

Concord's Year in Review

for fiscal year ended June 30, 2022

PROUD TO BE FROM



CONCORD, NC

ARTWORK BY
MIKE
WIRTH

Concord
NORTH CAROLINA

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Cover Photo Credits

Kinetic Windstream mural located in Downtown Concord.
Mural artwork by Mike Wirth.

What's the Year in Review?

It's your way to see what's happening in Concord City Government.

Concord's Year in Review highlights important information from the City's audited financial statements and the Annual Comprehensive Financial Report (ACFR).

Concord's Year in Review is a guide also known as the Popular Annual Financial Report or PAFR.

Why create a PAFR? This guide is just one of the many ways the City provides transparency about where we stand in our finances and our budget. This document takes the highlights from our audit and rolls them up in an easier to understand manner.

Think of this as a magazine version of the audit you can use to get the 411 on the City's finances.

To help with understanding this financial information, the Year in Review summarizes data from across the audited statements. Some of this data may not conform with all ACFR requirements (known as GAAP or generally accepted accounting principles). If this is the case, the chart or discussion will be marked.

Concord has been receiving awards in financial reporting for over 30 years!

The Government Finance Officers Association or GFOA, recognizes governments who have received their Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award with the Triple Crown award. The Triple Crown achievement is a testament to the City's commitment to accuracy and transparency in our reporting.

Concord was 1 of 371 organizations nationally to receive the Triple Crown award in 2020.

Below is snapshot of Concord's GFOA awards over the years. To learn more about GFOA, GFOA awards, and the Triple Crown, click [here](https://www.gfoa.org/awards) or go to [gfoa.org/awards](https://www.gfoa.org/awards).

Our Years of Award Winning Documents

33 Years

Annual Comprehensive Financial Report

21 Years

Annual Operating Budget & Performance Plan

2 Years

Popular Annual Financial Report

A Note from Concord's City Manager

Dear Concord Residents, Business, and Visitors:

On behalf of Mayor Dusch and the Concord City Council, I am pleased to present to you the City's Popular Annual Financial Report for the fiscal year 2021-2022 (FY 21-22). This report is designed to provide highlights of the City's financial status as recorded at fiscal year end. More details can be found in the Annual Comprehensive Financial Report, which is located on the City's website at www.concordnc.gov/Departments/Finance.

Concord's Year in Review provides community members, regardless of their familiarity with accounting principles, with an overview on the City's financial information and highlights accomplishments from FY 21-22. This report is part of our commitment to providing accountability and transparency. We hope that you find it informative and accessible. As you read this report, please do not hesitate to reach out to the City with questions, concerns, or recommendations.



Lloyd Payne,
Concord City Manager

Respectfully submitted,

Lloyd Payne

Who are the members of Team Concord?

Take a look at our Org chart* to find out!

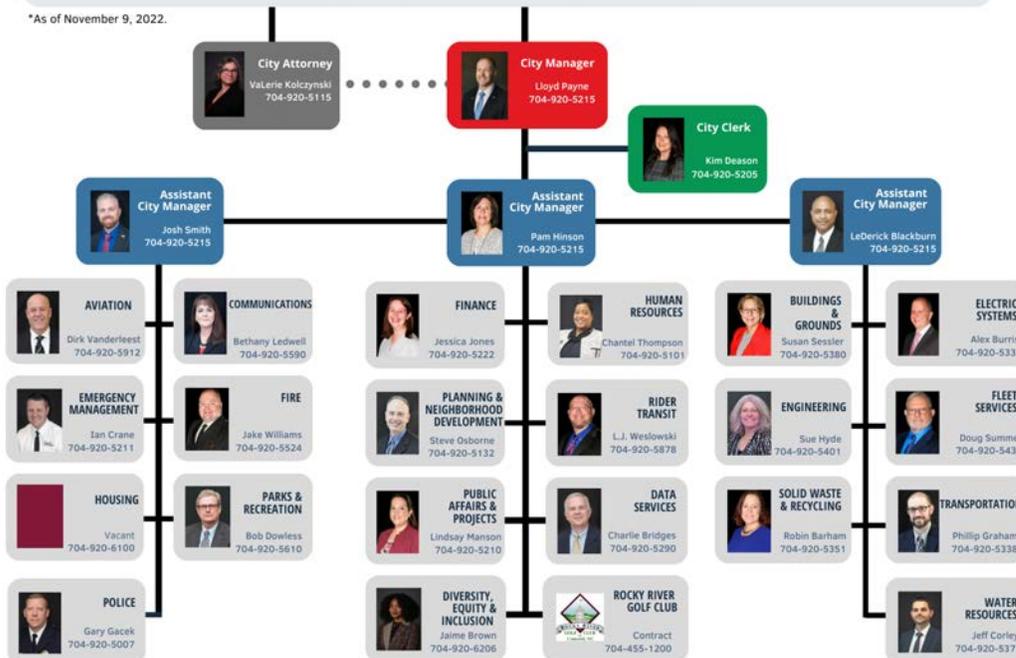
What kind of funds does Concord have?

Citizens of Concord
Represented by Mayor & City Council




Pictured left to right: Andy Langford, District 1; W. Brian King, District 2; Betty Stocks District 3; Mayor William "Bill" Dusch; JC McKenzie, District 4; Terry Crawford, District 5; Jennifer Hubbard, District 6; John Sweat, Jr., District 7

*As of November 9, 2022.



1

General Fund

The fund with services covered by the property & sales tax revenue. Our General Fund is broken into five functional areas: General Government, Public Safety, Public Works, Culture & Recreation, and Economic Development.

1

Internal Service Fund

These groups are internal-facing service providers, doing necessary support work like Engineering, Buildings & Grounds, Customer Care, Billing, etc. Internal Service groups are paid through cost allocations from the departments they provide services to.

8

Enterprise Funds

Enterprise funds are supported by charges for their specific services. Concord's enterprise departments are: Electric Systems, Water Resources, Stormwater, Wastewater, Rider Transit, Aviation, Rocky River Golf Course, and Public Housing.

7

Special Revenue Funds

Special Revenue funds are supported by revenues specific to their function. Many are supported through federal funding like Section 8 Housing Vouchers, Community Development Block Grants, and HOME Consortium.

Concord by the Numbers

As of June 30, 2022 unless otherwise noted

10th largest City **107,697**

in the state!

population

Concord is in North Carolina's piedmont region and is at the heart of Cabarrus County.

63.627

sq. miles of land area



\$70,973

median household income

Concord means 'harmony' and was named after a land settlement for the County seat was reached between the German and Scotch-Irish settlements in the 1700's.

48¢

property tax rate per \$100 valuation



Home to NASCAR'S Charlotte Motor Speedway!

Residential and Housing Info

Unless specified otherwise, information was obtained from the U.S. Census, 2020 ACS Survey

Population by Race

- White: 54.4% Black: 22.4% Hispanic: 13.9%
- Asian, AIAN, NHPI, Other, 2 or more Races: 9.3%

Age

- (Birth-17): 25.7%
- (18+): 74.3%
- (65+): 12.1%
- Median Age: 37.7

Number of Households

- 2000: 22,485
- 2010: 32,130
- 2020: 33,059

Homeownership Rate: 69.6%

Educational Attainment:

- High School or Equivalent: 22.3%
- Some College: 19.7%
- Associate's Degree: 8.8%
- Bachelor's Degree: 23.8%
- Graduate or Professional Degree: 14.5%

Average Commute Time: 28.6 minutes

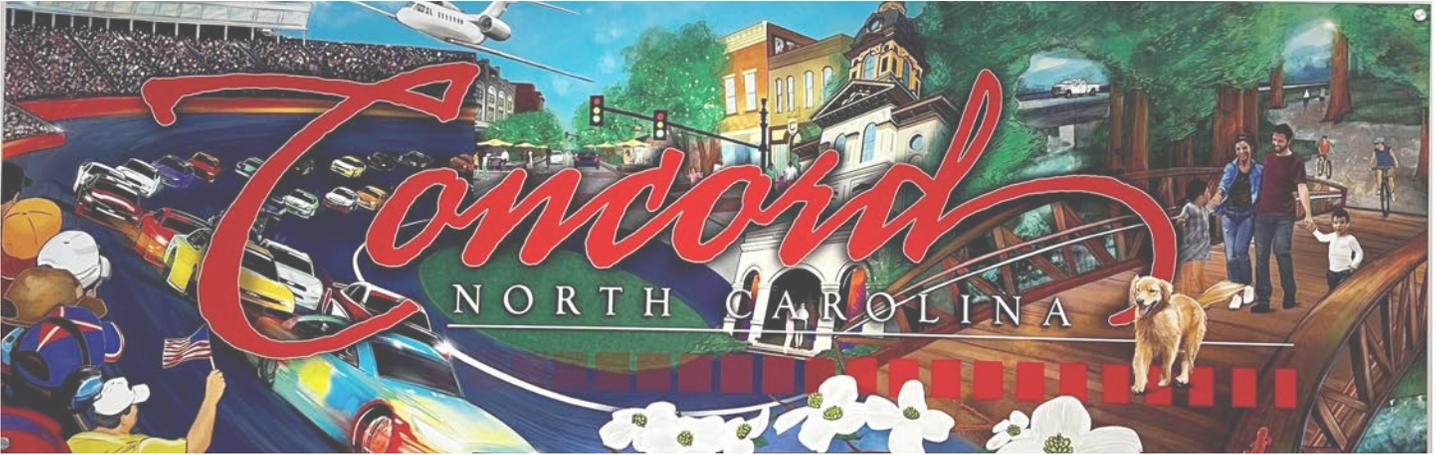
Median Household Income: \$70,973

Labor Market (May 2022)

- Civilian Labor Force: 51,368
- Employed Residents: 49,611
- Unemployed Residents: 49,611
- Unemployment Rate: 3.4%

(Information from NC Dept. of Commerce D4)

Audit Highlights



The following highlights are paraphrased from City of Concord's 2022 Annual Comprehensive Financial Report's (ACFR) Management Discussion and Analysis. This information comes from ACFR pages 17-32.

Highlights

- The City is financially healthy and has resources to cover expenses. Total Assets and Deferred Inflows of Resources were greater than total Liabilities and Deferred Outflows of Resources.
- City Council's adopted Financial Policies require 30-35% fund balance in the General Fund to ensure the City can continue to meet its financial obligations in times of crisis. At the end of fiscal year 2022, the General Fund remained above the policy's threshold. Fund Balance is used to insulate General Fund programs and current service levels from unanticipated expenses, revenue reductions due to unforeseen legislation or economic downturn, and aid in long-term financial and capital planning.
- During the fiscal year, total net position for business-type activities only increased by 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.
- Concord continues to listen to its citizens by addressing the need for transportation improvements, affordable housing, and open spaces by adopting tax rate dedications in the upcoming FY 23 budget. Information about the FY 23 budget can be found on page 11.
- Bond ratings continue to remain strong and indicate a strong financial position with moderate debt levels and above average amortization.
- Debt continues to fall within policy (less than 8% of assessed property value subject to taxation). More information on Debt can be found on page 9 of this document.

Bond Ratings

Bond Agency	Rating for GO Bonds	Rating for LOBS/COPS	Rating for Revenue Bonds
Fitch	AAA	AA+	AA+
Moody's	Aa1	Aa2	Aa2
Standard & Poors	AAA	AA+	AA-

Key Terms

Asset: Something an organization owns. Cash, receivables, land, buildings, building improvements, machinery, equipment, infrastructure and all other tangible or intangible assets that are used in operations. Fixed assets have an initial useful life of more than one year and an initial cost of more than \$5,000.

Bond Rating: a grade indicating a government unit's investment qualities. Generally, the higher the bond rating, the less risk investors assume, resulting in more favorable interest rates and lower costs of financing capital projects. The three main bond-rating agencies include: Fitch, Moody's and Standard & Poor's.

Liability: Something an organization owes, such as loans, accounts payable, bonds, etc.

Net Position: The difference between assets, deferred inflows/outflows of resources, and liabilities. Increases or decreases in net position can serve as a useful indicator on whether the financial position of an organization is improving or deteriorating. (Net Position = Total Assets + Deferred Outflows of Resources - Liabilities - Deferred Inflows of Resources)

Deferred Inflows of Resources: When acquiring an asset or assets must be reported in a future period.

Deferred Outflows of Resources: When consumption of assets must be reported in a future period.

Fund Balance: The net ending balance of a Fund's financial resources that are available and spendable.

What happened in Concord last year?

Development Coming to Concord

Two exciting development opportunities! One is the largest economic development announcement in Cabarrus County history - which includes the development of a beverage campus for Red Bull, Rauch, and Ball. Between all parties, this will create an investment of over \$1 billion dollars into Concord and provide hundreds of jobs.

The second major economic development deal announced this year is for a \$1 billion investment into a manufacturing site for the Eli Lilly Company. Eli Lilly is a pharmaceutical company that plans to bring in over 500 jobs with their new facility.

Both will be housed at The Grounds at Concord (shown in the image to the right). More information can be found in the attached press releases.

Press Releases

- Beverage Campus Headed to Concord; Over \$740 Million Investment Planned: <https://bit.ly/3PvrkxA>
- Ball Corporation to Invest \$383 Million in Concord's New Beverage Production Hub: <http://bit.ly/3Q5bEZ5>
- Lilly Bringing \$1 Billion to Concord, Cabarrus County: <http://bit.ly/3jBtwih>



Streetscape Groundbreaking & Downtown Construction

Concord's downtown area is alive with changes! City Council celebrated the groundbreaking on the Streetscape project - a downtown revitalization project that improves walkability and dining opportunities. This has been years in the making with adopted master plans going back to 2016.

There are also three residential and mixed-use buildings being constructed to provide more apartments and amenities in downtown. Over 150 units with underground parking and retail space will be created between the three projects.

Want to learn more? There is a website tracking all the changes coming to Downtown Concord! Additional downtown information can be found at concorddowntown.com/streetscape.



Image from Concord's StreetScape Groundbreaking

Concord is Named a Top 15 Boomtown in America

The City of Concord is one of the nation's top "boomtowns" according to a new study released by SmartAsset. Concord tied New Braunfels, TX for the No. 14 spot with a score of 89.83 and is the highest ranked city in North Carolina.

The study by SmartAsset looked at data from the 500 largest cities in the U.S. to identify the nation's fastest growing cities or "boomtowns." The study scored cities based on seven metrics: population change, unemployment rate, change in unemployment rate, GDP growth rate, business growth, housing growth and change in household income. With unprecedented growth and economic development taking place across the City, members of City Council and city leadership are working to responsibly plan for further growth and increased demands for services.



Image from Downtown Concord's Art Walk on Union event

Check out the City's Community News at concordnc.gov/Services/Community/News

Revenues and Expenses

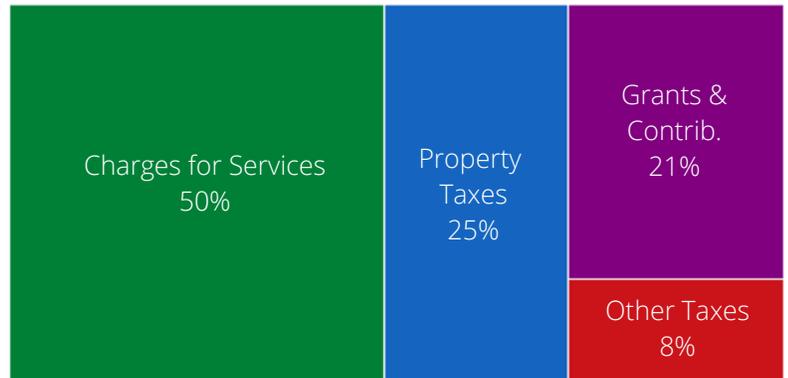
Where do City Resources come from?

Concord budgets by fund. A fund is a fiscal and accounting entity that has a self-balancing set of accounts recording cash and other financial resources, as well as related liabilities and residual equity. Funds are separated based on specific activities/objectives in accordance with State and Federal regulations, restrictions, or limitations. Each fund must balance between revenues (resources coming in) and expenditures/expenses (resources going out).

The chart below outlines revenue types from all funds. **Note:** Due to rounding and negative source types, not all percentages equal 100%.

Revenue breakouts vary based on fund type (general, enterprise, special revenue). For example, Enterprise Funds receive more revenue from charges for services than the General Fund, which is funded predominantly through property and sales taxes. For FY 22, total revenues for all funds exceeded expenditures by over \$49 million. This is due to an increase in cash, investments, and capital assets. FY 22's budget had conservative revenue projections due to uncertainties around the COVID-19 pandemic and economy.

Annual Comprehensive Financial Report Source Information can be found here and on page 22, Table 2 of the ACFR.



Revenues by Source 2018-2022, (expressed as percentages)

Type	2018	2019	2020	2021	2022
Charges for Services	57%	55%	54%	43%	50%
Property Taxes (Ad valorem)	20%	20%	20%	31%	25%
Grants and Contributions*	14%	13%	17%	18%	21%
Other Taxes	7%	7%	7%	6%	8%
Other**	2%	4%	3%	1%	-4%

Total Revenue (in millions) \$268.89 \$280.47 \$289.75 \$376.13 \$339.90

* Grants and Contributions includes: operating grants & contributions, capital grants & contributions, and grants & contributions not restricted to specific programs.

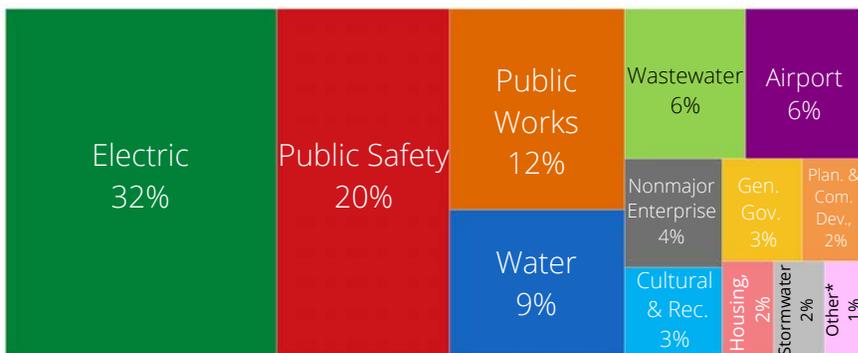
** Other includes Investment Earnings (losses) as well as miscellaneous gains or losses on capital asset sales. Totals may be negative which are not reflected in the tree map.

Resources coming into the City



How are City Resources spent?

Expenses throughout the City are varied by each department's needs. Departments typically spend their resources on some combination of the following items: personnel, capital, contracts, maintenance, and debt service. For consistency, expenses and expenditures (spending from governmental groups) are combined as expenses.



The chart to the left outlines expenses by area. For clarity, the General Fund has been broken out into its functional areas: General Government, Public Safety, Public Works, Planning and Community Development, and Cultural and Recreational. Nonmajor Enterprise includes some of our enterprise funds that are significantly smaller. **Note:** Due to rounding, not all percentages add up to 100%.

ACFR Source Information can be found here and on page 22, Table 2.

Expenses by Area 2018-2022, (expressed as percentages)**

Area	2018	2019	2020	2021	2022
Airport	3%	3%	6%	5%	6%
Cultural and Recreational	18%	21%	3%	3%	3%
Electric	11%	12%	26%	26%	32%
General Government	2%	3%	3%	3%	3%
Housing Assistance Payments	2%	3%	2%	2%	2%
Nonmajor Enterprise	2%	2%	4%	4%	4%
Other*	35%	28%	2%	2%	1%
Planning and Community Development	9%	9%	2%	2%	2%
Public Safety	7%	7%	22%	22%	20%
Public Works	5%	6%	12%	12%	12%
Stormwater	2%	2%	2%	2%	2%
Wastewater	4%	4%	7%	7%	6%
Water	1%	1%	10%	10%	9%

Total Expense (in millions) \$236.92 \$231.91 \$233.30 \$254.53 \$289.92

*Other includes Administration, Rehabilitation (HOME and CDBG), and Interest Expense

Expenses for City Services



Strategic Plan Highlights



What is a Strategic Plan?

A set of Goals and Objectives adopted by City Council to guide the City's decision making processes.

Why have a Strategic Plan?

This plan allows City Council to prioritize the needs and wants of the citizens they represent by creating a plan for current and future years.

How is a Strategic Plan Implemented?

Once Goals and Objectives are established, City Staff uses them as a guide when putting together their yearly budgets. Staff tracks progress of Goals and Objectives through performance measures. FY 2022 highlights are included below.

Check out Concord's Strategic Plan at: concordnc.gov/strategicplan



General Government

Competitive Compensation Plan.
Neighborhood Matching Grant and Liaison Awards. Video Production Services.
Partnerships with the Concord United Committee and the Barber Scotia Task Force.



Public Works

Fusion Splicer Kit for fiber splicing projects.
Increase the solid waste fee to \$2.91.
Allocate \$4K for educational programming.
Continue to use CARTology to educate customers on proper recycling techniques and procedures.



Public Safety

11 new public safety personnel to properly staff for community needs.
Purchase of Ladder 10. Address public safety facility needs with \$90K appropriated to replace carpeting in Police Headquarters.



Culture & Recreation

Allocate 1¢ of the Ad Valorem tax rate for park land/ROW needs (\$1,418,852).
Funding for Public Art (\$25,000).
Memorial tree dedication program.



Transportation

Projects: Allocate 2.5¢ of the Ad Valorem tax rate to the transportation fund (\$3,547,130).



Economic Development

Allocate 1¢ of the Ad Valorem tax rate for Affordable Housing (\$1,418,852). Continue to provide incentive grants to businesses within City limits. Redevelop 66 Union St. S to create a nonprofit center where NGOs can work and collaborate.

Debt Information and More

Debt Information

In North Carolina, the Local Government Commission in the State Treasurer's Office oversees local government bonded debt, conducts bond sales, and ensures that local units have sufficient capacity to repay debt. The City is also subject to the Local Government Bond Act of North Carolina, which limits the amount of bonded debt the City may have outstanding to 8% of assessed value of property subject to taxation. Concord is well below that with a debt percentage of assessed value of 0.15%. Like most municipalities, the City of Concord uses debt to finance long-term capital projects, and it is our policy that the financing period shall not exceed the useful life of the project.

The City currently has revenue bonds, limited obligation bonds, and installment financing. Concord currently has no GO Bonds. Principal and interest payments are provided in the budget for the year in which they are due. More information on debt terminology can be found below.

More information on long-term debt can be found on ACFR page 28 or in Note 9 (ACFR pages 79-84)



FY 22 Outstanding Debt by Type, expressed in thousands and percentage

Category	2022	By Percentage
Revenue Bonds	27,772	46%
Installment Notes	19,180	32%
Installment Purchase	13,058	22%
Grand Total (in thousands)	60,010	100%

Debt Terminology

General Obligation (GO) Bonds: Debt guaranteed by the full faith and taxing ability of the City. Requires voter approval.

Limited Obligation Bonds (LOBS): Debt guaranteed by the asset being borrowed against.

Certificates of Participation (COPS): Securities created as part of a lease-purchase agreement.

Installment Financing: Financing used to purchase items over a period of time. The purchased item serves as collateral.

Revenue Bonds: Debt payable from a specific non-tax revenue like special assessments, water/sewer fees, or electric fees.

Coming Soon: Parks and Rec GO Bonds!



In November 2022, City of Concord voters approved a \$60 million Parks and Recreation General Obligation (GO) Bond. This is the first GO Bond approved by city voters in over 20 years. The bond includes funding for 9 total park projects – 4 brand new parks and renovations to 5 existing parks. It also includes an additional 8 miles of greenways within the park projects. The bond proposal includes the development of the brand new J.E. “Jim” Ramseur Park, which will be the first park in the Northwest area of Concord. Plans for Ramseur Park include a splash pad, adventure/obstacle course, dog park, and much more! Learn more about the bond projects at concordbonds.com.

Concord's Financial Health - a look at Net Position

A Statement of Net Position reports an organization's current assets, liabilities, and deferred inflows or outflows of resources. This statement is used to show an organization's fiscal health by demonstrating whether the organization has enough assets to cover its liabilities.

The numbers reported here are for the entire City. Please refer to the Audit Highlights, Key Terms, or ACFR pages 23-36 to learn more about Governmental Activities and Business-Type Activities.

What this means is that the City of Concord overall is financially healthy and can meet its obligations. Our City's sound financial health is thanks to good financial management and policies.

City of Concord's financial policies can be found on our Website at concordnc.gov/Departments/Finance/Financial-Archive. The Financial Archive also has copies of prior year Annual Comprehensive Financial Reports (ACFR), Capital Improvement Plans, Budgets, and Popular Annual Financial Reports.

Statement of Net Position

	As of June 30, 2021	As of June 30, 2022
Assets		
Current asset and other assets	452,094,036	448,332,618
Capital assets	844,457,774	914,466,740
Total assets	1,296,551,810	1,362,799,358
Deferred Outflows of Resources	27,957,741	32,265,125
Liabilities		
Long-term liabilities outstanding	140,269,392	116,451,706
Other liabilities	53,650,372	72,565,393
Total liabilities	193,919,764	189,017,099
Deferred Inflows of Resources	9,648,036	35,163,190
Net Position	1,120,941,751	1,170,884,194

City Residents...



Rider Transit from
Concord to Kannapolis



Maintain 167 street
intersections

Concord-Padgett
Regional Airport



can get where they want to go...

764.9
Street
Lane Miles



297.8
Miles of
Sidewalks



4.63 minute response time for
High Priority Calls

1,004 Calls
Dispatched*



*per thousand population

ISO 1 Class Rating
- the best possible!



are kept safe...

8 Parks and 13 Playgrounds



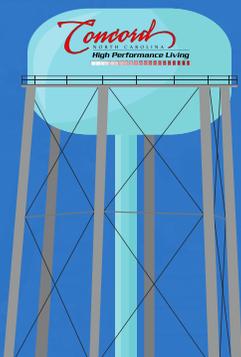
122 Program Offerings
and 6 Sports Available



are able to enjoy outdoor activities...



17 Miles of Greenways
& Trails



9.5 million gallons of
water treated daily at
our Water Treatment
Plants

82 tons of
Recyclables Collected*



and can help keep our City clean!

53 tons of Yard
Waste
Collected*



*per thousand population

Looking Ahead: FY 2023 Budget

Total Citywide Budget

\$302,825,728



Property tax rate is 48¢ per \$100 of valuation - the same since 2013!



No residential or commercial rate increases for Electric, Water, Storm water, or Sewer.



40¢ monthly increase to the Solid Waste fee due to more expensive service costs.



48 new positions - citywide total of 1,179 full-time & 41 part-time positions.



\$6.49M in dedicated funding for Council's Strategic Priorities: Transportation, Affordable Housing, and Parks & Recreation.

"The proposed budget not only maintains the excellent service for Team Concord that sets our City apart, but it also builds upon our strengths, tackles existing challenges, and in doing so seeks to enhance the quality of our daily lives."

- Lloyd Payne, Concord City Manager



Prepare park projects for GO Bonds by starting park and greenway design work.



Strategic investment in substations, waterlines, culverts, streets, and water treatment plants to maintain our current infrastructure.



Keep people safe by adding a new ladder crew at Fire Station 10 & providing a SRO for the new middle school on Roberta Road.



City of Concord's Annual Budget Video

Click the image to the right or visit concordnc.gov/budget

BUDGET HIGHLIGHTS
FISCAL YEAR 2022-2023

Connect with us!

To stay up-to-date on everything going on in Concord.



@ConcordNC



City of Concord



ConcordNCgov



@ConcordNCgov



ConcordNCgov



ConcordNC1



Check out the Cartology app to keep up with community garbage, yard waste, and recycling information!

More information can be found at concordnc.gov or in our CityLink Newsletter!