund, the Stormwater Operating Fund, the Golf Course Operating Fund, the Regional Airport Operating Fund, the Housing Department Operating Fund, and the Internal Service Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Fund, the Home Fund, the Home ARP Fund, the Opioid Settlement Fund, the Affordable Housing Fund, the American Rescue Plan Fund, the Parks Capital Project Fund, the Parks Capital Reserve Fund, the Transportation Capital Project Fund, the General Fund Capital Project Fund, the General Capital Reserve Project Fund, the Fire and Life Safety Capital Project Fund, the Electric Projects Capital Project Fund, the Water Projects Capital Project Fund, the Wastewater Projects Capital Project Fund, the Airport Capital Project Fund, the Stormwater Capital Project Fund, the Transit Fund, the Utility Capital Reserve Project Fund, the Golf Capital Project Fund, the Housing Capital Project Fund, and First Concord Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. The City Manager is authorized to reallocate departmental appropriations and to effect interdepartmental transfers within a fund as long as such transfers do not exceed 10% of the appropriated funds for the department whose allocation is reduced. During the year several amendments to the original budgets were necessary.

A budget calendar is included in the North Carolina General Statutes, which prescribed the last day on which certain steps of that budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30 – each department head will transmit to the budget officer the budget requests and the revenue estimates for their department for the budget year.

NOTES TO FINANCIAL STATEMENTS

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**Note 1. Summary of Significant Accounting Policies (Continued)**

June 1 – The budget and the budget message shall be submitted to the governing board. The public hearing on the budget shall be scheduled at this time.

July 1 – The budget ordinance shall be adopted by the governing board.

As required by G.S. 159-26(d), the City maintains encumbrance accounts, which are considered to be “budgetary accounts.” Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result in unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity**

All deposits of the City and of the ABC Board are made in board-designated official depositories and are secured as required by State law (G.S. 159-31). The City and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the City and the ABC Board may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

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 nonguaranteed federal agencies; certain high quality issues of commercial paper and banker’s acceptances; and the North Carolina Capital Management Trust (NCCMT).

The City’s investments with a maturity of more than one year at acquisition and non-money market investments are reported at cost or amortized cost, which approximates their fair value as determined by quoted market prices. The NCCMT Government Portfolio, a SEC-registered 2a-7 money market mutual fund, is measured at fair value. Because the NCCMT Government portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with maturity of less than 6 months. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

General Statute 159-30.1 allows the City to establish and fund an irrevocable trust for the purpose of paying post-employment benefits (OPEB) for which the City is liable. The City’s Other Postemployment Benefit (OPEB) Trust is managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. The Trust is not registered with the SEC. G.S. 159-30(g) allows the City to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b) (1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer’s Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2022 of 0.9 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BIF is measured at fair value using Level 2 inputs and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF does not have a credit rating, was valued at \$1 per share and had an average maturity of 8.75 years at June 30, 2022. The BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund’s fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2022 the fair value of the funds was \$27.230307 per share. Fair value of this BlackRock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

**CASH AND CASH EQUIVALENTS**

The City maintains a cash and investment pool that is used by all funds, except First Concord Corporation, to facilitate disbursement and investment and to maximize investment income. Each fund type’s portion of these pools is displayed on the combined balance sheet as “Cash and investments”. Interest earned is distributed to the various funds based on the proportionate share of investments.

Since the cash management pools operate as demand deposit accounts, amounts invested in the pool by the proprietary fund types are considered cash and cash equivalents for the purpose of the statement of cash flows with respect to those funds.

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Summary of Significant Accounting Policies (Continued)**

RESTRICTED ASSETS

The unexpended proceeds for the 2021 installment financing issued by the City and deposits on hand are classified as restricted assets for the respective funds because their use is completely restricted to the purpose for which the loan was originally issued and the deposits will be used for. Monies set aside for debt service, extension, and replacement fund as required by the bond documents or designated for future projects are also classified as restricted assets. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Grant monies received in advance of allowable expenditures are also classified as restricted cash.

<u>City of Concord Restricted Cash:</u>	
Governmental Activities	
General Fund	
Streets	\$ 1,313,931
Customer deposits	4,071,514
Other governmental funds	
Unexpended loan proceeds	969,632
Debt service, extension, and replacement	1
Customer deposits	5,255
Opioid settlement funds	56,279
Advance from Grantors	15,622,602
Future capital projects	20,330,324
Total governmental activities	<u>\$ 42,369,538</u>
Business-type Activities	
Electric Fund	
Customer deposits	\$ 2,609,552
Debt service, extension, and replacement	132,863
Water Fund	
Customer deposits	807,292
Debt service, extension, and replacement	301,877
Wastewater Fund	
Customer deposits	300
Debt service, extension, and replacement	65,260
Regional Airport Fund	
Customer deposits	125,994
Advance from Grantor	4,192,615
Nonmajor enterprise funds	
Customer deposits	43,971
Total business-type activities	<u>\$ 8,279,724</u>
Total Restricted Cash	<u>\$ 50,649,262</u>

AD VALOREM TAXES RECEIVABLE

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 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due September 1<sup>st</sup> (Lien Date); however, interest does not accrue until the following January 6<sup>th</sup>, and property becomes subject to lien. Liens are published the following May. The taxes levied are based on the assessed values as of January 1<sup>st</sup>.

LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies (Continued)**

ALLOWANCES FOR DOUBTFUL ACCOUNTS

Allowances for doubtful accounts are maintained on all types of receivables which historically experienced uncollectible accounts. This amount is estimated based on the aging of the related receivables uncollectible at year end.

INVENTORIES AND PREPAID ITEMS

The inventories of the City and the ABC Board are valued at average cost, which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed. The inventories of the City's enterprise funds consist of materials and supplies held for consumption. The costs of these inventories are recorded as an expense as the inventories are consumed. The inventories of the ABC Board consist of goods held for resale. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The minimum capitalization cost for infrastructure is \$100,000. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2001, consist of roads, curbs and gutters, and bridges that were acquired, contributed or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical deflated replacement cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using straight-line method over the following estimated useful lives:

	Estimated Useful Life	
	City of Concord	ABC Board
	(In Years)	
Electric plant and distribution systems	25 – 40	–
Waste treatment plant and distribution systems	30 – 60	–
Water plant and distribution system	40 – 50	–
Buildings and improvements	20 – 50	40
Infrastructure assets	40 – 50	–
Leasehold improvements	–	10 – 40
Automobiles and trucks	3 – 6	5
Other property	3 – 10	–
Furniture/equipment	3 – 5	10

The City evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the government are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the government are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

RIGHT TO USE ASSETS

The City has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

NOTES TO FINANCIAL STATEMENTS

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**Note 1. Summary of Significant Accounting Policies (Continued)**

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net 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 assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, pension and OPEB deferrals for the 2022 fiscal year and an unamortized loss on a bond defeasance for refunding bonds. 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 assets 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, leases, and pension and OPEB deferrals.

LONG-TERM DEBT

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

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

COMPENSATED ABSENCES

The vacation policies of the City and the ABC Board provide for the accumulation of up to thirty-six (36) days earned vacation leave with such leave being fully vested when earned. All vacation pay is accrued when incurred in the government-wide, proprietary funds and the ABC Board financial statements. Current maturities of accrued vacation pay have been determined based on the annualized vacation taken in the first quarter of the current fiscal year. 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. For the governmental activities, compensated absences are generally liquidated by the general fund.

Both the City and the ABC Board's sick leave policies provide 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 neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

SELF-INSURANCE

The City is self-insured for employee medical benefits and workers' compensation, with third party insurance coverage at specified levels. The self-insurance plan is administered by an insurance company. The liability for estimated claims that have been incurred but have not yet reported is accrued in the individual funds.

OPIOID SETTLEMENT FUNDS

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

NOTES TO FINANCIAL STATEMENTS

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**Note 1. Summary of Significant Accounting Policies (Continued)**

The City received \$56,279 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022.

**NET POSITION AND FUND BALANCES**

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 either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

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 Balance** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form 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 the year end balance of prepaid expenses, which are not spendable resources.

Leases – portion of fund balance that is not an available resource because it represents the year end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

**Restricted Fund Balance** – This classification includes amounts that are restricted for 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 Transportation** – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

**Restricted for Public Safety** – portion of fund balance that is restricted by revenue source for certain police department drug enforcement related expenditures.

**Restricted for Planning and community development** – portion of fund balance that is restricted by revenue source for certain planning and community development related programs.

**Committed Fund Balance** – portion of fund balance that can only be used for specific purposes imposed by resolution of City of Concord's City Council (highest level of decision-making authority). The City Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

**Committed for Future Capital Purchases** – portion of fund balance committed by the City Council for future capital purchases including parks, greenways, street projects, and fire stations.

**Committed for Planning and Community Development** – portion of fund balance committed by the City Council for planning and community development related programs.

NOTES TO FINANCIAL STATEMENTS

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**Note 1. Summary of Significant Accounting Policies (Continued)**

Assigned Fund Balance – portion of fund balance that City of Concord intends to use for specific purposes.

Assigned for Future Capital Purchases – portion of fund balance that has been budgeted by the City Council for various future capital purchases and projects.

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City of Concord 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, 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.

The City of Concord has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 35% of expenditures. Any portion of the General fund balance in excess of 35% of expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the City in a future budget.

**DEFINED BENEFIT PENSION AND OPEB PLANS**

The City participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the State; the Local Government Employees' Retirement System (LGERS), and one other postemployment benefit plan (OPEB), the Health Care Plan (HCP). For purposes of measuring the net pension asset or 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 Government Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms LGERS. Investments are reported at fair value.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCP and additions to/deductions from the HCP's fiduciary net position have been determined on the same basis as they are reported by the HCP. For this purpose, the HCP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. 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.

**USE OF ESTIMATES**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

The governmental funds reconciliation of the balance sheet to the statement of net position includes a reconciling item that relates to deferred inflows of resources susceptible to full accrual on the entity-wide statements. In the governmental funds, the ad valorem taxes were not susceptible to accrual as revenues and were reported as deferred inflows of resources. The \$931,924 adjustment reflected on the reconciliation represents these ad valorem taxes outstanding at year end.

The governmental funds reconciliation of the statement of revenues, expenditures and changes in fund balance to the statement of activities includes revenues in the amount of \$171,641 that did not provide current financial resources for the fund. This adjustment

NOTES TO FINANCIAL STATEMENTS

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

reflected on the reconciliation represents the change between the ad valorem taxes outstanding for the years ended June 30, 2022 and June 30, 2021.

The statement of net position and statement of activities for the business-type activities include a reconciling item between the proprietary funds statement of net position and statement of revenues, expenses and changes in fund net position. This difference represents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and activity of the internal service funds that are reported within the business-type activities.

**Note 3. Cash and Investments**

Deposits – All of the City’s, the ABC Board’s and WeBuild’s deposits are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the City’s, the ABC Board’s, or WeBuild’s agents in these units’ names. 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, the ABC Board and WeBuild, these deposits are considered to be held by their agents in the entities’ names. The amount of the pledged collateral is based on an approved averaging method for noninterest-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, the ABC Board, WeBuild or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City, the ABC Board or WeBuild under the pooling method, the potential exists for the under collateralization, and 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, the ABC Board and WeBuild have no formal policy regarding custodial credit risk for deposits, but rely 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 verifying that deposits are properly secured.

At June 30, 2022, the City’s deposits had a carrying amount of \$23,840,086 and a bank balance of \$26,642,106. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$25,642,106 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of \$9,250 at June 30, 2022.

At June 30, 2022, the carrying amount of deposits for the ABC Board was \$6,313,211 and the bank balance was \$6,147,218. At June 30, 2022, the carrying amount of deposits for WeBuild was \$1,072,198 and the bank balance was \$1,102,118. All of the bank balances were covered by federal depository insurance or collateralized deposits.

At June 30, 2022, the City’s investment balances were as follows:

	Valuation Measurement Method	Reported Value	Less than	Reported	Reported	More than
			6 Months	6 – 12 Months	1 – 3 Years	3 Years
U. S. Government agencies	Fair Value Level 1	\$ 289,806,777	\$ -	\$ 10,494,940	\$169,479,442	\$109,832,395
Commercial paper	Cost	69,724,591	69,724,591	-	-	-
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level 1	11,076,190	11,076,190	N/A	N/A	N/A
<b>Total</b>		<b>\$ 370,607,558</b>	<b>\$80,800,781</b>	<b>\$ 10,494,940</b>	<b>\$169,479,442</b>	<b>\$109,832,395</b>

\* Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

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 valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk – The investment program is managed so that investments and deposits can be converted to cash when needed with the primary objective being the safety of the investment. The City maintains investments of funds designed to emphasize safety, liquidity, and yield. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy includes diversification guidelines. With the exception of US treasury securities and the NCCMT, no more than 30% of the City’s total investment portfolio will be invested in a single security type or with a single financial institution. Other limits are certificates of deposit shall not



NOTES TO FINANCIAL STATEMENTS

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**Note 3. Cash and Investments (Continued)**

exceed 25% of the City's total portfolio, commercial paper shall not exceed 25%, and bankers' acceptances shall not exceed 5%. Another component of the City's investment policy intended to limit interest rate risk is maturity limits. At least 60% of the investment portfolio will have maturities of no more than 3 years from the date of purchase, 80% of the portfolio will mature in 5 years or less, 90% will mature in 10 years or less.

Credit Risk – The City limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issues nationally recognized statistical rating organizations (NRSROs). As of June 30, 2022, the City's investments in commercial paper consisted of thirteen different issuers. All were rated A1 or A1+ by Standard & Poor's and P1 by Moody's. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poors and AAAmf by Moody's Investor Service as of June 30, 2022. The City's investments in US Government Agencies (FHLMC, Federal Home Loan Bank, Federal Farm Credit, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk – As noted above under Interest Rate Risk, the City's investment policy limits the amount the City may invest in any one issuer. More than 5 percent of the City's investments are in the Federal Home Loan Bank, Federal Farm Credit, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments are 27%, 26%, 17%, and 8% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2022, the City's Health Care Plan had \$15,159,753 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the City's OPEB Fund was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 15.33%, the State Treasurer's Bond Index Fund (BIF) 67.80%, and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 16.87% (the equities were split with 60.68% in domestic securities and 39.32% in international securities).

*Level of the fair value hierarchy:* Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2022 of 0.9 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2022 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.75 years.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2022 the fair value of the funds was \$27.230307 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Valuation technique:* North Carolina Department of State Treasurer OPEB Trust 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.

*Interest Rate Risk* – The City does not have a formal investment interest rate policy that manages its exposure to fair value arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 0.9 years at June 30, 2022. The State Treasurer's BIF if unrated and had a weighted average maturity of 8.75 years at June 30, 2022.

*Credit Risk* – The City does not have a formal investment policy regarding credit risk for the OPEB Trust Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

At June 30, 2022, the ABC Board and WeBuild did not have any investments.

NOTES TO FINANCIAL STATEMENTS

**Note 4. Receivables and Allowances for Doubtful Amounts**

Receivables as of year end for the governmental activities and the business-type activities are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Accounts receivable, net	\$ -	\$ 18,537,472
Ad valorem taxes, net	931,924	-
Due from other governmental agencies	1,720,083	4,672,062
Sales tax refunds	2,421,452	-
Interest	221,862	299,728
Lease	95,046	8,192,425
Other	8,952,695	-
	<u>\$ 14,343,062</u>	<u>\$ 31,701,687</u>

Receivables as of year end also included the following allowances for doubtful accounts:

Governmental Activities, allowance for doubtful ad valorem taxes	<u>\$ 310,641</u>
Governmental Activities, allowance for doubtful other receivables	<u>\$ 126,138</u>
Business-type Activities, allowance for doubtful accounts receivable	<u>\$ 211,561</u>

**Note 5. Leases Receivable**

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 10/01/2021, City of Concord, NC entered into a 40 month lease as Lessor for the use of Airport - Office - ATP-USA - Unit 208. An initial lease receivable was recorded in the amount of \$12,051.90. As of 06/30/2022, the value of the lease receivable is \$9,680.99. The lessee is required to make monthly fixed payments of \$302.25. The lease has an interest rate of 0.7430%. The building's estimated useful life was 201 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,340.22, and City of Concord recognized lease revenue of \$2,711.68 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 31 month lease as Lessor for the use of Airport - Hangar - Dennis Doster - N1194N. An initial lease receivable was recorded in the amount of \$8,619.95. As of 06/30/2022, the value of the lease receivable is \$5,306.35. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,286.78, and City of Concord recognized lease revenue of \$3,333.17 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - DFR Motors LLC (David Grimm) - N8935M. An initial lease receivable was recorded in the amount of \$11,042.56. As of 06/30/2022, the value of the lease receivable is \$7,383.95. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,361.71, and City of Concord recognized lease revenue of \$3,680.85 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 31 month lease as Lessor for the use of Airport - Hangar - Hudson Aviation/William Clay Presley - N1549H. An initial lease receivable was recorded in the amount of \$12,748.84. As of 06/30/2022, the value of the lease receivable is \$7,837.43. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,813.81, and City of Concord recognized lease revenue of \$4,935.04 during the fiscal year.

On 11/17/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Joseph Long - N8390W. An initial lease receivable was recorded in the amount of \$2,843.48. As of 06/30/2022, the value of the lease receivable is \$2,258.21. The lessee is required to make monthly fixed payments of \$37.33. The lease has an interest rate of 0.8770%. The land improvement estimated

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

useful life was 176 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,253.72, and City of Concord recognized lease revenue of \$589.76 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 34 month lease as Lessor for the use of Airport - Hangar - Lucky 8 Aviation LLC - N88WF. An initial lease receivable was recorded in the amount of \$8,733.82. As of 06/30/2022, the value of the lease receivable is \$5,976.99. The lessee is required to make monthly fixed payments of \$255.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,701.83, and City of Concord recognized lease revenue of \$3,031.99 during the fiscal year.

On 09/04/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Mark Horn - N6374W. An initial lease receivable was recorded in the amount of \$2,851.34. As of 06/30/2022, the value of the lease receivable is \$2,071.89. The lessee is required to make monthly fixed payments of \$72.00. The lease has an interest rate of 0.6870%. The land improvement estimated useful life was 178 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,067.22, and City of Concord recognized lease revenue of \$784.12 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Tiedown - Victory Lane Aviation LLC - N110SQ. An initial lease receivable was recorded in the amount of \$2,682.54. As of 06/30/2022, the value of the lease receivable is \$1,737.27. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The land improvement estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,731.10, and City of Concord recognized lease revenue of \$951.44 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Tiedown - Victory Lane Aviation LLC - N117TS. An initial lease receivable was recorded in the amount of \$2,682.54. As of 06/30/2022, the value of the lease receivable is \$1,737.27. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The land improvement estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,731.10, and City of Concord recognized lease revenue of \$951.44 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 34 month lease as Lessor for the use of Airport - Hangar - Skin LLC (Gary Slaughter) - N224AB. An initial lease receivable was recorded in the amount of \$10,688.45. As of 06/30/2022, the value of the lease receivable is \$7,027.47. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,002.77, and City of Concord recognized lease revenue of \$3,685.67 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Tiedown - Victory Lane Aviation LLC - N8410L. An initial lease receivable was recorded in the amount of \$2,682.54. As of 06/30/2022, the value of the lease receivable is \$1,737.27. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The land improvement estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,731.10, and City of Concord recognized lease revenue of \$951.44 during the fiscal year.

On 09/02/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Preston Hagman - N600TH. An initial lease receivable was recorded in the amount of \$14,791.36. As of 06/30/2022, the value of the lease receivable is \$10,720.67. The lessee is required to make monthly fixed payments of \$401.17. The lease has an interest rate of 0.6870%. The building's estimated useful life was 202 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$10,696.35, and City of Concord recognized lease revenue of \$4,095.02 during the fiscal year.

On 09/03/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Sky Blue Aviation LLC - N636GT. An initial lease receivable was recorded in the amount of \$11,048.96. As of 06/30/2022, the value of the lease receivable is \$8,018.39. The lessee is required to make monthly fixed payments of \$289.33. The lease has an interest rate of 0.6870%. The building's estimated useful life was 202 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$8,000.27, and City of Concord recognized lease revenue of \$3,048.70 during the fiscal year.

On 09/03/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - RBC Aero (Brett Benson) - N2016D. An initial lease receivable was recorded in the amount of \$11,048.88. As of 06/30/2022, the value of the lease receivable is \$8,022.65. The lessee is required to make monthly fixed payments of \$285.00. The lease has an interest rate of 0.6870%. The building's estimated useful life was 202 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$8,000.21, and City of Concord recognized lease revenue of \$3,048.67 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 10/20/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Steven Stemmer - N777TL. An initial lease receivable was recorded in the amount of \$11,013.55. As of 06/30/2022, the value of the lease receivable is \$8,467.90. The lessee is required to make monthly fixed payments of \$120.00. The lease has an interest rate of 0.9090%. The building's estimated useful life was 201 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$8,453.92, and City of Concord recognized lease revenue of \$2,559.63 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 256 month lease as Lessor for the use of Airport - Ground - Fly Carolina, LLC (Flight Inc). An initial lease receivable was recorded in the amount of \$95,481.01. As of 06/30/2022, the value of the lease receivable is \$93,396.09. The lessee is required to make monthly fixed payments of \$644.93. The lease has an interest rate of 1.6810%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$91,005.34, and City of Concord recognized lease revenue of \$4,475.67 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Concord, NC entered into a 43 month lease as Lessor for the use of Airport - Hangar - ATP-USA - Hangar A (East Side). An initial lease receivable was recorded in the amount of \$248,093.05. As of 06/30/2022, the value of the lease receivable is \$187,887.31. The lessee is required to make monthly fixed payments of \$5,500.00. The lease has an interest rate of 0.8930%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$178,857.78, and City of Concord recognized lease revenue of \$69,235.27 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 32 month lease as Lessor for the use of Airport - Tiedown - Alpha One Air Service - N5592G. An initial lease receivable was recorded in the amount of \$2,601.51. As of 06/30/2022, the value of the lease receivable is \$1,655.69. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The land improvement estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,649.74, and City of Concord recognized lease revenue of \$951.77 during the fiscal year.

On 11/10/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Andrew Dauber (Aviation Services Group) - N4042M. An initial lease receivable was recorded in the amount of \$14,764.04. As of 06/30/2022, the value of the lease receivable is \$11,633.19. The lessee is required to make monthly fixed payments of \$290.50. The lease has an interest rate of 0.8770%. The building's estimated useful life was 200 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$11,606.18, and City of Concord recognized lease revenue of \$3,157.87 during the fiscal year.

On 07/12/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Concord Flying Club, LLC - N773ME. An initial lease receivable was recorded in the amount of \$14,789.70. As of 06/30/2022, the value of the lease receivable is \$10,033.34. The lessee is required to make monthly fixed payments of \$267.80. The lease has an interest rate of 0.6950%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$10,010.43, and City of Concord recognized lease revenue of \$4,779.26 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 32 month lease as Lessor for the use of Airport - Hangar - DRLN Aviation LLC - N1016N. An initial lease receivable was recorded in the amount of \$9,878.14. As of 06/30/2022, the value of the lease receivable is \$6,516.32. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$6,189.21, and City of Concord recognized lease revenue of \$3,688.93 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 35 month lease as Lessor for the use of Airport - Hangar - Gary Fox - N235TM. An initial lease receivable was recorded in the amount of \$10,769.41. As of 06/30/2022, the value of the lease receivable is \$7,108.98. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,084.06, and City of Concord recognized lease revenue of \$3,685.35 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 35 month lease as Lessor for the use of Airport - Hangar - Gary Fox - N721WB. An initial lease receivable was recorded in the amount of \$14,406.84. As of 06/30/2022, the value of the lease receivable is \$9,506.51. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,476.74, and City of Concord recognized lease revenue of \$4,930.10 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Hangar - Healthcare Consolidated LLC - N327R. An initial lease receivable was recorded in the amount of \$21,097.65. As of 06/30/2022, the value of the lease receivable is \$13,581.20. The lessee is required to make monthly fixed payments of \$636.00. The lease has an interest rate of 0.7270%. The building's

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$13,532.76, and City of Concord recognized lease revenue of \$7,564.90 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 35 month lease as Lessor for the use of Airport - Hangar - Orchard Road Aviation/Jack Purcell - N226RP. An initial lease receivable was recorded in the amount of \$10,739.06. As of 06/30/2022, the value of the lease receivable is \$7,078.43. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The Buildings estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,057.10, and City of Concord recognized lease revenue of \$3,681.96 during the fiscal year.

On 08/10/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - James Deal (Premier Development Aviation LLC)- N350SY. An initial lease receivable was recorded in the amount of \$2,905.25. As of 06/30/2022, the value of the lease receivable is \$2,063.08. The lessee is required to make monthly fixed payments of \$56.77. The lease has an interest rate of 0.7270%. The land improvement estimated useful life was 179 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,041.75, and City of Concord recognized lease revenue of \$863.51 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 354 month lease as Lessor for the use of Airport - Ground - JW Venture Aviation, LLC. An initial lease receivable was recorded in the amount of \$166,465.93. As of 06/30/2022, the value of the lease receivable is \$163,027.12. The lessee is required to make monthly fixed payments of \$575.75. The lease has an interest rate of 2.3000%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$160,828.86, and City of Concord recognized lease revenue of \$5,637.07 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 09/20/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Kenny Campbell - N459BA. An initial lease receivable was recorded in the amount of \$9,976.20. As of 06/30/2022, the value of the lease receivable is \$7,948.77. The lessee is required to make monthly fixed payments of \$102.67. The lease has an interest rate of 0.7110%. The building's estimated useful life was 238 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,380.54, and City of Concord recognized lease revenue of \$2,595.66 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 32 month lease as Lessor for the use of Airport - Tiedown - Ncincillli Titi - N325PL. An initial lease receivable was recorded in the amount of \$2,549.19. As of 06/30/2022, the value of the lease receivable is \$1,603.03. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The land improvement estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,597.21, and City of Concord recognized lease revenue of \$951.98 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Tiedown - Stephanie Kornegay - N6HR. An initial lease receivable was recorded in the amount of \$2,659.02. As of 06/30/2022, the value of the lease receivable is \$1,713.59. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The land improvement estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,707.48, and City of Concord recognized lease revenue of \$951.54 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Hangar - Trojan Boys, LLC - N745W. An initial lease receivable was recorded in the amount of \$13,942.82. As of 06/30/2022, the value of the lease receivable is \$9,446.44. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,007.31, and City of Concord recognized lease revenue of \$4,935.51 during the fiscal year.

On 07/09/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - United American Steel Company, Inc - N901FA. An initial lease receivable was recorded in the amount of \$12,581.35. As of 06/30/2022, the value of the lease receivable is \$8,586.39. The lessee is required to make monthly fixed payments of \$176.50. The lease has an interest rate of 0.6790%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$8,480.76, and City of Concord recognized lease revenue of \$4,100.59 during the fiscal year.

On 11/19/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - YFLY, Inc - N74MJ. An initial lease receivable was recorded in the amount of \$14,750.56. As of 06/30/2022, the value of the lease receivable is \$11,741.54. The lessee is required to make monthly fixed payments of \$166.00. The lease has an interest rate of 0.8770%. The building's estimated useful life was 200 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$11,718.50, and City of Concord recognized lease revenue of \$3,032.06 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 34 month lease as Lessor for the use of Airport - Tiedown - Reginald Jones - N485DS. An initial lease receivable was recorded in the amount of \$3,630.57. As of 06/30/2022, the value of the lease receivable is \$2,390.63. The lessee is required to make monthly fixed payments of \$105.00. The lease has an interest rate of 0.7270%. The land improvement

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,382.23, and City of Concord recognized lease revenue of \$1,248.33 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 415 month lease as Lessor for the use of Airport - Ground - Land Air & Sea, LLC. An initial lease receivable was recorded in the amount of \$269,132.08. As of 06/30/2022, the value of the lease receivable is \$267,675.97. The lessee is required to make monthly fixed payments of \$612.67. The lease has an interest rate of 2.4810%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$261,358.69, and City of Concord recognized lease revenue of \$7,773.39 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Concord, NC entered into a 42 month lease as Lessor for the use of Airport - Office - ATP-USA - Unit 209. An initial lease receivable was recorded in the amount of \$14,722.54. As of 06/30/2022, the value of the lease receivable is \$11,115.34. The lessee is required to make monthly fixed payments of \$333.64. The lease has an interest rate of 0.8930%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$10,536.04, and City of Concord recognized lease revenue of \$4,186.50 during the fiscal year.

On 12/01/2021, City of Concord, NC entered into a 38 month lease as Lessor for the use of Airport - Office - ATP-USA - Unit 212. An initial lease receivable was recorded in the amount of \$6,808.52. As of 06/30/2022, the value of the lease receivable is \$5,771.30. The lessee is required to make monthly fixed payments of \$176.70. The lease has an interest rate of 0.8770%. The building's estimated useful life was 199 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,554.32, and City of Concord recognized lease revenue of \$1,254.20 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 162 month lease as Lessor for the use of Airport - Ground - Classic Aviation, LLC. An initial lease receivable was recorded in the amount of \$33,863.46. As of 06/30/2022, the value of the lease receivable is \$31,891.98. The lessee is required to make monthly fixed payments of \$186.71. The lease has an interest rate of 0.8930%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$31,356.09, and City of Concord recognized lease revenue of \$2,507.37 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Concord, NC entered into a 327 month lease as Lessor for the use of Airport - Ground - Concord Aviation Property, LLC. An initial lease receivable was recorded in the amount of \$100,524.27. As of 06/30/2022, the value of the lease receivable is \$97,361.65. The lessee is required to make monthly fixed payments of \$367.42. The lease has an interest rate of 1.3750%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$96,845.81, and City of Concord recognized lease revenue of \$3,678.46 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 07/01/2021, City of Concord, NC entered into a 224 month lease as Lessor for the use of Airport - Ground - VS Management, LLC. An initial lease receivable was recorded in the amount of \$43,608.95. As of 06/30/2022, the value of the lease receivable is \$41,765.21. The lessee is required to make monthly fixed payments of \$222.97. The lease has an interest rate of 2.3000%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$41,272.75, and City of Concord recognized lease revenue of \$2,336.19 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Concord, NC entered into a 41 month lease as Lessor for the use of Airport - Hangar - Helivision, LLC - Hangar 4. An initial lease receivable was recorded in the amount of \$210,988.90. As of 06/30/2022, the value of the lease receivable is \$151,833.02. The lessee is required to make monthly fixed payments of \$4,944.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 348 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$149,236.05, and City of Concord recognized lease revenue of \$61,752.85 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 189 month lease as Lessor for the use of Water - Tower Lease - Verizon. An initial lease receivable was recorded in the amount of \$975,483.38. As of 06/30/2022, the value of the lease receivable is \$927,540.66. The lessee is required to make monthly fixed payments of \$4,193.47. The lease has an interest rate of 0.3160%. The infrastructure estimated useful life was 600 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$913,547.93, and City of Concord recognized lease revenue of \$61,935.45 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On 07/01/2021, City of Concord, NC entered into a 159 month lease as Lessor for the use of Airport - Office/Storage/Ground - Hendrick Motorsports, Inc. An initial lease receivable was recorded in the amount of \$3,162,689.81. As of 06/30/2022, the value of the lease receivable is \$2,882,386.83. The lessee is required to make monthly fixed payments of \$25,036.71. The lease has an interest rate of 0.7270%. The building's estimated useful life was 192 months as of the contract commencement. The value of the deferred inflow of

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

resources as of 06/30/2022 was \$2,925,191.20, and City of Concord recognized lease revenue of \$237,498.61 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 02/04/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Victory Lane Aviation LLC - D-02. An initial lease receivable was recorded in the amount of \$9,851.34. As of 06/30/2022, the value of the lease receivable is \$8,528.52. The lessee is required to make monthly fixed payments of \$250.00. The lease has an interest rate of 1.5800%. The building's estimated useful life was 233 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$8,510.46, and City of Concord recognized lease revenue of \$1,340.88 during the fiscal year.

On 03/02/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Alpha One Air Service - N6909T. An initial lease receivable was recorded in the amount of \$2,810.85. As of 06/30/2022, the value of the lease receivable is \$2,504.43. The lessee is required to make monthly fixed payments of \$77.42. The lease has an interest rate of 1.6750%. The land improvement estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,501.13, and City of Concord recognized lease revenue of \$309.71 during the fiscal year.

On 01/25/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Concord Aircraft LLC(Concord Aviation -Jurgen)- N617RM. An initial lease receivable was recorded in the amount of \$22,446.43. As of 06/30/2022, the value of the lease receivable is \$19,222.47. The lessee is required to make monthly fixed payments of \$143.61. The lease has an interest rate of 1.3670%. The building's estimated useful life was 198 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$19,204.17, and City of Concord recognized lease revenue of \$3,242.26 during the fiscal year.

On 03/25/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Bravo Aero LLC - N66023. An initial lease receivable was recorded in the amount of \$2,784.16. As of 06/30/2022, the value of the lease receivable is \$2,538.57. The lessee is required to make monthly fixed payments of \$17.00. The lease has an interest rate of 2.3380%. The land improvement estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,536.68, and City of Concord recognized lease revenue of \$247.48 during the fiscal year.

On 01/19/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Hypothetical Destinations LLC. An initial lease receivable was recorded in the amount of \$8,996.60. As of 06/30/2022, the value of the lease receivable is \$7,607.90. The lessee is required to make monthly fixed payments of \$156.37. The lease has an interest rate of 1.4060%. The building's estimated useful life was 198 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$7,647.11, and City of Concord recognized lease revenue of \$1,349.49 during the fiscal year.

On 02/24/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - James Leopard - N7798W. An initial lease receivable was recorded in the amount of \$2,808.69. As of 06/30/2022, the value of the lease receivable is \$2,486.70. The lessee is required to make monthly fixed payments of \$14.29. The lease has an interest rate of 1.7222%. The land improvement estimated useful life was 173 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,478.41, and City of Concord recognized lease revenue of \$330.28 during the fiscal year.

On 03/25/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Parfait LTD LLC - N9260V. An initial lease receivable was recorded in the amount of \$2,784.23. As of 06/30/2022, the value of the lease receivable is \$2,537.58. The lessee is required to make monthly fixed payments of \$18.06. The lease has an interest rate of 2.3380%. The land improvement estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,536.74, and City of Concord recognized lease revenue of \$247.49 during the fiscal year.

On 03/08/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Victory Air LLC - N# Varies. An initial lease receivable was recorded in the amount of \$10,527.48. As of 06/30/2022, the value of the lease receivable is \$9,435.78. The lessee is required to make monthly fixed payments of \$232.26. The lease has an interest rate of 1.7620%. The land improvement estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,425.99, and City of Concord recognized lease revenue of \$1,101.49 during the fiscal year.

On 04/01/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Office - ATP-USA - Office EW3. An initial lease receivable was recorded in the amount of \$28,603.31. As of 06/30/2022, the value of the lease receivable is \$27,053.31. The lessee is required to make monthly fixed payments of \$775.00. The lease has an interest rate of 0.0000%. The building's estimated useful life was 123 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$26,219.70, and City of Concord recognized lease revenue of \$2,383.61 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 12/08/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Western Piedmont Metals Inc (EAM Management) - N27AX. An initial lease receivable was recorded in the amount of \$26,836.04. As of 06/30/2022, the value of the lease receivable is \$21,804.50. The lessee is required to make monthly fixed payments of \$604.00. The lease has an interest rate of 0.8770%. The building's estimated useful life was 199 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$21,791.86, and City of Concord recognized lease revenue of \$5,044.18 during the fiscal year.

On 12/02/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Benjamin Barbour - N19916. An initial lease receivable was recorded in the amount of \$2,843.50. As of 06/30/2022, the value of the lease receivable is \$2,297.28. The lessee is required to make monthly fixed payments of \$77.42. The lease has an interest rate of 0.8770%. The land improvement estimated useful life was 175 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,293.23, and City of Concord recognized lease revenue of \$550.27 during the fiscal year.

On 05/01/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar/Office - Niles Management Group LLC. An initial lease receivable was recorded in the amount of \$146,926.31. As of 06/30/2022, the value of the lease receivable is \$138,965.00. The lessee is required to make monthly fixed payments of \$4,136.71. The lease has an interest rate of 2.6230%. The Buildings estimated useful life was 158 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$138,763.74, and City of Concord recognized lease revenue of \$8,162.57 during the fiscal year.

On 05/01/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar/Office - Blanket Aero. An initial lease receivable was recorded in the amount of \$319,298.58. As of 06/30/2022, the value of the lease receivable is \$310,403.02. The lessee is required to make monthly fixed payments of \$8,895.56. The lease has an interest rate of 2.6230%. The building's estimated useful life was 230 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$301,559.77, and City of Concord recognized lease revenue of \$17,738.81 during the fiscal year.

On 06/01/2022, City of Concord, NC entered into a 60 month lease as Lessor for the use of Airport - Hangar - FlyCarolina LLC (Flight Inc). An initial lease receivable was recorded in the amount of \$416,143.62. As of 06/30/2022, the value of the lease receivable is \$409,093.62. The lessee is required to make monthly fixed payments of \$7,050.00. The lease has an interest rate of 2.6780%. The building's estimated useful life was 157 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$409,207.89, and City of Concord recognized lease revenue of \$6,935.73 during the fiscal year.

On 05/27/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Harrah Enterprise LTD - N2505J. An initial lease receivable was recorded in the amount of \$3,648.93. As of 06/30/2022, the value of the lease receivable is \$3,527.97. The lessee is required to make monthly fixed payments of \$16.94. The lease has an interest rate of 2.4410%. The land improvement estimated useful life was 170 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$3,534.06, and City of Concord recognized lease revenue of \$114.87 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Hangar - Thomas Kipp - N4883S. An initial lease receivable was recorded in the amount of \$9,269.68. As of 06/30/2022, the value of the lease receivable is \$5,955.45. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.6560%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,935.93, and City of Concord recognized lease revenue of \$3,333.75 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Tiedown - Hellix LLC - N69937. An initial lease receivable was recorded in the amount of \$3,477.25. As of 06/30/2022, the value of the lease receivable is \$2,233.79. The lessee is required to make monthly fixed payments of \$105.00. The lease has an interest rate of 0.6320%. The land improvement estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,227.94, and City of Concord recognized lease revenue of \$1,249.31 during the fiscal year.

On 02/22/2022, City of Concord, NC entered into a 629 month lease as Lessor for the use of Airport - Ground - 7475 Zephyr Place LLC. An initial lease receivable was recorded in the amount of \$213,554.41. As of 06/30/2022, the value of the lease receivable is \$212,782.04. The lessee is required to make monthly fixed payments of \$123.58. The lease has an interest rate of 2.2680%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$212,094.43, and City of Concord recognized lease revenue of \$1,459.99 during the fiscal year. The lessee has 1 extension option(s), each for 315 months.



NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 03/17/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Kyle Busch Group LLC - N518KB. An initial lease receivable was recorded in the amount of \$48,753.38. As of 06/30/2022, the value of the lease receivable is \$44,088.71. The lessee is required to make monthly fixed payments of \$675.00. The lease has an interest rate of 2.0460%. The building's estimated useful life was 232 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$44,058.61, and City of Concord recognized lease revenue of \$4,694.77 during the fiscal year.

On 12/17/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Barringer Aviation LLC - N521AD. An initial lease receivable was recorded in the amount of \$12,586.58. As of 06/30/2022, the value of the lease receivable is \$10,332.23. The lessee is required to make monthly fixed payments of \$170.81. The lease has an interest rate of 0.6600%. The building's estimated useful life was 163 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$10,325.66, and City of Concord recognized lease revenue of \$2,260.92 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Hangar - Eric Bellsey - N6894V. An initial lease receivable was recorded in the amount of \$9,151.05. As of 06/30/2022, the value of the lease receivable is \$5,841.00. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,823.39, and City of Concord recognized lease revenue of \$3,327.65 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 32 month lease as Lessor for the use of Airport - Hangar - Justin Carroll - N4816S. An initial lease receivable was recorded in the amount of \$8,346.29. As of 06/30/2022, the value of the lease receivable is \$5,324.88. The lessee is required to make monthly fixed payments of \$255.00. The lease has an interest rate of 0.6160%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,308.20, and City of Concord recognized lease revenue of \$3,038.08 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33 month lease as Lessor for the use of Airport - Hangar - Anthony Durrah Sr - N55563. An initial lease receivable was recorded in the amount of \$9,151.05. As of 06/30/2022, the value of the lease receivable is \$5,841.00. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$5,823.39, and City of Concord recognized lease revenue of \$3,327.65 during the fiscal year.

On 01/06/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Robert James Gordon - N681GP. An initial lease receivable was recorded in the amount of \$9,896.60. As of 06/30/2022, the value of the lease receivable is \$8,308.09. The lessee is required to make monthly fixed payments of \$234.84. The lease has an interest rate of 1.2640%. The building's estimated useful life was 234 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$8,292.98, and City of Concord recognized lease revenue of \$1,603.62 during the fiscal year.

On 12/01/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Randy Humphrey Inc - N824VA. An initial lease receivable was recorded in the amount of \$14,750.63. As of 06/30/2022, the value of the lease receivable is \$11,904.06. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.8770%. The building's estimated useful life was 199 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$11,882.46, and City of Concord recognized lease revenue of \$2,868.18 during the fiscal year.

On 01/06/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Samuel Nauhaus - N1541J. An initial lease receivable was recorded in the amount of \$9,896.60. As of 06/30/2022, the value of the lease receivable is \$8,308.09. The lessee is required to make monthly fixed payments of \$234.84. The lease has an interest rate of 1.2640%. The building's estimated useful life was 234 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$8,292.98, and City of Concord recognized lease revenue of \$1,603.62 during the fiscal year.

On 11/25/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - William N Riley - N13DE. An initial lease receivable was recorded in the amount of \$2,843.49. As of 06/30/2022, the value of the lease receivable is \$2,279.09. The lessee is required to make monthly fixed payments of \$16.00. The lease has an interest rate of 0.8770%. The land improvement estimated useful life was 176 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,274.79, and City of Concord recognized lease revenue of \$568.70 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 20 month lease as Lessor for the use of Airport - Hangar - Aerowood Aviation LLC - 8700 Aviation Blvd. An initial lease receivable was recorded in the amount of \$117,686.08. As of 06/30/2022, the value of the lease receivable is \$52,088.38. The lessee is required to make monthly fixed payments of \$5,400.00. The lease has an interest rate of 0.5140%.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

The building's estimated useful life was 314 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$49,131.08, and City of Concord recognized lease revenue of \$68,555.00 during the fiscal year.

On 01/06/2022, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Hangar - Edward Brady - N123VB. An initial lease receivable was recorded in the amount of \$10,956.95. As of 06/30/2022, the value of the lease receivable is \$9,198.25. The lessee is required to make monthly fixed payments of \$260.00. The lease has an interest rate of 1.2640%. The building's estimated useful life was 198 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$9,181.52, and City of Concord recognized lease revenue of \$1,775.43 during the fiscal year.

On 09/11/2021, City of Concord, NC entered into a 36 month lease as Lessor for the use of Airport - Tiedown - Timothy Long - N9620J. An initial lease receivable was recorded in the amount of \$2,850.34. As of 06/30/2022, the value of the lease receivable is \$2,089.70. The lessee is required to make monthly fixed payments of \$53.33. The lease has an interest rate of 0.7110%. The land improvement estimated useful life was 178 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$2,084.97, and City of Concord recognized lease revenue of \$765.37 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 68 month lease as Lessor for the use of Gen Fund - Dominion Energy (formerly PSNC) - Tower Lease. An initial lease receivable was recorded in the amount of \$110,531.36. As of 06/30/2022, the value of the lease receivable is \$94,684.69. The lessee is required to make monthly fixed payments of \$1,464.33. The lease has an interest rate of 1.2170%. The Land estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$91,035.38, and City of Concord recognized lease revenue of \$19,495.98 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Concord, NC entered into a 253 month lease as Lessor for the use of Water - Tower Lease - AT&T(Suez/Utility Service Comm Co). An initial lease receivable was recorded in the amount of \$1,818,899.15. As of 06/30/2022, the value of the lease receivable is \$1,775,964.25. The lessee is required to make monthly fixed payments of \$6,683.67. The lease has an interest rate of 2.3980%. The Equipment estimated useful life was 600 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$1,732,627.26, and City of Concord recognized lease revenue of \$86,271.90 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Leases Receivable (Continued)

Inflows of Resources not Previously Included within the Lease Receivable

Business-Type Activities	Inflow of Resources						
	Lease	Start Date	End Date	Variable Receipts	Other Receipts	Payable To	Purpose
Airport – Ground – Concord Aviation		07/01/2021	10/28/2048	44	0	Aviation Fund	Aviation
Airport – Tiedown – Parfait LTD LLC		03/25/2022	03/24/2025	0	500	Aviation Fund	Aviation

Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities			
	Principal Payments	Interest Payments	Total Payments	
2023		21,006	1,028	22,034
2024		19,415	793	20,208
2025		19,653	555	20,208
2026		19,893	315	20,208
2027		15,079	77	15,156

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	1,006,750	110,854	1,117,604
2024	950,937	97,383	1,048,320
2025	702,589	85,076	787,665
2026	430,640	77,395	508,035
2027	435,727	71,560	507,287
2028-2032	1,890,586	295,789	2,186,375
2033-2037	1,511,485	192,795	1,704,280
2038-2042	806,484	102,526	909,010
2043-2047	151,140	43,919	195,059
2048-2052	129,234	27,711	156,945
2053-2057	76,613	15,245	91,858
2058-2062	25,440	9,976	35,416
2063-2067	28,491	6,924	35,415
2068-2072	31,909	3,506	35,415
2073-2076	14,400	356	14,756

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 20,285,803	\$ 348,052	\$ 158,011	\$ -	\$ 20,475,844
Construction in progress	25,584,718	13,664,347	10,627,791	-	28,621,274
Total capital assets, not being depreciated	45,870,521	14,012,399	10,785,802	-	49,097,118
Capital assets, being depreciated:					
Buildings	65,321,692	570,803	733,119	172,141	65,331,517
Improvements other than buildings	7,665,337	2,899,699	-	-	10,565,036
Machinery and equipment	42,428,362	6,074,718	1,457,369	25,805	47,071,516
Infrastructure	747,734,914	50,982,624	-	-	798,717,538
Total capital assets, being depreciated	863,150,305	60,527,844	2,190,488	197,946	921,685,607
Accumulated depreciation:					
Buildings	33,488,243	2,326,775	669,050	172,571	35,318,539
Improvements other than buildings	3,604,682	363,705	-	-	3,968,387
Machinery and equipment	30,759,388	3,414,743	1,304,903	25,375	32,894,603
Infrastructure	418,798,512	12,803,088	-	-	431,601,600
Total accumulated depreciation	486,650,825	18,908,311	1,973,953	197,946	503,783,129
Total capital assets, being depreciated, net	376,499,480	\$ 41,619,533	\$ 216,535	\$ -	417,902,478
Governmental activities capital assets, net	\$ 422,370,001				\$ 466,999,596
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 44,139,255	\$ 401,034	\$ 209,377	\$ (1,658,046)	\$ 42,672,866
Construction in progress	40,551,299	32,698,459	32,523,580	-	40,726,178
Total capital assets, not being depreciated	84,690,554	33,099,493	32,732,957	(1,658,046)	83,399,044
Capital assets, being depreciated:					
Buildings	80,372,304	9,011	461,777	(197,946)	79,721,592
Improvements other than buildings	544,400,292	40,353,639	-	1,658,046	586,411,977
Machinery and equipment	40,617,888	4,149,984	1,026,754	-	43,741,118
Total capital assets, being depreciated	665,390,484	44,512,634	1,488,531	1,460,100	709,874,687
Accumulated depreciation:					
Buildings	36,825,399	2,540,767	456,696	(197,946)	38,711,524
Improvements other than buildings	260,697,616	13,695,858	-	-	274,393,474
Machinery and equipment	30,470,250	3,258,093	1,026,754	-	32,701,589
Total accumulated depreciation	327,993,265	19,494,718	1,483,450	(197,946)	345,806,587
Total capital assets, being depreciated, net	337,397,219	\$ 25,017,916	\$ 5,081	\$ 1,658,046	364,068,100
Business-type activities capital assets, net	\$ 422,087,773				\$ 447,467,144

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6. Capital Assets (Continued)**

A detailed breakdown of business-type activities capital assets by fund can be found at Schedule 5.

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

Governmental activities:	
General government	\$ 650,021
Public safety	3,443,368
Public works	13,947,064
Culture and recreational	799,704
Planning and community development	68,154
Total depreciation expense – governmental activities	<u>\$ 18,908,311</u>
Business-type activities:	
Electric	\$ 4,059,774
Water	4,600,438
Wastewater	3,888,304
Regional airport	3,353,321
Stormwater	1,841,100
Other nonmajor business-type activities	1,108,792
Capital assets held by the government’s internal service funds are charged to the various functions based on their usage of the assets	642,989
Total depreciation expense – business-type activities	<u>\$ 19,494,718</u>

Activity for the ABC Board for the year ended June 30, 2022, was as follows:

	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
<b>Component unit:</b>				
Capital assets not being depreciated:				
Land	\$ 1,327,153	\$ 753,173	\$ -	\$ 2,080,326
Construction in progress	1,788,964	10,895	1,788,964	10,895
Total capital assets not being depreciated	<u>3,116,117</u>	<u>-</u>	<u>764,068</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings	4,807,162	1,662,353	-	6,469,515
Improvements other than buildings	773,001	13,631	31,591	755,041
Machinery and equipment	836,283	16,607	8,620	844,270
Total capital assets, being depreciated	<u>6,416,446</u>	<u>1,692,591</u>	<u>40,211</u>	<u>8,068,826</u>
Accumulated depreciation	1,366,802	276,641	40,211	1,603,232
Total capital assets, being depreciated, net	<u>5,049,644</u>	<u>\$ 1,415,950</u>	<u>\$ -</u>	<u>6,465,594</u>
Component unit capital assets, net	<u>\$ 8,165,761</u>			<u>\$ 8,556,815</u>

**Note 7. Right to Use Leased Assets**

The City has recorded three right to use leased assets. The assets are right to use assets for leased buildings and leased equipment. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 7. Right to Use Leased Assets (Continued)**

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

<b>Governmental activities:</b>	Balance as of		Balance as of	
	July 1, 2021	Additions	Reductions	June 30, 2022
Lease Assets				
Buildings				
Gen Fund - Bldg Commercial Space - RCG Sixty Six LLC	-	161,289	-	161,289
<b>Total Building Lease Assets</b>	<b>-</b>	<b>161,289</b>	<b>-</b>	<b>161,289</b>
<b>Total Lease Assets</b>	<b>-</b>	<b>161,289</b>	<b>-</b>	<b>161,289</b>
Lease Accumulated Amortization				
Buildings				
Gen Fund - Bldg Commercial Space - RCG Sixty Six LLC	-	28,616	-	28,616
<b>Total Building Lease Accumulated Amortization</b>	<b>-</b>	<b>28,616</b>	<b>-</b>	<b>28,616</b>
<b>Total Lease Accumulated Amortization</b>	<b>-</b>	<b>28,616</b>	<b>-</b>	<b>28,616</b>
<b>Total Governmental Lease Assets, Net</b>	<b>-</b>	<b>132,673</b>	<b>-</b>	<b>132,673</b>
<b>Business-type activities:</b>	Balance as of		Balance as of	
	July 1, 2021	Additions	Reductions	June 30, 2022
Lease Assets				
Equipment				
Golf - Equipment - DLL Financial LLC - Utility Carts	-	37,416	-	37,416
Golf - Equipment - DLL Financial LLC - Golf Carts	-	176,432	-	176,432
<b>Total Equipment Lease Assets</b>	<b>-</b>	<b>213,848</b>	<b>-</b>	<b>213,848</b>
<b>Total Lease Assets</b>	<b>-</b>	<b>213,848</b>	<b>-</b>	<b>213,848</b>
Lease Accumulated Amortization				
Equipment				
Golf - Equipment - DLL Financial LLC - Utility Carts	-	10,690	-	10,690
Golf - Equipment - DLL Financial LLC - Golf Carts	-	132,324	-	132,324
<b>Total Equipment Lease Accumulated Amortization</b>	<b>-</b>	<b>143,014</b>	<b>-</b>	<b>143,014</b>
<b>Total Lease Accumulated Amortization</b>	<b>-</b>	<b>143,014</b>	<b>-</b>	<b>143,014</b>
<b>Total Business-Type Lease Assets, Net</b>	<b>-</b>	<b>70,834</b>	<b>-</b>	<b>70,834</b>

**Note 8. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities for the governmental activities and the business-type activities are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Accounts payable	\$ 4,773,563	\$ 13,206,167
Accrued payroll and payroll related liabilities	11,384,147	1,731,182
Accrued sales tax payable	229	409,621
Other accrued liabilities	714,228	303,283
	<b>\$ 16,872,167</b>	<b>\$ 15,650,253</b>

In addition, the amount shown as unearned revenues on the statement of net position is for rental income received in advance.

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9. Long-Term Debt**

Direct placement installment purchases: The City has various direct placement installment purchase contracts to finance equipment additions throughout the City's departments and funds. These contracts range between 9 years and 23 years in duration, depending upon the assets acquired. Interest rates range between 1.43% and 5.01%. The debt is collateralized by the assets acquired and serviced by the funds holding such debt.

Assets acquired through the direct placement installment purchase contracts are as follows:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Capital Asset		
Buildings and improvements	\$ 5,352,617	\$ 17,877,220
Less accumulated depreciation	2,141,047	4,626,617
	\$ 3,211,570	\$ 13,250,603

Direct placement installment purchases payable at June 30, 2022 are comprised of the following individual issues:

**Governmental activities:**

\$2,724,477, contract to refinance installment agreement in fiscal year 2018 due in annual installments of \$120,842 to \$297,960 through November 2027; interest 2.04%, to be paid from General Fund	\$ 1,422,371
\$6,200,000, contract for construction of a fire station in fiscal year 2021 due in annual installments of \$620,000 through March 2031; interest 1.43% to be paid from General Fund	5,580,000
	\$ 7,002,371

**Business-type activities:**

\$4,500,000, contract for construction of aviation hangar in fiscal year 2004 due in annual installments of \$225,000 through November 2027; interest 5.01%, payable from Regional Airport Fund	\$ 543,750
\$5,759,000, contract for construction of a parking deck in fiscal year 2016 due in annual installments of \$350,000 to \$478,000 through May 2030; interest 2.42%, payable from Regional Airport Fund	3,524,000
\$3,809,040, contract to refinance installment agreement in fiscal year 2018 due in annual installments of \$168,946 to \$416,572 through November 2027; interest 2.04%, payable from Regional Airport Fund	1,988,591
	\$ 6,056,341

Annual debt service requirements to maturity for direct placement installment purchases are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 893,457	\$ 107,405	\$ 1,012,315	\$ 145,959
2024	887,080	92,994	1,012,400	117,132
2025	880,382	78,714	881,785	89,916
2026	873,729	64,570	789,734	71,102
2027	866,881	50,563	790,161	53,387
2028-2031	2,600,842	89,893	1,569,946	70,064
	\$ 7,002,371	\$ 484,139	\$ 6,056,341	\$ 547,560

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9. Long-Term Debt (Continued)**

Direct placement revenue bonds: The City issued bonds where the City pledges income derived from the Enterprise Fund acquiring or constructing assets with the proceeds to pay debt service. Portions of the Revenue Bonds were used to construct governmental activity assets and will be repaid by governmental revenue sources. Direct placement revenue bonds outstanding at June 30, 2022 are as follows:

Governmental activities:

\$437,038 (of \$6,572,000 issue), Utilities Systems Refunding Revenue Bonds Series 2019 due in annual installments of \$143,241 to \$148,095 through December 2022; interest 1.67%	\$ 148,096
	<u>\$ 148,096</u>

Business-type activities:

\$6,134,962 (of \$6,572,000 issue), Utilities Systems Refunding Revenue Bonds Series 2019 due in annual installments of \$2,010,759 to \$2,078,905 through December 2022; interest 1.67%	\$ 2,078,904
\$17,635,000, Utilities Systems Refunding Revenue Bonds Series 2012 due in annual installments of \$760,000 to \$1,390,000 through December 2028; interest from 2.00% to 5.00%.	8,805,000
\$19,085,000, Utilities Systems Refunding Revenue Bonds Series 2016 due in annual installments of \$745,000 to \$1,600,000 through December 2035; interest from 4.00% to 5.00%.	16,740,000
	<u>\$ 27,623,904</u>

Annual debt service requirements to maturity for direct placement revenue bonds are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 148,096	\$ 1,237	\$ 4,058,904	\$ 1,075,575
2024	-	-	2,075,000	962,431
2025	-	-	2,165,000	868,356
2026	-	-	2,260,000	781,431
2027	-	-	2,345,000	696,981
2028-2032	-	-	8,745,000	2,227,928
2033-2036	-	-	5,975,000	540,250
	<u>\$ 148,096</u>	<u>\$ 1,237</u>	<u>\$ 27,623,904</u>	<u>\$ 7,152,952</u>

The Revenue Bond General Trust Indenture requires that certain amounts from the Utility funds be set aside into separate reserve accounts for the following uses and in the following amounts:

- |                               |   |
|-------------------------------|---|
| (1) Debt Service              | Amount sufficient to pay current bond and interest maturities   |
| (2) Bond and Interest Reserve | The lesser of (a) maximum principal and interest requirements in any succeeding fiscal year (b) 125% of the average annual principal and interest requirements (c) 10% of bond proceeds |
| (3) Extension and replacement | \$8,350 per month until the balance reaches \$500,000   |
| (4) Rebate                    | Any amounts necessary to satisfy arbitrage regulations, if applicable, based upon yearly computations   |

The City believes it has been in compliance with the covenants as to rates, fees, rentals and charges in Section 6.6 of the General Trust Indenture for the Utilities Systems Revenue Bonds, Series 2012, 2016 and 2019. Section 6.6 of the General Trust Indenture requires the debt service coverage ratio to be no less than 120%.



**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9. Long-Term Debt (Continued)**

The debt service coverage ratio calculation for the year ended June 30, 2022, is as follows:

Net Income (GAAP Basis)	\$ (2,462,007)
Add: Depreciation/Amortization Expense	12,391,739
Interest Expense	1,194,035
Income available for debt service	11,123,767
Debt service, principal and interest paid (Revenue bond only)	\$ 5,119,334
Debt service coverage ratio	217%

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay \$43,292,000 in electric, water, and wastewater system direct placement revenue bonds issued in 2012 through 2019. Proceeds from the bonds provided financing for various projects related to the electric, water, and wastewater systems. The bonds are payable solely from electric, water, and wastewater customer net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 4 percent of net revenues. In the event of a default, the City agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreement. The total principal and interest remaining to be paid on the bonds is \$34,926,189. Principal and interest paid for the current year and total customer net revenues were \$5,119,334 and \$137,123,005, respectively.

Advance Refunding Bonds: In May 2012, the City issued \$17,635,000 of Utilities Systems advance refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's Series 2002A Utilities Systems Revenue Bonds. The refunding debt was issued at a net interest cost of 2.84%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2022 is \$0. This refunding was undertaken to reduce total debt service payments over the following 17 years by \$3,696,671 and resulted in an economic gain of \$3,068,114. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$1,036,663) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2022 was \$451,140.

In May 2016, the City issued \$19,085,000 of Utilities Systems advance refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of a portion of the City's Series 2008 Utilities Systems Revenue Bonds. The refunding debt was issued at a net interest cost of 3.06%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2022 is \$0. This refunding was undertaken to reduce total debt service payments over the following 20 years by \$3,356,584 and resulted in an economic gain of \$2,710,326. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$2,318,069) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2022 was \$1,612,990.

Current Refunding Bonds: In December 2019, the City issued \$6,572,000 of Utilities Systems current refunding bonds and retired the outstanding balance of the Series 2009B Utilities Systems Revenue Bonds. The current refunding reduced total debt service payments over the following three years by \$5,347,782 and resulted in an economic gain of \$683,461. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$93,526) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2022 was \$25,979.

Direct placement loan and installment notes: Direct placement loan and installment notes payable at June 30, 2022 are comprised of the following individual issues:

Governmental activities:

\$22,899,825 (of \$29,340,000 issue), 2014A Limited Obligation Bonds due in annual installments of \$440,000 to \$1,419,675 through June 1, 2034, plus interest due semiannually at 2% to 5% financed through First Concord Corporation, to be paid from General Fund.

\$ 14,609,350
\$ 14,609,350

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9. Long-Term Debt (Continued)**

Business-type activities:

\$6,440,175 (of \$29,340,000 issue), 2014A Limited Obligation Bonds due in annual installments of \$138,600 to \$467,775 through June 1, 2034, plus interest due semiannually at 2% to 5% financed through First Concord Corporation, to be paid from Internal Service Fund.	\$ 4,570,650
	\$ 4,570,650

Annual debt service requirements to maturity for direct placement loan and installment notes are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,242,325	\$ 603,222	\$ 297,675	\$ 185,809
2024	1,276,575	541,106	313,425	170,925
2025	1,305,825	477,277	329,175	155,254
2026	1,340,075	411,986	344,925	138,795
2027	1,377,750	344,982	362,250	121,548
2028-2032	6,066,600	1,027,781	2,003,400	412,261
2033-2034	2,000,200	105,611	919,800	48,563
	\$ 14,609,350	\$ 3,511,965	\$ 4,570,650	\$ 1,233,155

Advance Refunding Bonds: In December 2014, the City issued \$14,175,000 of Limited Obligation refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's series 2005 Certificates of Participation. The refunding debt was issued at a net interest cost of 2.81%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2022 is \$0. This refunding was undertaken to reduce total debt service payments over the following 15 years by \$1,657,594 and resulted in an economic gain of \$1,368,373. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$379,434) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2022 was \$120,061.

Leases Payable

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 08/01/2021, City of Concord, NC entered into a 61 month lease as Lessee for the use of Gen Fund - Bldg Commercial Space - RCG Sixty Six LLC. An initial lease liability was recorded in the amount of \$161,288.94. As of 06/30/2022, the value of the lease liability is \$134,890.67. City of Concord is required to make monthly fixed payments of \$2,500.00. The lease has an interest rate of 0.8930%. The Buildings estimated useful life was 240 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$161,288.94 with accumulated amortization of \$28,615.78 is included with Buildings on the Lease Class activities table found below. City of Concord has 1 extension option(s), each for 60 months.

On 07/01/2021, City of Concord, NC entered into a 42 month lease as Lessee for the use of Golf - Equipment - DLL Financial LLC - Utility Carts. An initial lease liability was recorded in the amount of \$37,415.99. As of 06/30/2022, the value of the lease liability is \$26,782.82. City of Concord is required to make monthly fixed payments of \$961.61. The lease has an interest rate of 0.5140%. The Equipment estimated useful life was 54 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$37,415.99 with accumulated amortization of \$10,690.28 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, City of Concord, NC entered into a 27 month lease as Lessee for the use of Golf - Equipment - DLL Financial LLC - Golf Carts. An initial lease liability was recorded in the amount of \$176,431.82. As of 06/30/2022, the value of the lease liability is \$98,381.78. City of Concord is required to make monthly fixed payments of \$6,614.03. The lease has an interest rate of 0.8930%. The Equipment

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9. Long-Term Debt (Continued)**

estimated useful life was 16 months as of the contract commencement. The value of the right to use asset as of 06/30/2022 of \$176,431.82 with accumulated amortization of \$132,323.87 is included with Equipment on the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Equipment	213,848	143,014
Buildings	161,289	28,616
<b>Total Leases</b>	<b>375,137</b>	<b>171,630</b>

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Governmental Activities		Total Payments
		Interest Payments		
2023	29,742	1,083		30,825
2024	30,937	813		31,750
2025	32,171	532		32,702
2026	33,444	239		33,683
2027	8,597	13		8,610

Fiscal Year	Principal Payments	Business-Type Activities		Total Payments
		Interest Payments		
2023	89,289	670		89,959
2024	30,491	87		30,578
2025	5,384	8		5,392

A summary of changes in long-term debt follows:

	July 1, 2021	Additions	Reductions	June 30, 2022
<b>Governmental activities:</b>				
Direct placement installment purchases	\$ 7,902,141	\$ -	\$ 899,770	\$ 7,002,371
Less current maturities				893,457
Long-term direct placement installment purchases				<u>\$ 6,108,914</u>
<b>Bond payables:</b>				
Direct placement installment notes	\$ 15,820,850	\$ -	\$ 1,211,500	\$ 14,609,350
Plus premium on limited obligation bonds	1,292,648	-	103,412	1,189,236
Direct placement revenue bonds	293,797	-	145,702	148,095
Total bond payable	<u>\$ 17,407,295</u>	<u>\$ -</u>	<u>\$ 1,460,614</u>	15,946,681
Compensated absences	\$ 4,365,844	\$ 2,963,129	\$ 2,591,243	4,737,730
Total pension liability (LEOSSA)	<u>\$ 10,975,270</u>	<u>\$ 571,437</u>	<u>\$ -</u>	11,546,707
Net OPEB liability	\$ 26,081,799	\$ 2,002,132	\$ -	28,083,931
Net pension liability (LRS)	<u>\$ 19,051,004</u>	<u>\$ -</u>	<u>\$ 10,549,951</u>	8,501,053
Leases	\$ -	\$ 161,289	\$ 26,398	134,891
<b>Less current maturities:</b>				
Direct placement installment notes				1,242,325
Direct placement revenue bonds				148,096
Leases				29,742
Compensated absences				3,269,033
<b>Long-term debt</b>				<u><u>\$ 64,261,797</u></u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt (Continued)

	July 1, 2021	Additions	Reductions	June 30, 2022
Business-type activities:				
Direct placement Installment purchases	\$ 7,886,483	\$ -	\$ 1,830,142	\$ 6,056,341
Less current maturities				1,012,315
Long-term direct placement installment purchases				<u>\$ 5,044,026</u>
Bond payables:				
Direct placement installment notes	\$ 4,854,150	\$ -	\$ 283,500	\$ 4,570,650
Plus premium on limited obligation bonds	347,279	-	27,782	319,497
Direct placement revenue bonds	31,549,203	-	3,925,299	27,623,904
Plus premium on revenue bonds	3,908,540	-	302,639	3,605,901
Total bond payable	<u>\$ 40,659,172</u>	<u>\$ -</u>	<u>\$ 4,539,220</u>	36,119,952
Compensated absences	<u>\$ 1,908,683</u>	<u>\$ 1,755,148</u>	<u>\$ 1,741,213</u>	1,922,618
Net OPEB liability	<u>\$ 4,710,558</u>	<u>\$ 684,670</u>	<u>\$ 1,442,617</u>	3,952,611
Net pension liability (LRS)	<u>\$ 11,092,988</u>	<u>\$ -</u>	<u>\$ 6,403,889</u>	4,689,099
Leases	<u>\$ -</u>	<u>\$ 213,848</u>	<u>\$ 88,684</u>	125,164
Less current maturities:				
Direct placement installment notes				297,675
Direct placement revenue bonds				4,058,904
Leases				89,289
Compensated absences				1,326,607
Long-term debt				<u>\$ 41,036,969</u>

A detailed breakdown of business-type activities long-term debt by fund can be found at Schedule 6 in the supplemental information. For the governmental activities, the OPEB liability and net pension liability are generally liquidated by the general fund. The legal debt margin of the City at June 30, 2022 was \$1,168,937,673.

Note 10. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2022 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 256,076
General Fund	Nonmajor enterprise funds	6,533,667
		<u>\$ 6,789,743</u>

The outstanding balances between funds result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 10. Interfund Receivables, Payables and Transfers (Continued)**

A schedule of interfund transfers at June 30, 2022 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	\$ 627,765
From the Electric Fund to the General Fund Capital Projects Fund for various capital projects	2,598,256
From the Water Fund to the General Fund Capital Projects Fund for various capital projects	2,634,221
From the Wastewater Fund to the General Fund Capital Projects Fund for various capital projects	478,375
From the Regional Airport Fund to the General Fund Capital Projects Fund for various capital projects	10,650
From the Stormwater Fund to the General Fund Capital Projects Fund for various capital projects	907,646
From the General Fund to the General Fund Capital Projects Fund for various capital projects	5,148,693
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	3,512,337
From the General Fund to the Transit Fund for current operating needs	637,421
From the General Fund to the Regional Airport Fund for current operating needs	860,270
From the General Fund to the General Fund Capital Reserve Fund for future capital projects	3,000,000
From the General Fund to the Municipal Service District Fund for current operating needs	75,000
From the General Fund to the Parks & Recreation Capital Reserve for future capital projects	1,414,018
From the General Fund to the Affordable Housing Fund for various capital projects	1,414,018
From the Market Rate Units Fund to the Home Special Revenue Fund to pay for properties transferred to the Market Rate Units Fund	31,006
From the Market Rate Units Fund to the Housing Assistance Fund to pay management fees for properties	1,518
From the Market Rate Units Fund to the Housing Department Operating Fund to pay management fees for properties	5,122
From the Additional Vehicle Tax Fund to the Transit Fund to move portion of license fee required to be transferred to the Transit Fund	422,275
From the General Capital Reserve Fund to the Parks Capital Project Fund for various park capital projects	3,472,404
From the General Capital Reserve Fund to the General Fund Capital Project Fund for various capital projects	5,111,248
From the General Capital Reserve Fund to the General Fund for capital projects	3,093,000
From the General Capital Reserve Fund to the Golf Fund for various capital projects	940,000
From the American Rescue Plan Fund to the General Fund to reimburse eligible expenses	23,921
From Parks & Recreation Capital Reserve to Parks & Recreation Capital Project Fund for various capital projects	2,115,107
From the Fire & Life Safety Capital Project Fund to the General Fund for capital purchases	80,000
From the Fire & Life Safety Capital Projects Fund to the General Capital Reserve for future capital purchases	1,050,000
	\$ 39,664,271

NOTES TO FINANCIAL STATEMENTS

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**Note 11. Pension Plan Obligations**

A. Local Governmental Employee's Retirement System

(1) Plan description:

The City of Concord and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

(2) 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 Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who 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.

(3) Contributions:

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Concord and ABC Board 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 Concord's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of compensation for law enforcement officers and 11.39% 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 Concord were \$7,245,413 for the year ended June 30, 2022. Contributions to the pension plan from the ABC Board were \$138,014 for the year ended June 30, 2022.

(4) 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.

NOTES TO FINANCIAL STATEMENTS

Note 11. Pension Plan Obligations (Continued)

- (5) Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2022, the City reported a liability of \$13,190,152 for its proportionate share of the net pension liability. At June 30, 2022, the ABC Board reported a liability of \$217,158 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the City's proportion was 0.86008%, which was an increase of 0.01652% from its proportion as of June 30, 2021.

For the year ended June 30, 2022, the City recognized pension expense of \$5,892,899. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,196,262	\$ -
Changes of assumptions	8,286,785	-
Net difference between projected and actual earnings on pension plan investments	-	18,844,766
Changes in proportion and differences between City contributions and proportionate share of contributions	528,534	19,303
City contributions subsequent to the measurement date	7,245,413	-
Total	<u>\$ 20,256,994</u>	<u>\$ 18,864,069</u>

\$7,245,413 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 1,456,704
2023	(150,235)
2024	(1,392,345)
2025	(5,766,612)
2026	-
Thereafter	-
	<u>\$ (5,852,488)</u>

- (6) Actuarial assumptions:

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 percent to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

NOTES TO FINANCIAL STATEMENTS

Note 11. Pension Plan Obligations (Continued)

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors 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 of return for each major class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

(7) Discount rate:

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all 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.

(8) Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate:

The following presents the City's proportionate share of the net pension liability calculated using the discounted rate of 6.50 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 51,203,074	\$ 13,190,152	\$ (18,092,273)

(9) Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.



NOTES TO FINANCIAL STATEMENTS

**Note 11. Pension Plan Obligations (Continued)**

B. Law Enforcement Officers' Special Separation Allowance:

(1) Plan description:

The City of Concord 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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 City law enforcement officers are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	27
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	186
Total	<u>213</u>

(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 a modified accrual basis of accounting. Benefits 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 Statement 73.

(3) Actuarial assumptions:

The entry age normal actuarial cost method was used in the December 31, 2020 valuation. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 percent

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates are based on the Pub-2010 amount-weighted tables.

(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 amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City paid \$519,600 as benefits came due for the reporting period.

(5) Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2022, the City reported a total pension liability of \$11,546,707. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the City recognized pension expense of \$1,531,744.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 11. Pension Plan Obligations (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,224,173	\$ 27,395
Changes of assumptions and other inputs	2,070,651	346,170
City benefit payments subsequent to the measurement date	210,751	
Total	<u>\$ 3,505,575</u>	<u>\$ 373,565</u>

\$210,751 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 773,442
2024	717,054
2025	741,305
2026	630,545
2027	58,383
Thereafter	530
	<u>\$ 2,921,259</u>

(6) Sensitivity of the City's total pension liability to changes in the discount rate:

The following presents the City's total pension liability calculated using the discount rate of 2.25 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.25 percent) or one percentage point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
City's proportionate share of the total pension liability (asset)	\$12,543,480	\$11,546,707	\$10,634,395

(7) Schedule of changes in total pension liability:

Beginning balance	\$ 10,975,270
Service Cost	568,056
Interest on the total pension liability	206,809
Change in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	625,727
Changes of assumptions or other inputs	(309,555)
Benefit payments	(519,600)
Other changes	-
Ending balance of the total pension liability	<u>\$ 11,546,707</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disables 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.

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11. Pension Plan Obligations (Continued)**

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study for the five year period ending December 31, 2019.

**C. 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:

	LGERS	LEOSSA	Total
Pension Expense	\$ 5,892,899	\$ 1,531,744	\$ 7,424,643
Pension Liability	13,190,152	11,546,707	24,736,859
Proportionate share of the net pension liability	0.86008%	n/a	
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	4,196,262	1,224,173	5,420,435
Changes of assumptions	8,286,785	2,070,651	10,357,436
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	528,534	-	528,534
Benefit payments and administrative costs paid subsequent to the measurement date	7,245,413	210,751	7,456,164
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	18,844,766	27,395	18,872,161
Changes of assumptions	-	346,170	346,170
Changes in proportion and differences between contributions and proportionate share of contributions	19,303	-	19,303

**D. Supplemental Retirement Income Plan for Law Enforcement Officers**

(1) Plan description:

The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

(2) 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. The law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2022 were \$839,327, which consisted of \$563,030 from the City and \$276,297 from the law enforcement officers. No amounts were forfeited.

**E. Supplemental Retirement Income Plan for City Employees (non-law enforcement officers)**

(1) 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 all active full-time employees of the City that are non-law enforcement officers. Article G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

NOTES TO FINANCIAL STATEMENTS

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**Note 11. Pension Plan Obligations (Continued)**

(2) Funding policy:

The City of Concord's policy is to contribute an amount equal to 3.5% of each employee's salary, and all amounts contributed are vested immediately. The city's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2022 were \$3,083,637, which consisted of \$1,826,630 from the City and \$1,257,007 from the employees. Contribution requirements are established and may be amended by the City Council.

F. Firefighter's and Rescue Squad Workers' Pension Fund

(1) Plan description:

The State of North Carolina contributes, on behalf of the City of Concord, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 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 Firefighter's and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Worker's Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

(2) Benefits provided:

FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$170 per month. Plan members are eligible to receive the monthly benefit at age 55 with 20 years of creditable service as a firefighter or rescue squad worker, and have terminated duties as a firefighter or rescue squad worker. Eligible beneficiaries of members who die before beginning to receive the benefit will receive the amount paid by the member and contributions paid on the member's behalf into the plan. Eligible beneficiaries of members who die after beginning to receive benefits will be paid the amount the member contributed minus the benefits collected.

(3) Contributions:

Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ended June 30, 2022, the State contributed \$19,002,000 to the plan. The City of Concord's proportionate share of the State's contribution is \$119,224.

(4) Refunds of contributions:

Plan members who are no longer eligible or choose not to participate in the plan may file an application for a refund of their contributions. Refunds include the member's contributions and contributions paid by others on the member's behalf. No interest will be paid on the amount of the refund. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by FRSWPF.

(5) Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At June 30, 2022, the City reported no liability for its proportionate share of the net pension asset, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension asset that was associated with the City and supported by the State was \$175,249. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. As the City is not projected to make any future contributions to the plan, its proportionate share at June 30, 2022 and at June 30, 2021 was 0%.

NOTES TO FINANCIAL STATEMENTS

**Note 11. Pension Plan Obligations (Continued)**

For the year ended June 30, 2022, the City recognized pension expense of \$(19,301) and revenue of \$(19,301) for support provided by the State. At June 30, 2022, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

(6) Actuarial assumptions:

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Not applicable
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in section A of this note.

(7) Discount rate:

The discount rate used to determine the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(8) Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**Note 12. Other Postemployment Benefits**

(1) Plan administration:

Under the terms of a City resolution, the City administers a Health Care Plan as a single-employer defined benefit plan. As of July 1, 2004, this plan provides postemployment benefits other than pensions (OPEB) to retirees of the City provided they have ten (10) years of service with the City of Concord. Retirees hired prior to July 1, 2004 receive the same benefits as active employees. The Health Care Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The City has elected to partially pay the future overall cost of coverage for these benefits. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. The plan, which has a June 30, 2022 year end, does not issue a stand-alone report. Management of the Health Care Plan is vested in the City of Concord City Council.

(2) Plan membership:

Membership of the Health Care Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	150
Terminated plan members entitled to but not yet receiving benefit	-
Active plan members	1,044
Total	<u>1,194</u>

(3) Benefits provided:

Employees with a date of hire prior to July 1, 2004: Retirees with at least 10 years of service with the City will be provided healthcare benefits at the same level of coverage as active employees.

Employees with a date of hire after or on July 1, 2004: Retirees with at least 25 years of creditable service with the City will be provided healthcare benefits with the same level of coverage as active employees. Those with at least 10 years of service but

NOTES TO FINANCIAL STATEMENTS

**Note 12. Other Postemployment Benefits (Continued)**

less than 25 years of service shall receive one-half (1/2) of the benefit provided to retiring employees with at least 25 years of service.

The City also provides dental coverage to the City's retirees; however, the retiree must pay the full premium cost.

Per a City resolution, the City is required to contribute the pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council.

(4) Contributions:

The City Council establishes the contribution requirements of plan members which may be amended by Council. The City Council establishes rates as part of the annual budget process. Plan members contribute to the plan based on coverage level elected as well as years of creditable service. Plan member rates ranged from \$0 to \$22,200. The City's contribution is also dependent on the retiree's coverage level elected as well as years of creditable service. The contribution rates ranged from \$6,360 to \$16,594 per retiree. The City Council may amend the benefit provisions.

Per a City resolution, the City is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. For the current year, the City contributed \$4,681,648. The Fund is accounted for as a trust fund.

(5) Investments:

The Health Care Plan does not have a formal policy in regard to the allocation of invested assets. It is the informal policy of the City to pursue an investment strategy that reduces risk through the diversification of the portfolio across distinct asset classes. Investments are valued at fair value. The following was the City's target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 and June 30, 2021:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	2022	2021	2022	2021
STIF	15%	15%	0.83%	1.08%
Equity Index	17%	40%	0.99%	2.89%
Bond Index	68%	45%	3.68%	3.25%
Total	100%	100%		

For the year ended June 30, 2022, the annual money weighted rate of return on investments, net of investment expense, was -8.61 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

(6) Net OPEB liability of the City:

The components of the net OPEB liability of the County at June 30, 2022 were as follows:

Total OPEB Liability	\$ 47,196,295
Plan fiduciary net position	15,159,753
City's net OPEB liability	<u>\$ 32,036,542</u>
Plan fiduciary net position as a percentage of the total OPEB liability	32.12%

(7) Actuarial assumptions:

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.25 to 8.41 percent, including inflation
Investment rate of return	5.50 percent, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates	7.00 percent for 2020 decreasing to an ultimate rate of 4.50 percent by 2030

NOTES TO FINANCIAL STATEMENTS

**Note 12. Other Postemployment Benefits (Continued)**

The total OPEB liabilities were rolled forward to June 30, 2022 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions (health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation.

(8) Discount rate:

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, the total payroll was assumed to increase annually using the payroll growth assumptions
- Active employees do not explicitly contribute to the Plan.
- In all years, the employer is assumed to contribute the average of the last 5 years of contributions to the Plan through deposits to the Trust and pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan’s fiduciary net position was projected to not be depleted.

The fiduciary net position projections are based upon the Plan’s financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the fiduciary net position projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan’s ability to make benefit payments in future years.

(9) Sensitivity of the City’s net OPEB liability to changes in the discount rate:

The following presents the net OPEB liability of the City at June 30, 2022, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.50 percent) or one percentage point higher (6.50 percent) than the current discount rate:

	1% Decrease (4.50%)	Discount Rate (5.50%)	1% Increase (6.50%)
Net OPEB Liability	\$36,750,931	\$32,036,542	\$27,874,720

(10) Sensitivity of the City’s net OPEB liability to changes in the healthcare cost trend rates:

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were to calculate healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB Liability	\$26,589,775	\$32,036,542	\$38,496,158

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 12. Other Postemployment Benefits (Continued)

(11) Changes in net OPEB liability, OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:

At June 30, 2022, the city reported a net OPEB liability of \$32,036,542. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2022, the components of the OPEB liability of the City were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2021	\$ 45,358,283	\$ 14,565,926	\$ 30,792,357
Changes for the year			
Service cost	1,486,865	-	1,486,865
Interest	2,418,211	-	2,418,211
Difference between expected and actual experience	752,280	-	752,280
Changes of assumptions	-	-	-
Contributions	-	4,681,648	(4,681,648)
Net investment income	-	(1,268,477)	1,268,477
Benefit payments	(2,819,344)	(2,819,344)	-
Net changes	1,838,012	593,827	1,244,185
Balances at June 30, 2022	<u>\$ 47,196,295</u>	<u>\$ 15,159,753</u>	<u>\$ 32,036,542</u>

(12) Changes of assumptions:

Changes of assumptions and other inputs reflect a change in salary increase assumptions and change in medical trend.

For the year ended June 30, 2022, the City recognized OPEB expense of \$2,797,515. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,926,736	\$ 2,858,734
Changes of assumptions or other inputs	1,770,608	4,813,704
Net difference between projected and actual earnings on plan investments	1,647,000	-
Total	<u>\$ 6,344,344</u>	<u>\$ 7,672,438</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (273,622)
2024	(271,407)
2025	(271,113)
2026	(219,873)
2027	(432,030)
Thereafter	139,951
	<u>\$ (1,328,094)</u>



NOTES TO FINANCIAL STATEMENTS

**Note 13. Other Employment Benefits**

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

**Note 14. Deferred Outflows and Inflows of Resources**

The City has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Contributions to pension plan (LGERS) in current fiscal year	\$ 7,245,413
Benefit payments made for LEOSSA	210,751
Differences between expected and actual experience (LGERS)	4,196,262
Differences between expected and actual experience (LEOSSA)	1,224,173
Differences between expected and actual experience (OPEB)	2,926,736
Changes of assumptions (LGERS)	8,286,785
Changes of assumptions (LEOSSA)	2,070,651
Changes of assumptions (OPEB)	1,770,608
Net difference between projected and actual earnings on pension plan investments (LGERS)	-
Net difference between projected and actual earnings on plan investments (OPEB)	1,647,000
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	528,534
Charge on refunding	2,158,212
	<u>\$ 32,265,125</u>

Deferred inflows of resources at year end is comprised of the following:

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid taxes	\$ 24,822	\$ 24,822
Taxes Receivable, less penalties	-	931,924
Leases	8,228,296	91,035
Differences between expected and actual experience (LGERS)	-	-
Differences between expected and actual experience (LEOSSA)	27,395	-
Changes in proportion and difference between City contributions and proportionate share of contributions (LGERS)	19,303	-
Changes of assumptions (LEOSSA)	346,170	-
Differences between expected and actual experience (OPEB)	2,858,734	-
Changes of assumptions (OPEB)	4,813,704	-
Difference between projected and actual investment earnings (LGERS)	18,844,766	-
Difference between projected and actual investment earnings (OPEB)	-	-
	<u>\$ 35,163,190</u>	<u>\$ 1,047,781</u>

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

**Note 15. Commitments and Contingencies**

The City had commitments on contracts of approximately \$45 million related primarily to construction in its Enterprise Funds and Capital Project Funds.

The City participates in a number of Federal and State of North Carolina awards. For the fiscal ended June 30, 2022, these awards were subject to audit in accordance with Government Auditing Standards and the provisions of OMB Uniform Guidance and the State Single Audit Implementation Act. The amounts, if any, of expenditures which may be disallowed by the granting agencies resulting from this and other audits cannot be determined at this time, although the City expects they would be immaterial.

The City was a defendant in various matters of litigation as of June 30, 2022. While any litigation contains an element of uncertainty, City officials believe that the outcome of any lawsuit or claim which is pending, or all of them combined, will not have a materially adverse effect on the City’s financial condition or operations. In addition, there are known incidents that may result in the assertion of claims, as well as claims from unknown incidents that may be asserted for which the City could be liable for a material amount. However, since such claims have not been asserted and are not determinable or measurable, no provision for loss has been included in the financial statements. Also, City officials believe the City’s insurance is adequate for the actual or pending lawsuits or claims mentioned above.

**Note 16. 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	\$ 89,286,479
<u>Less:</u>	
Inventories	166,004
Prepays	71,954
Leases	4,011
Stabilization by State Statute	24,540,108
Streets – Powell Bill	1,313,931
Public Safety	<u>802,347</u>
 Remaining Fund Balance	 <u>\$ 62,388,124</u>

The City of Concord has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 35% of current year expenditures.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2022 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<b>Governmental activities:</b>	
General Fund	\$ 5,465,623
Nonmajor Funds	26,111,291
Total governmental activities	<u>\$ 31,576,914</u>
 <b>Business-type activities:</b>	
Electric Fund	\$ 21,213,664
Water Fund	5,405,080
Wastewater Fund	3,018,726
Regional Airport Fund	2,805,965
Stormwater Fund	132,089
Nonmajor Funds	12,314,233
Total business-type activities	<u>\$ 44,889,757</u>

NOTES TO FINANCIAL STATEMENTS

**Note 17. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. The City is fully insured through several insurance companies and is self-funded for workers' compensation and health benefits. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). The City's claims incurred, but not reported, are considered a current liability and are included in accounts payable of the fund they were generated by.

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>2022</u>	<u>2021</u>
Unpaid claims, beginning	\$ 668,000	\$ 216,000
Incurred claims and premiums	9,056,413	9,923,878
Claims and premiums paid	<u>(8,884,413)</u>	<u>(9,471,878)</u>
Balance, end of year	<u>\$ 840,000</u>	<u>\$ 668,000</u>

The City obtains general liability coverage of \$1 million per occurrence, with a \$2 million aggregate limit. The City obtains public official liability coverage of \$1 million per occurrence, with a \$3 million aggregate limit. The City obtains law enforcement liability coverage of \$1 million per occurrence, with a \$3 million aggregate limit. The City obtains employment practices liability of \$1 million per occurrence, with a \$3 million aggregate limit. The City also obtains auto liability coverage of \$1 million per occurrence. The City obtains umbrella for liability of \$4 million per occurrence, with a \$4 million aggregate limit. Building and personal property is insured through blanket coverage up to \$220,203,206, which includes coverage for terrorism. Inland Marine scheduled equipment is insured to \$5,787,341; unscheduled equipment is insured to \$250,000 per occurrence. Employee health coverage is self-insured through Blue Cross Blue Shield of North Carolina unless specified. The City is exposed to various risks of loss related to injuries to employees. The City has self-insured retention of \$1,000,000 per occurrence on workers' compensation claims.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City's property policy provides up to \$5 million in flood coverage for locations that are not located within a Federal Emergency Management Agency ("FEMA") flood Zone C. The City's property policy provides up to \$1 million in flood coverage for locations that are not located within a FEMA flood Zone A and B.

In accordance with G.S. 159-29, criminal loss conducted by the City's employees is insured through criminal activities insurance at \$250,000 and cyber activities insurance at \$1,000,000. The finance officer is individually bonded for \$100,000.

City of Concord ABC Board 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. The ABC Board has commercial property, general liability, worker's compensation, and employee health coverage. The ABC Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000, secured by a corporate surety. In accordance with G.S. 18B-803(b) and (c), all employees who have access to funds are bonded under a blanket bond for \$50,000.

WeBuild Concord limits risks related to litigation, theft, or damage to assets, personal injury, and natural disasters. WeBuild Concord has general liability, commercial property, personal and advertising injury, and damage to rented facilities insurances. WeBuild also has Non-Profit Directors and Officers and Employment Practices Liability insurance. There have been no reductions in insurance coverage from the prior year or claims against the organization for its entire existence (since December 2019).

**Note 18. Jointly Governed Organization**

The City is a member of the Water and Sewer Authority of Cabarrus County ("WSACC"). WSACC was organized by the governing bodies of the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mount Pleasant, and the County of Cabarrus in order to operate and maintain a regional interceptor wastewater system and regional wastewater treatment plant. WSACC is a public corporation of the State of North Carolina under Section 162A-3 of the North Carolina Water and Wastewater Authority Act. WSACC is a jointly governed organization governed by a board appointed by the organizing bodies as follows: two members by the Cabarrus County Board of Commissioners, two members by the City of Concord City Council, two members by the City of Kannapolis City Council, one member by the Town of Harrisburg Town Council, one member by the Town of Mount Pleasant Board of Commissioners, and one member by the Cabarrus County Board of Commissioners upon advice from the other political jurisdictions. The City of Concord paid WSACC approximately \$7.6 million for wastewater treatment and raw water charges during the year ended June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

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**Note 19. Stewardship, Compliance and Accountability**

Deficit Fund Balance/Net Position

North Carolina General Statutes prohibits the City from having a deficit fund balance/net position in any fund. The American Rescue Plan Fund had a deficit fund balance/net position in the amount of \$612,471. Due to a NC statutory requirement, the proportional share of the mark to market loss must be allocated to the special revenue fund causing a deficit fund balance. This loss will be offset in future years by future market gains. If the fund balance remains negative at the end of next fiscal year, the City will transfer funds from the general fund to correct this in fiscal year 2023.

**Note 20. Change in Accounting Principle**

For the year ended 6/30/2022, the financial statements include the adoption of Governmental Accounting Standards Board Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**Note 21 Subsequent Events**

A lawsuit related to malicious prosecution, wrongful conviction due process violations and obstruction is pending. At the time of report release, it is the opinion of the Attorney that it is not possible to evaluate the likelihood of an unfavorable outcome; however, other similar cases recently litigated in other jurisdictions indicate that in the event of an unfavorable outcome, the potential loss could be as high as \$44 million dollars.

In FY 2020/2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The City was allocated \$16,255,872 of fiscal recovery funds to be paid in two equal installments. The first installment of \$8,127,936 was received in May 2021 and the second installment was received in June 2022. City staff and the City Council have elected to use \$10,000,000 of the ARPA funds for revenue replacement in fiscal year 2023. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined. The remaining funds will be used for various eligible projects.

Management has evaluated subsequent events through October 28, 2022, the date the financial statements were available to be issued.

**CITY OF CONCORD, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY**  
**Last Six Fiscal Years**

**Exhibit M**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning balance	\$ 10,975,270	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329	\$ 6,881,079
Service Cost	568,056	333,799	278,050	279,117	235,882	255,254
Interest on the total pension liability	206,809	235,138	235,400	217,292	250,341	237,293
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	625,727	628,867	579,473	(85,995)	20,366	-
Changes of assumptions and other inputs	(309,555)	2,844,537	223,537	(264,446)	409,492	(158,844)
Benefit payments	(519,600)	(559,798)	(581,557)	(528,943)	(521,611)	(468,453)
Other changes	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 11,546,707</u>	<u>\$ 10,975,270</u>	<u>\$ 7,492,727</u>	<u>\$ 6,757,824</u>	<u>\$ 7,140,799</u>	<u>\$ 6,746,329</u>

The amounts presented for each fiscal year were determined as of the prior year ending December 31.

Note: This information was not available prior to FY17. This will become a 10 year schedule.

**CITY OF CONCORD, NORTH CAROLINA**  
**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL**  
**Last Six Fiscal Years**

**Exhibit N**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 11,546,707	\$ 10,975,270	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329
Covered-employee payroll	12,081,261	10,806,615	9,731,892	8,995,596	8,776,412	8,918,792
Total pension liability as a percentage of covered employee payroll	95.58%	101.56%	76.99%	75.12%	81.36%	75.64%

Notes to the schedules:

The City of Concord has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Note: This information was not available prior to FY17. This will become a 10 year schedule.

**CITY OF CONCORD, NORTH CAROLINA  
THE HEALTH CARE PLAN OF THE CITY OF CONCORD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

**Exhibit O**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>						
Service cost at end of year	\$ 1,486,865	\$ 1,430,363	\$ 1,936,062	\$ 1,974,188	\$ 2,042,623	\$ 2,212,156
Interest on the Total OPEB Liability	2,418,211	2,150,028	1,721,864	1,746,485	1,572,140	1,347,782
Changes of benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	752,280	3,020,426	(278,653)	(4,943,630)	(19,092)	-
Changes of assumptions or other inputs	-	788,784	(6,507,379)	2,183,220	(1,287,975)	(2,588,027)
Benefit payments	(2,819,344)	(2,215,819)	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
<b>Net change in Total OPEB Liability</b>	<b>1,838,012</b>	<b>5,173,782</b>	<b>(4,563,993)</b>	<b>(1,007,786)</b>	<b>894,753</b>	<b>(802,452)</b>
<b>Total OPEB Liability - beginning</b>	<b>45,358,283</b>	<b>40,184,501</b>	<b>44,748,494</b>	<b>45,756,280</b>	<b>44,861,527</b>	<b>45,663,979</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 47,196,295</b>	<b>\$ 45,358,283</b>	<b>\$ 40,184,501</b>	<b>\$ 44,748,494</b>	<b>\$ 45,756,280</b>	<b>\$ 44,861,527</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - employer	\$ 4,681,648	\$ 6,394,913	\$ 5,185,637	\$ 4,968,049	\$ 2,512,943	\$ 1,874,363
Contributions - non-employer	-	-	-	-	-	-
Contributions - active member	-	-	-	-	-	-
Net investment income	(1,268,477)	722,116	406,183	218,453	6,375	29,405
Benefit payments	(2,819,344)	(2,215,819)	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
Administrative expense	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Net change in Plan Fiduciary Net Position</b>	<b>593,827</b>	<b>4,901,210</b>	<b>4,155,933</b>	<b>3,218,453</b>	<b>1,106,375</b>	<b>129,405</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>14,565,926</b>	<b>9,664,716</b>	<b>5,508,783</b>	<b>2,290,330</b>	<b>1,183,955</b>	<b>1,054,550</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 15,159,753</b>	<b>\$ 14,565,926</b>	<b>\$ 9,664,716</b>	<b>\$ 5,508,783</b>	<b>\$ 2,290,330</b>	<b>\$ 1,183,955</b>
<b>Net OPEB Liability - ending</b>	<b>\$ 32,036,542</b>	<b>\$ 30,792,357</b>	<b>\$ 30,519,785</b>	<b>\$ 39,239,711</b>	<b>\$ 43,465,950</b>	<b>\$ 43,677,572</b>
Plan fiduciary net position as a percentage of the total OPEB liability	32.12%	32.11%	24.05%	12.31%	5.01%	2.64%
Covered payroll	\$ 57,114,656	\$ 57,114,656	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170
Net OPEB liability as a percentage of covered payroll	56.09%	53.91%	64.19%	82.53%	102.78%	103.28%

Note: This information was not available prior to FY17. This will become a 10 year schedule.

**CITY OF CONCORD, NORTH CAROLINA  
THE HEALTH CARE PLAN OF THE CITY OF CONCORD  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS**

**Exhibit P**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Actuarially determined contribution	\$ 3,709,089	\$ 3,574,034	\$ 3,574,034	\$ 3,356,018	\$ 3,356,018	\$ 2,741,358	\$ 2,809,363
Contributions in relation to the Actuarially Determined Contribution	4,681,648	6,394,913	5,185,637	4,968,049	2,512,943	1,874,363	2,063,924
Contribution deficiency (excess)	\$ (972,559)	\$ (2,820,879)	\$ (1,611,603)	\$ (1,612,031)	\$ 843,075	\$ 866,995	\$ 745,439
Covered payroll	\$ 57,114,656	\$ 57,114,656	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170	\$ 42,290,170
Contributions as a percentage of covered payroll	8.20%	11.20%	10.91%	10.45%	5.94%	4.43%	4.88%

Notes to Schedule:

Valuation date:  
June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	26 years
Asset valuation method	Market value
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.25% to 8.41%, including wage inflation
Investment rate of return	5.50%, net of OPEB plan investment expense, including price inflation
Healthcare cost trends	7.00% initial, decreasing to an ultimate rate of 4.50% by 2030

Note: This information was not available prior to FY16. This will become a 10 year schedule.



**CITY OF CONCORD, NORTH CAROLINA  
 THE HEALTH CARE PLAN OF THE CITY OF CONCORD  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS - OPEB**

**Exhibit Q**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual rate of return, net of investment expense	-8.61%	7.22%	6.72%	7.22%	0.09%	2.80%

Note: This information was not available prior to FY17. This will become a 10 year schedule.

**CITY OF CONCORD, NORTH CAROLINA**  
**CITY OF CONCORD'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Last Nine Fiscal Years \***

**Exhibit R**

**Local Government Employees' Retirement System**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Concord's proportion of the net pension liability (asset) (%)	0.86008%	0.84356%	0.79030%	0.77199%	0.76685%	0.76650%	0.79314%	0.74554%	0.79080%
Concord's proportion of the net pension liability (asset) (\$)	\$ 13,190,152	\$ 30,143,992	\$ 21,582,477	\$ 18,314,243	\$ 11,715,344	\$ 16,267,697	\$ 3,559,574	\$ (4,396,795)	\$ 9,532,177
Concord's covered payroll during the measurement period	\$ 59,664,044	\$ 56,280,529	\$ 51,963,152	\$ 47,797,392	\$ 46,456,219	\$ 44,675,120	\$ 43,605,721	\$ 42,959,454	\$ 42,130,059
Concord's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.11%	53.56%	41.53%	38.32%	25.22%	36.41%	8.16%	(10.23%)	22.63%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	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.

Note: This information was not available prior to FY14. This will become a 10 year schedule.

**CITY OF CONCORD, NORTH CAROLINA  
CITY OF CONCORD'S CONTRIBUTIONS  
REQUIRED SUPPLEMENTARY INFORMATION  
Last Nine Fiscal Years**

**Exhibit S**

**Local Government Employees' Retirement System**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 7,245,413	\$ 6,157,331	\$ 5,138,261	\$ 4,194,942	\$ 3,671,191	\$ 3,347,736	\$ 2,955,892	\$ 3,029,119	\$ 2,979,012
Contributions in relation to the contractually required contribution	7,245,413	6,157,331	5,138,261	4,194,942	3,671,191	3,347,736	2,955,892	3,029,119	2,979,012
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Concord's covered payroll	62,974,774	59,664,044	56,280,529	51,963,152	47,797,392	46,456,219	44,675,120	43,605,721	42,959,454
Contributions as a percentage of covered payroll	11.51%	10.32%	9.13%	8.07%	7.68%	7.21%	6.62%	6.95%	6.93%

Note: This information was not available prior to FY14. This will become a 10 year schedule.

**CITY OF CONCORD, NORTH CAROLINA  
CITY OF CONCORD'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
REQUIRED SUPPLEMENTARY INFORMATION  
Last Seven Fiscal Years \***

**Exhibit T**

**Firefighters' and Rescue Squad Workers' Pension**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Concord's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Concord's proportion of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with City of Concord	(175,249)	192,536	91,528	113,784	109,722	90,853	76,707
<b>Total</b>	<b>\$ (175,249)</b>	<b>\$ 192,536</b>	<b>\$ 91,528</b>	<b>\$ 113,784</b>	<b>\$ 109,722</b>	<b>\$ 90,853</b>	<b>\$ 76,707</b>
Concord's covered payroll during the measurement period	\$ 13,520,608	\$ 12,335,452	\$ 11,584,123	\$ 10,566,344	\$ 9,640,787	\$ 8,955,485	\$ 8,635,910
Concord's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-1.29%	1.56%	0.79%	1.08%	1.14%	1.01%	0.89%
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

\* The amounts presented are for the prior fiscal year.

Note: This information was not available prior to FY16. This will become a 10 year schedule.

## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

Opioid Settlement Fund - This fund is used to account for opioid settlement funds received

Housing Assistance Fund - This fund is used to account for federal grants received to provide housing assistance payments for low income families.

Emergency Housing Assistance Fund - This fund is used to account for federal grants received to provide emergency housing assistance for individuals who are at risk for homelessness or housing instability.

Market Rate Units Fund - This fund is used to account for funds received for market rate housing and related expenses.

Community Development Fund - This fund is used to account for federal grants under the Community Development Block Grant/Entitlement program.

Home Fund - This fund is used to account for federal grants received to expand the supply of decent, affordable housing for low and very low income families with emphasis on rental housing, build state and local capacity to carry out affordable housing programs and provide for coordinated assistance to participants and the development of affordable low income housing.

Home ARP Grant Fund - This fund is used to account for federal grants received from the Home ARP program.

Affordable Housing Fund - This fund is used to increase affordable housing within the community.

Municipal Service District Fund - This fund is used to account for taxes levied on behalf of and remitted to Concord Downtown Development Corporation for use in the promotion and improvement of the City's downtown area.

Additional Vehicle Tax Fund - This fund is used to account for funds restricted for Transit operations.

### **Capital Project Funds**

Parks - This fund is used to account for all resources used for the construction and improvements to the City's parks.

Parks Capital Reserve - This fund is used to account for funds to acquire land for greenway properties.

Transportation - This fund is used to account for all resources used for the construction and improvements of the City's streets.

General Fund Capital Projects - This fund is used to account for all resources used for various construction projects related to General Fund departments.

Fire and Life Safety - This fund is used to account for the construction of Fire Stations and other major capital improvements in the City.

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**CITY OF CONCORD, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2022**

**Statement 1**

	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 1,143,372	\$ 47,366,492	\$ 48,509,864
Receivables:			
Ad valorem taxes, net	3,338	-	3,338
Due from other governmental agencies	421,050	-	421,050
Interest	1,690	64,176	65,866
Other, net	99,481	398,755	498,236
Prepaid items	2,258	-	2,258
Restricted assets - cash and investments	107,484	969,633	1,077,117
<b>Total assets</b>	<b>\$ 1,778,673</b>	<b>\$ 48,799,056</b>	<b>\$ 50,577,729</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 265,044	\$ 3,203,018	\$ 3,468,062
Due to other funds	256,076	-	256,076
Deposits payable from restricted assets	5,255	-	5,255
Unearned revenues	56,279	-	56,279
Advance from grantor	45,950	-	45,950
<b>Total liabilities</b>	<b>628,604</b>	<b>3,203,018</b>	<b>3,831,622</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes receivable	3,338	-	3,338
Prepaid taxes	-	-	-
<b>Total deferred inflows of resources</b>	<b>3,338</b>	<b>-</b>	<b>3,338</b>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable			
Prepays	2,258	-	2,258
Restricted			
Stabilization by State Statute	874,027	26,116,563	26,990,590
Planning and community development	320,900	-	320,900
Committed			
Future capital purchases	-	20,563,838	20,563,838
Planning and community development	615,311	-	615,311
Unassigned	(665,765)	(1,084,363)	(1,750,128)
<b>Total fund balance (deficit)</b>	<b>1,146,731</b>	<b>45,596,038</b>	<b>46,742,769</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,778,673</b>	<b>\$ 48,799,056</b>	<b>\$ 50,577,729</b>

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CITY OF CONCORD, NORTH CAROLINA  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2022

Statement 2

	Opioid Settlement	Housing Assistance	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Home ARP Grant	Affordable Housing Fund	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
<b>ASSETS</b>											
Cash and investments	\$ -	\$ 178,237	\$ 83,243	\$ 137,922	\$ -	\$ 244,503	\$ -	\$ 454,890	\$ 44,577	\$ -	\$ 1,143,372
Receivables:											
Ad valorem taxes, net	-	-	-	-	-	-	-	-	3,338	-	3,338
Due from other governmental agencies	-	41,601	-	-	317,618	61,566	-	-	265	-	421,050
Interest	-	205	153	205	-	307	-	615	51	154	1,690
Other, net	-	98,411	-	1,070	-	-	-	-	-	-	99,481
Prepaid items	-	1,058	-	-	-	-	-	-	1,200	-	2,258
Restricted assets - cash and investments	56,279	-	45,950	3,450	-	-	-	1,805	-	-	107,484
<b>Total assets</b>	<b>\$ 56,279</b>	<b>\$ 319,512</b>	<b>\$ 129,346</b>	<b>\$ 142,647</b>	<b>\$ 317,618</b>	<b>\$ 306,376</b>	<b>\$ -</b>	<b>\$ 457,310</b>	<b>\$ 49,431</b>	<b>\$ 154</b>	<b>\$ 1,778,673</b>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ -	\$ 183,925	\$ 2,098	\$ 9	\$ 61,696	\$ 4,748	\$ -	\$ 2,962	\$ 9,606	\$ -	\$ 265,044
Due to other funds	-	-	-	-	255,922	-	-	-	-	154	256,076
Deposits payable from restricted assets	-	-	-	3,450	-	-	-	1,805	-	-	5,255
Unearned revenues	56,279	-	-	-	-	-	-	-	-	-	56,279
Advance from grantor	-	-	45,950	-	-	-	-	-	-	-	45,950
<b>Total liabilities</b>	<b>56,279</b>	<b>183,925</b>	<b>48,048</b>	<b>3,459</b>	<b>317,618</b>	<b>4,748</b>	<b>-</b>	<b>4,767</b>	<b>9,606</b>	<b>154</b>	<b>628,604</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Property taxes receivable	-	-	-	-	-	-	-	-	3,338	-	3,338
Prepaid taxes	-	-	-	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,338</b>	<b>-</b>	<b>3,338</b>
<b>FUND BALANCES (DEFICITS)</b>											
Non Spendable											
Prepays	-	1,058	-	-	-	-	-	-	1,200	-	2,258
Restricted											
Stabilization by State Statute	-	140,217	153	1,275	659,923	61,873	-	10,116	316	154	874,027
Planning and community development	-	-	81,145	-	-	239,755	-	-	-	-	320,900
Committed											
Planning and community development	-	-	-	137,913	-	-	-	442,427	34,971	-	615,311
Unassigned	-	(5,688)	-	-	(659,923)	-	-	-	-	(154)	(665,765)
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>135,587</b>	<b>81,298</b>	<b>139,188</b>	<b>-</b>	<b>301,628</b>	<b>-</b>	<b>452,543</b>	<b>36,487</b>	<b>-</b>	<b>1,146,731</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 56,279</b>	<b>\$ 319,512</b>	<b>\$ 129,346</b>	<b>\$ 142,647</b>	<b>\$ 317,618</b>	<b>\$ 306,376</b>	<b>\$ -</b>	<b>\$ 457,310</b>	<b>\$ 49,431</b>	<b>\$ 154</b>	<b>\$ 1,778,673</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2022**

Statement 3

<b>ASSETS</b>	<b>Parks</b>	<b>Parks Capital Reserve</b>	<b>Transportation</b>	<b>General Fund Capital Projects</b>	<b>Fire and Life Safety</b>	<b>Total Capital Projects Funds</b>
Cash and investments	\$ 8,575,450	\$ 357,104	\$ 21,902,454	\$ 16,371,232	\$ 160,252	\$ 47,366,492
Receivables:						
Interest	11,063	461	28,170	24,277	205	64,176
Other, net	-	-	284,845	113,910	-	398,755
Restricted assets - cash and investments	-	-	-	1	969,632	969,633
<b>Total assets</b>	<b>\$ 8,586,513</b>	<b>\$ 357,565</b>	<b>\$ 22,215,469</b>	<b>\$ 16,509,420</b>	<b>\$ 1,130,089</b>	<b>\$ 48,799,056</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 203,441	\$ -	\$ 89,218	\$ 2,761,196	\$ 149,163	\$ 3,203,018
<b>Total liabilities</b>	<b>203,441</b>	<b>-</b>	<b>89,218</b>	<b>2,761,196</b>	<b>149,163</b>	<b>3,203,018</b>
<b>FUND BALANCES</b>						
Restricted						
Stabilization by State Statute	3,325,546	461	7,157,013	14,832,587	800,956	26,116,563
Committed						
Future capital purchases	5,057,526	357,104	14,969,238	-	179,970	20,563,838
Unassigned	-	-	-	(1,084,363)	-	(1,084,363)
<b>Total fund balances</b>	<b>8,383,072</b>	<b>357,565</b>	<b>22,126,251</b>	<b>13,748,224</b>	<b>980,926</b>	<b>45,596,038</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,586,513</b>	<b>\$ 357,565</b>	<b>\$ 22,215,469</b>	<b>\$ 16,509,420</b>	<b>\$ 1,130,089</b>	<b>\$ 48,799,056</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year Ended June 30, 2022**

Statement 4

	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
<b>Revenues</b>			
Ad valorem taxes	\$ 132,722	\$ -	\$ 132,722
Restricted intergovernmental revenues	6,644,230	421,715	7,065,945
Investment earnings	(45,296)	(1,927,725)	(1,973,021)
Program income	1,276,603	426,913	1,703,516
Other revenues	5,588	-	5,588
<b>Total revenues</b>	<b>8,013,847</b>	<b>(1,079,097)</b>	<b>6,934,750</b>
<b>Expenditures</b>			
Current:			
Planning and community development	2,272,728	-	2,272,728
Administration	593,723	404,624	998,347
Housing assistance payments	4,784,111	-	4,784,111
Rehabilitation	2,055,926	-	2,055,926
Capital outlay	-	12,742,954	12,742,954
Debt service	-	1,870,411	1,870,411
<b>Total expenditures</b>	<b>9,706,488</b>	<b>15,017,989</b>	<b>24,724,477</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,692,641)</b>	<b>(16,097,086)</b>	<b>(17,789,727)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers from other funds	1,521,542	27,402,955	28,924,497
Transfers to other funds	(459,921)	(3,245,107)	(3,705,028)
<b>Total other financing sources (uses)</b>	<b>1,061,621</b>	<b>24,157,848</b>	<b>25,219,469</b>
<b>Net change in fund balances</b>	<b>(631,020)</b>	<b>8,060,762</b>	<b>7,429,742</b>
<b>Fund Balances (Deficit)</b>			
Beginning	1,777,751	37,535,276	39,313,027
Ending	<b>\$ 1,146,731</b>	<b>\$ 45,596,038</b>	<b>\$ 46,742,769</b>

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**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year Ended June 30, 2022**

Statement 5

	Opioid Settlement	Housing Assistance	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Home ARP Grant	Affordable Housing Fund	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
<b>Revenues</b>											
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,722	\$ -	\$ 132,722
Restricted intergovernmental revenues	-	4,513,288	111,055	-	1,462,368	556,019	1,500	-	-	-	6,644,230
Investment earnings	-	(6,102)	(4,484)	(5,924)	-	(8,364)	-	(14,215)	(1,564)	(4,643)	(45,296)
Program income	-	649,977	-	62,121	4,554	87,293	-	45,740	-	426,918	1,276,603
Other revenues	-	4,987	-	473	-	-	-	-	128	-	5,588
<b>Total revenue</b>	<b>-</b>	<b>5,162,150</b>	<b>106,571</b>	<b>56,670</b>	<b>1,466,922</b>	<b>634,948</b>	<b>1,500</b>	<b>31,525</b>	<b>131,286</b>	<b>422,275</b>	<b>8,013,847</b>
<b>Expenditures</b>											
<b>Current:</b>											
Planning and community development	-	-	-	-	-	-	-	2,067,715	205,013	-	2,272,728
Administration	-	347,262	17,910	1,621	126,274	99,156	1,500	-	-	-	593,723
Housing assistance payments	-	4,776,748	7,363	-	-	-	-	-	-	-	4,784,111
Rehabilitation	-	-	-	-	1,340,648	715,278	-	-	-	-	2,055,926
<b>Total expenditures</b>	<b>-</b>	<b>5,124,010</b>	<b>25,273</b>	<b>1,621</b>	<b>1,466,922</b>	<b>814,434</b>	<b>1,500</b>	<b>2,067,715</b>	<b>205,013</b>	<b>-</b>	<b>9,706,488</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>38,140</b>	<b>81,298</b>	<b>55,049</b>	<b>-</b>	<b>(179,486)</b>	<b>-</b>	<b>(2,036,190)</b>	<b>(73,727)</b>	<b>422,275</b>	<b>(1,692,641)</b>
<b>Other Financing Sources (Uses)</b>											
Transfers from other funds	-	1,518	-	-	-	31,006	-	1,414,018	75,000	-	1,521,542
Transfers to other funds	-	-	-	(37,646)	-	-	-	-	-	(422,275)	(459,921)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,518</b>	<b>-</b>	<b>(37,646)</b>	<b>-</b>	<b>31,006</b>	<b>-</b>	<b>1,414,018</b>	<b>75,000</b>	<b>(422,275)</b>	<b>1,061,621</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>39,658</b>	<b>81,298</b>	<b>17,403</b>	<b>-</b>	<b>(148,480)</b>	<b>-</b>	<b>(622,172)</b>	<b>1,273</b>	<b>-</b>	<b>(631,020)</b>
<b>Fund Balances (Deficit)</b>											
Beginning	-	95,929	-	121,785	-	450,108	-	1,074,715	35,214	-	1,777,751
Ending	\$ -	\$ 135,587	\$ 81,298	\$ 139,188	\$ -	\$ 301,628	\$ -	\$ 452,543	\$ 36,487	\$ -	\$ 1,146,731

**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**Year Ended June 30, 2022**

Statement 6

	Parks	Parks Capital Reserve	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Capital Projects Funds
Revenues						
Restricted intergovernmental revenues	\$ 30,000	\$ -	\$ 277,805	\$ 113,910	\$ -	\$ 421,715
Program income	-	-	426,913	-	-	426,913
Investment earnings	(343,855)	(13,040)	(801,935)	(765,458)	(3,437)	(1,927,725)
<b>Total revenues</b>	<b>(313,855)</b>	<b>(13,040)</b>	<b>(97,217)</b>	<b>(651,548)</b>	<b>(3,437)</b>	<b>(1,079,097)</b>
Expenditures						
Administration	68,482	-	27,759	199,487	108,896	404,624
Debt service	-	-	-	1,870,411	-	1,870,411
Capital outlay	1,950,447	-	2,096,788	4,303,393	4,392,326	12,742,954
<b>Total expenditures</b>	<b>2,018,929</b>	<b>-</b>	<b>2,124,547</b>	<b>6,373,291</b>	<b>4,501,222</b>	<b>15,017,989</b>
<b>Excess (deficiency) of revenues     over expenditures</b>	<b>(2,332,784)</b>	<b>(13,040)</b>	<b>(2,221,764)</b>	<b>(7,024,839)</b>	<b>(4,504,659)</b>	<b>(16,097,086)</b>
Other Financing Sources (Uses)						
Transfers in	5,587,511	1,414,018	3,512,337	16,889,089	-	27,402,955
Transfers out	-	(2,115,107)	-	-	(1,130,000)	(3,245,107)
<b>Total other financing sources (uses)</b>	<b>5,587,511</b>	<b>(701,089)</b>	<b>3,512,337</b>	<b>16,889,089</b>	<b>(1,130,000)</b>	<b>24,157,848</b>
<b>Net change in fund balances</b>	<b>3,254,727</b>	<b>(714,129)</b>	<b>1,290,573</b>	<b>9,864,250</b>	<b>(5,634,659)</b>	<b>8,060,762</b>
Fund Balances (Deficit)						
Beginning	5,128,345	1,071,694	20,835,678	3,883,974	6,615,585	37,535,276
Ending	\$ 8,383,072	\$ 357,565	\$ 22,126,251	\$ 13,748,224	\$ 980,926	\$ 45,596,038

## **Nonmajor Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government's board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's board has decided that periodic determination of net income is appropriate for accountability purposes.

The following funds have been established as Enterprise Funds:

Golf Course Fund - This fund is used to account for the operations of the City's municipal golf course.

Housing Department Fund - This fund is used to account for the operations of the City's housing department.

Transit Fund - This fund is used to account for the operations of the City's transit system.

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**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**June 30, 2022**

Statement 7

<b>ASSETS</b>	<b>Golf Course Fund</b>	<b>Housing Department Operating Fund</b>	<b>Transit Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Current Assets</b>				
Cash and investments	\$ 2,235,250	\$ 1,173,267	\$ -	\$ 3,408,517
Receivables:				
Accounts receivable, net	5,791	9,562	289,140	304,493
Due from other governments	-	207,705	3,000,895	3,208,600
Interest	-	1,639	-	1,639
Inventories and prepaid expenses	135,188	1,058	-	136,246
<b>Total current assets</b>	<b>2,376,229</b>	<b>1,393,231</b>	<b>3,290,035</b>	<b>7,059,495</b>
<b>Noncurrent assets:</b>				
Restricted assets - cash and investments	-	43,971	-	43,971
Right to use leased assets, net of amortization	70,834	-	-	70,834
Capital assets	10,294,573	9,633,264	12,657,999	32,585,836
Less accumulated depreciation	(686,200)	(7,119,881)	(8,257,429)	(16,063,510)
<b>Total noncurrent assets</b>	<b>9,679,207</b>	<b>2,557,354</b>	<b>4,400,570</b>	<b>16,637,131</b>
<b>Total assets</b>	<b>12,055,436</b>	<b>3,950,585</b>	<b>7,690,605</b>	<b>23,696,626</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension deferrals	-	228,904	115,465	344,369
OPEB deferrals	-	71,691	36,163	107,854
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>300,595</b>	<b>151,628</b>	<b>452,223</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	151,817	313,009	414,729	879,555
Current portion of long-term debt	-	46,116	25,464	71,580
Current portion of lease liability	89,289	-	-	89,289
Due to other funds	-	370,774	5,682,070	6,052,844
<b>Total current liabilities</b>	<b>241,106</b>	<b>729,899</b>	<b>6,122,263</b>	<b>7,093,268</b>
<b>Noncurrent liabilities</b>				
Net pension liability	-	149,049	75,184	224,233
Net OPEB liability	-	518,947	206,689	725,636
Long-term debt due after one year	-	20,719	11,440	32,159
Long-term lease liability due after one year	35,875	-	-	35,875
Deposits	-	43,971	-	43,971
<b>Total noncurrent liabilities</b>	<b>35,875</b>	<b>732,686</b>	<b>293,313</b>	<b>1,061,874</b>
<b>Total liabilities</b>	<b>276,981</b>	<b>1,462,585</b>	<b>6,415,576</b>	<b>8,155,142</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension deferrals	-	213,164	107,525	320,689
OPEB deferrals	-	86,698	43,733	130,431
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>299,862</b>	<b>151,258</b>	<b>451,120</b>
<b>NET POSITION</b>				
Net investment in capital assets	9,554,042	2,513,383	4,400,570	16,467,995
Unrestricted	2,224,413	(24,650)	(3,125,171)	(925,408)
<b>Total net position</b>	<b>\$ 11,778,455</b>	<b>\$ 2,488,733</b>	<b>\$ 1,275,399</b>	<b>\$ 15,542,587</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**Year Ended June 30, 2022**

**Statement 8**

	<b>Golf Course Fund</b>	<b>Housing Department Operating Fund</b>	<b>Transit Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
Operating Revenues				
Charges for services	\$ 1,917,079	\$ 427,670	\$ 270,447	\$ 2,615,196
Other operating revenues	1,041,512	-	-	1,041,512
<b>Total operating revenue</b>	<b>2,958,591</b>	<b>427,670</b>	<b>270,447</b>	<b>3,656,708</b>
Operating Expenses				
General and administrative	-	1,015,993	597,596	1,613,589
Professional services	922,001	-	4,023,755	4,945,756
Utilities	-	338,374	-	338,374
Maintenance and repairs	-	428,529	-	428,529
Operating supplies	-	-	676,892	676,892
Other operating costs	1,218,188	-	119	1,218,307
Depreciation and amortization	123,828	550,233	434,732	1,108,793
<b>Total operating expenses</b>	<b>2,264,017</b>	<b>2,333,129</b>	<b>5,733,094</b>	<b>10,330,240</b>
<b>Operating income (loss)</b>	<b>694,574</b>	<b>(1,905,459)</b>	<b>(5,462,647)</b>	<b>(6,673,532)</b>
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,345,687	4,849,122	6,194,809
Interest earned on investments	-	(46,083)	-	(46,083)
Interest expense	-	(4,059)	-	(4,059)
Gain (loss) on sale of capital assets	1,325	-	-	1,325
Other	-	107,162	-	107,162
<b>Total nonoperating revenues (expenses)</b>	<b>1,325</b>	<b>1,402,707</b>	<b>4,849,122</b>	<b>6,253,154</b>
<b>Income (loss) before transfers</b>	<b>695,899</b>	<b>(502,752)</b>	<b>(613,525)</b>	<b>(420,378)</b>
Transfers In (Out)				
Transfers Out	-	-	-	-
Transfers In	940,000	5,122	1,059,696	2,004,818
<b>Transfers in (out)</b>	<b>940,000</b>	<b>5,122</b>	<b>1,059,696</b>	<b>2,004,818</b>
<b>Change in net position</b>	<b>1,635,899</b>	<b>(497,630)</b>	<b>446,171</b>	<b>1,584,440</b>
Net Position				
Beginning	10,142,556	2,986,363	829,228	13,958,147
Ending	\$ 11,778,455	\$ 2,488,733	\$ 1,275,399	\$ 15,542,587

**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2022**

**Statement 9**  
**Page 1 of 2**

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
<b>Cash Flows From Operating Activities</b>				
Receipts from customers	\$ 2,956,857	\$ 349,798	\$ (656,527)	\$ 2,650,128
Payments to employees	-	(672,278)	(536,774)	(1,209,052)
Payments to suppliers	(2,091,300)	(1,058,843)	(4,754,092)	(7,904,235)
<b>Net cash provided by (used in) operating activities</b>	<b>865,557</b>	<b>(1,381,323)</b>	<b>(5,947,393)</b>	<b>(6,463,159)</b>
<b>Cash Flows From Noncapital Financing Activities</b>				
Due to (from) other funds	-	(35,088)	755,125	720,037
Transfers in	940,000	5,122	1,059,696	2,004,818
Operating grants received	-	1,345,687	4,849,122	6,194,809
<b>Net cash provided by noncapital financing activities</b>	<b>940,000</b>	<b>1,315,721</b>	<b>6,663,943</b>	<b>8,919,664</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Principal payment on long-term debt	-	-	-	-
Interest paid	-	(4,059)	-	(4,059)
Lease liability payments made	(88,684)	-	-	(88,684)
Acquisition and construction of capital assets	(11,011)	-	(716,550)	(727,561)
Proceeds from the sale of capital assets	1,325	-	-	1,325
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(98,370)</b>	<b>(4,059)</b>	<b>(716,550)</b>	<b>(818,979)</b>
<b>Cash Flows Provided by Investing Activities</b>				
Earnings on investments	-	(45,398)	-	(45,398)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,707,187</b>	<b>(115,059)</b>	<b>-</b>	<b>1,592,128</b>
<b>Cash and cash equivalents:</b>				
Beginning	528,063	1,332,297	-	1,860,360
Ending	\$ 2,235,250	\$ 1,217,238	\$ -	\$ 3,452,488

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**Year Ended June 30, 2022**

**Statement 9**  
**Page 2 of 2**

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	\$ 694,574	\$ (1,905,459)	\$ (5,462,647)	\$ (6,673,532)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	266,842	550,233	434,732	1,251,807
Other income	-	107,162	-	107,162
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
(Increase) decrease in:				
Accounts receivable	(1,734)	9,877	(135,159)	(127,016)
Due from other governmental agencies	-	(197,159)	(791,815)	(988,974)
Inventories and prepaid expenses	(39,752)	(862)	-	(40,614)
Deferred outflows of resources for pensions	-	(3,511)	(18,136)	(21,647)
Deferred outflows of resources for OPEB	-	(8,802)	(9,006)	(17,808)
Increase (decrease) in:				
Accounts payable and accrued expenses	(54,373)	154,670	14,535	114,832
Vacation accrual	-	4,905	795	5,700
Net pension liability	-	(248,852)	(96,637)	(345,489)
OPEB liability	-	(22,852)	17,707	(5,145)
Deferred inflows of resources for pensions	-	212,095	107,063	319,158
Deferred inflows of resources for OPEB	-	(35,016)	(8,825)	(43,841)
Deposits	-	2,248	-	2,248
<b>Net cash provided by (used in)     operating activities</b>	<b>\$ 865,557</b>	<b>\$ (1,381,323)</b>	<b>\$ (5,947,393)</b>	<b>\$ (6,463,159)</b>
Non-Cash Capital and Related Financing Activities:				
Right to use asset acquired in exchange for lease liability	\$ 213,848	\$ -	\$ -	\$ 213,848

**Capital Assets used in the  
Operation of Governmental Funds**

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**CITY OF CONCORD, NORTH CAROLINA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF FUNCTION AND ACTIVITY**  
**June 30, 2022**

Statement 10

<b>Function/Activity</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements other than Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction in Progress</b>	<b>Total</b>
General Government							
Administration	\$ 2,824,365	\$ 17,356,264	\$ 851,275	\$ 2,251,142	\$ 1,870,390	\$ 46,839	\$ 25,200,275
Finance	-	-	-	412,771	-	-	412,771
Tax office	-	-	-	81,896	-	-	81,896
Human resources	-	421,736	-	106,886	-	-	528,622
<b>Total general government</b>	<b>2,824,365</b>	<b>17,778,000</b>	<b>851,275</b>	<b>2,852,695</b>	<b>1,870,390</b>	<b>46,839</b>	<b>26,223,564</b>
Public Safety							
Communications	-	-	-	1,707,542	-	-	1,707,542
Police	-	14,586,391	24,000	10,619,892	-	-	25,230,283
Fire	2,306,087	17,299,562	441,098	17,561,556	-	12,726,385	50,334,688
<b>Total public safety</b>	<b>2,306,087</b>	<b>31,885,953</b>	<b>465,098</b>	<b>29,888,990</b>	<b>-</b>	<b>12,726,385</b>	<b>77,272,513</b>
Public Works							
Streets	2,920,645	1,198,624	76,178	6,572,726	789,161,794	8,540,795	808,470,762
Sanitation	-	3,719,898	206,147	4,532,222	-	2,677,726	11,135,993
Cemeteries	-	-	191,522	351,264	168,239	162,675	873,700
Transportation	50,987	-	-	-	6,843,848	-	6,894,835
Fleet Services	-	702,705	-	597,273	-	120,571	1,420,549
<b>Total public works</b>	<b>2,971,632</b>	<b>5,621,227</b>	<b>473,847</b>	<b>12,053,485</b>	<b>796,173,881</b>	<b>11,501,767</b>	<b>828,795,839</b>
Cultural and Recreational							
Parks and recreation	12,045,427	9,488,820	8,323,915	2,096,392	-	2,909,235	34,863,789
Planning and Community Development							
Planning and zoning	328,333	557,517	450,901	179,954	673,267	1,437,048	3,627,020
<b>Total capital assets</b>	<b>\$ 20,475,844</b>	<b>\$ 65,331,517</b>	<b>\$ 10,565,036</b>	<b>\$ 47,071,516</b>	<b>\$ 798,717,538</b>	<b>\$ 28,621,274</b>	<b>\$ 970,782,725</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**June 30, 2022**

Statement 11

<b>Function/Activity</b>	<b>June 30, 2021</b>	<b>Additions</b>	<b>Retirements/ Transfers</b>	<b>June 30, 2022</b>
General Government				
Administration	\$ 25,006,166	\$ 2,327,527	\$ 2,133,418	\$ 25,200,275
Finance	412,771	-	-	412,771
Tax office	81,896	-	-	81,896
Human resources	498,636	29,986	-	528,622
<b>Total general government</b>	<b>25,999,469</b>	<b>2,357,513</b>	<b>2,133,418</b>	<b>26,223,564</b>
Public Safety				
Communications	1,693,212	21,130	6,800	1,707,542
Police	24,222,577	1,421,048	413,342	25,230,283
Fire	44,174,072	8,475,601	2,314,985	50,334,688
<b>Total public safety</b>	<b>70,089,861</b>	<b>9,917,779</b>	<b>2,735,127</b>	<b>77,272,513</b>
Public Works				
Streets	760,175,686	53,002,936	4,707,860	808,470,762
Sanitation	7,840,513	3,295,480	-	11,135,993
Cemeteries	915,998	15,875	58,173	873,700
Transportation	6,894,835	-	-	6,894,835
Fleet services	1,320,502	120,571	20,524	1,420,549
<b>Total public works</b>	<b>777,147,534</b>	<b>56,434,862</b>	<b>4,786,557</b>	<b>828,795,839</b>
Cultural and Recreational				
Parks and recreation	32,971,854	4,905,958	3,014,023	34,863,789
Planning and Community Development				
Planning and zoning	2,812,108	924,131	109,219	3,627,020
<b>Total capital assets</b>	<b>\$ 909,020,826</b>	<b>\$ 74,540,243</b>	<b>\$ 12,778,344</b>	<b>\$ 970,782,725</b>



### **Supplemental Information**

- Budget to actual comparison for major capital project fund, nonmajor governmental funds, enterprise funds and internal service fund of the primary government
- Schedule of Ad Valorem Tax Receivable
- Analysis of Current Tax Levy
- Schedule of Cash and Investment Balances
- Supplemental Financial Data Schedule Section 8 Housing Programs
- Schedule of Business-Type Activities Capital Assets
- Schedule of Business-Type Activities Long-Term Debt

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**CITY OF CONCORD, NORTH CAROLINA**  
**GENERAL CAPITAL RESERVE PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

Statement 12

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Revenues				
Investment Earnings	\$ 2,323,861	\$ 2,223,849	\$ (720,504)	\$ 1,503,345
Expenditures				
Capital outlay	21,788,387	-	-	-
<b>Total expenditures</b>	<b>21,788,387</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues     over expenditures</b>	<b>(19,464,526)</b>	<b>2,223,849</b>	<b>(720,504)</b>	<b>1,503,345</b>
Other Financing Sources (Uses)				
Transfers In	32,081,178	28,031,179	<b>4,050,000</b>	32,081,179
Transfers Out	(12,616,652)	-	<b>(12,616,652)</b>	(12,616,652)
<b>Total other financing sources (uses)</b>	<b>19,464,526</b>	<b>28,031,179</b>	<b>(8,566,652)</b>	<b>19,464,527</b>
<b>Excess of revenues and other     financing sources (uses)     over expenditures</b>	<b>\$ -</b>	<b>\$ 30,255,028</b>	<b>(9,287,156)</b>	<b>\$ 20,967,872</b>
Fund Balance				
Beginning			<u>30,255,028</u>	
Ending			<u>\$ 20,967,872</u>	

CITY OF CONCORD, NORTH CAROLINA

Statement 13

AMERICAN RESCUE PLAN FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2022

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>Revenues</b>				
Restricted intergovernmental revenues, net of reimbursements	\$ 16,255,872	\$ -	\$ 679,220	\$ 679,220
Investment earnings	-	-	(612,471)	(612,471)
<b>Total revenues</b>	<b>16,255,872</b>	<b>-</b>	<b>66,749</b>	<b>66,749</b>
<b>Expenditures</b>				
Contract services	6,804,000	-	537,624	537,624
Capital outlay	1,427,872	-	117,675	117,675
<b>Total expenditures</b>	<b>8,231,872</b>	<b>-</b>	<b>655,299</b>	<b>655,299</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>8,024,000</b>	<b>-</b>	<b>(588,550)</b>	<b>(588,550)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(8,024,000)	-	(23,921)	(23,921)
<b>Total other financing sources (uses)</b>	<b>(8,024,000)</b>	<b>-</b>	<b>(23,921)</b>	<b>(23,921)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(612,471)</b>	<b>\$ (612,471)</b>
<b>Fund Balance</b>				
Beginning			-	
Ending			<b>\$ (612,471)</b>	

OPIOID SETTLEMENT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2022

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Opioid settlement funds	\$ 1,464,853	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>1,464,853</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Contract services	1,464,853	-	-	-
<b>Total expenditures</b>	<u>1,464,853</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues         over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance				
Beginning			-	
Ending			<u>\$ -</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**HOUSING ASSISTANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended June 30, 2022**

**Statement 15**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Restricted intergovernmental revenues	\$ 4,232,815	\$ 4,394,143	\$ 4,513,288	\$ 119,145
Investment earnings	-	-	(6,102)	(6,102)
Program income	740,500	740,500	649,977	(90,523)
Other income (loss)	-	4,988	4,987	(1)
<b>Total revenues</b>	<b>4,973,315</b>	<b>5,139,631</b>	<b>5,162,150</b>	<b>22,519</b>
Expenditures				
Administration	343,895	343,895	347,262	(3,367)
Housing assistance payments	4,599,065	4,765,381	4,776,748	(11,367)
<b>Total expenditures</b>	<b>4,942,960</b>	<b>5,109,276</b>	<b>5,124,010</b>	<b>(14,734)</b>
<b>Excess (deficiency) of revenues     over expenditures</b>	<b>30,355</b>	<b>30,355</b>	<b>38,140</b>	<b>7,785</b>
Other Financing Sources				
Transfers in	3,320	3,320	1,518	(1,802)
Appropriated to (from) fund balance	(33,675)	(33,675)	-	33,675
<b>Total other financing sources</b>	<b>(30,355)</b>	<b>(30,355)</b>	<b>1,518</b>	<b>31,873</b>
<b>Excess (deficiency) of revenues     and other financing sources     over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>39,658</b>	<b>\$ 39,658</b>
Fund Balance				
Beginning			<u>95,929</u>	
Ending			<u>\$ 135,587</u>	

**CITY OF CONCORD, NORTH CAROLINA  
EMERGENCY HOUSING ASSISTANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2022**

**Statement 16**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Restricted intergovernmental revenues	\$ 223,308	\$ 223,308	\$ 111,055	\$ (112,253)
Investment earnings	-	-	(4,484)	(4,484)
Program income	-	-	-	-
Other income (loss)	-	-	-	-
<b>Total revenues</b>	<b>223,308</b>	<b>223,308</b>	<b>106,571</b>	<b>(116,737)</b>
Expenditures				
Administration	-	-	17,910	(17,910)
Housing assistance payments	223,308	223,308	7,363	215,945
<b>Total expenditures</b>	<b>223,308</b>	<b>223,308</b>	<b>25,273</b>	<b>198,035</b>
<b>Excess (deficiency) of revenues     over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>81,298</b>	<b>\$ 81,298</b>
Fund Balance				
Beginning			-	
Ending			<b>\$ 81,298</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**MARKET RATE UNITS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended June 30, 2022**

**Statement 17**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Program income	\$ 66,516	\$ 66,516	\$ 62,121	\$ (4,395)
Other income	100	100	473	373
Investment earnings	-	-	(5,924)	(5,924)
<b>Total revenues</b>	<b>66,616</b>	<b>66,616</b>	<b>56,670</b>	<b>(9,946)</b>
Expenditures				
Administration	28,970	28,970	1,621	27,349
<b>Total expenditures</b>	<b>28,970</b>	<b>28,970</b>	<b>1,621</b>	<b>27,349</b>
<b>Excess (deficiency) of revenues         over expenditures</b>	<b>37,646</b>	<b>37,646</b>	<b>55,049</b>	<b>17,403</b>
Other Financing Sources (Uses)				
Transfers out	(37,646)	(37,646)	(37,646)	-
<b>Total other financing uses</b>	<b>(37,646)</b>	<b>(37,646)</b>	<b>(37,646)</b>	<b>-</b>
<b>Excess (deficiency) of revenues         and other financing sources         over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>17,403</b>	<b>\$ 17,403</b>
Fund Balance				
Beginning			<u>121,785</u>	
Ending			<u>\$ 139,188</u>	



**CITY OF CONCORD, NORTH CAROLINA**  
**COMMUNITY DEVELOPMENT GRANT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

**Statement 18**

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>Revenues</b>				
Restricted intergovernmental revenues, net of reimbursements	\$ 5,037,911	\$ 2,915,892	\$ 1,462,368	\$ 4,378,260
Program income	106,658	104,658	4,554	109,212
<b>Total revenues</b>	<b>5,144,569</b>	<b>3,020,550</b>	<b>1,466,922</b>	<b>4,487,472</b>
<b>Expenditures</b>				
Administration	658,818	523,663	126,274	649,937
Rehabilitation	4,413,239	2,424,375	1,340,648	3,765,023
<b>Total expenditures</b>	<b>5,072,057</b>	<b>2,948,038</b>	<b>1,466,922</b>	<b>4,414,960</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>72,512</b>	<b>72,512</b>	<b>-</b>	<b>72,512</b>
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(72,512)	(72,512)	-	(72,512)
<b>Total other financing sources (uses)</b>	<b>(72,512)</b>	<b>(72,512)</b>	<b>-</b>	<b>(72,512)</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**HOME FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

**Statement 19**

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>Revenues</b>				
Restricted intergovernmental revenues	\$ 7,926,623	\$ 2,559,073	\$ 556,019	\$ 3,115,092
Program income	1,057,861	957,861	87,293	1,045,154
Investment earnings	8,145	8,144	(8,364)	(220)
<b>Total revenues</b>	<b>8,992,629</b>	<b>3,525,078</b>	<b>634,948</b>	<b>4,160,026</b>
<b>Expenditures</b>				
Administration	857,018	612,339	99,156	711,495
Rehabilitation	8,533,678	2,829,691	715,278	3,544,969
<b>Total expenditures</b>	<b>9,390,696</b>	<b>3,442,030</b>	<b>814,434</b>	<b>4,256,464</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(398,067)</b>	<b>83,048</b>	<b>(179,486)</b>	<b>(96,438)</b>
<b>Other Financing Sources</b>				
Transfers In	398,067	367,060	31,006	398,066
<b>Total other financing sources</b>	<b>398,067</b>	<b>367,060</b>	<b>31,006</b>	<b>398,066</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ 450,108</b>	<b>(148,480)</b>	<b>\$ 301,628</b>
<b>Fund Balance</b>				
Beginning			<b>450,108</b>	
Ending			<b>\$ 301,628</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**HOME ARP GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

Statement 20

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>Revenues</b>				
Restricted intergovernmental revenues	\$ 4,772,338	\$ -	\$ 1,500	\$ 1,500
<b>Total revenues</b>	<b>4,772,338</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>
<b>Expenditures</b>				
Administration	715,850	-	1,500	1,500
Rehabilitation	4,056,488	-	-	-
<b>Total expenditures</b>	<b>4,772,338</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Fund Balance</b>				
Beginning			-	
Ending			<u>\$ -</u>	

## CITY OF CONCORD, NORTH CAROLINA

Statement 21

## AFFORDABLE HOUSING FUND

## SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2022

	Total Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues				
Investment earnings	\$ 2,150	\$ 2,149	\$ (14,215)	\$ (12,066)
Program income	347,875	306,145	45,740	351,885
<b>Total revenues</b>	<b>350,025</b>	<b>308,294</b>	<b>31,525</b>	<b>339,819</b>
Expenditures				
Community development	2,945,125	880,385	2,067,715	2,948,100
Capital outlay	465,724	-	-	-
<b>Total expenditures</b>	<b>3,410,849</b>	<b>880,385</b>	<b>2,067,715</b>	<b>2,948,100</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(3,060,824)</b>	<b>(572,091)</b>	<b>(2,036,190)</b>	<b>(2,608,281)</b>
Other Financing Sources (Uses)				
Transfers In	3,060,824	1,646,806	1,414,018	3,060,824
<b>Total other financing sources</b>	<b>3,060,824</b>	<b>1,646,806</b>	<b>1,414,018</b>	<b>3,060,824</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ 1,074,715</b>	<b>\$ (622,172)</b>	<b>\$ 452,543</b>
Fund Balance				
Beginning			1,074,715	
Ending			<b>\$ 452,543</b>	

**CITY OF CONCORD, NORTH CAROLINA  
MUNICIPAL SERVICE DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2022**

**Statement 22**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Ad valorem taxes	\$ 123,963	\$ 123,963	\$ 132,722	\$ 8,759
Other income	20,650	20,650	128	(20,522)
Investment earnings	-	-	(1,564)	(1,564)
<b>Total revenues</b>	<b>144,613</b>	<b>144,613</b>	<b>131,286</b>	<b>(13,327)</b>
Expenditures				
Community development	219,613	219,613	205,013	14,600
<b>Excess of revenues over expenditures</b>	<b>(75,000)</b>	<b>(75,000)</b>	<b>(73,727)</b>	<b>1,273</b>
Other Financing Sources				
Transfers In	75,000	75,000	75,000	-
<b>Total other financing sources</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,273</b>	<b>\$ 1,273</b>
Fund Balance				
Beginning			<u>35,214</u>	
Ending			<u>\$ 36,487</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**ADDITIONAL VEHICLE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**Year Ended June 30, 2022**

**Statement 23**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues				
Program income	\$ 390,000	\$ 440,000	\$ 426,918	\$ (13,082)
Investment earnings	-	-	(4,643)	(4,643)
<b>Total revenues</b>	<b>390,000</b>	<b>440,000</b>	<b>422,275</b>	<b>(17,725)</b>
Other Financing Uses				
Transfers out	(390,000)	(440,000)	(422,275)	17,725
<b>Total other financing uses</b>	<b>(390,000)</b>	<b>(440,000)</b>	<b>(422,275)</b>	<b>17,725</b>
<b>Total of revenues and other         financing uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance				
Beginning			-	
Ending			<u>\$ -</u>	

## CITY OF CONCORD, NORTH CAROLINA

Statement 24

## PARKS AND RECREATION CAPITAL PROJECTS FUND

## SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2022

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Contributions	\$ 94,251	\$ 99,251	\$ -	\$ 99,251
Investment earnings	-		(343,855)	(343,855)
Restricted intergovernmental revenues	1,398,960	470,000	30,000	500,000
<b>Total operating revenues</b>	<b>1,493,211</b>	<b>569,251</b>	<b>(313,855)</b>	<b>255,396</b>
Operating Expenditures				
Caldwell Park	2,138,960	41,145	277,445	318,590
Northwest Park	4,497,587	1,522,107	446,099	1,968,206
Dorton Park Improvements	990,500	130	105	235
Mountain Bike Trail Parking	195,000	-	131,051	131,051
Irish Buffalo Creek Greenway	198,480	-	-	-
Academy Rec Center Complex	47,000	28,826	11,575	40,401
Hartsell Park Improvements	919,488	3,550	217,559	221,109
Future Projects	184,638	-	-	-
Coddle Creek Greenway	744,820	76,855	499,485	576,340
P&R Connectivity Plan	185,512	1,500	94,946	96,446
Parking Improvements-Logan Multi Ctr	289,000	1,228	-	1,228
WW Flowe Park	460,000	-	15,200	15,200
Clarke Creek Greenway	442,632	-	7,131	7,131
Phillips Activity Center	250,000	-	-	-
McEachern Greenway	2,965,951	1,792,627	294,667	2,087,294
Hector Henry Greenway	3,417,343	2,819,127	23,666	2,842,793
<b>Total operating expenditures</b>	<b>17,926,911</b>	<b>6,287,095</b>	<b>2,018,929</b>	<b>8,306,024</b>
<b>Deficiency of revenues over expenditures before transfers</b>	<b>(16,433,700)</b>	<b>(5,717,844)</b>	<b>(2,332,784)</b>	<b>(8,050,628)</b>
Other Financing Sources				
Transfers in	16,433,700	10,846,189	5,587,511	16,433,700
<b>Excess (deficiency) of revenues and transfers over expenditures</b>	<b>\$ -</b>	<b>\$ 5,128,345</b>	<b>\$ 3,254,727</b>	<b>\$ 8,383,072</b>

**CITY OF CONCORD, NORTH CAROLINA  
PARKS CAPITAL RESERVE PROJECT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
From Inception and for the Year Ended June 30, 2022**

**Statement 25**

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Revenues				
Investment earnings	\$ -	\$ -	\$ (13,040)	\$ (13,040)
Expenditures				
Capital Outlay	370,605	-	-	-
<b>Total expenditures</b>	<b>370,605</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues         over expenditures</b>	<b>(370,605)</b>	<b>-</b>	<b>(13,040)</b>	<b>(13,040)</b>
Other Financing Sources (Uses)				
Transfers In	2,765,682	1,351,664	1,414,018	2,765,682
Transfers Out	(2,395,077)	(279,970)	(2,115,107)	(2,395,077)
<b>Total other financing sources (uses)</b>	<b>370,605</b>	<b>1,071,694</b>	<b>(701,089)</b>	<b>370,605</b>
<b>Excess (deficiency) of revenues         and other financing sources (uses)         over expenditures</b>	<b>\$ -</b>	<b>\$ 1,071,694</b>	<b>(714,129)</b>	<b>\$ 357,565</b>
Fund Balance				
Beginning			<u>1,071,694</u>	
Ending			<u>\$ 357,565</u>	



**CITY OF CONCORD, NORTH CAROLINA**  
**TRANSPORTATION CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

Statement 26

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Revenues				
Restricted intergovernmental revenues	\$ 5,806,776	\$ 2,775,339	\$ 277,805	\$ 3,053,144
Investment earnings	1,455,292	1,455,292	<b>(801,935)</b>	653,357
Program income	3,784,387	3,484,285	<b>426,913</b>	3,911,198
<b>Total operating revenues</b>	<b>11,046,455</b>	<b>7,714,916</b>	<b>(97,217)</b>	<b>7,617,699</b>
Operating Expenditures				
Future Improvements	4,583,883	-	-	-
Derita Rd	6,117,319	2,115,556	<b>2,350</b>	2,117,906
Traffic Management Center	3,671,754	3,631,489	<b>7,386</b>	3,638,875
Brookwood Phase Design	6,114,243	491,494	-	491,494
ITS Expansion	1,250,000	1,108,268	<b>60,069</b>	1,168,337
US29/Copperfield SW & Bike Pro	273,211	75,879	-	75,879
Concord Mills Blvd Flyover	2,043,330	-	-	-
Future Sidewalk Projects	28,605	-	-	-
Bruton Smith Pedestrian Improvements	1,200,000	-	-	-
Spring/Chestnut/Broad Improvements	817,618	795,593	-	795,593
US601/Flowes Store Improvements	2,340,343	24,386	<b>132,492</b>	156,878
Union St S Sidewalk Extension	920,780	841,352	<b>(16,227)</b>	825,125
Downtown Pedestrian Signal Upgrade	312,000	46,597	<b>134,130</b>	180,727
Bruton Smith/Weddington Intersection	36,427	-	<b>6,393</b>	6,393
Downtown Signal Replacement	440,000	290,905	<b>16,755</b>	307,660
I-85 Branding	450,000	-	-	-
Brown Center Rd Expansion	800,000	526,732	<b>266,186</b>	792,918
Upfit Cab Co Facility	1,292,978	-	<b>1,324,232</b>	1,324,232
Poplar Tent/Harris	1,720,000	-	-	-
Lincoln St Bridge Replacement	475,000	-	-	-
Weddington Rd HS Reimb	157,363	-	<b>157,363</b>	157,363
Old Charlotte Sidewalk	486,490	-	-	-
Cedar/Crowell Sidewalk	698,703	-	-	-
Spring St Phase 1 Concrete	1,265,223	-	-	-
Infrastructure	482,817	350,280	<b>33,418</b>	383,698
<b>Total operating expenditures</b>	<b>37,978,087</b>	<b>10,298,531</b>	<b>2,124,547</b>	<b>12,423,078</b>
<b>Excess (deficiency) of revenues over     expenditures before transfers</b>	<b>(26,931,632)</b>	<b>(2,583,615)</b>	<b>(2,221,764)</b>	<b>(4,805,379)</b>
Other Financing Sources				
Transfers In	26,931,632	23,419,293	<b>3,512,337</b>	26,931,630
<b>Total other financing sources</b>	<b>26,931,632</b>	<b>23,419,293</b>	<b>3,512,337</b>	<b>26,931,630</b>
<b>Excess of revenues and transfers     over expenditures</b>	<b>\$ -</b>	<b>\$ 20,835,678</b>	<b>\$ 1,290,573</b>	<b>\$ 22,126,251</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**GENERAL FUND CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

Statement 27

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
<b>Operating Revenues</b>				
Restricted intergovernmental revenues	\$ 220,000	\$ 23,880	\$ 113,910	\$ 137,790
Investment earnings	-	-	(765,460)	(765,460)
Contributions	58,281	58,281	-	58,281
<b>Total operating revenues</b>	<b>278,281</b>	<b>82,161</b>	<b>(651,550)</b>	<b>(569,389)</b>
<b>Expenditures</b>				
Contract services	-	163,447	3,722	167,169
Capital outlay	31,268,342	1,254,931	3,907,997	5,162,928
<b>Total expenditures</b>	<b>31,268,342</b>	<b>1,418,378</b>	<b>3,911,719</b>	<b>5,330,097</b>
<b>Excess (deficiency) of revenues over expenditures before transfers</b>	<b>(30,990,061)</b>	<b>(1,336,217)</b>	<b>(4,563,269)</b>	<b>(5,899,486)</b>
Transfer In	30,990,061	7,166,249	15,013,713	22,179,962
Transfer Out	-	-	-	-
<b>Excess of revenues and transfers over expenditures</b>	<b>\$ -</b>	<b>\$ 5,830,032</b>	<b>\$ 10,450,444</b>	<b>\$ 16,280,476</b>

Change in net position:

General Fund Capital Projects Fund	\$ 10,450,444
First Concord Capital Project Fund (Statement 46)	(586,194)
	<u>\$ 9,864,250</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**FIRE AND LIFE SAFETY CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

**Statement 28**

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Revenues				
Investment earnings	\$ -	\$ 185	\$ (3,437)	\$ (3,252)
Operating Expenditures				
Operating supplies	-	120,546	<b>108,896</b>	229,442
Cost of issuance	51,650	51,650	-	51,650
Capital outlay	12,253,817	6,647,872	<b>4,392,326</b>	11,040,198
<b>Total operating expenditures</b>	<b>12,305,467</b>	<b>6,820,068</b>	<b>4,501,222</b>	<b>11,321,290</b>
<b>Deficiency of revenues over expenditures before transfers</b>	<b>(12,305,467)</b>	<b>(6,819,883)</b>	<b>(4,504,659)</b>	<b>(11,324,542)</b>
Other Financing Sources (Uses)				
Issuance of debt	6,200,000	6,200,000	-	6,200,000
Transfer In	7,235,467	7,235,468	-	7,235,468
Transfer Out	(1,130,000)	-	<b>(1,130,000)</b>	(1,130,000)
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ 6,615,585</b>	<b>\$ (5,634,659)</b>	<b>\$ 980,926</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**ELECTRIC OPERATING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2022**

**Statement 29**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Operating Revenues				
Charges for services	\$ 82,622,500	\$ 84,046,923	\$ 84,281,325	\$ 234,402
Other operating revenues	931,500	2,493,323	2,566,089	72,766
<b>Total operating revenues</b>	<b>83,554,000</b>	<b>86,540,246</b>	<b>86,847,414</b>	<b>307,168</b>
Operating Expenditures				
Administration	4,338,807	4,338,807	3,708,917	629,890
Purchased power	49,259,326	68,667,720	68,857,364	(189,644)
Power line and plant	18,983,793	18,773,793	14,730,680	4,043,113
<b>Total operating expenditures</b>	<b>72,581,926</b>	<b>91,780,320</b>	<b>87,296,961</b>	<b>4,483,359</b>
Nonoperating Revenues (Expenditures)				
Capital outlay	(3,457,652)	(3,457,652)	(4,078,894)	(621,242)
Interest earned on investments	-	-	(1,967,997)	(1,967,997)
Debt service payments	(1,466,053)	(1,466,053)	(1,463,131)	2,922
Appropriated Fund Balance	1,448,018	26,003,304	-	(26,003,304)
Gain on sale of capital assets	-	107,000	107,253	253
<b>Total nonoperating expenditures</b>	<b>(3,475,687)</b>	<b>21,186,599</b>	<b>(7,402,769)</b>	<b>(28,589,368)</b>
<b>Income before capital contributions and transfers</b>	<b>7,496,387</b>	<b>15,946,525</b>	<b>(7,852,316)</b>	<b>(23,798,841)</b>
Transfers In (Out)				
Transfers out	(7,496,387)	(15,946,525)	(15,946,525)	-
<b>Excess (deficiency) of revenues over expenditures and transfers</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(23,798,841)</b>	<b>\$ (23,798,841)</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,010,545)	
Capital outlay			4,078,894	
Unfunded OPEB Expense			11,382	
Pension expense			126,716	
Health claims incurred but not reported			(10,966)	
Decrease to workers comp claims reserve			-	
Debt service			1,074,424	
Refunding bonds issued			-	
<b>Change in net position</b>			<b>\$ (22,528,936)</b>	
Change in net position:				
Electric Operating Fund			\$ (22,528,936)	
Electric Projects Capital Projects Fund (Statement 30)			30,755,301	
Utility Capital Reserve Project Fund (Statement 35)			(19,399,299)	
			<b>\$ (11,172,934)</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**ELECTRIC PROJECTS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

**Statement 30**

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Revenues				
Restricted intergovernmental revenues	\$ 1,673,000	\$ 1,435,221	\$ 184,685	\$ 1,619,906
Investment earnings	-	-	(1,280,260)	(1,280,260)
<b>Total operating revenues</b>	<u>1,673,000</u>	<u>1,435,221</u>	<u>(1,095,575)</u>	<u>339,646</u>
Operating Expenditures				
Contract cost	-	1,739,219	5,690	1,744,909
Capital outlay	77,902,723	18,614,659	24,927,080	43,541,739
<b>Total operating expenditures</b>	<u>77,902,723</u>	<u>20,353,878</u>	<u>24,932,770</u>	<u>45,286,648</u>
<b>Deficiency of revenues over         expenditures before transfers</b>	<u>(76,229,723)</u>	<u>(18,918,657)</u>	<u>(26,028,345)</u>	<u>(44,947,002)</u>
Transfer In	76,229,723	44,373,157	31,856,566	76,229,723
<b>Excess (deficiency) of revenues and         transfers over expenditures</b>	<u>\$ -</u>	<u>\$ 25,454,500</u>	<u>5,828,221</u>	<u>\$ 31,282,721</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>24,927,080</u>	
<b>Change in net position</b>			<u><u>\$ 30,755,301</u></u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**WATER OPERATING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2022**

Statement 31

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 25,177,680	\$ 26,398,870	\$ 26,648,305	\$ 249,435
Other operating revenues	1,047,001	1,194,685	1,204,759	10,074
<b>Total operating revenues</b>	<b>26,224,681</b>	<b>27,593,555</b>	<b>27,853,064</b>	<b>259,509</b>
Operating Expenditures				
Repairs and maintenance	2,614,621	2,614,621	1,452,186	1,162,435
Water plants and lakes	9,219,686	10,134,686	9,792,941	341,745
Water line operation and maintenance	10,431,319	10,551,319	8,383,367	2,167,952
<b>Total operating expenditures</b>	<b>22,265,626</b>	<b>23,300,626</b>	<b>19,628,494</b>	<b>3,672,132</b>
Nonoperating Revenues (Expenditures)				
Interest earned on investments	-	-	(1,322,298)	(1,322,298)
Capital outlay	(829,450)	(1,192,226)	(550,562)	641,664
Debt service	(2,899,997)	(2,899,997)	(2,400,853)	499,144
Gain on sale of capital assets	-	28,902	28,902	-
Appropriated Fund Balance	4,427,251	5,076,613	-	(5,076,613)
<b>Total nonoperating expenditures</b>	<b>697,804</b>	<b>1,013,292</b>	<b>(4,244,811)</b>	<b>(5,258,103)</b>
<b>Income before capital contributions and transfers</b>	<b>4,656,859</b>	<b>5,306,221</b>	<b>3,979,759</b>	<b>(1,326,462)</b>
Transfers In (Out)				
To Project Fund	(4,656,859)	(5,306,221)	(5,363,528)	(57,307)
Capital Contributions	-	-	4,263,528	4,263,528
<b>Excess of revenues, capital contributions over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,879,759</b>	<b>\$ 2,879,759</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,518,952)	
Unfunded OPEB Expense			19,140	
Pension expense			134,020	
Health claims incurred but not reported			(7,682)	
Capital outlay			550,562	
Debt service			1,738,336	
<b>Change in net position</b>			<b>\$ 795,183</b>	
Change in net position:				
Water Operating Fund			\$ 795,183	
Water Projects Capital Project Fund (Statement 32)			2,413,129	
Utility Capital Reserve Project Fund (Statement 35)			967,568	
			<b>\$ 4,175,880</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**WATER PROJECTS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

Statement 32

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Revenues				
Other income	\$ 6,862,000	\$ 5,301,711	\$ 1,780,423	\$ 7,082,134
Investment earnings	-	-	(737,030)	(737,030)
<b>Total operating revenues</b>	<b>6,862,000</b>	<b>5,301,711</b>	<b>1,043,393</b>	<b>6,345,104</b>
Operating Expenditures				
Contract cost	-	15,284	302,264	317,548
Capital outlay	56,330,818	16,356,716	3,903,649	20,260,365
<b>Total operating expenditures</b>	<b>56,330,818</b>	<b>16,372,000</b>	<b>4,205,913</b>	<b>20,577,913</b>
<b>Deficiency of revenues over         expenditures before transfers</b>	<b>(49,468,818)</b>	<b>(11,070,289)</b>	<b>(3,162,520)</b>	<b>(14,232,809)</b>
Other financing sources				
Transfer In	33,021,568	31,349,568	1,672,000	33,021,568
Bond proceeds	16,447,250	-	-	-
<b>Total other financing sources</b>	<b>49,468,818</b>	<b>31,349,568</b>	<b>1,672,000</b>	<b>33,021,568</b>
<b>Excess (deficiency) of revenues and         transfers over expenditures</b>	<b>\$ -</b>	<b>\$ 20,279,279</b>	<b>(1,490,520)</b>	<b>\$ 18,788,759</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>3,903,649</u>	
<b>Change in net position</b>			<u><b>\$ 2,413,129</b></u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**WASTEWATER OPERATING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2022**

Statement 33

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 17,850,000	\$ 18,025,610	\$ 18,657,793	\$ 632,183
Other operating revenues	1,210,000	310,000	372,247	62,247
<b>Total operating revenues</b>	<b>19,060,000</b>	<b>18,335,610</b>	<b>19,030,040</b>	<b>694,430</b>
Operating Expenditures				
Repairs and maintenance	1,513,830	1,513,830	232,685	1,281,145
Wastewater line and plant	13,605,620	13,710,620	12,365,092	1,345,528
<b>Total operating expenditures</b>	<b>15,119,450</b>	<b>15,224,450</b>	<b>12,597,777</b>	<b>2,626,673</b>
Nonoperating Revenues (Expenditures)				
Interest earned on investments	-	-	(972,845)	(972,845)
Capital outlay	(353,846)	(353,846)	(114,427)	239,419
Debt service	(1,520,939)	(1,520,939)	(1,255,350)	265,589
Gain (loss) on sale of capital assets	-	-	(5,081)	(5,081)
Appropriation from (to) fund balance	104,365	-	-	-
<b>Total nonoperating expenditures</b>	<b>(1,770,420)</b>	<b>(1,874,785)</b>	<b>(2,347,703)</b>	<b>(472,918)</b>
<b>Income before capital contributions and transfers in</b>	<b>2,170,130</b>	<b>1,236,375</b>	<b>4,084,560</b>	<b>2,848,185</b>
Capital Contributions	-	-	3,104,192	3,104,192
Transfers In (Out)				
From Capital Project	-	1,000,000	1,000,000	-
Transfers out	(2,170,130)	(2,236,375)	(2,250,314)	(13,939)
<b>Excess of revenues and operating transfers over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,938,438</b>	<b>\$ 5,938,438</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(3,862,242)	
Capital outlay			114,427	
Unfunded OPEB Expense			(732)	
Pension expense			33,520	
Health claims incurred but not reported			(4,965)	
Decrease to workers comp claims reserve			8,478	
Debt service			1,112,539	
<b>Change in net position</b>			<b>\$ 3,339,463</b>	
Change in net position:				
Wastewater Operating Fund			\$ 3,339,463	
Wastewater Projects Capital Project Fund (Statement 34)			823,893	
Utility Capital Reserve Project Fund (Statement 35)			371,691	
			<b>\$ 4,535,047</b>	



**CITY OF CONCORD, NORTH CAROLINA**  
**WASTEWATER PROJECTS CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

Statement 34

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Revenues				
Restricted intergovernmental revenues	\$ 500,000	\$ 100,000	\$ <b>100,000</b>	\$ 200,000
Other income	9,735,533	5,506,327	<b>1,512,064</b>	7,018,391
Investment earnings	-	-	<b>(354,486)</b>	(354,486)
<b>Total operating revenues</b>	<b>10,235,533</b>	<b>5,606,327</b>	<b>1,257,578</b>	<b>6,863,905</b>
Operating Expenditures				
Contract cost	-	42,045	<b>799,685</b>	841,730
Capital outlay	14,316,001	375,584	<b>628,529</b>	1,004,113
<b>Total operating expenditures</b>	<b>14,316,001</b>	<b>417,629</b>	<b>1,428,214</b>	<b>1,845,843</b>
<b>Excess (deficiency) of revenues over         expenditures before transfers</b>	<b>(4,080,468)</b>	<b>5,188,698</b>	<b>(170,636)</b>	<b>5,018,062</b>
Other financing sources (uses)				
Transfer In	5,080,468	3,714,468	<b>1,366,000</b>	5,080,468
Transfer Out	(1,000,000)	-	<b>(1,000,000)</b>	(1,000,000)
<b>Total other financing sources</b>	<b>4,080,468</b>	<b>3,714,468</b>	<b>366,000</b>	<b>4,080,468</b>
<b>Excess of revenues and transfers         over expenditures</b>	<b>\$ -</b>	<b>\$ 8,903,166</b>	<b>195,364</b>	<b>\$ 9,098,530</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<b>628,529</b>	
<b>Change in net position</b>			<b>\$ 823,893</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**UTILITY CAPITAL RESERVE PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**From Inception and for the Year Ended June 30, 2022**

Statement 35

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Revenues				
Investment earnings	\$ 809,864	\$ 809,865	\$ (387,224)	\$ 422,641
Expenditures				
Capital outlay	13,662,932	-	-	-
Other Financing Sources (Uses)				
Transfers In	45,989,130	34,478,503	11,463,246	45,941,749
Transfers Out	(33,136,062)	(4,000,000)	(29,136,062)	(33,136,062)
<b>Total other financing sources</b>	12,853,068	30,478,503	(17,672,816)	12,805,687
<b>Excess of revenue and other         financing sources over expenditures</b>	\$ -	\$ 31,288,368	(18,060,040)	\$ 13,228,328
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
<b>Change in net position</b>			<u><u>\$ (18,060,040)</u></u>	

The change in net position is allocated as follows:

Electric Operating Fund	(19,399,299)
Water Operating Fund	967,568
Wastewater Operating Fund	371,691
	<u><u>\$ (18,060,040)</u></u>

**CITY OF CONCORD, NORTH CAROLINA  
REGIONAL AIRPORT OPERATING FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
Year Ended June 30, 2022**

Statement 36

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 8,514,086	\$ 12,909,253	\$ 14,491,940	\$ 1,582,687
Other operating revenues	130,685	130,685	103,621	(27,064)
<b>Total operating revenues</b>	<b>8,644,771</b>	<b>13,039,938</b>	<b>14,595,561</b>	<b>1,555,623</b>
Operating Expenditures				
Airport operation and maintenance	9,389,528	13,475,528	13,293,928	181,600
<b>Total operating expenditures</b>	<b>9,389,528</b>	<b>13,475,528</b>	<b>13,293,928</b>	<b>181,600</b>
Nonoperating Revenues (Expenditures)				
Interest earned on investments	-	-	(374,580)	(374,580)
Capital outlay	(696,328)	(696,328)	(283,379)	412,949
Debt service	(1,297,209)	(2,172,209)	(2,015,246)	156,963
Gain on sale of fixed assets	-	34,769	(145,051)	(179,820)
Appropriation to Fund Balance	343,936	-	-	-
<b>Total nonoperating expenditures</b>	<b>(1,649,601)</b>	<b>(2,833,768)</b>	<b>(2,818,256)</b>	<b>15,512</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(2,394,358)</b>	<b>(3,269,358)</b>	<b>(1,516,623)</b>	<b>1,752,735</b>
Capital Contributions	1,544,738	-	-	-
Transfers In (Out)				
Transfers in	860,270	3,280,008	3,551,156	271,148
Transfers out	(10,650)	(10,650)	(10,650)	-
<b>Excess of revenues and operating transfers over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,023,883</b>	<b>\$ 2,023,883</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(3,353,320)	
Capital outlay			283,379	
Unfunded OPEB Expense			13,827	
Pension expense			94,128	
Health claims incurred but not reported			(5,183)	
Debt service			1,830,142	
<b>Change in net position</b>			<b>\$ 886,856</b>	
Change in net position:				
Regional Airport Operating Fund			\$ 886,856	
Airport Capital Project Fund (Statement 37)			1,936,431	
			<b>\$ 2,823,287</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**AIRPORT CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

Statement 37

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Revenues				
Restricted intergovernmental revenues	\$ 17,487,461	\$ 6,539,357	\$ 5,680,697	\$ 12,220,054
Investment earnings	-	-	(231,553)	(231,553)
<b>Total operating revenues</b>	<b>17,487,461</b>	<b>6,539,357</b>	<b>5,449,144</b>	<b>11,988,501</b>
Operating Expenditures				
Contract services	-	295,463	821,827	1,117,290
Capital outlay	12,406,194	5,469,936	665,638	6,135,574
<b>Total operating expenditures</b>	<b>12,406,194</b>	<b>5,765,399</b>	<b>1,487,465</b>	<b>7,252,864</b>
<b>Deficiency of revenues over         expenditures before transfers</b>	<b>5,081,267</b>	<b>773,958</b>	<b>3,961,679</b>	<b>4,735,637</b>
Other Financing Sources				
Transfer Out	(5,448,108)	-	(2,690,886)	(2,690,886)
Transfer In	366,841	737,162	-	737,162
<b>Total other financing sources</b>	<b>(5,081,267)</b>	<b>737,162</b>	<b>(2,690,886)</b>	<b>(1,953,724)</b>
<b>Excess (deficiency) of revenues and other         financing sources over expenditures</b>	<b>\$ -</b>	<b>\$ 1,511,120</b>	<b>1,270,793</b>	<b>\$ 2,781,913</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>665,638</u>	
<b>Change in net position</b>			<u><b>\$ 1,936,431</b></u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**STORMWATER OPERATING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2022**

**Statement 38**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Operating Revenues				
Charges for services	\$ 5,149,875	\$ 5,234,875	\$ 5,378,427	\$ 143,552
Other operating revenues	26,000	26,000	34,074	8,074
<b>Total operating revenues</b>	<b>5,175,875</b>	<b>5,260,875</b>	<b>5,412,501</b>	<b>151,626</b>
Operating Expenditures				
Stormwater operation and maintenance	3,213,452	3,298,452	2,966,941	331,511
<b>Total operating expenditures</b>	<b>3,213,452</b>	<b>3,298,452</b>	<b>2,966,941</b>	<b>331,511</b>
Nonoperating Revenues (Expenditures)				
Capital outlay	(435,000)	(435,000)	(400,336)	34,664
Interest earned on investments	-	-	(333,702)	(333,702)
Gain on sale of capital assets	-	-	-	-
Appropriated Fund Balance	1,531,223	1,531,223	-	(1,531,223)
<b>Total nonoperating expenditures</b>	<b>1,096,223</b>	<b>1,096,223</b>	<b>(734,038)</b>	<b>(1,830,261)</b>
<b>Income before capital contributions and transfers</b>	<b>3,058,646</b>	<b>3,058,646</b>	<b>1,711,522</b>	<b>(1,347,124)</b>
Transfers Out				
To Project Fund	(3,058,646)	(3,058,646)	(3,058,646)	-
<b>Excess of revenues over expenditures and transfers out</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(1,347,124)</b>	<b>\$ (1,347,124)</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(1,841,100)	
Unfunded OPEB Expense			9,323	
Pension expense			51,727	
Health claims incurred but not reported			(1,898)	
Capital outlay			400,336	
<b>Change in net position</b>			<b>\$ (2,728,736)</b>	
Change in net position:				
Stormwater Operating Fund			\$ (2,728,736)	
Stormwater Capital Project Fund (Statement 39)			1,946,592	
			<b>\$ (782,144)</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**STORMWATER CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

Statement 39

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Revenues				
Restricted intergovernmental revenues	\$ 140,000	\$ 140,000	\$ -	\$ 140,000
Investment earnings	-	-	<b>(204,408)</b>	(204,408)
<b>Total operating revenues</b>	<b>140,000</b>	<b>140,000</b>	<b>(204,408)</b>	<b>(64,408)</b>
Operating Expenditures				
Capital outlay	8,323,819	1,948,975	<b>1,032,826</b>	2,981,801
<b>Total operating expenditures</b>	<b>8,323,819</b>	<b>1,948,975</b>	<b>1,032,826</b>	<b>2,981,801</b>
<b>Deficiency of revenues over         expenditures before transfers</b>	<b>(8,183,819)</b>	<b>(1,808,975)</b>	<b>(1,237,234)</b>	<b>(3,046,209)</b>
Transfer In	8,183,819	6,032,820	<b>2,151,000</b>	8,183,820
<b>Excess (deficiency) of revenues         and transfers over expenditures</b>	<b>\$ -</b>	<b>\$ 4,223,845</b>	<b>913,766</b>	<b>\$ 5,137,611</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<b>1,032,826</b>	
<b>Change in net position</b>			<b>\$ 1,946,592</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**GOLF COURSE OPERATING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2022**

**Statement 40**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 1,270,500	\$ 1,470,500	\$ 1,917,079	\$ 446,579
Other operating revenues	663,864	723,864	1,041,512	317,648
<b>Total operating revenues</b>	<b>1,934,364</b>	<b>2,194,364</b>	<b>2,958,591</b>	<b>764,227</b>
Operating Expenditures				
Professional services	918,757	1,087,144	922,001	165,143
Other operating costs	909,475	1,074,475	1,306,871	(232,396)
<b>Total operating expenditures</b>	<b>1,828,232</b>	<b>2,161,619</b>	<b>2,228,872</b>	<b>(67,253)</b>
Nonoperating Revenues (Expenditures)				
Gain on sale of capital assets	-	-	1,325	1,325
Capital outlay	-	(30,000)	(215,848)	(185,848)
Lease liabilities issued	-	-	213,848	213,848
Appropriated Fund Balance	(106,132)	-	-	-
<b>Total nonoperating revenues</b>	<b>(106,132)</b>	<b>(30,000)</b>	<b>(675)</b>	<b>29,325</b>
<b>Income before transfers</b>	<b>-</b>	<b>2,745</b>	<b>729,044</b>	<b>726,299</b>
Transfers in (out)				
Among golf course funds	-	(2,745)	(2,745)	-
<b>Excess of revenues over expenditures and transfers in (out)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>726,299</b>	<b>\$ 726,299</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			215,848	
Depreciation			(123,828)	
Lease liabilities issued			(213,848)	
Lease Payments			88,683	
<b>Change in net position</b>			<b>\$ 693,154</b>	
Change in net position:				
Golf Course Operating Fund			\$ 693,154	
Golf Capital Project Fund (Statement 41)			942,745	
			<b>\$ 1,635,899</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**GOLF CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

Statement 41

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Operating Expenditures				
Capital outlay	\$ 1,042,745	\$ 93,734	\$ 9,011	\$ 102,745
<b>Total operating expenditures</b>	<b>1,042,745</b>	<b>93,734</b>	<b>9,011</b>	<b>102,745</b>
<b>Deficiency of revenues over         expenditures before transfers</b>	<b>(1,042,745)</b>	<b>(93,734)</b>	<b>(9,011)</b>	<b>(102,745)</b>
Transfer In	1,042,745	100,468	<b>942,745</b>	1,043,213
<b>Excess of revenues and         transfers over expenditures</b>	<b>\$ -</b>	<b>\$ 6,734</b>	<b>933,734</b>	<b>\$ 940,468</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<b>9,011</b>	
<b>Change in net position</b>			<b>\$ 942,745</b>	



**CITY OF CONCORD, NORTH CAROLINA**  
**HOUSING DEPARTMENT OPERATING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2022**

Statement 42

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 445,000	\$ 445,000	\$ 427,670	\$ (17,330)
<b>Total operating revenues</b>	<b>445,000</b>	<b>445,000</b>	<b>427,670</b>	<b>(17,330)</b>
Operating Expenditures				
Administrative	709,834	766,474	821,667	(55,193)
Utilities	285,366	285,366	338,374	(53,008)
Housing maintenance and repairs	440,138	440,138	428,529	11,609
<b>Total operating expenditures</b>	<b>1,435,338</b>	<b>1,491,978</b>	<b>1,588,570</b>	<b>(96,592)</b>
Nonoperating Revenues (Expenditures)				
Operating subsidy	887,059	943,699	1,012,992	69,293
Interest earned on investments	-	-	(46,083)	(46,083)
Miscellaneous	70,000	70,000	107,162	37,162
Capital outlay	-	-	-	-
Debt service	(4,059)	(4,059)	(4,059)	-
Appropriated Fund Balance	34,018	34,018	-	(34,018)
<b>Total nonoperating revenues</b>	<b>987,018</b>	<b>1,043,658</b>	<b>1,070,012</b>	<b>26,354</b>
<b>Loss before transfers</b>	<b>(3,320)</b>	<b>(3,320)</b>	<b>(90,888)</b>	<b>(87,568)</b>
Transfers in (out)				
Transfer in	3,320	3,320	40,210	36,890
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(50,678)</b>	<b>\$ (50,678)</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			66,670	
Pension expense			40,268	
Health claims incurred but not reported			(674)	
Increase to workers comp claims reserve			(2,983)	
Capital outlay			-	
Depreciation			(550,233)	
<b>Change in net position</b>			<b>\$ (497,630)</b>	
Change in net position:				
Housing Department Operating Fund			\$ (497,630)	
Housing Capital Project Fund (Statement 43)			-	
			<b>\$ (497,630)</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**HOUSING CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

**Statement 43**

	<b>Total Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>
Revenues				
Federal grants	\$ 1,645,759	\$ 232,042	\$ 332,695	\$ 564,737
<b>Total revenues</b>	<u>1,645,759</u>	<u>232,042</u>	<u>332,695</u>	<u>564,737</u>
Expenditures				
Administrative	1,575,930	197,301	297,607	494,908
<b>Total expenditures</b>	<u>1,575,930</u>	<u>197,301</u>	<u>297,607</u>	<u>494,908</u>
<b>Excess of revenues over expenditures</b>	<u>69,829</u>	<u>34,741</u>	<u>35,088</u>	<u>69,829</u>
Other Financing Sources (Uses)				
Transfers out	(69,829)	(34,741)	(35,088)	(69,829)
<b>Total other financing sources (uses)</b>	<u>(69,829)</u>	<u>(34,741)</u>	<u>(35,088)</u>	<u>(69,829)</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
<b>Change in net position</b>			<u>\$ -</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**TRANSIT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

Statement 44

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Charges for services	\$ 1,793,271	\$ 1,301,032	\$ 270,447	\$ 1,571,479
<b>Total operating revenues</b>	<b>1,793,271</b>	<b>1,301,032</b>	<b>270,447</b>	<b>1,571,479</b>
Operating Expenditures				
Administrative	3,132,423	2,469,361	604,450	3,073,811
Professional services	20,614,912	16,792,942	4,023,755	20,816,697
Operating supplies	4,826,784	2,087,386	676,892	2,764,278
Miscellaneous	-	6,411	119	6,530
<b>Total operating expenditures</b>	<b>28,574,119</b>	<b>21,356,100</b>	<b>5,305,216</b>	<b>26,661,316</b>
Nonoperating Revenues (Expenditures)				
Operating subsidy	29,110,569	13,664,667	4,849,122	18,513,789
Gain on sale of capital assets	15,577	34,620	-	34,620
Capital outlay	(8,338,989)	(1,860,035)	(716,550)	(2,576,585)
<b>Excess (deficiency) of revenues over expenditures before transfers</b>	<b>(5,993,691)</b>	<b>(8,215,816)</b>	<b>(902,197)</b>	<b>(9,118,013)</b>
Transfers in (out)				
Transfer out	(2,548)	(2,548)	-	(2,548)
Transfer in	5,996,239	5,144,480	1,059,696	6,204,176
<b>Excess (deficiency) of revenues and transfers over expenditures</b>	<b>\$ -</b>	<b>\$ (3,073,884)</b>	<b>157,499</b>	<b>\$ (2,916,385)</b>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(434,732)	
Unfunded OPEB Expense			125	
Pension expense			7,709	
Health claims incurred but not reported			(980)	
Capital outlay			716,550	
<b>Change in net position</b>			<b>\$ 446,171</b>	

**CITY OF CONCORD, NORTH CAROLINA**  
**INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**Year Ended June 30, 2022**

**Statement 45**  
**Page 1 of 2**

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
<b>Building and Grounds</b>			
Salaries and benefits	\$ 3,753,807	\$ 3,529,917	\$ 223,890
Professional services	69,597	83,857	(14,260)
Other expenses	1,321,305	1,226,332	94,973
Capital outlay	326,269	203,070	123,199
Building and grounds allocation	(5,470,978)	(5,028,897)	(442,081)
	<u>-</u>	<u>14,279</u>	<u>(14,279)</u>
<b>Data Services</b>			
Professional services	1,801,576	1,754,626	46,950
Other expenses	1,409,440	1,306,081	103,359
Capital outlay	383,900	149,410	234,490
Data services allocation	(3,725,359)	(3,329,981)	(395,378)
	<u>(130,443)</u>	<u>(119,864)</u>	<u>(10,579)</u>
<b>Engineering</b>			
Salaries and benefits	2,836,263	2,852,047	(15,784)
Professional services	16,945	129,802	(112,857)
Other expenses	324,454	250,643	73,811
Capital outlay	28,000	-	28,000
Engineering allocation	(3,205,662)	(2,921,116)	(284,546)
	<u>-</u>	<u>311,376</u>	<u>(311,376)</u>
<b>Billing</b>			
Salaries and benefits	1,636,318	1,659,383	(23,065)
Professional services	151,596	280,349	(128,753)
Other expenses	480,313	404,170	76,143
Capital outlay	106,000	55,473	50,527
Billing allocation	(2,500,066)	(2,049,049)	(451,017)
	<u>(125,839)</u>	<u>350,326</u>	<u>(476,165)</u>
<b>Customer Care</b>			
Salaries and benefits	2,273,535	2,228,799	44,736
Professional services	47,392	31,208	16,184
Other expenses	250,530	170,738	79,792
Customer care allocation	(2,770,957)	(1,898,266)	(872,691)
	<u>(199,500)</u>	<u>532,479</u>	<u>(731,979)</u>

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**INTERNAL SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP) (Continued)**  
**Year Ended June 30, 2022**

**Statement 45**  
**Page 2 of 2**

	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
Warehouse Operations			
Salaries and benefits	\$ 660,146	\$ 661,370	\$ (1,224)
Professional services	54	119	(65)
Other expenses	94,689	58,839	35,850
Capital outlay	65,000	-	65,000
Warehouse allocation	(819,889)	(539,897)	(279,992)
	<u>-</u>	<u>180,431</u>	<u>(180,431)</u>
Utilities Collection			
Salaries and benefits	357,111	347,452	9,659
Professional services	85,538	76,907	8,631
Other expenses	107,432	90,226	17,206
Utilities collection allocation	(577,704)	(416,536)	(161,168)
	<u>(27,623)</u>	<u>98,049</u>	<u>(125,672)</u>
<b>Total operating expenditures</b>	<u>(483,405)</u>	<u>1,367,076</u>	<u>(1,850,481)</u>
Transfers out	(483,405)	(483,405)	-
<b>Deficiency of revenues over expenditures</b>	<u>\$ -</u>	<u>(1,850,481)</u>	<u>\$ (1,850,481)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		(500,160)	
Unfunded OPEB Expense		1,806,035	
Pension expense		157,101	
Increase to health claims incurred but not reported		(20,447)	
Capital outlay		407,952	
<b>Change in net position</b>		<u>\$ -</u>	
Change in net position:			
Internal Service Fund		\$ -	
First Concord Capital Project Fund (Statement 44)		169,617	
		<u>\$ 169,617</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**FIRST CONCORD CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**From Inception and for the Year Ended June 30, 2022**

Statement 46

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>Revenues</b>				
Investment earnings	\$ 35,633	\$ 35,629	\$ 3	\$ 35,632
Gain on sale of capital assets	579,000	579,000	-	579,000
<b>Total revenue</b>	<u>614,633</u>	<u>614,629</u>	<u>3</u>	<u>614,632</u>
<b>Expenditures</b>				
Debt service	18,183,236	15,895,298	<b>2,352,654</b>	18,247,952
Contract services	1,123,001	683,379	<b>195,765</b>	879,144
Capital outlay:				
Generator relocation	917,312	514,830	<b>395,396</b>	910,226
<b>Total expenditures</b>	<u>20,223,549</u>	<u>17,093,507</u>	<u><b>2,943,815</b></u>	<u>20,037,322</u>
<b>Deficiency of revenues over expenditures</b>	<u>(19,608,916)</u>	<u>(16,478,878)</u>	<u><b>(2,943,812)</b></u>	<u>(19,422,690)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	19,546,794	17,187,974	<b>2,358,781</b>	19,546,755
Issuance of bonds	62,122	62,122	-	62,122
<b>Total other financing sources</b>	<u>19,608,916</u>	<u>17,250,096</u>	<u><b>2,358,781</b></u>	<u>19,608,877</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures</b>	<u>\$ -</u>	<u>\$ 771,218</u>	<u><b>(585,031)</b></u>	<u>\$ 186,187</u>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis</b>				
Capital outlay			<b>395,396</b>	
Debt service principal payments			<b>1,495,000</b>	
Depreciation and amortization			<b>(1,114,182)</b>	
<b>Change in net position</b>			<u><b>\$ 191,183</b></u>	
The change in First Concord net position is allocated as follows:				
General Fund Capital Projects Fund			<b>(586,194)</b>	
Governmental activities			<b>607,760</b>	
Internal Service Fund			<b>169,617</b>	
			<u><b>\$ 191,183</b></u>	

**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**June 30, 2022**

Fiscal Year	Uncollected Balance June 30, 2021	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2022
2021-2022	\$ -	\$ 71,291,651	\$ 70,931,347	\$ 360,304
2020-2021	526,214	-	393,219	132,995
2019-2020	243,503	-	94,690	148,813
2018-2019	72,111	-	24,530	47,581
2017-2018	322,702	-	9,573	313,129
2016-2017	26,557	-	6,300	20,257
2015-2016	49,121	-	6,219	42,902
2014-2015	54,925	-	3,432	51,493
2013-2014	33,221	-	2,957	30,264
2012-2013	97,565	-	2,738	94,827
2011-2012	45,501	-	45,501	-
	<u>\$ 1,471,420</u>	<u>\$ 71,291,651</u>	<u>\$ 71,520,506</u>	<u>1,242,565</u>
Less allowance for uncollectible ad valorem taxes receivable				<u>310,641</u>
<b>Ad valorem taxes receivable</b>				<u><u>\$ 931,924</u></u>

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	\$ 71,052,693	\$ 132,318	
Miscellaneous adjustment	289,994	-	
Taxes written off	45,409	92	
<b>Total collections and credits</b>	<u>\$ 71,388,096</u>	<u>\$ 132,410</u>	\$ 71,520,506
Interest billed and collected during the year			224,562
Miscellaneous adjustment			(289,994)
Taxes written off			(45,501)
<b>Total Ad valorem taxes</b>			<u><u>\$ 71,409,573</u></u>

**ANALYSIS OF CURRENT LEVY**  
**Year Ended June 30, 2022**

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy	
				Property	Registered Motor Vehicles
Original levy:					
City wide	\$ 13,437,183,094	0.48	\$ 64,498,479	\$ 64,498,479	\$ -
Municipal Service District	54,729,361	0.23	125,877	125,877	-
Current year's rate, Motor vehicles	1,171,184,167	0.48	5,621,684	-	5,621,684
Discoveries/additional listings:					
Current year taxes, City wide	253,179,994	0.48	1,215,264	1,215,264	-
Current year taxes, MSD	1,798,374	0.23	4,136	4,136	-
Current year's rate, Motor vehicles	-	0.48	-	-	-
Abatements:					
Current year's rate, City wide	(36,204,844)	0.48	(173,783)	(173,783)	-
Current year's rate, MSD	(2,726)	0.23	(6)	(6)	-
Current year's rate, Motor vehicles	-	0.48	-	-	-
<b>Total for year</b>	<b>\$ 14,881,867,420</b>		<b>71,291,651</b>	<b>65,669,967</b>	<b>5,621,684</b>
Less uncollected tax at June 30, 2022			360,304	360,304	-
<b>Current year's taxes collected</b>			<b>\$ 70,931,347</b>	<b>\$ 65,309,663</b>	<b>\$ 5,621,684</b>
<b>Current levy collection percentage</b>			<b>99.49%</b>	<b>99.45%</b>	<b>100.00%</b>
Distribution of levy:					
General Fund			\$ 71,161,644		
Municipal Service District			130,007		
			<b>\$ 71,291,651</b>		



**SCHEDULE OF CASH AND INVESTMENT BALANCES**  
**June 30, 2022**

	Reported Value	Fair Value
<b>Cash</b>		
On hand	\$ 9,250	\$ 9,250
Demand deposits	23,340,086	23,340,086
Certificates of deposit	500,000	500,000
<b>Total cash</b>	<u>23,849,336</u>	<u>23,849,336</u>
<b>Investments</b>		
North Carolina Capital Management Trust	11,076,190	11,076,190
Federal Farm Credit	95,930,684	95,930,684
Federal National Mortgage Association	63,884,122	63,884,122
Federal Home Loan	99,572,624	99,572,624
Federal Home Loan Mortgage Corporation	30,419,347	30,419,347
Commercial Paper	69,724,591	69,747,635
<b>Total investments</b>	<u>370,607,558</u>	<u>370,630,602</u>
<b>Total cash and investments</b>	<u>\$ 394,456,894</u>	<u>\$ 394,479,938</u>
<b>Distribution by Fund</b>		
General Fund:		
Unrestricted	\$ 81,331,981	
Restricted	<u>5,385,445</u>	\$ 86,717,426
Special Revenue Funds:		
Opioid Settlement Fund (Restricted)		56,279
Housing Assistance Fund (Unrestricted)		178,237
Emergency Housing Assistance:		
Unrestricted	83,243	
Restricted	<u>45,950</u>	129,193
Market Rate Units Fund:		
Unrestricted	137,922	
Restricted	<u>3,450</u>	141,372
Home Fund (Unrestricted)		244,503
Affordable Housing Fund:		
Unrestricted	454,890	
Restricted	<u>1,805</u>	456,695
Municipal Service District (Unrestricted)		44,577
American Rescue Plan Fund (Restricted)		14,966,044
Capital Project Funds:		
Parks (Unrestricted)		8,575,450
Parks Capital Reserve Fund (Unrestricted)		357,104
Transportation (Unrestricted)		21,902,454
General Fund Capital Project Fund:		
Unrestricted	16,371,232	
Restricted	<u>1</u>	16,371,233
General Fund Capital Reserve Project Fund (Restricted)		<u>20,940,932</u>

(Continued)

**SCHEDULE OF CASH AND INVESTMENT BALANCES**  
**June 30, 2022**

	Reported Value	Fair Value
Distribution by Fund (Continued)		
Fire and Life Safety:		
Unrestricted	160,252	
Restricted	<u>969,632</u>	1,129,884
Enterprise Funds:		
Electric Fund:		
Unrestricted	\$ 90,283,631	
Restricted	<u>2,742,415</u>	\$ 93,026,046
Water Fund:		
Unrestricted	57,238,054	
Restricted	<u>1,109,169</u>	58,347,223
Wastewater Fund:		
Unrestricted	36,987,653	
Restricted	<u>65,560</u>	37,053,213
Regional Airport Fund:		
Unrestricted	11,472,712	
Restricted	<u>4,318,609</u>	15,791,321
Stormwater Fund (Unrestricted)		14,575,220
Golf Course Fund (Unrestricted)		2,235,250
Housing Department Fund:		
Unrestricted	1,173,267	
Restricted	<u>43,971</u>	1,217,238
<b>Total reported value</b>		<u><u>\$ 394,456,894</u></u>

CITY OF CONCORD, NORTH CAROLINA  
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS  
 Year Ended June 30, 2022

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Oppor. and Supportive Services 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Emergency Housing Vouchers 14.EHV
Assets:							
Current Assets:							
Cash:							
111	Cash - unrestricted	\$ 1,168,202	\$ -	\$ 38,001	\$ -	\$ -	\$ -
113	Cash - other restricted	83,084.00	-	140,235.00	-	-	129,193
114	Cash - tenant security deposits	43,971.00	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-
100	<b>Total cash</b>	<b>1,295,257</b>	<b>-</b>	<b>178,236</b>	<b>-</b>	<b>-</b>	<b>129,193</b>
Accounts and notes receivable:							
121	Accounts receivable - PHA projects	-	-	98,411	-	-	-
122	Accounts receivable - HUD other projects	-	-	41,601	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable - tenants - dwelling units	11,685	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(8,241)	-	-	-	-	-
128	Fraud recovery	7,409	-	-	-	-	-
128.1	Allowance for doubtful accounts - other	(1,291)	-	-	-	-	-
129	Accrued interest receivable	1,639	-	204	-	-	153
120	<b>Total receivables</b>	<b>11,201</b>	<b>-</b>	<b>140,216</b>	<b>-</b>	<b>-</b>	<b>153</b>
142	Prepaid expenses and other assets	1,058	-	1,058	-	-	-
150	<b>Total current assets</b>	<b>1,307,516</b>	<b>-</b>	<b>319,510</b>	<b>-</b>	<b>-</b>	<b>129,346</b>
Noncurrent Assets:							
161	Land	577,382	-	-	-	-	-
162	Buildings	3,237,713	-	-	-	-	-
164	Furniture, equipment, machinery - administration	132,789	-	11,654	-	-	-
165	Leasehold improvements	25,391	-	-	-	-	-
166	Accumulated depreciation	(2,372,625)	-	(3,296)	-	-	-
180	<b>Total non-current assets</b>	<b>1,600,650</b>	<b>-</b>	<b>8,358</b>	<b>-</b>	<b>-</b>	<b>-</b>
190	<b>Total Assets</b>	<b>2,908,166</b>	<b>-</b>	<b>327,868</b>	<b>-</b>	<b>-</b>	<b>129,346</b>
200	Deferred Outflow of Resources	300,595	-	-	-	-	-
290	<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 3,208,761</b>	<b>\$ -</b>	<b>\$ 327,868</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,346</b>
Liabilities and Equity:							
Liabilities:							
Current Liabilities:							
312	Accounts payable (less than or equal to 90 days)	\$ 59,077	\$ -	\$ 24,397	\$ -	\$ -	\$ 2,098
321	Accrued wage/payroll taxes payable	24,230	-	13,656	-	-	-
322	Accrued compensated absences	41,403	-	3,608	-	-	-
341	Tenant security deposits	43,971	-	-	-	-	-
342	Unearned revenue	-	-	-	-	-	45,950
343	Current portion of long-term debt - capital projects/mortgage rev bonds	35,439	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-
346	Accrued liability - other	19,075	-	-	-	-	-
310	<b>Total current liabilities</b>	<b>223,195</b>	<b>-</b>	<b>41,661</b>	<b>-</b>	<b>-</b>	<b>48,048</b>

(Continued)

CITY OF CONCORD, NORTH CAROLINA  
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS  
 Year Ended June 30, 2022

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Oppor. and Supportive Services 14.87	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Emergency Housing Vouchers 14.EHV
Non-current Liabilities:							
351	Long-term debt, net of current - capital projects/mortgage revenue	\$ 335,334	\$ -	\$ -	\$ -	\$ -	\$ -
353	Non-current liabilities - other	83,084	-	140,235	-	-	-
354	Accrued compensated absences - non current	23,289	-	2,029	-	-	-
357	Accrued pension and OPEB liabilities	667,996	-	-	-	-	-
350	<b>Total non-current liabilities</b>	<b>1,109,703</b>	-	<b>142,264</b>	-	-	-
300	<b>Total liabilities</b>	<b>1,332,898</b>	-	<b>183,925</b>	-	-	<b>48,048</b>
400	Deferred Inflow of Resources	299,863	-	-	-	-	-
Equity:							
Contributed Capital:							
508.1	Net investment in capital assets	1,229,876	-	8,358	-	-	-
511.1	Restricted net position	-	-	-	-	-	85,682
512.1	Unrestricted net position	346,124	-	135,585	-	-	(4,384)
513	<b>Total equity</b>	<b>1,576,000</b>	-	<b>143,943</b>	-	-	<b>81,298</b>
600	<b>Total liabilities, deferred inflows of resources and equity</b>	<b>\$ 3,208,761</b>	<b>\$ -</b>	<b>\$ 327,868</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,346</b>
Reconciliation from FDS to ACFR							
Total assets per FDS				\$ 327,868			
Subtract special revenue fund net capital assets not recorded within fund				(8,358)			
Adjusted total assets				<u>\$ 319,510</u>			
Total liabilities and equity FDS				\$ 327,868			
Add depreciation (not recorded in SRF)				2,331			
Subtract beginning balance, net capital assets				(10,689)			
Adjusted total liabilities and equity				<u>\$ 319,510</u>			
Revenues:							
70300	Net tenant rental revenue	\$ 426,374	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	94,774	-	-	-	-	-
70600	HUD PHA operating grants	885,762	73,270	4,513,288	297,607	53,960	111,055
70610	Capital grants	-	-	-	35,088	-	-
71100	Investment income - unrestricted	(46,083)	-	(6,595)	-	-	(4,484)
71400	Fraud recovery	-	-	1,169	-	-	-
71500	Other income	18,807	-	655,313	-	-	-
70000	<b>Total revenues</b>	<b>1,379,634</b>	<b>73,270</b>	<b>5,163,175</b>	<b>332,695</b>	<b>53,960</b>	<b>106,571</b>
Expenses:							
Administrative:							
91100	Administrative salaries	225,045	-	169,625	-	-	-
91200	Auditing fees	278	-	963	-	-	-
91500	Employee benefit contributions - administrative	51,198	-	71,864	-	-	-
91600	Office expenses	33,442	3,270	25,326	-	-	-
91800	Travel	1,177	-	900	-	-	-
91900	Other	24,871	-	10,135	-	-	-

(Continued)

CITY OF CONCORD, NORTH CAROLINA  
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS  
 Year Ended June 30, 2022

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Oppor. and Supportive Services 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Emergency Housing Vouchers 14.EHV
92100	Tenant services - salaries	36,176	-	-	-	30,722	-
92300	Tenant services - employee benefit contributions	16,037	-	-	-	17,819	-
92400	Tenant services - other	3,810	70,000	-	-	-	17,910
93100	Water	62,314	-	-	-	-	-
93200	Electricity	89,752	-	-	-	-	-
93300	Gas	112,787	-	-	-	-	-
93600	Sewer	62,641	-	-	-	-	-
93800	Other utility expense	10,879	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	117,402	-	34,415	-	-	-
94200	Ordinary maintenance and operations - materials and other	144,139	-	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	\$ 431,438	\$ -	\$ -	\$ -	\$ -	\$ -
94500	Ordinary maintenance and operations - employee benefit contributions	55,357	-	13,891	-	-	-
96100	Insurance premiums	23,176	-	2,182	-	-	-
96200	Other general expense	40,326	-	8,272	-	-	-
96210	Compensated absences	22,460	-	9,690	-	5,419	-
96400	Bad debt - tenant rents	36,817	-	-	-	-	-
96720	Interest on notes payable (short and long term)	4,059	-	-	-	-	-
96900	<b>Total operating expenses</b>	<b>1,605,581</b>	<b>73,270</b>	<b>347,263</b>	<b>-</b>	<b>53,960</b>	<b>17,910</b>
97000	<b>Excess of operating revenues over expenditures</b>	<b>(225,947)</b>	<b>-</b>	<b>4,815,912</b>	<b>332,695</b>	<b>-</b>	<b>-</b>
97100	Extraordinary maintenance	54,143	-	-	-	-	-
97300	Housing assistance payments	-	-	4,148,078	-	-	7,363
97350	HAP portability-in	-	-	628,670	-	-	-
97400	Depreciation expense	107,365	-	2,331	-	-	-
90000	<b>Total expenses</b>	<b>1,767,089</b>	<b>73,270</b>	<b>5,126,342</b>	<b>-</b>	<b>53,960</b>	<b>25,273</b>
10010	Operating transfer in	297,607	-	-	-	-	-
10020	Operating transfer out	-	-	-	(297,607)	-	-
10000	<b>Excess of revenue over expenses</b>	<b>(89,848)</b>	<b>-</b>	<b>36,833</b>	<b>35,088</b>	<b>-</b>	<b>81,298</b>
11030	Beginning equity	1,626,821	-	107,110	-	-	-
11040	Prior period adjustments, equity transfers & correction of errors	39,027	-	-	(35,088)	-	-
	Ending equity	\$ 1,576,000	\$ -	\$ 143,943	\$ -	\$ -	\$ 81,298
Memo information:							
11170	Administrative fee equity	-	-	143,943	-	-	(4,384)
11180	Housing assistance payments equity	-	-	-	-	-	85,682
11190	Unit months available	2,000	-	6,636	-	-	-
11210	Number of unit months leased	1,915	-	5,614	-	-	-
11270	Excess cash	866,381	-	-	-	-	-
11620	Building purchases	-	-	-	35,088	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvement purchases	-	-	-	-	-	-

**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS**  
**June 30, 2022**

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
<b>Electric Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 5,354,401	\$ -	\$ -	\$ -	\$ 5,354,401
Construction in progress	6,990,794	26,440,843	5,228,763	-	28,202,874
Total capital assets, not being depreciated	12,345,195	26,440,843	5,228,763	-	33,557,275
Capital assets, being depreciated:					
Buildings	5,627,351	-	-	(197,946)	5,429,405
Improvements other than buildings	139,532,365	6,229,846	-	-	145,762,211
Machinery and equipment	10,914,070	1,564,042	389,203	30,149	12,119,058
Total capital assets, being depreciated	156,073,786	7,793,888	389,203	(167,797)	163,310,674
Accumulated depreciation:					
Buildings	3,101,321	130,907	-	(197,946)	3,034,282
Improvements other than buildings	83,614,580	3,026,777	-	-	86,641,357
Machinery and equipment	8,132,787	902,090	389,203	30,149	8,675,823
Total accumulated depreciation	94,848,688	4,059,774	389,203	(167,797)	98,351,462
Total capital assets, being depreciated, net	61,225,098	3,734,114	-	-	64,959,212
Electric Fund capital assets, net	\$ 73,570,293	\$ 30,174,957	\$ 5,228,763	\$ -	\$ 98,516,487
<b>Water Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 931,777	\$ 363,532	\$ -	\$ -	\$ 1,295,309
Construction in progress	22,816,711	3,903,649	17,425,508	-	9,294,852
Total capital assets, not being depreciated	23,748,488	4,267,181	17,425,508	-	10,590,161
Capital assets, being depreciated:					
Buildings	15,259,995	-	-	-	15,259,995
Improvements other than buildings	150,097,971	21,150,292	-	-	171,248,263
Machinery and equipment	4,187,085	725,774	152,632	-	4,760,227
Total capital assets, being depreciated	169,545,051	21,876,066	152,632	-	191,268,485
Accumulated depreciation:					
Buildings	7,309,250	499,250	-	-	7,808,500
Improvements other than buildings	73,972,926	3,742,318	-	-	77,715,244
Machinery and equipment	3,020,787	358,870	152,632	-	3,227,025
Total accumulated depreciation	84,302,963	4,600,438	152,632	-	88,750,769
Total capital assets, being depreciated, net	85,242,088	17,275,628	-	-	102,517,716
Water Fund capital assets, net	\$ 108,990,576	\$ 21,542,809	\$ 17,425,508	\$ -	\$ 113,107,877

(Continued)

**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2022**

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
<b>Wastewater Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 1,065,402	\$ 37,502	\$ -	\$ -	\$ 1,102,904
Construction in progress	375,584	591,026	187,629	-	778,981
Total capital assets, not being depreciated	1,440,986	628,528	187,629	-	1,881,885
Capital assets, being depreciated:					
Buildings	1,920,754	-	11,376	-	1,909,378
Improvements other than buildings	135,264,669	3,291,821	-	-	138,556,490
Machinery and equipment	4,125,355	114,427	-	-	4,239,782
Total capital assets, being depreciated	141,310,778	3,406,248	11,376	-	144,705,650
Accumulated depreciation:					
Buildings	965,726	47,589	6,295	-	1,007,020
Improvements other than buildings	57,983,933	3,417,149	-	-	61,401,082
Machinery and equipment	2,759,988	423,566	-	-	3,183,554
Total accumulated depreciation	61,709,647	3,888,304	6,295	-	65,591,656
Total capital assets, being depreciated, net	79,601,131	(482,056)	5,081	-	79,113,994
Wastewater Fund capital assets, net	\$ 81,042,117	\$ 146,472	\$ 192,710	\$ -	\$ 80,995,879
<b>Regional Airport Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 25,464,075	\$ -	\$ 209,377	\$ (1,658,046)	\$ 23,596,652
Construction in progress	5,469,936	665,638	5,418,753	-	716,821
Total capital assets, not being depreciated	30,934,011	665,638	5,628,130	(1,658,046)	24,313,473
Capital assets, being depreciated:					
Buildings	40,137,792	-	-	-	40,137,792
Improvements other than buildings	58,863,964	5,418,753	-	1,658,046	65,940,763
Machinery and equipment	4,225,328	283,379	137,419	-	4,371,288
Total capital assets, being depreciated	103,227,084	5,702,132	137,419	1,658,046	110,449,843
Accumulated depreciation:					
Buildings	17,192,283	1,126,348	-	-	18,318,631
Improvements other than buildings	21,112,806	1,804,703	-	-	22,917,509
Machinery and equipment	2,732,110	422,270	137,419	-	3,016,961
Total accumulated depreciation	41,037,199	3,353,321	137,419	-	44,253,101
Total capital assets, being depreciated, net	62,189,885	2,348,811	-	1,658,046	66,196,742
Regional Airport Fund capital assets, net	\$ 93,123,896	\$ 3,014,449	\$ 5,628,130	\$ -	\$ 90,510,215

(Continued)

**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2022**

	July 1, 2021	Increases	Decreases	Transfers	June 30, 2022
<b>Stormwater Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 114,282	\$ -	\$ -	\$ -	\$ 114,282
Construction in progress	4,898,274	1,032,826	4,262,927	-	1,668,173
Total capital assets, not being depreciated	<u>5,012,556</u>	<u>1,032,826</u>	<u>4,262,927</u>	<u>-</u>	<u>1,782,455</u>
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	59,065,488	4,262,927	-	-	63,328,415
Machinery and equipment	2,656,203	400,336	-	-	3,056,539
Total capital assets, being depreciated	<u>61,798,200</u>	<u>4,663,263</u>	<u>-</u>	<u>-</u>	<u>66,461,463</u>
Accumulated depreciation:					
Buildings	30,898	2,380	-	-	33,278
Improvements other than buildings	23,356,639	1,602,985	-	-	24,959,624
Machinery and equipment	1,821,507	235,735	-	-	2,057,242
Total accumulated depreciation	<u>25,209,044</u>	<u>1,841,100</u>	<u>-</u>	<u>-</u>	<u>27,050,144</u>
Total capital assets, being depreciated, net	<u>36,589,156</u>	<u>2,822,163</u>	<u>-</u>	<u>-</u>	<u>39,411,319</u>
Stormwater Fund capital assets, net	<u>\$ 41,601,712</u>	<u>\$ 3,854,989</u>	<u>\$ 4,262,927</u>	<u>\$ -</u>	<u>\$ 41,193,774</u>
<b>Nonmajor Enterprise Funds and Internal Service Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 11,209,318	\$ -	\$ -	\$ -	\$ 11,209,318
Construction in progress	-	64,477	-	-	64,477
Total capital assets, not being depreciated	<u>11,209,318</u>	<u>64,477</u>	<u>-</u>	<u>-</u>	<u>11,273,795</u>
Capital assets, being depreciated:					
Buildings	17,349,903	9,011	450,401	-	16,908,513
Improvements other than buildings	1,575,835	-	-	-	1,575,835
Machinery and equipment	14,509,847	1,062,026	347,500	(30,149)	15,194,224
Total capital assets, being depreciated	<u>33,435,585</u>	<u>1,071,037</u>	<u>797,901</u>	<u>(30,149)</u>	<u>33,678,572</u>
Accumulated depreciation:					
Buildings	8,225,921	734,293	450,401	-	8,509,813
Improvements other than buildings	656,732	101,926	-	-	758,658
Machinery and equipment	12,003,071	915,562	347,500	(30,149)	12,540,984
Total accumulated depreciation	<u>20,885,724</u>	<u>1,751,781</u>	<u>797,901</u>	<u>(30,149)</u>	<u>21,809,455</u>
Total capital assets, being depreciated, net	<u>12,549,861</u>	<u>(680,744)</u>	<u>-</u>	<u>-</u>	<u>11,869,117</u>
Nonmajor Enterprise Funds capital assets, net	<u>\$ 23,759,179</u>	<u>\$ (616,267)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,142,912</u>
Business-type activities capital assets, net	<u>\$ 422,087,773</u>	<u>\$ 58,117,409</u>	<u>\$ 32,738,038</u>	<u>\$ -</u>	<u>\$ 447,467,144</u>



## SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT

June 30, 2022

	July 1, 2021	Increases	Decreases	June 30, 2022	Current Maturities
<b>Electric Fund</b>					
Revenue bonds	\$ 9,781,283	\$ -	\$ 1,074,424	\$ 8,706,859	\$ 1,111,845
Plus premium on revenue bonds	1,325,710	-	97,404	1,228,306	-
Compensated absences	523,806	435,002	407,209	551,599	380,603
Net pension liability (LGERS)	2,245,727	-	1,292,079	953,648	-
Net OPEB liability	(147,973)	224,599	-	76,626	-
<b>Electric Fund long-term debt</b>	<b>\$ 13,728,553</b>	<b>\$ 659,601</b>	<b>\$ 2,871,116</b>	<b>\$ 11,517,038</b>	<b>\$ 1,492,448</b>
<b>Water Fund</b>					
Revenue bonds	\$ 17,149,718	\$ -	\$ 1,738,336	\$ 15,411,382	\$ 1,811,533
Plus premium on revenue bonds	2,130,622	-	174,919	1,955,703	-
Compensated absences	333,637	340,136	335,621	338,152	233,325
Net pension liability (LGERS)	1,935,244	-	1,141,197	794,047	-
Net OPEB liability	(115,260)	187,010	-	71,750	-
<b>Water Fund long-term debt</b>	<b>\$ 21,433,961</b>	<b>\$ 527,146</b>	<b>\$ 3,390,073</b>	<b>\$ 18,571,034</b>	<b>\$ 2,044,858</b>
<b>Wastewater Fund</b>					
Revenue bonds	\$ 4,618,202	\$ -	\$ 1,112,539	\$ 3,505,663	\$ 1,135,526
Plus premium on revenue bonds	452,208	-	30,316	421,892	-
Compensated absences	130,432	131,302	166,623	95,111	65,627
Net pension liability (LGERS)	825,945	-	460,578	365,367	-
Net OPEB liability	121,976	86,050	-	208,026	-
<b>Wastewater Fund long-term debt</b>	<b>\$ 6,148,763</b>	<b>\$ 217,352</b>	<b>\$ 1,770,056</b>	<b>\$ 4,596,059</b>	<b>\$ 1,201,153</b>
<b>Regional Airport Fund</b>					
Installment purchase	\$ 7,886,483	\$ -	\$ 1,830,142	\$ 6,056,341	\$ 1,012,315
Compensated absences	187,342	169,414	161,081	195,675	135,016
Net pension liability (LGERS)	1,335,379	-	789,307	546,072	-
Net OPEB liability	1,552,771	128,609	-	1,681,380	-
<b>Regional Airport Fund long-term debt</b>	<b>\$ 10,961,975</b>	<b>\$ 298,023</b>	<b>\$ 2,780,530</b>	<b>\$ 8,479,468</b>	<b>\$ 1,147,331</b>
<b>Stormwater Fund</b>					
Compensated absences	\$ 95,358	\$ 110,935	\$ 126,386	\$ 79,907	\$ 55,136
Net pension liability (LGERS)	626,995	-	379,020	247,975	-
Net OPEB liability	92,595	58,402	-	150,997	-
<b>Stormwater Fund long-term debt</b>	<b>\$ 814,948</b>	<b>\$ 169,337</b>	<b>\$ 505,406</b>	<b>\$ 478,879</b>	<b>\$ 55,136</b>
<b>Nonmajor Enterprise Funds and Internal Service Fund</b>					
Installment notes	\$ 4,854,150	\$ -	\$ 283,500	\$ 4,570,650	\$ 297,675
Plus premium on LOBs	347,279	-	27,782	319,497	-
Compensated absences	638,108	568,359	544,293	662,174	456,900
Leases	-	213,848	88,684	125,164	89,289
Net pension liability (LGERS)	4,123,698	-	2,341,708	1,781,990	-
Net OPEB liability	3,206,449	-	1,442,617	1,763,832	-
<b>Nonmajor Enterprise Funds long-term debt</b>	<b>\$ 13,169,684</b>	<b>\$ 782,207</b>	<b>\$ 4,728,584</b>	<b>\$ 9,223,307</b>	<b>\$ 843,864</b>
<b>Business-type activities long-term debt</b>	<b>\$ 66,257,884</b>	<b>\$ 2,653,666</b>	<b>\$ 16,045,765</b>	<b>\$ 52,865,785</b>	<b>\$ 6,784,790</b>

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## Statistical Section

This part of the City of Concord's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

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

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**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 260,979,309	\$ 279,817,761	\$ 303,629,133	\$ 299,048,429	\$ 312,710,029	\$ 317,112,060	\$ 316,363,203	\$ 326,124,878	\$ 397,805,262	\$ 445,137,286
Restricted	15,054,357	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865	45,564,434	53,799,027
Unrestricted	59,614,980	54,435,103	61,910,544	76,521,941	77,341,541	66,036,514	72,235,591	58,705,356	59,065,397	52,164,309
Total governmental activities net position	<u>\$ 335,648,646</u>	<u>\$ 356,229,851</u>	<u>\$ 386,753,643</u>	<u>\$ 392,271,004</u>	<u>\$ 410,541,469</u>	<u>\$ 407,307,337</u>	<u>\$ 410,898,753</u>	<u>\$ 422,250,099</u>	<u>\$ 502,435,093</u>	<u>\$ 551,100,622</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 258,370,354	\$ 273,797,482	\$ 279,995,482	\$ 297,636,341	\$ 309,519,783	\$ 323,941,763	\$ 331,877,156	\$ 352,506,369	\$ 375,836,060	\$ 407,331,951
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	123,703,593	130,036,600	144,548,886	164,225,843	169,450,247	163,072,895	200,109,606	224,584,405	242,670,598	212,507,900
Total business-type activities net position	<u>\$ 382,073,947</u>	<u>\$ 403,834,082</u>	<u>\$ 424,544,368</u>	<u>\$ 461,862,184</u>	<u>\$ 478,970,030</u>	<u>\$ 487,014,658</u>	<u>\$ 531,986,762</u>	<u>\$ 577,090,774</u>	<u>\$ 618,506,658</u>	<u>\$ 619,839,851</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 519,349,663	\$ 553,615,243	\$ 583,624,615	\$ 596,684,770	\$ 622,229,812	\$ 641,053,823	\$ 648,240,359	\$ 678,631,247	\$ 773,641,322	\$ 852,469,237
Restricted	15,054,357	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865	45,564,434	53,799,027
Unrestricted	183,318,573	184,471,703	206,459,430	240,747,784	246,791,788	229,109,409	272,345,197	283,289,761	301,735,995	264,672,209
Total primary government activities net position	<u>\$ 717,722,593</u>	<u>\$ 760,063,933</u>	<u>\$ 811,298,011</u>	<u>\$ 854,133,188</u>	<u>\$ 889,511,499</u>	<u>\$ 894,321,995</u>	<u>\$ 942,885,515</u>	<u>\$ 999,340,873</u>	<u>\$ 1,120,941,751</u>	<u>\$ 1,170,940,473</u>

**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,494,000	\$ 5,195,490	\$ 4,691,595	\$ 5,051,753	\$ 5,621,893	\$ 6,538,526	\$ 5,848,332	\$ 5,868,190	\$ 8,042,489	\$ 7,917,494
Public safety	35,643,640	36,879,444	36,851,383	37,306,072	41,296,415	43,288,505	47,728,011	52,387,556	56,804,303	58,198,076
Public works	28,865,813	29,664,081	28,327,081	29,415,487	25,685,453	26,745,618	27,955,340	27,392,943	31,745,286	34,148,019
Cultural & recreational	4,771,467	4,685,065	4,662,500	4,691,129	5,221,006	5,417,520	5,972,501	6,996,264	7,070,517	8,423,646
Planning & community development	3,854,751	3,186,781	3,037,830	3,320,039	3,092,715	3,982,622	6,687,301	4,699,130	5,302,309	6,222,328
Administration	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335	998,347
Housing assistance Payments	4,258,426	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648	4,705,017	4,784,111
Rehabilitation	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061	2,055,926
Interest on long-term debt	1,032,636	1,002,581	1,435,986	1,262,457	1,194,385	1,063,021	928,032	795,074	637,687	678,918
Total governmental activities expenses	84,124,904	86,497,605	85,424,223	87,961,496	88,099,316	93,399,691	102,028,661	105,714,211	117,570,004	123,426,865
Business-type activities:										
Electric	74,356,658	75,116,682	70,822,661	67,070,451	82,797,485	82,169,016	65,164,522	60,279,345	67,259,271	91,574,771
Water	15,211,584	16,135,531	18,869,903	15,925,133	19,183,773	20,409,056	20,557,651	23,020,997	24,664,076	24,966,749
Wastewater	13,668,630	14,182,892	13,947,646	15,533,505	15,298,717	15,655,669	17,186,283	16,920,469	17,311,640	17,366,214
Regional airport	11,477,819	11,766,345	10,060,171	9,190,615	10,184,555	12,391,145	13,275,915	12,947,994	12,833,374	17,551,407
Stormwater	3,744,547	3,783,127	3,664,112	4,000,529	4,088,479	4,221,722	4,367,557	4,627,974	4,652,635	4,748,889
Other non major business-type	7,052,787	7,843,103	8,003,215	7,965,726	8,354,079	8,676,065	9,325,620	9,785,465	10,234,903	10,334,299
Total business-type activities expenses	125,512,025	128,827,680	125,367,708	119,685,959	139,907,088	143,522,673	129,877,548	127,582,244	136,955,899	166,542,329
Total primary government expenses	\$ 209,636,929	\$ 215,325,285	\$ 210,791,931	\$ 207,647,455	\$ 228,006,404	\$ 236,922,364	\$ 231,906,209	\$ 233,296,455	\$ 254,525,903	\$ 289,969,194
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,724,338	\$ 2,047,645	\$ 1,816,245	\$ 979,503	\$ 956,394	\$ 1,086,129	\$ 933,132	\$ 1,973,303	\$ 2,366,866	\$ 2,803,524
Public safety	612,622	834,822	1,394,849	1,346,713	1,187,729	1,274,871	1,283,251	1,303,487	1,544,532	1,586,622
Public works	335,140	651,378	391,750	381,028	858,487	1,039,712	802,667	697,172	1,132,855	3,960,973
Cultural and recreational	290,561	294,687	356,987	326,091	322,636	347,960	354,241	191,815	220,670	419,672
Planning and community development	1,936,408	1,908,627	2,090,776	2,040,391	1,918,761	2,143,720	1,897,724	2,688,528	3,056,647	107,861
Housing assistance	745,975	981,520	1,197,220	749,463	483,440	726,065	871,616	800,095	765,881	649,977
Rehabilitation	395,125	614,844	503,318	582,108	76,887	549,008	103,720	247,918	114,495	91,847
Operating grants and contributions	8,667,106	7,707,977	7,336,269	7,174,344	8,119,897	8,574,090	8,672,753	9,256,751	10,364,942	12,327,509
Capital grants and contributions	8,533,706	31,991,743	34,238,961	11,034,946	23,173,930	12,866,794	5,889,267	16,263,751	79,993,284	46,271,355
Total government activities program revenues	23,240,981	47,033,243	49,326,375	24,614,587	37,098,161	28,608,349	20,808,371	33,422,820	99,560,172	68,219,340

(Continued)

**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-type activities:</b>										
Charges for services										
Electric	\$ 81,194,498	\$ 80,753,191	\$ 81,118,401	\$ 82,086,937	\$ 84,473,951	\$ 84,346,203	\$ 85,831,592	\$ 83,249,849	\$ 87,893,010	\$ 86,847,414
Water	19,443,009	19,829,445	21,517,196	22,941,925	24,731,261	25,524,337	26,550,358	28,046,163	28,219,279	29,633,487
Wastewater	14,683,027	15,075,545	16,167,934	17,651,022	17,166,503	18,014,586	18,610,383	19,109,299	19,833,528	20,642,104
Regional airport	9,807,609	10,272,804	8,612,280	7,663,481	8,584,741	9,891,669	10,642,458	9,010,320	9,528,683	14,595,561
Stormwater	3,778,496	3,796,150	3,896,251	3,965,529	4,035,706	4,968,205	5,078,414	5,143,952	5,284,293	5,412,501
Other non major business-type	1,909,781	2,489,490	2,344,438	2,303,380	2,561,591	2,546,260	2,582,595	2,838,162	3,297,394	3,656,708
Operating grants and contributions	3,152,858	7,764,200	3,301,773	2,084,934	3,173,637	2,870,627	5,983,066	4,634,731	4,256,267	6,194,809
Capital grants and contributions	5,488,658	9,201,434	5,895,701	13,936,032	9,330,447	9,487,054	11,513,458	13,761,672	17,702,259	13,048,417
Total business-type activities program revenues	<u>139,457,936</u>	<u>149,182,259</u>	<u>142,853,974</u>	<u>152,633,240</u>	<u>154,057,837</u>	<u>157,648,941</u>	<u>166,792,324</u>	<u>165,794,148</u>	<u>176,014,713</u>	<u>180,031,001</u>
Total primary government program revenue	<u>\$ 162,698,917</u>	<u>\$ 196,215,502</u>	<u>\$ 192,180,349</u>	<u>\$ 177,247,827</u>	<u>\$ 191,155,998</u>	<u>\$ 186,257,290</u>	<u>\$ 187,600,695</u>	<u>\$ 199,216,968</u>	<u>\$ 275,574,885</u>	<u>\$ 248,250,341</u>
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (60,883,923)	\$ (39,464,362)	\$ (36,097,848)	\$ (63,346,909)	\$ (51,001,155)	\$ (64,791,342)	\$ (81,220,290)	\$ (72,291,391)	\$ (18,009,832)	\$ (55,207,525)
Business-type activities	13,945,911	20,354,579	17,486,266	32,947,281	14,150,749	14,126,268	36,914,776	38,211,904	39,058,814	13,488,672
Total primary government net expense	<u>\$ (46,938,012)</u>	<u>\$ (19,109,783)</u>	<u>\$ (18,611,582)</u>	<u>\$ (30,399,628)</u>	<u>\$ (36,850,406)</u>	<u>\$ (50,665,074)</u>	<u>\$ (44,305,514)</u>	<u>\$ (34,079,487)</u>	<u>\$ 21,048,982</u>	<u>\$ (41,718,853)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Ad Valorem taxes	\$ 43,549,135	\$ 46,423,570	\$ 46,125,496	\$ 47,573,304	\$ 50,896,652	\$ 54,088,843	\$ 55,717,789	\$ 56,769,474	\$ 68,983,413	\$ 71,237,932
Other taxes	14,046,489	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783	22,777,368	26,899,548
Operating grants and contributions	3,155,697	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053	5,157,517	5,707,828
Investment earnings	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044	(6,419,857)
Miscellaneous gain (loss)	926,090	996,503	954,545	1,097,241	1,197,470	1,521,687	1,149,484	1,552,665	2,285,967	2,055,778
Transfers	(2,429,308)	(1,713,823)	(1,949,854)	(2,130,710)	(1,572,258)	(2,011,132)	(2,124,549)	(1,893,657)	(1,254,483)	4,391,825
Total governmental activities	<u>58,966,156</u>	<u>64,152,436</u>	<u>66,621,640</u>	<u>68,864,270</u>	<u>73,584,436</u>	<u>78,042,790</u>	<u>84,811,706</u>	<u>83,642,737</u>	<u>98,194,826</u>	<u>103,873,054</u>
Business-type activities										
Investment earnings	(245,850)	1,669,623	1,001,886	1,521,922	828,996	1,018,510	5,151,281	4,929,023	518,768	(8,212,466)
Miscellaneous	494,871	468,406	272,280	717,903	555,843	1,561,492	781,498	69,428	583,819	448,812
Transfers	2,429,308	1,713,823	1,949,854	2,130,710	1,572,258	2,011,132	2,124,549	1,893,657	1,254,483	(4,391,825)
Total business-type activities	<u>2,678,329</u>	<u>3,851,852</u>	<u>3,224,020</u>	<u>4,370,535</u>	<u>2,957,097</u>	<u>4,591,134</u>	<u>8,057,328</u>	<u>6,892,108</u>	<u>2,357,070</u>	<u>(12,155,479)</u>
Total primary government	<u>\$ 61,644,485</u>	<u>\$ 68,004,288</u>	<u>\$ 69,845,660</u>	<u>\$ 73,234,805</u>	<u>\$ 76,541,533</u>	<u>\$ 82,633,924</u>	<u>\$ 92,869,034</u>	<u>\$ 90,534,845</u>	<u>\$ 100,551,896</u>	<u>\$ 91,717,575</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (1,917,767)	\$ 24,688,074	\$ 30,523,792	\$ 5,517,361	\$ 22,583,281	\$ 13,251,448	\$ 3,591,416	\$ 11,351,346	\$ 80,184,994	\$ 48,665,529
Business-type activities	16,624,240	24,206,431	20,710,286	37,317,816	17,107,846	18,717,402	44,972,104	45,104,012	41,415,884	1,333,193
Total primary government	<u>\$ 14,706,473</u>	<u>\$ 48,894,505</u>	<u>\$ 51,234,078</u>	<u>\$ 42,835,177</u>	<u>\$ 39,691,127</u>	<u>\$ 31,968,850</u>	<u>\$ 48,563,520</u>	<u>\$ 56,455,358</u>	<u>\$ 121,600,878</u>	<u>\$ 49,998,722</u>

**FUND BALANCES, GOVERNMENTAL FUNDS,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 69,260	\$ 178,322	\$ 166,024	\$ 174,692	\$ 231,111	\$ 160,215	\$ 137,814	\$ 148,394	\$ 221,584	\$ 241,969
Restricted	14,490,359	20,037,416	19,459,163	16,012,423	18,619,318	22,741,178	21,044,719	22,213,888	29,360,299	26,656,386
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	40,600,448	37,663,790	50,118,453	52,968,474	46,910,753	48,122,752	53,901,650	55,215,807	54,743,932	62,388,124
Total General Fund	<u>\$ 55,160,067</u>	<u>\$ 57,879,528</u>	<u>\$ 69,743,640</u>	<u>\$ 69,155,589</u>	<u>\$ 65,761,182</u>	<u>\$ 71,024,145</u>	<u>\$ 75,084,183</u>	<u>\$ 77,578,089</u>	<u>\$ 84,325,815</u>	<u>\$ 89,286,479</u>
All Other Governmental funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346	\$ 1,058
Restricted	494,738	1,761,249	1,588,779	513,519	1,639,470	1,257,370	1,117,010	15,205,977	16,204,135	27,142,641
Committed	16,733,371	20,189,379	17,164,075	26,658,640	35,587,791	37,647,614	32,583,208	34,239,194	32,404,494	22,235,447
Assigned	18,389,986	17,935,054	19,181,632	14,795,995	18,580,293	21,870,916	28,992,222	14,372,001	21,233,737	20,206,734
Unassigned	(3,983,924)	(3,968,089)	(619,797)	(127,780)	(236,053)	(56,534)	(760,463)	(177,820)	(274,657)	(2,487,710)
Total all other governmental funds	<u>\$ 31,634,171</u>	<u>\$ 35,917,593</u>	<u>\$ 37,314,689</u>	<u>\$ 41,840,374</u>	<u>\$ 55,571,501</u>	<u>\$ 60,719,366</u>	<u>\$ 61,931,977</u>	<u>\$ 63,639,352</u>	<u>\$ 69,568,055</u>	<u>\$ 67,098,170</u>



**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 43,345,698	\$ 46,104,178	\$ 45,758,123	\$ 48,134,096	\$ 51,179,474	\$ 54,835,072	\$ 55,441,784	\$ 56,988,936	\$ 69,025,459	\$ 71,409,573
Other taxes	14,046,489	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783	22,777,368	26,899,548
Unrestricted intergovernmental revenues	3,155,697	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053	5,157,517	5,707,828
Restricted intergovernmental revenues	9,005,424	9,373,076	8,667,584	8,079,968	9,792,222	9,296,854	9,877,589	13,003,537	12,476,101	13,746,459
Licenses, fees, and permits	1,885,610	2,210,200	2,004,511	1,289,489	1,169,815	1,385,999	1,142,845	2,174,220	2,587,922	2,972,892
Investment earnings	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044	(6,419,857)
Investment earnings restricted	25,628	16,234	23,385	32,037	49,118	58,934	81,536	113,633	69,654	12,274
Program income	1,476,240	2,247,742	2,460,878	1,712,599	1,474,389	2,371,806	1,830,997	1,806,288	2,380,555	1,703,516
Other revenues	3,510,163	3,832,913	4,186,913	3,797,617	3,651,331	3,927,847	3,646,729	4,074,034	4,492,510	5,910,175
Total revenues	<u>76,169,002</u>	<u>82,230,529</u>	<u>84,592,847</u>	<u>85,370,241</u>	<u>90,378,921</u>	<u>96,319,904</u>	<u>102,090,462</u>	<u>105,374,903</u>	<u>119,212,130</u>	<u>121,942,408</u>
<b>Expenditures</b>										
General government	4,077,954	4,802,271	4,857,917	4,420,117	4,735,511	5,872,583	5,059,155	4,920,914	7,076,063	7,303,411
Public safety	31,688,874	32,950,943	34,244,381	34,797,980	37,606,924	39,654,458	43,902,224	46,857,572	50,004,123	54,151,171
Public works	10,493,535	11,854,052	10,463,847	10,956,118	11,120,147	12,447,406	13,795,997	13,454,267	18,198,580	20,272,067
Cultural and recreational	4,399,504	4,310,686	4,335,081	4,325,132	4,719,578	4,885,244	5,398,744	6,130,192	6,183,507	7,596,989
Planning and community development	3,792,770	3,124,932	3,007,670	3,270,248	2,995,872	3,918,391	6,511,658	4,464,497	5,317,003	5,977,747
Administration	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335	998,347
Housing assistance payments	4,258,426	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648	4,705,017	4,784,111
Rehabilitation	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061	2,055,926
Capital outlay	3,522,859	7,463,803	17,688,922	10,698,997	7,291,213	7,350,932	9,777,426	12,392,727	14,739,195	18,198,952
Debt service										
Interest	1,075,067	1,045,012	1,233,584	1,408,299	1,194,385	1,063,021	928,031	79,182	637,687	782,330
Principal	2,183,878	2,077,961	1,477,547	2,510,447	2,639,222	5,355,079	2,628,105	4,349,184	2,410,733	2,256,972
Total expenditures	<u>66,697,038</u>	<u>73,513,823</u>	<u>83,726,797</u>	<u>79,301,897</u>	<u>78,290,301</u>	<u>86,910,993</u>	<u>94,910,484</u>	<u>100,223,589</u>	<u>112,534,304</u>	<u>124,378,023</u>
Excess of revenues over (under) expenditures	9,471,964	8,716,706	866,050	6,068,344	12,088,620	9,408,911	7,179,978	5,151,314	6,677,826	(2,435,615)
<b>Other Financing Sources (Uses)</b>										
Sale of capital assets	-	-	-	-	-	295,328	217,636	1,232,682	1,053,086	373,280
Debt issued	-	-	15,208,806	-	-	2,724,477	-	-	6,200,000	-
Lease liabilities issued	-	-	-	-	-	-	-	-	-	161,289
Issuance of refunding bonds	-	-	8,895,000	-	-	-	-	437,038	-	-
Premium on refunding bonds	-	-	760,844	-	-	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	(10,519,638)	-	-	-	-	(726,512)	-	-
Transfers in	16,627,650	12,360,954	22,263,320	20,886,597	22,401,709	17,815,721	15,290,722	16,030,021	28,678,592	36,799,183
Transfers out	(19,056,958)	(14,074,777)	(24,213,174)	(23,017,307)	(24,153,609)	(19,833,609)	(17,415,271)	(17,923,678)	(29,933,075)	(32,407,358)
Total Other Financing Sources (Uses)	<u>(2,429,308)</u>	<u>(1,713,823)</u>	<u>12,395,158</u>	<u>(2,130,710)</u>	<u>(1,751,900)</u>	<u>1,001,917</u>	<u>(1,906,913)</u>	<u>(950,449)</u>	<u>5,998,603</u>	<u>4,926,394</u>
Net change in fund balances	<u>\$ 7,042,656</u>	<u>\$ 7,002,883</u>	<u>\$ 13,261,208</u>	<u>\$ 3,937,634</u>	<u>\$ 10,336,720</u>	<u>\$ 10,410,828</u>	<u>\$ 5,273,065</u>	<u>\$ 4,200,865</u>	<u>\$ 12,676,429</u>	<u>\$ 2,490,779</u>
Debt service as a percentage of non capital expenditures	5.16%	4.73%	4.11%	5.71%	5.40%	8.07%	4.18%	5.04%	3.12%	2.86%

**NUMBER OF ELECTRIC CUSTOMERS BY TYPE,  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Total</b>
2013	23,847	4,164	51	28,062
2014	24,327	4,197	52	28,576
2015	24,735	4,276	58	29,069
2016	25,008	4,306	57	29,371
2017	25,628	4,386	60	30,074
2018	26,482	4,488	61	31,031
2019	27,010	4,531	63	31,604
2020	27,673	4,631	64	32,368
2021	27,983	4,668	63	32,714
2022	28,271	4,705	63	33,039

Source: City of Concord Finance and Electric Departments

**ELECTRIC RATES  
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Residential Customers</b>										
Basic charges	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65
Energy Charges per kWh (July - October)										
First 350	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.092851
Energy Charges per kWh (November - June)										
First 350	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.082582	0.082582	0.082582	0.088476	0.088476	0.088476	0.088476	0.088476	0.088476	0.084751
<b>Commercial Customers</b>										
Basic Facilities Charge	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20
Demand Charge per kW (over 30 kW of billing demand)	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.114193	0.114193	0.114193	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344
Next 87,000	0.068575	0.068575	0.068575	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726
Over 90,000	0.066266	0.066266	0.066266	0.072417	0.072417	0.072417	0.072417	0.072417	0.072417	0.072417
Next 275 kWh per kW billing demand per month										
First 6,000	0.065456	0.065456	0.065456	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607
Next 134,000	0.058177	0.058177	0.058177	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328
Over 140,000	0.055867	0.055867	0.055867	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018
All over 400 kWh per kW billing demand	0.054712	0.054712	0.054712	0.060813	0.060863	0.060863	0.060813	0.060863	0.060863	0.060863
<b>Industrial Customers</b>										
Basic Facilities Charge	18.54	18.54	18.54	19.30	19.30	19.30	19.30	19.30	19.30	19.30
Demand Charge per kW (over 30 kW of billing demand)	3.62	3.62	3.62	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.107612	0.107612	0.107612	0.115251	0.115251	0.115251	0.115251	0.115251	0.115251	0.115251
Next 87,000	0.063924	0.063924	0.063924	0.070911	0.070911	0.070911	0.070911	0.070911	0.070911	0.070911
Over 90,000	0.061714	0.061714	0.061714	0.069151	0.069151	0.069151	0.069151	0.069151	0.069151	0.069151
Next 275 kWh per kW billing demand per month										
First 140,000	0.053967	0.053967	0.053967	0.060471	0.060471	0.060471	0.060471	0.060471	0.060471	0.060471
Over 140,000	0.051755	0.051755	0.051755	0.058651	0.058651	0.058651	0.058651	0.058651	0.058651	0.058651
All over 400 kWh per kW billing demand	0.050648	0.050648	0.050648	0.056751	0.056751	0.056751	0.056751	0.056751	0.056751	0.056751

Source: City of Concord Finance and Electric Departments

TEN LARGEST ELECTRIC CUSTOMERS,  
Current Year and Nine Years Ago

Customer	2022				2013			
	Electric Revenue	Rank	Percentage of Total Electric Revenue		Electric Revenue	Rank	Percentage of Total Electric Revenue	
Celgard LLC	2,606,791	1	2.90	%	1,666,035	3	2.04	%
City of Concord	2,427,554	2	2.70		2,074,401	1	2.54	
Cabarrus County Schools	1,803,483	3	2.01		1,529,104	5	1.88	
Concord Mills Mall	1,507,459	4	1.68		2,053,318	2	2.52	
WSACC	1,411,380	5	1.57		-		-	
Perdue Farms Inc	1,398,808	6	1.56		1,605,153	4	1.97	
Legrand	1,384,196	7	1.54		1,427,552	6	1.75	
S&D Coffee	1,280,893	8	1.43		1,258,113	7	1.54	
DNP IMS America Corporation	1,152,184	9	1.28		-		-	
Wind Shear Inc	866,763	10	0.96		-		-	
Rocky River Water Treatment Plant	-		-		1,085,257	8	1.33	
Cabarrus Plastics Mfg	-		-		845,475	9	1.04	
Great Wolf of the Carolinas LLC	-		-		737,829	10	0.90	
<b>Total</b>	<b>\$ 15,839,511</b>		<b>17.63</b>	<b>%</b>	<b>\$ 14,282,237</b>		<b>17.51</b>	<b>%</b>

Source: City of Concord Finance and Electric Departments

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
Last Ten Fiscal Years**

Fiscal Year	Real Property			Personal Property	Public Service Companies	Total Taxable Assessed Value	Direct Tax Rate (3)
	Residential Property (1)	Commercial Property (2)	Industrial Property (2)				
2013	5,034,683,767	2,335,914,165	851,422,138	771,628,872	119,353,563	9,113,002,505	0.4788
2014	5,381,821,598	2,325,550,728	847,644,748	988,004,711	130,283,114	9,673,304,899	0.4788
2015	5,488,950,807	2,438,815,784	748,623,832	978,492,143	124,486,420	9,779,368,986	0.4788
2016	5,562,324,699	2,474,039,979	759,436,323	1,033,191,542	124,486,420	9,953,478,963	0.4788
2017	7,198,546,266	1,642,104,405	767,219,663	1,035,500,636	153,919,497	10,797,290,466	0.4788
2018	7,308,226,072	1,775,705,266	814,494,754	1,149,787,848	159,207,805	11,207,421,744	0.4788
2019	6,672,628,388	2,711,577,147	989,371,655	1,097,323,976	135,500,000	11,606,401,166	0.4788
2020	7,275,901,010	2,351,819,173	1,008,466,150	1,167,510,435	142,374,829	11,946,071,598	0.4788
2021	7,927,752,659	3,861,504,684	1,208,953,502	1,232,702,466	139,849,637	14,370,762,948	0.4788
2022	8,436,980,234	3,793,047,513	1,273,293,120	1,241,066,504	137,480,048	14,881,867,420	0.4788

Source: Cabarrus County Tax Office

- (1) Tax Exempt Property is subtracted from Residential and Personal Property
- (2) Commercial and Industrial Property estimates are as of January 1, 2021
- (3) Per \$100 of value

**DIRECT AND OVERLAPPING PROPERTY TAX RATES,  
Last Ten Fiscal Years  
(rate per \$100 of assessed value)**

Fiscal Year	City of Concord			Overlapping Rates Cabarrus County	Combined Tax Rate
	General Fund Basic Rate	Municipal Service District Basic Rate	Total Weighted Average Rate (1)		
2013	0.48	0.23	0.4788	0.70	1.18
2014	0.48	0.23	0.4788	0.70	1.18
2015	0.48	0.23	0.4788	0.71	1.19
2016	0.48	0.23	0.4788	0.70	1.18
2017	0.48	0.23	0.4788	0.70	1.18
2018	0.48	0.23	0.4788	0.70	1.18
2019	0.48	0.23	0.4788	0.72	1.20
2020	0.48	0.23	0.4788	0.74	1.22
2021	0.48	0.23	0.4788	0.74	1.22
2022	0.48	0.23	0.4788	0.74	1.22

Source: Cabarrus County Tax Office

(1) Total City tax rate is a weighted average of all types of City of Concord tax rates. Cabarrus County rate is a direct rate.

**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Nine Years Ago**

Taxpayer	2022				2013			
	Taxable Assessed Value		Percentage of Total City Taxable Assessed Value		Taxable Assessed Value		Percentage of Total City Taxable Assessed Value	
	Value	Rank	Value	%	Value	Rank	Value	%
Mall at Concord Mills LP	\$ 228,039,604	1	1.53	%	\$ 224,248,930	3	2.46	%
Celgard LLC	186,776,961	2	1.26		246,648,889	2	2.71	
Charlotte Motor Speedway LLC	186,086,440	3	1.25		368,903,613	1	4.05	
WMCI Charlotte VI LLC	134,484,530	4	0.90		35,365,711	9	0.39	
SL 1000 Derita Road LLC	123,972,120	5	0.83		-		-	
Hendrick Automotive Group	118,847,390	6	0.80		-		-	
GWR Carolinas Property Owner LLC	115,741,946	7	0.78		80,289,220	5	0.88	
Exeter 6361Glen Afton LLC	88,491,970	8	0.59		-		-	
Arabica LLC a NC LLC	83,879,078	9	0.56		34,373,702	10	0.38	
Hendrick Motorsports Inc	83,326,400	10	0.56		62,175,998	6	0.68	
Philip Morris	-		-		93,008,387	4	1.02	
JQH-Concord Development LLC	-		-		48,480,900	7	0.53	
HSREI LLC a NC LLC	-		-		38,641,152	8	0.42	
<b>Total</b>	<b>\$ 1,349,646,439</b>		<b>9.06</b>	<b>%</b>	<b>\$ 1,232,136,502</b>		<b>13.52</b>	<b>%</b>

Source: Cabarrus County Tax Office

**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percentage of Levy		Amount	Percentage of Levy
2013	2012	43,608,877	42,445,084	97.3%	1,068,966	43,514,050	99.78%
2014	2013	46,548,215	45,126,093	96.9%	1,391,858	46,517,951	99.93%
2015	2014	46,943,610	46,174,814	98.4%	717,303	46,892,117	99.89%
2016	2015	47,667,548	46,909,735	98.4%	714,911	47,624,646	99.91%
2017	2016	51,709,905	50,820,322	98.3%	869,326	51,689,648	99.96%
2018	2017	53,695,713	53,071,029	98.8%	311,555	53,382,584	99.42%
2019	2018	55,614,536	54,719,919	98.4%	847,036	55,566,955	99.91%
2020	2019	57,232,731	56,597,931	98.9%	485,987	57,083,918	99.74%
2021	2020	68,850,679	68,324,465	99.2%	393,219	68,717,684	99.81%
2022	2021	71,291,651	70,931,347	99.5%	-	70,931,347	99.49%



**RATIOS OF OUTSTANDING DEBT BY TYPE,  
Last Ten Fiscal Years  
(dollars in thousands, except per capita)**

Fiscal Year	Governmental activities					Business type activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Installment Purchase	Obligation Bonds	Revenue Bonds	Installment Notes	HUD Loan	Installment Purchase	Obligation Bonds	Revenue Bonds	Installment Notes			
2013	3,987	-	2,759	16,842	1,756	8,043	-	90,493	8,184	132,064	1.81%	1,621
2014	3,645	-	2,527	15,405	1,647	7,440	-	83,478	7,260	121,402	1.64%	1,458
2015	3,375	-	2,225	28,859	1,538	6,838	-	76,279	13,675	132,789	1.70%	1,554
2016	3,105	-	1,915	26,892	1,429	11,994	-	71,221	12,302	128,858	1.56%	1,473
2017	2,835	-	1,597	24,950	1,320	11,042	-	63,400	10,923	116,067	1.28%	1,307
2018	2,578	-	1,270	23,012	1,211	10,098	-	55,357	9,525	103,051	1.08%	1,135
2019	2,280	-	1,006	21,055	1,102	9,089	-	49,571	8,101	92,204	0.91%	996
2020	1,988	-	437	19,095	-	8,988	-	39,556	6,650	76,714	0.72%	729
2021	7,902	-	294	15,821	-	7,886	-	31,549	4,854	68,306	0.61%	645
2022	7,002	-	148	14,609	-	6,056	-	27,624	4,571	60,010	0.49%	554

(1) See Table 17 for population and personal income data.

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING,  
Last Ten Fiscal Years**

<b>General Bonded Debt Outstanding</b>					
<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Debt Payable From Enterprise Revenue</b>	<b>Net Bonded Debt</b>	<b>Percentage of Total Taxable Assessed Value (1)</b>	<b>Per Capita (2)</b>
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 8 for property value data.

(2) Population data can be found in Table 17.

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of June 30, 2022**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (3)	Estimated Share of Direct and Overlapping Debt
City of Concord (1)	\$ 22,949,052	100%	\$ 22,949,052
Cabarrus County (2)	414,076,756	50%	207,038,378
Total			\$ 229,987,430

(1) Includes total debt expected to be paid from governmental activities

(2) Source: Cabarrus County Finance Department

(3) The percentage used to calculate the overlapping debt for Cabarrus County is calculated based on the percentage of the County's Assessed Value that is within City limits.

**LEGAL DEBT MARGIN INFORMATION**

**Last Ten Fiscal Years**

(dollars in thousands, with the exception of the calculation for the current year)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 729,040	\$ 773,864	\$ 782,350	\$ 796,278	\$ 863,783	\$ 896,594	\$ 928,512	\$ 955,686	\$ 1,149,661	\$ 1,190,549
Total net debt applicable to limit	20,532	18,788	30,096	27,997	25,925	23,870	21,754	19,642	23,723	21,612
Legal debt margin	\$ 708,508	\$ 755,076	\$ 752,254	\$ 768,281	\$ 837,858	\$ 872,724	\$ 906,758	\$ 936,044	\$ 1,125,938	\$ 1,168,937
Total net debt applicable to the limit as a percentage of debt limit	3%	2%	4%	4%	3%	3%	2%	2%	2%	2%

**Legal Debt Margin Calculation for Fiscal Years**

Total assessed value	<u>\$ 14,881,867,420</u>
Debt limit (8% of assessed value)	<u>1,190,549,394</u>
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	13,058,712
Installment notes	19,180,000
Less: Amount of bonded debt incurred for Business-type purposes	<u>(10,626,991)</u>
Total net debt applicable to limit	<u>21,611,721</u>
Legal Debt Margin	<u>\$ 1,168,937,673</u>
Net debt as a % of assessed values	0.15%

**PLEDGED-REVENUE COVERAGE,  
Last Ten Fiscal Years  
(dollars in thousands)**

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2013	19,443	10,564	8,879	3,208	1,702	1.81
2014	19,829	9,734	10,095	3,300	1,608	2.06
2015	22,902	13,638	9,264	2,953	1,505	2.08
2016	26,447	10,739	15,708	3,041	1,341	3.58
2017	28,036	13,829	14,207	3,137	1,282	3.21
2018	28,139	15,104	13,035	3,236	1,107	3.00
2019	29,474	15,266	14,208	2,022	996	4.71
2020	30,886	17,815	13,071	4,623	848	2.39
2021	36,064	19,517	16,547	1,667	728	6.91
2022	31,773	22,420	9,353	1,738	662	3.90

<b>Wastewater Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2013	14,683	8,965	5,718	1,409	910	2.47
2014	15,076	3,169	11,907	1,446	867	5.15
2015	19,704	10,144	9,560	2,000	804	3.41
2016	21,140	11,666	9,474	2,052	720	3.42
2017	21,246	11,406	9,840	2,111	665	3.54
2018	22,710	11,702	11,008	2,169	570	4.02
2019	24,204	13,116	11,088	1,857	485	4.73
2020	23,636	12,892	10,744	6,867	295	1.50
2021	24,105	13,348	10,757	1,090	168	8.55
2022	22,380	13,839	8,541	1,113	143	6.80

<b>Electric Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2013	81,195	72,348	8,847	1,953	1,110	2.89
2014	80,753	69,825	10,928	2,009	1,050	3.57
2015	81,533	66,407	15,126	1,986	983	5.09
2016	82,754	62,489	20,265	2,043	865	6.97
2017	84,851	78,082	6,769	2,110	833	2.30
2018	85,756	77,413	8,343	2,175	711	2.89
2019	88,530	60,431	28,099	1,453	636	13.45
2020	86,519	55,552	30,967	4,191	513	6.58
2021	88,417	63,310	25,107	1,039	422	17.18
2022	83,628	90,402	(6,774)	1,074	389	(4.63)

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2013	81,461	7,301,723	39,000	15,792	5.4%
2014	83,279	7,399,908	38,521	16,178	4.4%
2015	85,428	7,799,648	39,640	16,743	4.3%
2016	87,452	8,286,025	41,103	17,380	4.5%
2017	88,815	9,085,784	43,920	17,392	4.2%
2018	90,827	9,556,853	45,220	17,553	3.6%
2019	92,567	10,089,975	46,615	17,685	3.8%
2020	105,240	10,644,924	48,060	18,010	7.5%
2021	105,936	11,230,394	49,550	16,288	4.9%
2022(5)	108,229	12,362,843	52,704	17,776	3.3%

- (1) As of August from the NC State Demographer's Office
- (2) Bureau of Economic Analysis. Information only available at the county level.
- (3) Cabarrus County School System schools located in Concord (Average Daily Membership)
- (4) Based on year-to-date average as published by N.C. Employment Security Commission - Labor Market Division
- (5) Data not yet available for personal income. Estimated amounts based on average percentage increase from prior 9 years.

**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Atrium Health	2,774	1	5.84 %	-		- %
Cabarrus County Schools	1,899	2	4.00	3,800	3	4.53
Cabarrus County Government	1,354	3	2.85	950	4	1.13
Walmart Associates Inc	1,244	4	2.62	-		0.00
City of Concord	1,150	5	2.42	901	5	1.08
S&D Coffee and Tea	1,010	6	2.13	575	9	0.69
Rousch Fenway Racing	840	7	1.77	-		-
Great Wolf Lodge of the Carolinas	503	8	1.06	-		-
Sysco	502	9	1.06	-		-
Amazon	462	10	0.97	-		-
Connexions	-		-	900	6	1.07
Carolina Medical Center-NorthEast	-		-	4,500	1	5.37
Concord Mills Mall	-		-	4,000	2	4.77
North Carolina Government	-		-	770	7	0.92
Kannapolis City Schools	-		-	750	8	0.89
Shoe Show	-		-	550	10	0.66
	<u>11,738</u>		<u>24.72 %</u>	<u>17,696</u>		<u>21.11 %</u>

Source: City of Concord Planning & Neighborhood Services

**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM,  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
General Government										
Public Service Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager's Office	6.00	6.00	6.00	6.00	6.50	6.50	6.50	7.00	9.00	9.00
Human Resources	10.00	10.00	10.00	10.00	11.00	12.00	13.00	13.00	13.00	13.00
Finance	14.00	14.00	13.25	13.00	13.00	13.00	13.00	14.00	15.00	15.00
Tax	4.50	4.50	4.50	4.00	3.50	0.75	0.75	0.75	1.00	1.00
Legal	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Safety										
Police	178.25	180.25	189.25	191.00	200.00	204.00	206.00	209.00	217.00	226.00
Code Enforcement	7.00	7.00	7.00	7.00	8.00	8.00	9.00	9.00	9.00	9.00
Communications	21.50	22.50	22.50	22.00	23.50	25.50	25.50	25.50	25.50	25.50
Network Manager (Fiber Network Mgmt)										1.00
Radio Shop	3.50	2.50	3.50	3.00	3.50	4.10	4.10	4.50	4.50	5.50
Fire & Life Safety (Operations)	181.00	181.00	181.00	181.00	187.00	194.00	203.00	217.00	238.00	239.80
Fire & Life Safety (Prevention)	6.00	6.00	9.00	9.00	9.50	10.50	10.50	10.20	10.20	10.20
Fire & Life Safety (Training)	4.00	4.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Emergency Mangement Coordinator	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00	1.00
Public Works										
Street & Traffic	27.00	27.00	27.00	28.00	30.00	34.00	34.50	35.50	36.00	36.00
Traffic Services	5.00	5.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00	8.00
Traffic Signals	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Solid Waste & Recycling	32.00	32.00	32.00	32.00	31.50	32.50	34.50	36.00	36.50	40.60
Cemeteries	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.10
Fleet Services	13.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00	15.00
Other Public Works										
Economic Development										
Business & Neighborhood Services	14.00	14.50	14.50	14.00	16.00	17.00	18.00	18.00	19.00	19.00
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Development Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation										
Parks and recreation	20.00	21.25	21.00	17.00	17.00	29.93	31.50	35.00	36.00	36.50
<b>Total FTE General Fund</b>	<b>566.75</b>	<b>572.50</b>	<b>583.50</b>	<b>582.00</b>	<b>607.00</b>	<b>638.78</b>	<b>656.85</b>	<b>682.45</b>	<b>718.70</b>	<b>738.20</b>

(Continued)



**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES  
BY FUNCTION/PROGRAM,  
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>Other Funds</i>										
Home Consortium Fund	0.90	1.00	0.90	1.00	0.80	0.80	0.80	0.80	1.00	0.70
CDBG	1.10	1.00	1.10	1.00	1.20	1.20	1.20	1.20	1.00	1.30
Municipal Service District								-	2.00	2.00
Stormwater	20.25	19.77	22.09	22.00	21.00	21.09	20.58	20.58	20.26	21.60
Electric										
Electric Administration	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Powerlines Maintenance	13.00	13.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00	19.00
Tree Trimming	9.00	9.00	7.00	7.00	7.00	7.00	8.00	8.00	10.00	10.00
Electric Construction	34.00	34.00	33.00	33.00	33.00	35.00	37.00	37.00	37.00	37.00
Peak Shaving	2.00	2.00	-	-	-	-	-	-	-	-
Electric Engineering	5.00	5.00	5.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00
Utility Locate Services	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.00
Water Resources										
Hillgrove Water Treatment Plant	14.50	14.50	14.50	15.00	15.00	14.50	14.50	14.50	15.50	15.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.00	15.00	15.50	16.50	16.50	15.50	15.50
Waterlines Operations & Maintenance	34.75	34.24	34.59	36.00	37.00	35.60	35.09	36.09	37.76	40.10
Public Transit										
Rider Transit System	2.55	2.70	3.70	4.00	5.00	6.50	6.50	6.50	6.50	6.50
Wastewater Resources	30.00	30.00	30.32	29.00	30.00	31.31	31.83	32.16	31.48	31.81
Internal Services										
Utility Collections	4.50	4.50	4.50	4.00	4.00	5.00	5.00	5.00	3.75	3.75
Data Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Billing	11.00	10.00	10.00	10.00	10.00	11.25	14.25	16.25	16.25	16.25
Customer Service	15.50	15.50	25.00	26.00	26.00	27.00	25.00	25.00	25.00	25.00
Engineering	24.00	24.00	23.00	23.00	24.00	26.00	26.00	26.00	26.00	26.00
Purchasing	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Customer Care Center	8.50	9.50	-	-	-	-	-	-	-	-
Buildings & Grounds	39.00	39.50	40.65	38.00	39.00	44.60	48.50	49.50	52.50	57.50
Aviation	36.00	33.00	34.00	34.00	40.00	41.50	43.50	45.50	45.50	47.50
Public Housing	13.00	12.00	13.38	14.00	14.00	13.00	14.00	14.00	13.00	13.00
<b>Total FTE Other Funds</b>	<b>348.05</b>	<b>343.71</b>	<b>351.23</b>	<b>352.00</b>	<b>363.00</b>	<b>378.85</b>	<b>390.25</b>	<b>396.58</b>	<b>402.00</b>	<b>412.01</b>
<b>Total</b>	<b>914.80</b>	<b>916.21</b>	<b>934.73</b>	<b>934.00</b>	<b>970.00</b>	<b>1,017.63</b>	<b>1,047.10</b>	<b>1,079.03</b>	<b>1,120.70</b>	<b>1,150.21</b>

Source: City of Concord Budget Department

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Physical arrests	5,072	4,925	3,948	4,486	4,207	4,655	4,445	3,407	3,646	2,277
Parking violations	2,696	2,375	2,365	2,671	2,764	2,922	2,399	1,824	1,616	2,142
Traffic violations	9,422	8,135	9,209	10,699	12,335	12,748	9,795	7,615	6,799	7,604
Communications										
Calls received	108,843	109,382	100,830	102,526	106,933	100,286	98,013	98,522	97,091	103,597
Calls Dispatched									125,206	157,064
Fire										
Emergency responses	9,077	9,246	10,008	10,616	11,561	12,078	12,335	12,154	13,610	15,609
Fires extinguished	293	192	245	261	270	269	205	264	230	286
Inspections	6,343	5,900	5,939	7,128	826	7,533	7,433	5,772	4,486	6,979
Education classes conducted (4)	681	739	334	384	826	632	218	140	157	172
Number of people reached by educators (4)	29,774	31,008	25,096	28,361	25,633	41,081	125,286	104,561	104,561	541,406
Emergency Management (7)										
Exercise/Drill	0	0	0	0	9	11	6	4	7	4
Hazmat	0	0	0	0	14	44	29	5	10	11
Risk Assessment	0	0	0	0	105	145	113	49	58	60
Special Event	0	0	0	0	106	12	13	7	7	15
Planning	0	0	0	0	14	34	20	8	18	17
UAS (Drone)	0	0	0	0	0	6	20	24	14	46
Certified UAS Pilots	0	0	0	0	0	0	11	10	10	11
Education classes conducted (4)	0	0	0	0	26	11	11	9	4	13
Customer Care Center										
Calls answered	191,689	116,672	112,652	121,843	129,263	120,517	186,840	43,101	94,834	180,269
Solid Waste & Recycling										
Refuse collected (tons per day)	86	90	94	96	94	100	127	131	140	140
Recyclables collected (tons per day)	22	22	21	23	23	21	17	24	21	20
Other Public Works										
Street resurfacing (miles) (5)	10	6	0	18	9	24	12	0	18	27
Potholes repaired	28	36	50	92	112	101	162	176	179	103
NCDOT signalized street lights	105	102	114	115	113	119	123	119	146	145
NCDOT road (Non Interstate)	90	90	90	92	92	92	92	93	93	93
Economic Development										
Single family residential	460	397	441	661	637	931	803	968	834	597
Single family attached in units	0	15	22	2	6	74	5	52	59	112
Two, three, or four family residential in units	550	18	2	0	2	6	0	0	341	3
Multi-family residential in units	0	66	348	264	264	89	80	132	442	355
Commercial building permits issued	53	59	96	82	27	58	52	57	134	153
Parks and recreation										
% Cost recovery Adult programs	92	92	100	105	107	120	113	130	130	107
Youth participation	10,848	11,672	11,251	14,793	18,432	29,867	27,631	41,306	3,307	18,471
Rec center attendance (6)	79,014	81,093	85,663	87,165	79,302	140,000	222,447	158,937	40,235	118,351

(Continued)

**OPERATING INDICATORS BY FUNCTION/PROGRAM,  
Last Ten Fiscal Years**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Stormwater										
Accounts	30,168	30,701	31,285	31,978	32,643	33,462	33,891	35,539	36,459	37,284
Electric										
Accounts	28,062	28,576	29,069	29,371	30,074	31,031	31,604	32,368	32,714	33,039
Average megawatt hours daily use (2)	2,318	2,282	2,358	2,427	2,498	2,439	1,992	2,536	2,346	2,432
Substations	15	15	15	15	15	15	15	15	16	16
Water										
Accounts	35,843	36,692	37,348	37,088	38,961	40,050	41,303	42,874	43,953	44,890
Water Main Breaks	2	13	21	25	18	75	49	57	45	57
Average daily consumption (mgd)	9	9	10	9	11	12	13	13	13	13
Peak daily consumption (mgd)	12	13	13	14	14	15	17	17	18	17
Transit										
Average daily use	1,411	1,345	1,316	1,188	1,157	1,129	1,193	1,033	897	858
Days of operation	306	346	359	359	357	359	359	359	359	356
Wastewater										
Accounts	31,939	32,745	33,307	34,029	34,878	35,807	36,900	38,309	39,314	40,160
Average daily treatment (thousands of gallons)	8,011	9,150	8,478	8,870	9,211	8,387	10,695	8,585	9,090	8,566
Golf Course										
Total Green Fee Rounds (3)	26,028	31,341	31,241	28,998	32,034	32,982	31,241	36,768	46,164	44,712
Cart Fee Rounds	20,237	23,553	23,462	23,534	27,406	27,470	26,242	29,643	36,786	43,758
Tournaments hosted	72	76	67	68	64	60	53	27	17	43
Aviation										
Avgas (annual gallons)	173,006	169,452	151,505	168,627	189,923	222,290	232,064	239,909	251,147	283,883
Jeta (annual gallons)	1,465,484	1,685,731	1,983,963	2,355,783	2,760,003	2,722,010	2,843,033	2,648,943	2,507,492	3,056,970
Operations = take off & landing (1)	59,179	59,010	54,200	57,736	67,223	77,646	84,629	70,546	73,593	87,203
Total enplanements	0	8,672	35,572	63,316	106,718	128,250	159,361	139,549	100,879	142,540
Tax Base listings										
T Hanger	67	67	67	67	67	67	67	67	67	67
HIC	46	45	45	41	58	58	58	51	39	39
Tiedown	30	25	25	27	31	54	54	47	66	78
Corporate	9	3	3	4	3	4	4	21	6	6
Ground	18	9	9	11	11	11	7	8	9	9
Office	35	27	27	26	26	26	26	29	28	29
Public Housing										
Units in use	174	174	174	174	174	174	174	174	174	174
Housing Choice Vouchers	541	534	541	541	541	541	541	553	553	553

Note: Information obtained from various departmental staff in the City of Concord.

- (1) Control tower hours of operation 0700-0000
- (2) From Annual EIA 861 which is based on calendar year information
- (3) Green Fee rounds have been converted to 18 hole rounds
- (4) Calculation method changed in 2015 and 2022
- (5) For 2015 and 2020, resurfacing contract in process at the end of the fiscal year, will report next year.
- (6) Hartsell Recreation Center was closed for renovations
- (7) Emergency Management moved under City Manger's Office. Previously reported under Fire.

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS,  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	134	135	150	159	169	172	166	166	160	194
Fire										
Stations	10	10	10	11	11	11	11	11	11	12
Fire Units	14	14	14	14	16	16	N/A	N/A	N/A	N/A
Engine, Ladder, Rescue, Crash Fire Rescu	0	0	0	0	0	0	23	25	23	24
Support vehicles	0	0	0	0	0	0	12	15	12	13
Emergency Management (7)										
Drone	0	0	0	0	0	0	0	1	2	2
EM Units	0	0	0	0	2	2	1	1	1	1
Mobile Command Unit	0	0	0	0	1	1	1	1	1	1
Solid Waste & Recycling										
Refuse collection trucks	28	29	28	29	29	31	32	31	31	34
Other Public Works										
Paved streets (miles)	331	337	341	343	348	354	354	356	372	379
Signalized Street	15	15	15	16	17	18	18	18	18	18
Control Beacons	6	6	6	6	6	6	7	6	5	5
Guardrail	4	4	4	5	5	5	5	5	5	5
Curb and Gutter	427	440	452	462	472	548	548	558	562	605
Sidewalk	209	222	235	245	254	254	258	261	261	280
School Zone Flashers	22	22	22	22	22	22	22	23	23	22
Facilities (City owned):										
Parks (developed acreage)	101	101	157	157	157	157	157	157	235	235
Parks (undeveloped acreage)	N/A	N/A	N/A	69	69	69	69	109	149	149
Playgrounds	14	14	13	13	14	14	13	13	14	13
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Basketball courts (1)	11	11	11	9	9	9	5	9	8	5
Tennis courts	14	14	14	14	16	14	16	14	14	14
Pickleball courts	0	0	0	0	0	2	2	2	8	8
Playing fields (2)	28	28	28	23	23	23	23	23	24	34
Swimming pool	1	1	1	1	1	1	1	1	1	1
Green Way	5	5	7	7	7	8	8	12	10	12
Walking Trails	3	3	4	4	4	4	4	3	6	6
Stormwater										
Storm Sewers (miles)	263	275	263	264	267	280	294	302	344	344

(Continued)

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS,  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Electric										
Substations	15	15	15	15	15	15	15	15	16	16
Water										
Water Mains (miles)	683	691	692	709	717	725	744	752	754	762
Fire hydrants	4,642	4,697	4,737	4,772	4,820	4,946	5,014	5,085	5,125	5,202
Storage capacity (millions of gallons)	16	16	16	16	16	16	16	16	16.75	16.75
Transit										
Transit Center	1	1	1	1	1	1	1	1	1	1
Buses, Vans. & LTVs	12	12	12	12	12	12	12	17	17	18
Wastewater										
Sanitary sewers (miles)	530	539	540	544	563	583	583	592	592	591
Treatment capacity (thousands of gallons)	2,923,870	3,339,746	3,102,774	3,237,594	3,362,198	3,061,566	3,903,644	3,913,000	3,913,000	3,913,000
Golf Course	1	1	1	1	1	1	1	1	1	1
Aviation										
Terminal	1	1	1	1	1	2	2	2	2	2
T Hangars	66	67	67	67	67	67	67	67	67	67
Corporate Hangar	3	3	3	3	3	4	4	5	6	6
Private Hangar	9	9	9	9	9	8	7	6	6	6
Hanger in Common	7	7	7	7	7	7	8	8	7	7
Acreage approximately	713	713	713	713	713	713	713	713	713	713
Public Housing										
Units	174	174	174	174	174	174	174	174	174	174

Source: City of Concord Finance Department

# MARTIN STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council  
Concord, 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 (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the City of Concord ABC Board, as described in our report on the City of Concord's financial statements. The financial statements of the City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the City of Concord ABC Board.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Concord's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Concord's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Concord'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Concord's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a 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 limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001 that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Concord's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Concord's Response to Finding**

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

### **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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 28, 2022

# MARTIN STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council  
Concord, North Carolina

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Concord, North Carolina's, compliance with the types of compliance requirements identified as subject to audit 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 Concord's major federal programs for the year ended June 30, 2022. The City of Concord's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Concord complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Concord and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Concord's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 28, 2022

# MARTIN STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## **Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

To the Honorable Mayor and  
Members of the City Council  
Concord, North Carolina

#### **Report on Compliance for Each Major State Program**

##### ***Opinion on Each Major State Program***

We have audited the City of Concord, North Carolina's, compliance with the types of compliance requirements identified as subject to audit 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 Concord's major state programs for the year ended June 30, 2022. The City of Concord's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Concord complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

##### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Concord and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City of Concord's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

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

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, non-compliance 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 non-compliance 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 28, 2022

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1. Summary of Auditor's Results**

**Financial Statements**

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

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? Yes

Non-compliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<b><u>Program Name</u></b>	<b><u>Assistance Listing #</u></b>
Federal Transit Cluster	20.526, 20.507
Airport Improvement Program	20.106
Public Safety Partnership and Community Policing Grants	16.710

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? Yes

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1. Summary of Auditor's Results (continued)**

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

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? No

Identification of major state programs:

**Program Name**

Powell Bill

State Aid to Airports

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**2. Financial Statement Findings**

**Significant Deficiency**

**Finding 2022-001**

**Criteria:** Management should have a system in place to reduce the likelihood of errors in financial reporting. Duties should be segregated to provide reasonable assurance that transactions are handled appropriately.

**Condition:** There is a lack of controls over cash collections at the aquatic center. During our walkthrough of internal controls, we noted instances where the daily collection report was not filled out completely or accurately and did not reconcile back to the deposit slips. Possible causes for this could be due to no daily reconciliation performed, duplicate or missing cash receipts, unlocked access to collection area, and multiple employees in the same cash drawer. In June 2022, the City implemented additional controls over cash collections at the aquatic center to address these concerns. The finance department performs reconciliation of the deposit slip to the bank statement and records collections in the general ledger.

**Effect:** Lack of proper implementation of internal controls greatly increases the risk of fraudulent activity and can result in improper financial reporting.

**Cause:** There is lack of monitoring over cash deposits.

**Recommendation:** Management should assess the controls over collections and implement policies and procedures to address those concerns noted above.

**Views of Responsible Officials and Planned Corrective Actions:** Management concurs with this finding. Please refer to the Corrective Action Plan.



**CITY OF CONCORD, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**3. Federal Award Findings and Questioned Costs**

None reported.

**4. State Award Findings and Questioned Costs**

None reported.

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2022**

**Significant Deficiency**

**Finding 2022-001:**

**Name of Contact Person:** Jessica Jones, Finance Director

**Corrective Action:** The City has changed procedures effective June 2022 to require two staff members to count deposits at the pool prior to walking the money to the cash box at the administrative office as well as installing two new cameras in the area where money is collected at the pool. Management also reviewed proper procedures with staff involved in collection to ensure they know how to properly match the daily total sheets to the deposit total.

**Proposed Completion Date:** The City has already implemented the above procedure and will continue to follow the new procedures going forward.

**CITY OF CONCORD, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2022**

None reported.

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant/ Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
<b>Federal Financial Assistance</b>						
U.S. Department of Housing and Urban Development:						
Direct Programs:						
CDBG Entitlement Grants Cluster:						
Community Development Block Grant/Entitlement	14.218	B-16-MC-37-0012	-	4,735	-	-
Community Development Block Grant/Entitlement	14.218	B-17-MC-37-0012	-	27,745	-	-
Community Development Block Grant/Entitlement	14.218	B-18-MC-37-0012	-	167,397	-	-
Community Development Block Grant/Entitlement	14.218	B-19-MC-37-0012	-	356,117	-	-
Community Development Block Grant/Entitlement	14.218	B-20-MC-37-0012	-	505,777	-	-
Community Development Block Grant/Entitlement	14.218	B-21-MC-27-0012	-	317,104	-	4,554
COVID-19 Community Development Block Grant	14.218	B-20-MW-37-0012	-	83,494	-	-
Total CDBG Entitlement Grants Cluster			-	1,462,369	-	4,554
Home Investment Partnerships Program - Program Income	14.239	M-16-DC-370209	2,959	2,959	-	-
Home Investment Partnerships Program - Program Income	14.239	M-17-DC-37-0209	22,193	22,193	-	-
Home Investment Partnerships Program - Program Income	14.239	M-18-DC-37-0209	263,597	263,597	-	-
Home Investment Partnerships Program - Program Income	14.239	M-19-DC-37-0209	176,230	178,864	-	194,982
Home Investment Partnerships Program - Program Income	14.239	M-20-DC-37-0209	13,191	23,452	-	63,433
Home Investment Partnerships Program - Program Income	14.239	M-21-DC-37-0209	46	64,954	-	-
Home Investment Partnerships Program - American Rescue Plan	14.239	M-21-DP-37-0209	-	1,500	-	-
			478,216	557,519	-	258,415
Public and Indian Housing: Operating subsidy	14.850	A-4309	-	885,762	-	543,026
			-	885,762	-	543,026
Resident Opportunity and Supportive Services - Service Coordinators	14.870	ROSS201468	-	73,270	-	-
Public Housing Capital Fund	14.872	NC19P00850119	-	64,990	-	-
Public Housing Capital Fund	14.872	NC19P00850120	-	146,179	-	-
Public Housing Capital Fund	14.872	NC19P00850121	-	110,220	-	-
Public Housing Capital Fund	14.872	NC19E00850119	-	11,306	-	-
			-	332,695	-	-

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**

**Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Grant/Contract Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
Family Self-Sufficiency Grant	14.896	FSS21NC3991	\$ -	\$ 32,342	\$ -	\$ -
Family Self-Sufficiency Grant	14.896	FSS21NC4437	-	21,618	-	-
			-	53,960	-	-
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871	NC008	-	4,513,288	-	610,723
Emergency Housing Vouchers	14.871		-	25,273	-	-
Total Housing Voucher Cluster			-	4,538,561	-	610,723
Total U.S. Department of Housing and Urban Development			478,216	7,904,136	-	1,416,718
U.S. Department of Justice:						
COVID-19 Coronavirus Supplemental Emergency Funding	16.034	2020-VD-BX-0327	-	26,701	-	-
Bulletproof Vest Partnership Program	16.607		-	9,109	-	9,109
Public Safety Partnership and Community Policing Grants	16.710		-	324,722	-	108,241
Edward Byrne Memorial Justice Assistance Grant	16.738		12,548	20,816	-	-
Equitable Sharing Program	16.922		-	8,603	-	-
			12,548	389,951	-	117,350
U.S. Department of Transportation						
Federal Transit Cluster:						
Federal Transit Formula Grant	20.507	NC-90-X587-00	-	14,880	-	3,720
Federal Transit Formula Grant	20.507	NC-2019-002-00	-	156	-	39
Federal Transit Formula Grant	20.507	N/A	-	554,384	-	270,263
COVID-19 Federal Transit Formula Grant	20.507	NC-2020-026-00	-	610,264	-	-
ARP Federal Transit Formula Grant	20.507	N/A	-	1,842,506	-	-
Bus & Bus Facilities Formula Competitive, and Low or No Emissions Programs	20.526	NC-2017-051-00	-	55,158	-	13,790
Bus & Bus Facilities Formula Competitive, and Low or No Emissions Programs	20.526	NC-2019-049-00	-	87,650	-	21,913
Bus & Bus Facilities Formula Competitive, and Low or No Emissions Programs	20.526	N/A	-	575,908	-	143,977
Total Federal Transit Cluster			-	3,740,906	-	453,702

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**  
**Year Ended June 30, 2022**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Grant/ Contract Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
Transit Services Program Cluster						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2018-72-00	74,321	74,321	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2019-065-00	94,794	94,794	-	-
<b>Total Transit Services Program Cluster</b>			<b>169,115</b>	<b>169,115</b>	<b>-</b>	<b>-</b>
Federal Aviation Administration						
Airport Improvement Program; COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs						
Airport Improvement Program	20.106	3-37-0015-012-2021	-	775,793	-	14,681
Airport Improvement Program	20.106	3-37-0015-015-2022	-	222,570	-	5,751
Airport Rescue Grant	20.106	3-37-0015-013-2022	-	2,603,028	-	-
COVID-19 Airport Coronavirus Relief Grant Program	20.106	3-37-0015-010-2021	-	1,777,337	-	-
COVID-19 Airport Coronavirus Relief Grant Program Concessions	20.106	3-37-0015-011-2021	-	38,549	-	-
			-	5,417,277	-	20,432
Passed through North Carolina Department of Transportation:						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research						
	20.505	36230.7.20.6	-	76,601	9,575	9,575
Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205	43713.1.9	-	105,994	-	26,498
Highway Planning and Construction	20.205	47346.3.1	-	105,415	-	28,715
Highway Planning and Construction	20.205	47347.3.1	-	75,301	-	19,011
Highway Planning and Construction	20.205	55059.1.1	-	32,865	-	27,204
Highway Planning and Construction	20.205	49599.1.3	5,172	278,216	-	68,261
<b>Total Highway Planning and Construction Cluster</b>			<b>5,172</b>	<b>597,791</b>	<b>-</b>	<b>169,689</b>
Highway Safety Cluster						
State and Community Highway Safety	20.600	PT-22-06-27	-	26,489	-	-
<b>Total Highway Safety Cluster</b>			<b>-</b>	<b>26,489</b>	<b>-</b>	<b>-</b>
<b>Total U.S. Department of Transportation</b>			<b>174,287</b>	<b>10,028,179</b>	<b>9,575</b>	<b>653,398</b>
U.S. Department of Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		-	679,220	-	-
<b>Total federal awards</b>			<b>665,051</b>	<b>19,001,486</b>	<b>9,575</b>	<b>2,187,466</b>

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2022

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Grant/ Contract Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
<b>State Financial Assistance:</b>						
Department of Transportation:						
Powell Bill	N/A		-	-	4,319,658	-
State Maintenance Assistance for Urban and Small Urban Program	N/A		-	-	299,281	-
			-	-	4,618,939	-
State Aid to Airports:						
Airport Improvements and Debt Service	N/A	36244.41.7.1	-	-	899,363	29
Airport Improvements and Debt Service	N/A	36244.41.8.1	-	-	112,015	25
			-	-	1,011,378	54
<b>Total state awards</b>			-	-	5,630,317	54
<b>Total federal and state awards</b>			<b>\$ 665,051</b>	<b>\$ 19,001,486</b>	<b>\$ 5,639,892</b>	<b>\$ 2,187,520</b>

See Notes to Schedule of Expenditures of Federal and State Awards.

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**

**Year Ended June 30, 2022**

(1) General

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the City of Concord, North Carolina and is presented 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. The information in this schedule 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Indirect Cost Rate

City of Concord has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) Statement and Certification of Capital Fund Grant Cost for Annual Contributions Contract A-3249

1. The Actual Capital Fund Program Costs were as follows:

	<u>NC19P00850118</u>
Funds Approved	\$ 319,405
Funds Expended	<u>319,405</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced:	
HUD Grants	\$ 319,405
Funds Expended	<u>319,405</u>
Excess of Funds Advanced	<u>\$ -</u>

2. The distribution of costs as shown on the Annual Statement of Performance Evaluation Report, supported by the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.

3. All capital fund program costs have been paid and all related liabilities have been discharged through payment.