



CONCORD'S YEAR IN REVIEW

for fiscal year ended June 30, 2023



Concord
NORTH CAROLINA

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Common Acronyms

Below is a list of common abbreviations used throughout this document. Other definitions can be found under the sections called **Key Terms**.

ACFR: Annual Comprehensive Financial Report

FY: Fiscal Year (July 1, 2022 - June 30, 2023)

GAAP: Generally Accepted Accounting Principles

GFOA: Government Finance Officers Association

PAFR: Popular Annual Financial Report

What's the Year in Review?

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.

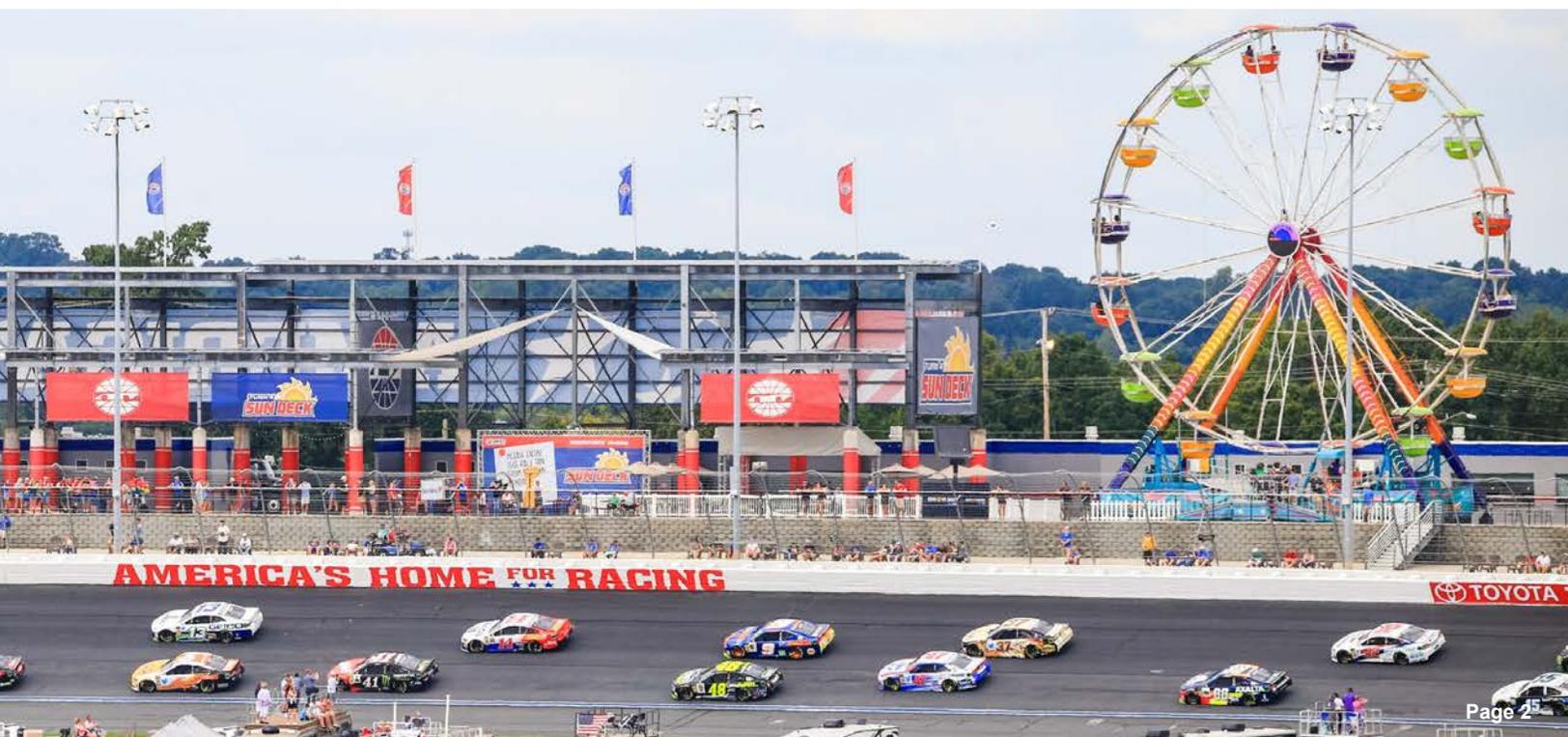
Why create a PAFR? This guide is just one of the many ways the City provides transparency about where we stand in our finances and our budget. This document takes the highlights from our audit and rolls them up in an easier to understand manner.

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.



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 2022-2023 (FY 22-23). This report is designed to provide highlights of the City's financial status as documented 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 the prior year (FY 22-23). 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!



*Org chart as of January 2024

Types of Funds

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, 2023 unless otherwise noted

6th fastest growing
city in the state!

110,886
population

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

64,403
sq. miles of land area



\$83,480

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

Population by Race

- White: 56.2% Black: 21.9% Hispanic: 13.9%
- Asian, AIAN, NHPI, Other, 2 or more Races: 10.4%

Age

- (Birth-17): 25.3%
- (18+): 62.4%
- (65+): 12.3%
- Median Age: 37.7

Number of Households

- 2000: 22,485
- 2010: 32,130
- 2021: 35,546

Homeownership Rate: 70.6%

Education:

- Public Schools in City Limits: 20
- Higher Education: Rowan
 - Rowan-Cabarrus Community College
 - Cabarrus College of Health Sciences

Educational Attainment:

- High School or higher: 90.0%
- Bachelor's Degree or higher: 40.1%

Average Commute Time: 28.5 minutes

Labor Market (October 2023)

- Unemployment Rate: 3.2%
- (Information from NC Dept. of Commerce D4)

Audit Highlights



The following highlights are paraphrased from City of Concord's 2023 Annual Comprehensive Financial Report's (ACFR) Management Discussion and Analysis. This information comes from ACFR pages 17-31.

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 2023, 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 increased by 8%. The increase was due to an uptick in utility revenues from a rate structure change in the electric fund and increased grant revenues.
- 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 24 budget. Information about the FY 24 budget can be found on page 11.
- Concord had a recent bond rating review and bond ratings continue to remain strong and indicate a sound 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	Aaa	Aa1	Aa1
Standard & Poor's	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.

Celebrating Diversity at the 3rd Annual Concord International Festival!



The Concord International Festival is a celebration of the many cultures and diversity represented across Concord and Cabarrus County. Through live music and dance performances, cultural displays, international food and drinks, a kids' zone with globally-inspired games, and craft and merchandise vendors, visitors are able to explore a mosaic of different countries in their backyard.

MORE THAN **8,000** PEOPLE IN ATTENDANCE



MORE THAN **40** ARTISTS ON STAGE



MORE THAN **42** ARTS & CRAFTS VENDORS



MORE THAN **60** COUNTRIES REPRESENTED

Learn more at concordinternationalfestival.com

The annual event is sponsored by El Puente and the City of Concord.



Concord Electric Systems Dedicates New Facility to former Council Member Ella Mae Small



In 2023, Concord Electric Systems opened a new, state-of-the-art operations facility to better serve the community. The building's grand opening gathered City Council Members, staff, and the community to celebrate former Council Member Ella Mae P. Small, to whom the building was dedicated to.



Ella Mae P. Small Electric Systems Operations Center (ESOC) is named by the Concord City Council in honor of former City Council Member Ella Mae Small. (pictured left) She served as a City Council Member from 2006 - 2021 and was the first woman to serve on Council. Mrs. Small was first appointed to Council to complete the term for her husband following his unexpected passing. Prior to joining City Council, Mrs. Small was an educator for 42 years. During her tenure on the Council she was very active in her community, serving on many boards and commissions to promote economic development, affordable housing, safety, and public transportation. Mrs. Small was also instrumental in the creation of the Concord United Committee. This committee was established to focus on diversity, equity, and inclusion in the City.

The City of Concord will forever be thankful for Mrs. Small's dedication and service to the community.



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 23, total revenues for all funds exceeded expenditures (prior to transfers) by over \$111 million. This is due to an increase in cash, investments, and grants/capital contributions. FY 23's budget had conservative revenue projections due to uncertainties around the economy and sales tax projections. Annual Comprehensive Financial Report Source Information can be found here and on page 22, Table 2 of the ACFR.



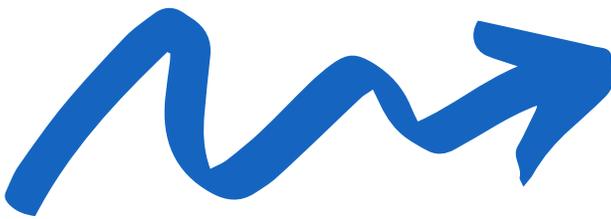
Revenues by Source 2019-2023, (expressed as percentages)

Type	2019	2020	2021	2022	2023
Charges for Services	55%	54%	43%	50%	45%
Property Taxes (Ad valorem)	20%	20%	31%	25%	30%
Grants and Contributions*	13%	17%	18%	21%	17%
Other Taxes	7%	7%	6%	8%	7%
Other**	4%	3%	1%	-4%	1%
Total Revenue (in millions)	\$280.47	\$289.75	\$376.13	\$339.91	\$429.23

* 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.

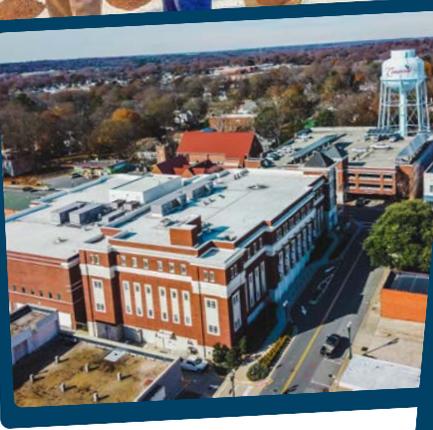
Expenses by Area 2019-2023, (expressed as percentages)

Area	2019	2020	2021	2022	2023
Airport	6%	6%	5%	6%	6%
Cultural and Recreational	3%	3%	3%	3%	3%
Electric	32%	26%	26%	32%	28%
General Government	3%	3%	3%	3%	4%
Housing Assistance Payments	2%	2%	2%	2%	2%
Nonmajor Enterprise	4%	4%	4%	4%	2%
Other*	1%	2%	2%	1%	1%
Planning and Community Development	2%	2%	2%	2%	2%
Public Safety	20%	22%	22%	20%	20%
Public Works	12%	12%	12%	12%	13%
Stormwater	2%	2%	2%	2%	2%
Transit	0%	0%	0%	0%	2%
Wastewater	6%	7%	7%	6%	6%
Water	9%	10%	10%	9%	9%
Total Expense (in millions)	\$231.91	\$233.30	\$254.53	\$289.97	\$318.05

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

Expenses for City Services





CITY OF CONCORD STRATEGIC PLAN UNDER CONSTRUCTION

The City is currently undergoing a strategic planning process to set the Vision for Concord's future and City Council's goals and priorities.

TIMELINE



Debt Information

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 0.14%. 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.

In the last fiscal year, Concord's total debt decreased by over \$7.6 million (13 percent)! The City currently has revenue bonds, limited obligation bonds, and installment financing. Concord currently has no GO Bonds, but there are plans to issue GO Bonds in the upcoming year for voter approved park projects. 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.



FY 23 Outstanding Debt by Type, expressed in thousands and percentage

Category	2023	By Percentage
Revenue Bonds	23,565	45%
Installment Notes	17,640	34%
Installment Purchase	11,153	21%
Grand Total (in thousands)	52,358	100%

More information on long-term debt can be found on ACFR page 27-28 or in Note 8 (ACFR pages 78-85)

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.



Concord's Financial Health

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 22-37 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.

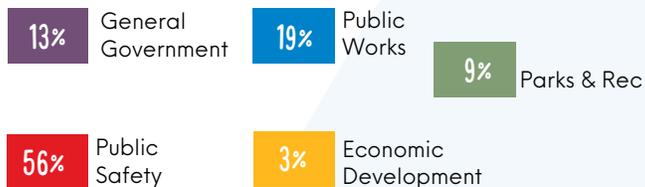
Statement of Net Position

	As of June 30, 2022	As of June 30, 2023
Assets		
Current asset and other assets	448,332,618	452,036,346
Capital assets	914,466,740	1,004,507,724
Total assets	1,362,799,358	1,456,544,070
Deferred Outflows of Resources	32,265,125	43,476,645
Liabilities		
Long-term liabilities outstanding	116,451,706	156,379,940
Other liabilities	72,565,393	44,699,238
Total liabilities	189,017,099	201,079,178
Deferred Inflows of Resources	35,163,190	16,875,112
Net Position	1,170,884,194	1,282,066,425

Looking Ahead: FY 2024 Budget



GENERAL FUND



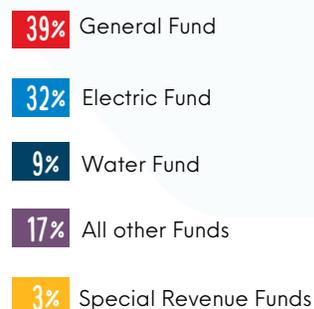
PROPERTY TAX RATE



48¢

For a home valued at \$325,000, annual property taxes = \$1,560

CITY BUDGET BY FUND



TEAM CONCORD

Pay & Benefits for FY 2024:

- 3% COLA
- 1-4% Merit Range
- 1.5% Career Development
- Personal Holiday
- 6 weeks paid Parental Leave
- Remote Work Policy (for applicable jobs)
- Automatic 401k Contributions:
 - 4.5% for non-sworn coworkers
 - 5% for sworn coworkers
- No Health Insurance Premium Increases for the 3rd year in a row!

1260
Full & Part-time Positions



BUDGET HIGHLIGHTS

Service Changes:

- IT Services transition to a City department
- All Solid Waste services provided by City staff

New Capital Projects:

- Begin first phase of Parks & Recreation bonds
- Fund design & construction of:
 - Fire Station #6/David District Substation
 - Fire Station #3 Expansion
 - Charlie District Substation Renovations
 - New Emergency Communications Center
 - New Fleet Services Facility
 - 6 Parks & Recreation Projects
 - Fiber Network Expansions & Mapping
- Issue Revenue Bonds for Hillgrove Water Treatment Plant projects

Rates & Charges Changes:

- Electric Rate Schedule update
- System Development Fee update
- Solid Waste Fee increase of 35¢ per month

Want to learn more? Scan this code or visit www.concordnc.gov/budget

Connect with us!

Stay up-to-date on everything going on in Concord.



@ConcordNC



City of Concord



ConcordNCgov



@ConcordNCgov



ConcordNCgov



ConcordNCI



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

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