



CONCORD'S YEAR IN REVIEW

for fiscal year ended June 30, 2024



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, 2023 - June 30, 2024)

GAAP: Generally Accepted Accounting Principles

GFOA: Government Finance Officers Association

PAFR: 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 2023-2024 (FY 23-24). 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 23-24). 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.

Respectfully submitted,



Lloyd Payne,
Concord City Manager

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) or report all funds or component units. If this is the case, the chart or discussion will be marked.

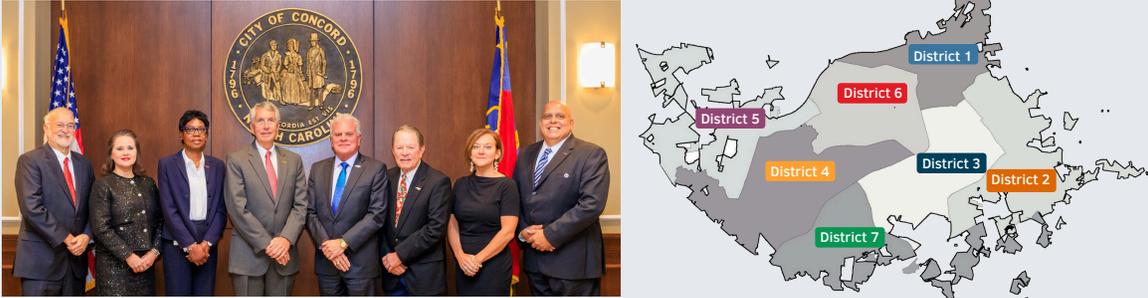
Concord has been receiving awards in financial reporting for over 34 years!

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.

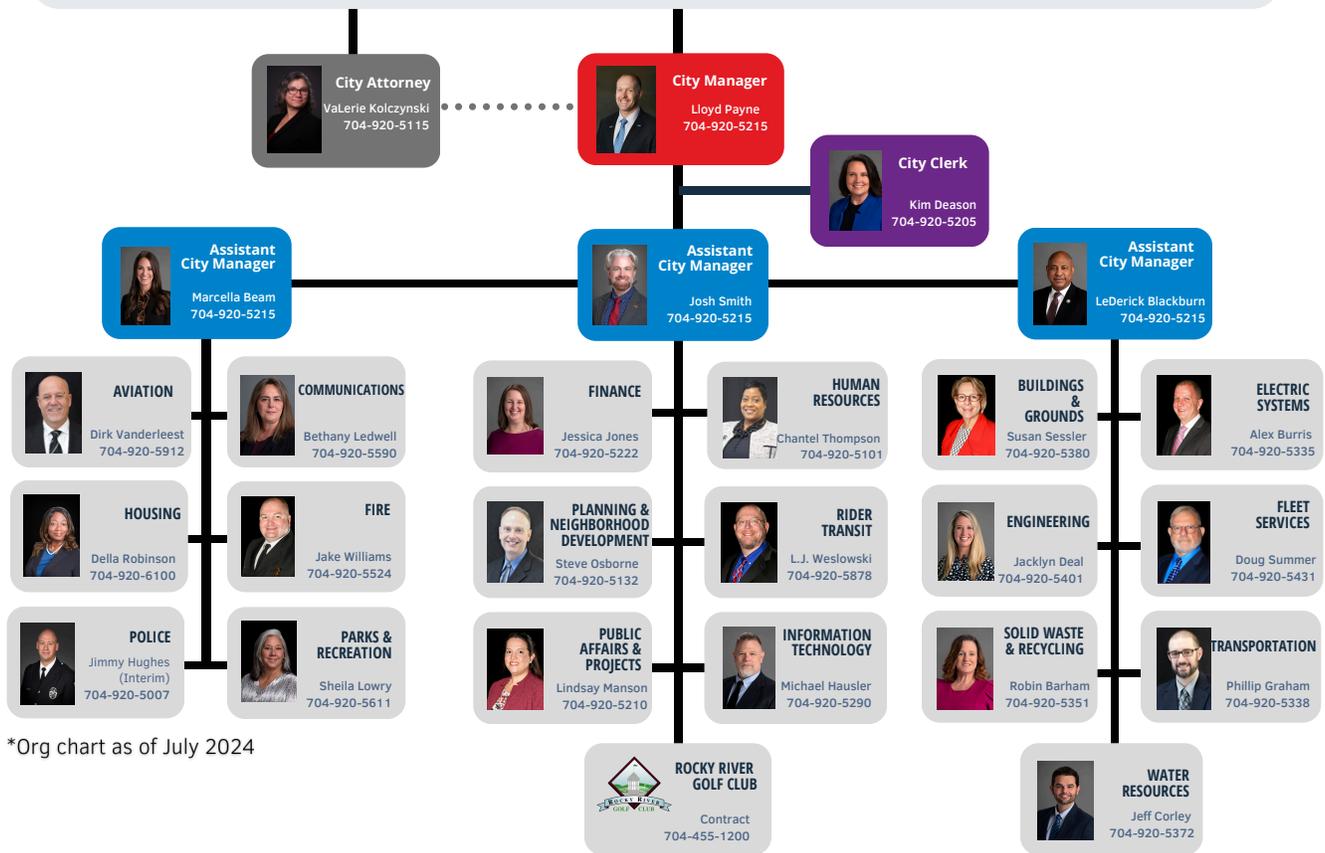
Who are the members of Team Concord?

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

Citizens of Concord
Represented by Mayor & City Council



Pictured left to right: **Andy Langford, District 1**; **Lori Clay, 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**



*Org chart as of July 2024

Want to keep up with Concord?

Here are a few resources to stay up to speed with our busy City!



City Circular Magazine



CityLink Newsletter



Parks & Recreation
Leisure Times

Concord by the Numbers

As of June 30, 2024 unless otherwise noted

7th fastest growing
city in the country!

113,371

population

as of September 2024

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

64.8

sq. miles of land area

as of August 8, 2024

\$82,262

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.

**Home to Charlotte Motor Speedway and Concord Mills -
North Carolina's largest tourist attraction!**

Residential and Housing Info

Unless specified otherwise, information was obtained from the 2023 U.S. Census Bureau's American Community Survey

Population by Race

- White: 49.1% Black: 24.2% Hispanic: 13.7%
- Asian, AIAN, NHPI, Other, 2 or more Races: 13%

Age

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

Number of Households

- 2000: 22,485
- 2010: 32,130
- 2023: 40,772

Homeownership Rate: 62.2%

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: 94.3%
- Bachelor's Degree or higher: 41.6%

Average Commute Time: 24.8 minutes

Labor Market (October 2024)

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

Strategic Plan

What is a Strategic Plan?

The Strategic Plan is a planning tool that prioritizes City Council's goals and objectives. This plan guides the City and its departments in making programming and funding decisions over the next three years. [Click here to see the full plan.](#)

Vision

Concord will be a vibrant and sustainable community where innovation, inclusion, and partnerships provide opportunities for all to thrive.

Mission

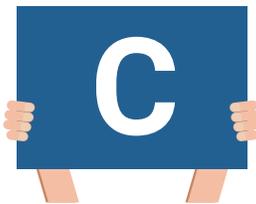
The City of Concord enhances the quality of life by providing excellent service, planning for the future, and collaborating with our community.

Values



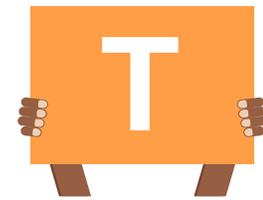
Accountability

We take ownership of our actions.



Communication

We inform and engage coworkers and the community.



Teamwork

We work collaboratively to provide excellent service.

Goals



Deliver Effective & Efficient City Government



Invest in Innovative & Sustainable City Infrastructure



Create Economic Opportunities for Individuals & Businesses



Develop Unique Places & Destinations



Promote a Safe & Connected City



Leverage Communication & Partnerships

Audit Highlights



The following highlights are paraphrased from City of Concord's 2024 Annual Comprehensive Financial Report's (ACFR) Management Discussion and Analysis. This information comes from ACFR pages 23-37.

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 2024, 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. General Fund fund balance decreased in this fiscal year due to a legal settlement.
- Major changes in overall governmental fund balance are attributed to \$45 million in unspent bond proceeds from the voter approved General Obligation bonds for Parks & Recreation projects to built in the coming years.
- During the fiscal year, the City's total net position increased by 6% due to an increase in cash, investments, and capital assets.
- 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 25 budget. Information about the FY 25 budget can be found on page 9.
- 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 8 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 & 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.

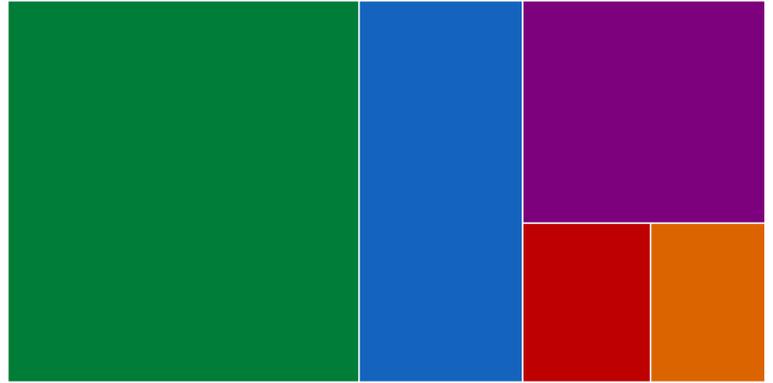
Fund Balance: The net ending balance of a Fund's financial resources that are available and spendable.

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 24, total revenues for all funds exceeded expenditures (prior to transfers) by over \$83.5 million. This is due to an increase in investment earnings and good stewardship practices within our organization. ACFR Source Information can be found here and on page 22, Table 2 of the ACFR.

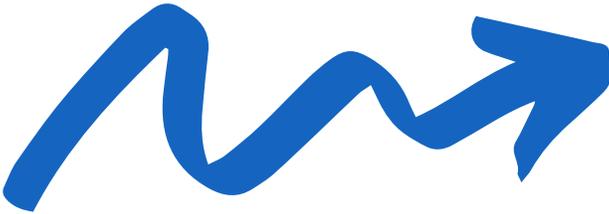


Revenues by Source 2020-2024, (expressed in millions)

Type	2020	2021	2022	2023	2024	2024 as %
Charges for Services	155.30	163.26	170.35	192.02	193.50	45%
Property Taxes (Ad valorem)	56.77	117.47	83.55	127.90	89.97	30%
Grants and Contributions*	49.22	68.98	71.24	74.65	78.00	17%
Other Taxes	18.92	22.78	26.90	29.03	29.38	7%
Other**	9.55	3.63	(12.13)	5.64	26.36	1%
Total Revenue	\$289.75	\$376.13	\$339.91	\$429.23	\$417.21	100%

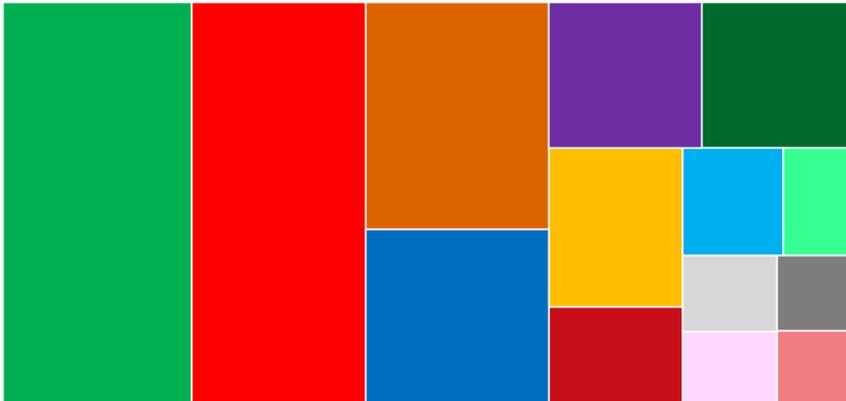
* Grants and Contributions includes: operating grants & contributions, capital grants & contributions, and grants & contributions not restricted to specific programs.
 ** Other includes Investment Earnings (losses) as well as miscellaneous gains or losses on capital asset sales. Totals may be negative 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 2020-2024, (expressed in millions)

Area	2020	2021	2022	2023	2024	2024 as %
Airport	12.95	12.83	17.55	19.90	21.80	7%
Cultural and Recreational	7.00	7.07	8.42	8.72	10.57	3%
Electric	60.28	67.26	91.57	90.24	73.92	22%
General Government	5.87	8.04	7.92	12.89	20.83	6%
Housing Assistance Payments	4.48	4.71	4.78	5.30	5.39	2%
Nonmajor Enterprise	9.79	10.23	10.33	5.46	5.57	2%
Other*	3.89	3.90	3.73	4.10	7.01	2%
Planning and Community Development	4.70	5.30	6.22	5.31	12.65	4%
Public Safety	52.39	56.80	58.20	63.87	68.41	21%
Public Works	27.39	31.75	34.15	41.73	40.76	12%
Stormwater	4.63	4.65	4.75	6.61	6.62	2%
Transit	-	-	-	5.96	7.36	2%
Wastewater	16.92	17.31	17.37	20.10	21.51	6%
Water	23.02	24.66	24.97	27.85	31.28	9%
Total Expense	233.30	254.53	289.97	318.05	333.67	100%

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

Expenses for City Services

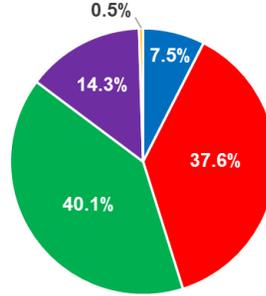


Debt Information

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 0.41%. 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 general obligation bonds, revenue bonds, limited obligation bonds, installment financing, and leases. General Obligation or GO bonds are new to Concord's debt portfolio and were issued for voter approved parks and recreation 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 24 Outstanding Debt by Type, expressed in thousands and percentage

Category	2024	By Percentage
Revenue Bonds	48,475	40.1%
General Obligation Bonds	45,551	37.6%
Installment Notes	17,296	14.3%
Installment Purchase	9,104	7.5%
Other Liabilities*	586	0.5%
Grand Total (in thousands)	121,012	100%

*Other Liabilities includes lease and subscription liabilities. These are required to be counted as outstanding debt under GASB 87 and GASB 96.

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.

More information on long-term debt can be found in the City's audit as part of the management's discussion and analysis (ACFR page 28), Note 8 (ACFR pages 74-81), Schedule 6 (ACFR page 167), or Tables 12 and 13 (ACFR pages 181-182).



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. Two major changes that impacted net position are the unspent bond proceeds discussed in the Audit Highlights as well as increased revenues from Electric due to their rate structure change and increased usage. Please refer to the Audit Highlights, Key Terms, or ACFR pages 23-37 to learn more about Governmental Activities and Business-Type Activities.

What this means is that 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, 2023	As of June 30, 2024
Assets		
Current asset and other assets	452,036,346	561,102,912
Capital assets	1,004,507,724	1,056,929,072
Total assets	1,456,544,070	1,618,031,984
Deferred Outflows of Resources	43,476,645	42,731,501
Liabilities		
Long-term liabilities outstanding	156,379,940	226,784,890
Other liabilities	44,699,238	52,135,306
Total liabilities	201,079,178	278,920,196
Deferred Inflows of Resources	16,875,112	16,231,037
Net Position	1,282,066,425	1,365,612,252

LOOKING AHEAD FY 2025 BUDGET OVERVIEW



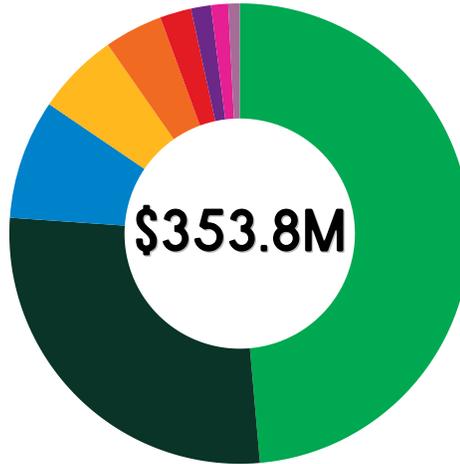
PROPERTY TAX RATE

42¢ PER \$100 VALUATION



For a home valued at \$357,000,
annual City property taxes = \$1,500

WHERE DO CITY FUNDS COME FROM?



- 48.6% Operating Revenues
- 26.5% Property Taxes
- 8.4% Sales/Other Taxes
- 5.8% Intergovernmental
- 4.1% Financing Proceeds
- 2.2% Public Housing Related
- 1.4% Investment Earnings
- 1.2% Transfers
- 0.8% Licenses/Permits/Fees

BUDGET HIGHLIGHTS

Designated Priority Funding:

- \$1.8M for Affordable Housing
- \$1.8M for Parks & Recreation
- \$4.4M for City-owned streets

Highlights:

- Invests in competitive coworker compensation
- Funds 1,221 full-time and 42 part-time positions
- Adds 3 new positions in IT, Planning, & Electric
- Creates a Debt Service Fund
- Funds the initial phase of the Clarke Creek Greenway: Cox Mill Loop
- Funds design of Fire Station #13
- Begins funding automated meter replacements in Water and Electric for improved efficiency
- Includes crucial infrastructure projects such as a new Electric Substation N, replacement of the Old Charlotte Road water line, & replacement of the Farmwood Boulevard culvert

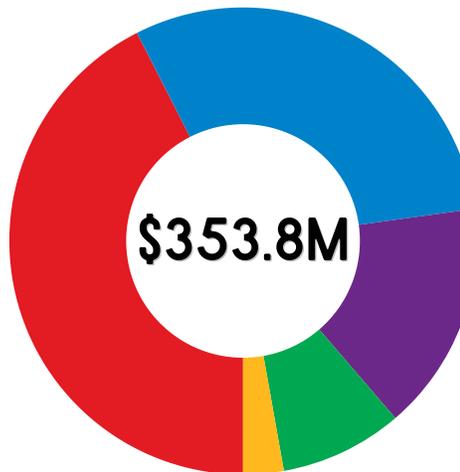
Rates & Charges:

- Electric Purchased Power adjustment reduction
- No Water, Stormwater, or Sewer rate increases
- Solid Waste Fee increases to \$4.00 per month



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

WHAT ARE CITY FUNDS USED FOR?



- 42.5% General Fund
- 30.3% Electric Fund
- 15.9% Water, Sewer, & Stormwater Funds
- 8.5% All Other Enterprise Funds
- 2.8% Special Revenue Funds

HOW IS \$1 IN THE GENERAL FUND SPENT?

General Government: 18%

Public Works: 18%



Public Safety: 53%

Planning & Economic Development: 3%

Culture & Recreation: 8%

Connect with us!

STAY UP-TO-DATE ON EVERYTHING GOING ON IN CONCORD.



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City of Concord



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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!