

2025



# ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

---

City of Concord, NC

---



**CITY OF CONCORD, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2025**

Prepared by:  
Finance Department

	Table	Page
INTRODUCTORY SECTION		
Letter of Transmittal		1 – 8
Certificate of Achievement for Excellence in Financial Reporting		9
City Governing Body and Officials		10
Organizational Chart		11
FINANCIAL STATEMENTS AND SUPPLEMENTARY		
FINANCIAL INFORMATION		
Independent Auditor's Report		12 – 15
Management's Discussion and Analysis		16 – 30
Basic Financial Statements:	<u>Exhibit</u>	
Government-wide Financial Statements:		
Statement of Net Position	A	31
Statement of Activities	B	32
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	33
Reconciliation of the Balance Sheet to the Statement of Net Position	D	34
Statement of Revenues, Expenditures and Changes in Fund Balances	E	35
Reconciliation of the Statement of Revenues, Expenditures and		
Changes in Fund Balance to the Statement of Activities	F	36
Statement of Revenues, Expenditures and Changes in Fund Balance –		
Budget and Actual – General Fund	G	37 – 42
Proprietary Funds:		
Statement of Net Position	H	43
Statement of Revenues, Expenses and Changes in Fund Net Position	I	44
Statement of Cash Flows	J	45 – 46
Fiduciary Funds:		
Statement of Fiduciary Net Position	K	47
Statement of Changes in Fiduciary Net Position	L	48
Notes to Financial Statements		49 – 92
Required Supplementary Information:		
Law Enforcement Officers' Special Separation Allowance Schedule		
of Changes in Total Pension Liability	M	93
Law Enforcement Officers' Special Separation Allowance Schedule		
of Total Pension Liability as a Percentage of Covered Payroll	N	94
Health Care Plan of the City of Concord Schedule of Changes in the		
Net OPEB Liability and Related Ratios	O	95
Health Care Plan of the City of Concord Schedule of City Contributions	P	96
Health Care Plan of the City of Concord Schedule of Investment Returns – OPEB	Q	97
Local Government Employees' Retirement System – City of Concord's		
Proportionate Share of Net Pension Liability (Asset)	R	98
Local Government Employees' Retirement System – City of Concord's Contributions	S	99
Firefighter and Rescue Squad Workers' Pension – City of Concord's		
Proportionate Share of Net Pension Liability	T	100

	Statement	Page
Other Supplemental Information:		
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	101
Combining Balance Sheet – Special Revenue Funds	2	102
Combining Balance Sheet – Capital Projects Funds	3	103
Combining Statements of Revenues, Expenditures and Changes in Fund Balances	4	104
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	5	105
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds	6	106
Nonmajor Proprietary Funds:		
Combining Statement of Net Position	7	107
Combining Statements of Revenues, Expenses and Changes in Fund Net Position	8	108
Combining Statement of Cash Flows	9	109
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Function and Activity	10	110
Schedule of Changes by Function and Activity	11	111
Budget to Actual Comparison – Other Major and Nonmajor Governmental Funds, Enterprise Funds and Internal Service Fund of the Primary Government:		
General Capital Reserve Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	12	112
General Fund Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	13	113
Debt Service Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	14	114
American Rescue Plan Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	15	115
State Directed Grants Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	16	116
Opioid Settlement Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	17	117
Housing Assistance Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	18	118
FSS Escrow Forfeitures Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	19	119
Emergency Housing Assistance Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	20	120
Market Rate Units Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	21	121
Community Development Grant Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	22	122
Home Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	23	123
Home ARP Grant Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	24	124

	Statement	Page
Affordable Housing Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	25	125
Municipal Service District Fund:		
Schedule of Revenues, Expenditures and Changes in Fund		
Balance – Budget and Actual	26	126
Housing Repositioning Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	27	127
Parks Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	28	128
Parks Capital Reserve Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	29	129
Transportation Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	30	130
Fire and Life Safety Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	31	131
Electric Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	32	132
Electric Projects Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	33	133
Water Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	34	134
Water Projects Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	35	135
Wastewater Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	36	136
Wastewater Projects Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	37	137
Utility Capital Reserve Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	38	138
Regional Airport Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	39	139
Airport Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	40	140
Stormwater Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	41	141
Stormwater Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	42	142
Transit Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	43	143
Golf Course Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	44	144
Golf Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	45	145
Housing Department Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	46	146
Housing Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	47	147
Internal Service Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	48	148 – 149
First Concord Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	49	150

	Statement	Page
Other Financial Data:	<u>Schedule</u>	
Schedule of Ad Valorem Taxes Receivable	1	151
Analysis of Current Tax Levy	2	152
Schedule of Cash and Investment Balances	3	153 – 154
Supplemental Financial Data Schedule Section 8 Housing Programs	4	155 – 157
Schedule of Business-Type Activities Capital Assets	5	158 – 161
Schedule of Business-Type Activities Long-Term Debt	6	162
STATISTICAL SECTION	<u>Table</u>	
Net Position by Component, Last Ten Fiscal Years	1	164
Changes in Net Position, Last Ten Fiscal Years	2	165 – 166
Fund Balances, Governmental Funds, Last Ten Fiscal Years	3	167
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	4	168
Number of Electric Customers by Type, Last Ten Fiscal Years	5	169
Electric Rates, Last Ten Fiscal Years	6	170
Ten Largest Electric Customers, Current Year and Nine Years Ago	7	171
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	8	172
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	9	173
Principal Property Taxpayers, Current Year and Nine Years Ago	10	174
Property Tax Levies and Collections, Last Ten Fiscal Years	11	175
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	12	176
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	13	177
Direct and Overlapping Governmental Activities Debt, As of June 30, 2025	14	178
Legal Debt Margin Information, Last Ten Fiscal Years	15	179
Pledged-Revenue Coverage, Last Ten Fiscal Years	16	180
Demographic and Economic Statistics, Last Ten Calendar Years	17	181
Principal Employers, Current Year and Nine Years Ago	18	182
Full-Time-Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years	19	183 – 184
Operating Indicators by Function/Program, Last Ten Fiscal Years	20	185 – 186
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	21	187 – 188
COMPLIANCE SECTION		
Reports Required by <i>Government Auditing Standards</i> , OMB Uniform Guidance And the State Single Audit Implementation Act:		
Independent Auditor's Report on:		
Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		189 – 190
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		191 – 194
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		195 – 197
Schedule of Findings and Questioned Costs		198 – 203
Corrective Action Plan		204 – 205
Schedule of Prior Year Findings		206
Schedule of Expenditures of Federal and State Awards		207 – 210
Notes to Schedule of Expenditures of Federal and State Awards		211

December 12, 2025

The Honorable Mayor, Members  
of the City Council, and Citizens  
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, 2025, 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 2025.

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, 2025, 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, 2025, 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

**Finance**

Phone (704) 920-5200 • Fax (704) 920-6951

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 115,053 as of July 1, 2024 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 2025 was 3.5%, which is no change from a rate of 3.5% in June of 2024. The state's unemployment rate for June of 2025 was 3.7%. (Bureau of Labor Statistics)

Budget development for FY 2026 reflects a period of both significant growth and emerging economic headwinds. While the City continues to attract new residents and businesses, which drive staffing needs, the City is also navigating persistent inflationary cost pressures and a noticeable flattening of sales tax revenues. This normalization, observed by local governments across North Carolina after a period of robust growth, requires careful monitoring and minimal growth projections for sales tax. The broader economic landscape, characterized by continued higher interest rates, potential supply chain complexities, and increased costs for goods, presents ongoing challenges for the City.

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). 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

The economy in Concord is strong. 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.

In May of 2024, City Council adopted a new Strategic Plan for Concord. The Strategic Plan lays out the City's vision, mission, goals, and key strategies for how we'll get there. The Council's six Strategic Plan goals will play a key role in future budgets and project funding.

Downtown Concord is experiencing a transformation, and the recent completion of the streetscape revitalization project marks a significant milestone. The refreshed downtown branding, incorporating the new residential development, alongside new corporate offices and diverse retail tenants, was celebrated with a successful Streetscape Grand Opening Block Party in May 2025. This revitalized public space is already proving to be a strong draw, attracting new businesses and further enhancing the area's appeal and vibrancy.

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.

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 during fiscal year 2022. 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 also did a full cost of service study and began implementing the results of that study in FY24. The PPA is evaluated each quarter to determine if any adjustments need to be made due to volatility in natural gas prices.

At Concord-Padgett Regional Airport, the City is enhancing connectivity through the rehabilitation of critical aprons and taxilanes around the airport, including the apron at the Commercial Service Terminal. Doing so will support the growth of commercial air service with additional flights with Avelo Airlines.

Council continues to place a priority on dedicated funding for the maintenance of City-owned streets. The FY 2026 budget designates \$4.4 million for projects within the Transportation Improvement Fund. The primary focus of these dedicated monies is to fund roadway projects and will be supplemented by dollars generated from local vehicle license fees.

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.

In FY 2026, the City will begin the design process for a new Fire Station on Flowes Store Road. This new Station 13 will expand fire service to several areas currently outside of the preferred response radius.

Ensuring our Parks & Recreation department has the necessary resources to make progress towards the goal of 30 miles of greenway by 2030 remains an important Council priority. The FY 2026 budget sets aside \$1.8 million for the Parks & Recreation reserve. Dorton Park successfully reopened in March 2025 and work on many of the remaining Phase I of the \$60 million Parks & Recreation general obligation bond projects is currently underway. Staff have worked diligently to be good stewards of bond funds, refining our projects to ensure that our dollars go as far as possible. Encouragingly, bid openings for the new J.E. 'Jim' Ramseur Park in March came in lower than initial estimates. Construction began in summer 2025. These cost savings will help ensure that all park projects within the scope of the voter-approved GO Bonds will be addressed.

For FY 2025-26, the Concord property tax rate remains at \$.42 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, 2024, the City's cash resources were invested as follows:

U.S. Government agencies	79.2%
U.S. Government treasuries	2.2%
Commercial Paper	9.8%
Insured Cash Sweep	4.9%
NCCMT/NC CLASS	<u>3.9%</u>
Total	<u>100.0%</u>

The average yield on investments at June 30, 2024 is estimated at 3.43% as compared to 4.31% 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, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2025 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 177 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, 2023. 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-five 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, 2024

Executive Director/CEO

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

---

Members of the Governing Body

City Council

Stephen M. Morris

Mayor

Andy Langford

Mayor Pro Tempore

Lori A. Clay  
Betty M. Stocks  
Alvays Santana  
Terry Crawford  
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

Marcella Beam  
704-920-5215



Asst. City Manager

Joshua Smith  
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

Joel White  
704-920-5381



Electric Systems

Alex Burris  
704-920-5335



Fire

Jake Williams  
704-920-5524



Housing

Mary Carr  
704-920-5142



Planning &  
Neigh. Dev.

Kevin Ashley  
704-920-5152



Rider Transit

L.J. Weslowski  
704-920-5878



Engineering

Jacklyn Deal  
704-920-5401



Fleet Services

Douglas Summer  
704-920-5431



Parks &  
Recreation

Sheila Lowry  
704-920-5611



Police

Jimmy Hughes  
704-920-5007



Public Affairs

Lindsay Manson  
704-920-5210



Information  
Technology

Michael Hausler  
704-920-5290



Solid Waste  
Services

Robin Barham  
704-920-5351



Transportation

Phillip Graham  
704-920-5338



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  
City of 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, 2025, 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, 2025, 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 61 percent, 61 percent, and 92 percent respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. 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 the 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 relating 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 and WeBuild Concord were not audited in accordance with *Government Auditing Standards*.

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

As discussed in Note 19 to the financial statements, in 2025 the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. 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 the 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, City Contributions, and Investment Returns, 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, economic, 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 (HUD), as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 (HUD), 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 and statistical sections 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 December 12, 2025 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 performed 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  
December 12, 2025

## 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, 2025. 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 \$1,470,004,787 (*net position*). Of this amount, \$346,631,289 (*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 \$123,300,777, 9 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 \$223,264,976 an increase of \$9,758,860 in comparison with the prior year, a 4% increase. Approximately 33 percent of this total amount or \$74,202,327 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 \$74,202,397 or 49 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	Aaa	Aa1	Aa1
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 31 through 32 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 eighteen 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 General Fund Capital Projects 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, 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, aviation operations, and transit, 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 43 through 46 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 47 through 48 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 49 through 92 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 93 through 100 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 101 through 147 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 148 through 149.

## 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 \$1,470,004,787 as of June 30, 2025.

By far the largest portion of the City's net position (75 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	
	2024	2025	2024	2025	2024	2025
Current and other assets	\$240,879,632	\$245,505,077	\$320,223,280	\$346,511,967	\$561,102,912	\$592,017,044
Capital assets	552,910,704	637,436,177	504,018,368	518,257,557	1,056,929,072	1,155,693,734
Total Assets	793,790,336	882,941,254	824,241,648	864,769,524	1,618,031,984	1,747,710,778
Deferred outflows of resources	28,097,214	25,347,853	14,634,287	13,331,789	42,731,501	38,679,642
Long-term liabilities outstanding	146,049,447	168,031,571	80,735,443	79,947,764	226,784,890	247,979,335
Other liabilities	26,791,288	22,785,436	25,344,018	28,084,015	52,135,306	50,869,451
Total liabilities	172,840,735	190,817,007	106,079,461	108,031,779	278,920,196	298,848,786
Deferred inflows of resources	6,620,070	6,234,243	9,610,967	11,302,604	16,231,037	17,536,847
Net position:						
Net investment in capital assets	530,190,284	613,295,266	471,756,434	482,681,474	1,001,946,718	1,095,976,740
Restricted	52,477,005	27,396,758	-	-	52,477,005	27,396,758
Unrestricted	59,759,456	70,545,833	251,429,073	276,085,456	311,188,529	346,631,289
Total net position	\$642,426,745	\$711,237,857	\$723,185,507	\$758,766,930	\$1,365,612,252	\$1,470,004,787

An additional portion of the City's net position (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$346,631,289, 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 \$83,463,894 in net position reported in connection with the City of Concord's governmental type activities and an increase of \$39,836,883 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 \$39,836,883, 6%. The increase was due to an increase in utility revenues and investment earnings.

City of Concord's Changes in Net Position

Table 2

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenues:						
Program revenues:						
Charges for services	\$ 9,358,847	\$ 9,794,198	\$ 184,140,498	\$ 185,851,952	\$ 193,499,345	\$ 195,646,150
Operating grants/ contributions	20,909,790	24,479,837	6,259,022	8,754,664	27,168,812	33,234,501
Capital grants/contributions	33,865,896	70,318,667	22,153,307	17,952,492	56,019,203	88,271,159
General revenues:						
Ad valorem taxes	77,999,164	100,590,696	-	-	77,999,164	100,590,696
Other taxes	29,382,011	31,564,759	-	-	29,382,011	31,564,759
Grants and contributions not restricted to specific programs	6,781,553	7,535,091	-	-	6,781,553	7,535,091
Investment earnings	10,686,171	10,776,399	11,583,969	14,394,342	22,270,140	25,170,741
Miscellaneous/Gain(loss) capital asset sales	3,231,882	5,916,848	858,747	1,198,203	4,090,629	7,115,051
Total revenues	192,215,314	260,976,495	224,995,543	228,151,653	417,210,857	489,128,148
Expenses:						
General government	20,829,311	13,402,218	-	-	20,829,311	13,402,218
Public safety	68,408,428	77,037,749	-	-	68,408,428	77,037,749
Public works	40,755,514	42,200,724	-	-	40,755,514	42,200,724
Cultural & recreational	10,566,625	11,880,683	-	-	10,566,625	11,880,683
Planning & community development	12,649,835	16,250,697	-	-	12,649,835	16,250,697
Administration	4,224,535	5,078,069	-	-	4,224,535	5,078,069
Housing assistance payments	5,391,320	5,386,152	-	-	5,391,320	5,386,152
Rehabilitation	1,419,432	1,223,755	-	-	1,419,432	1,223,755
Interest on long term debt	1,361,593	2,757,446	-	-	1,361,593	2,757,446
Electric	-	-	73,923,371	85,592,888	73,923,371	85,592,888
Water	-	-	31,275,010	36,223,251	31,275,010	36,223,251
Wastewater	-	-	21,508,306	26,481,321	21,508,306	26,481,321
Regional airport	-	-	21,803,171	20,743,633	21,803,171	20,743,633
Stormwater	-	-	6,618,896	7,306,243	6,618,896	7,306,243
Transit	-	-	7,361,318	8,504,853	7,361,318	8,504,853
Other nonmajor business-type activities	-	-	5,568,365	5,757,689	5,568,365	5,757,689
Total expenses	165,606,593	175,217,493	168,058,437	190,609,878	333,665,030	365,827,371
Increase in net position before transfers	26,608,721	85,759,002	56,937,106	37,541,775	83,545,827	123,300,777
Transfers	2,947,905	(2,295,108)	(2,947,905)	2,295,108	-	-
Increase in net position	29,556,626	83,463,894	53,989,201	39,836,883	83,545,827	123,300,777
Net position, beginning as previously reported	612,870,119	642,426,745	669,196,306	723,185,507	1,282,066,425	1,365,612,252
Restatements	-	(14,652,782)	-	(4,255,460)	-	(18,908,242)
Net position, beginning as restate	612,870,119	627,773,963	669,196,306	718,930,047	1,282,066,425	1,346,704,010
Net position, ending	\$ 642,426,745	\$ 711,237,857	\$ 723,185,507	\$ 758,766,930	\$ 1,365,612,252	\$ 1,470,004,787

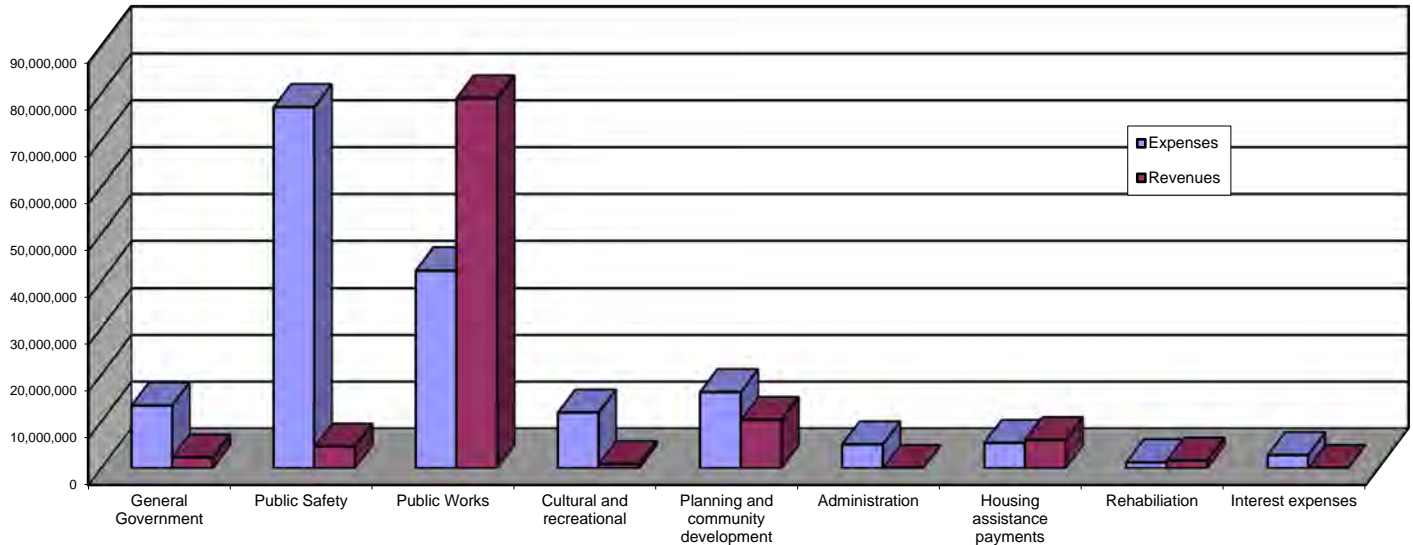
## Governmental Activities

In fiscal year 2025, the net position of governmental activities increased by \$83,463,894, or about 13%. Revenues increased by about 36% as a result of an increase in ad valorem taxes due to a property revaluation. Expenses and transfers were less than total sources which resulted in an increase in net position of \$83,463,894. 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.

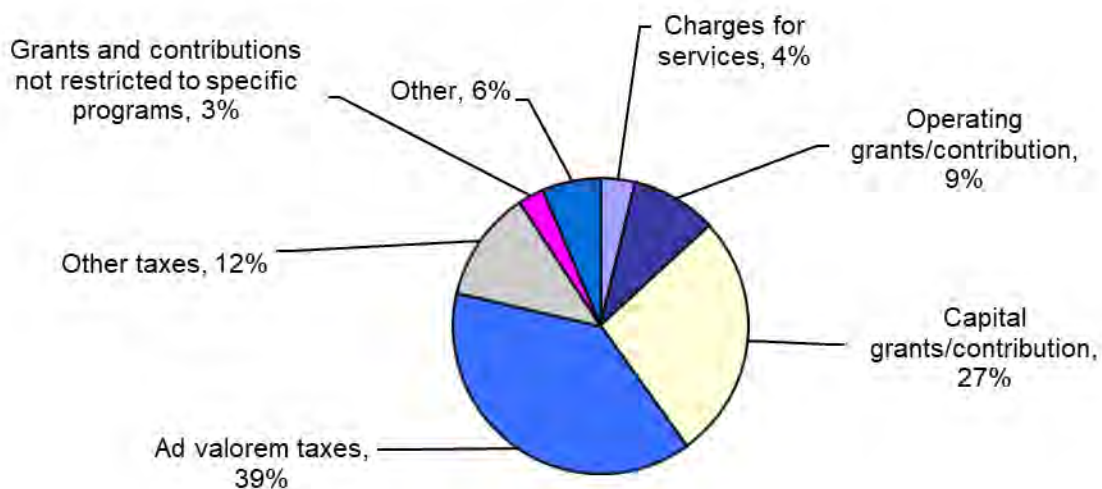
- Ad valorem taxes increased by \$22,591,532 (29%) during the year. The City continues to see a steady growth in assessed values. The larger than normal increase in fiscal year 2025 was due to a property revaluation that reflected property value increases.

- Capital grants/contributions increased \$36,452,771 due to an increase in contributions for capital related to infrastructure.
- Investment earnings increased \$90,228 due to a relatively stable interest rate environment.
- Other taxes increased \$2,182,748 (7%) as sales tax revenues continued to grow.
- The total governmental activities increase in expenses was 6%. The City continues to operate as conservatively as possible while maintaining existing services. The increases are primarily related to personnel costs and increasing materials cost due to inflation.

### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities



## Business-type Activities

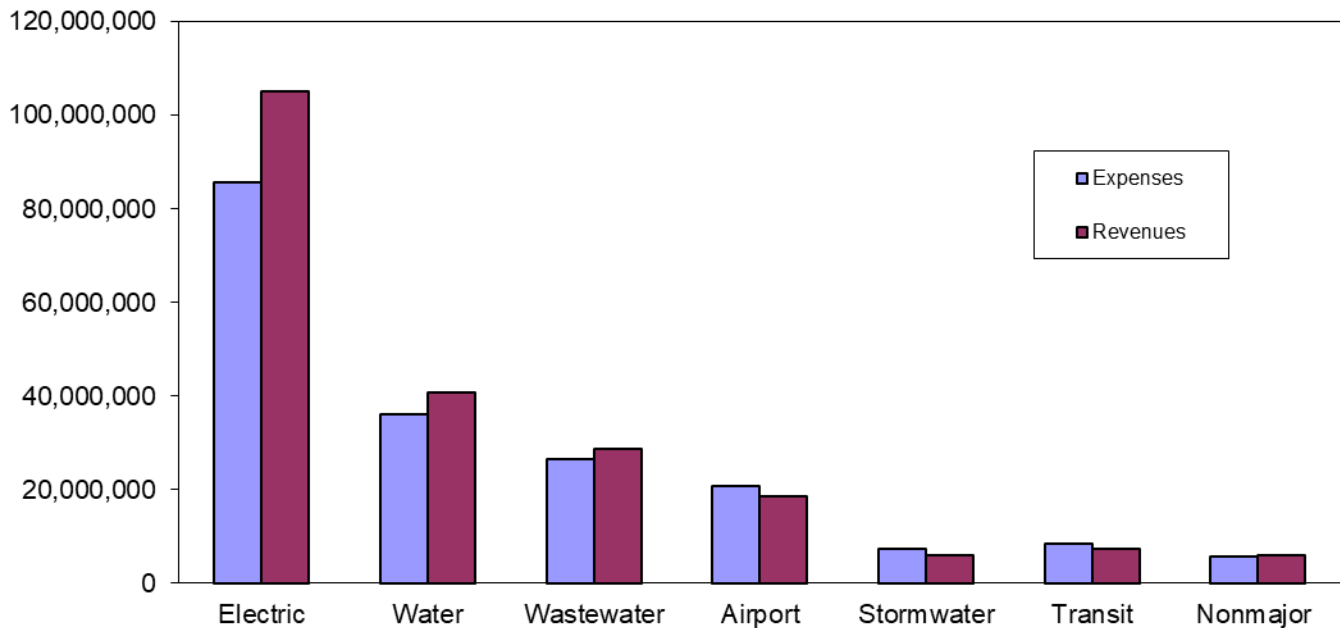
Business type activities increased the City's net position by \$39,836,883 (6%).

Key elements of the increase in business type activities, illustrated in table 2 located on page 21 are as follows:

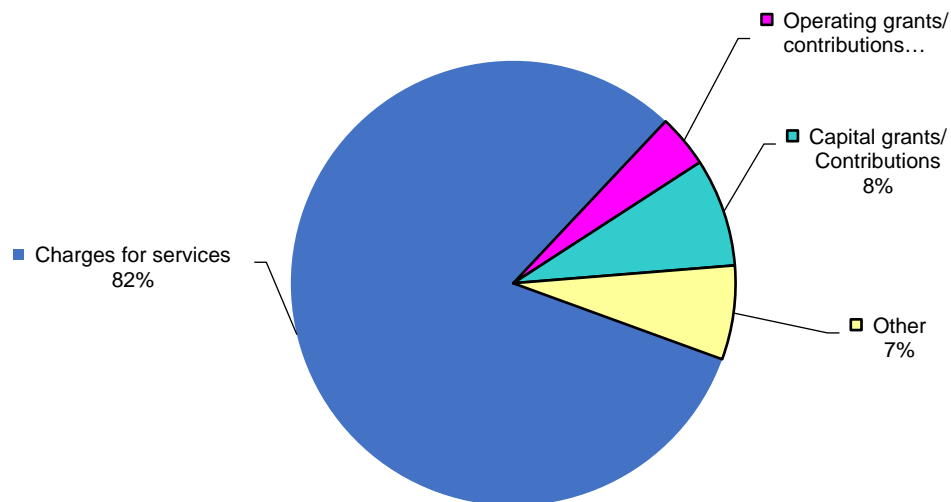
- Charges for services for business-type activities increased by 0.9%, \$1,711,454.
  - Usage increased 5.5% for wastewater customers; the City experienced a 1.4% growth in customers. The wastewater division's charges for service also increased 4%, due to the increase in customers and consumption. Wastewater operating expenses exceeded operating revenues by more than \$3,500,000 in FY2025. There were no rate increases.
  - Water charges for service increased 3.7% which was the result of customer growth (6.9%) in the system, as well as an increase in usage of 5.7%. 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 FY2025, water operating expenses exceeded operating revenue by more than \$3.2 million.
  - Aviation charges for service increased 7.5% when compared to the previous year. This increase was due to an increase in commercial flights during the fiscal year. Fiscal year ending 2025 resulted in a net operating loss of \$4.8 million. For the fiscal year ending 2025, takeoffs and landings were down 6.3% and the commercial flight customers increased 37.7% when compared to last fiscal year due to the addition of a second airline.
  - Stormwater charges for service increased 4.9% 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 expenditures exceeded operating revenues by \$1.4 million.
  - Electric charges decreased 2.3% in fiscal year 2025; the City experienced a 2.4% customer growth in the system. This decrease was due to a 16% decrease in the usage billed. Operating revenues for the electric fund exceeded operating expenses by \$19.9 million.
- Expenses, before transfers, increased 13% 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 16%, due to an increase in the cost of purchase power and general inflation.
  - Water operating costs increased 13%, which reflects normal system growth expenses and higher supply cost.
  - Stormwater operating expenses increased 10% due to increases in overall costs.
  - Wastewater operating expenses increased 23%, which reflects higher supply and treatment costs.
  - The airport operating expenses increased 5%; the majority of this increase was associated with personnel related increases.

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, 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 \$223,264,976, an increase of about 5% in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 33% (\$74,202,327) 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 (\$398,246), 2) restricted for streets, planning & community development, public safety, future capital and state statute stabilization (\$76,658,935), and 3) committed for future capital, future debt service and planning & community development (\$72,005,468).

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 \$74,202,397 while total fund balance for the general fund was \$100,679,204; representing an increase of \$14,613,805. The City continues to fund the capital reserve fund for major projects. The allocation for fiscal year 2025 was \$800,000. 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 49% of total general fund expenditures and transfers out, while total fund balance represents 67% 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 \$37,161,760. Transfers to other funds increased by \$3,252,831 when compared to the prior year. The majority of the total transfers, \$23,603,443, are for capital projects and debt service. Total departmental expenditure budgets were under projections by 4% (\$5,568,585). Ad Valorem collections increased \$22,591,532 (29%) when compared to the prior year primarily due to increased local real estate market values.

Other governmental and general fund capital reserve fund balances decreased \$4,854,945 due to expenditures related to ongoing 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, the stormwater fund, and the transit fund at the end of the year were \$136,587,789, \$70,694,135, \$41,685,437, \$13,165,653, \$13,866,005 and \$1,423,287 respectively. The unrestricted net position of all other enterprise funds was \$4,992,209. The total growth in net position for the proprietary funds was \$39,836,883. 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 23 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 \$3,225,937, or 2%. This is not a significant budgetary variance between original and final amended budget for the City. The major adjustment to the budget related to an increase from grant funds awarded that were not included in the original budget estimates. 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 3%. *Actual* operating expenditures were less than *final budgetary* figures by 4%, resulting in excess of revenues over expenditures (before other financing sources/uses) of \$37,161,760.

## 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, 2025, totals \$1,155,693,734 (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 9% (15% increase for governmental activities and 3% increase for business-type activities).

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

- Construction of electric substations, Smart Grid system costs and enhancements or improvements to the electric transmission lines in the amount of \$3,031,905.
- Construction of a new fire station in the amount of \$2,815,698.
- New fire trucks in the amount of \$3,750,000.
- Purchase of vehicles and equipment for general fund totaling \$8,373,618.
- The extension of the distribution and transmission lines for the City's water system, Smart Grid system costs and upgrades or improvements to the system in the amount of \$9,436,564.
- Upgrades or improvements to the wastewater system in the amount of \$8,089,014.
- Fuel Farm expansion at the airport in the amount of \$1,565,551.
- Streetscape construction in the amount of \$4,179,861.
- Park improvements in the amount of \$5,513,411.
- Construction of a new fleet services facility in the amount of \$16,901,930.

Additional information on the City of Concord's capital assets can be found in Note 6 of the Basic Financial Statements located on pages 64 through 67.

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Land	\$ 20,846,479	\$ 20,908,464	\$ 42,678,054	\$ 42,678,054	\$ 63,524,533	\$ 63,586,518
Construction in progress	41,679,800	62,673,028	91,991,383	93,837,949	133,671,183	156,510,977
Buildings and systems	69,144,684	81,165,710	74,403,700	74,984,865	143,548,384	156,150,575
Improvements other than buildings	13,317,483	13,329,695	620,248,599	646,871,257	633,566,082	660,200,952
Machinery and equipment	59,732,062	64,983,254	46,250,018	50,526,369	105,982,080	115,509,623
Infrastructure	901,880,059	971,827,408	-	-	901,880,059	971,827,408
Software subscriptions	50,864	143,419	243,884	243,884	294,748	387,303
Sub-total	1,106,651,431	1,215,030,978	875,815,638	909,142,378	1,982,467,069	2,124,173,356
Less Accum. Depreciation	(553,740,727)	(577,594,801)	(371,797,270)	(390,884,821)	(925,537,997)	(968,479,622)
Total	\$ 552,910,704	\$ 637,436,177	\$ 504,018,368	\$ 518,257,557	\$ 1,056,929,072	\$ 1,155,693,734

### Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of \$113,700,797 (principal). Of this amount, \$39,900,000 comprises debt backed by the full faith and credit of the City and \$40,770,000 represents bonds secured solely by specified revenue



sources (i.e., revenue bonds). The City also has \$25,595,000 and \$7,435,797 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds  
Table 4

	Governmental Activities		Business-type Activities		Total	
	2024	2025	2024	2025	2024	2025
Installment purchases	\$ 5,166,337	\$ 4,285,956	\$ 3,937,876	\$ 3,149,841	\$ 9,104,213	\$ 7,435,797
General Obligation Bonds	42,000,000	39,900,000	-	-	42,000,000	39,900,000
Revenue Bonds	-	-	43,490,000	40,770,000	43,490,000	40,770,000
Installment notes	13,158,900	22,944,250	2,891,100	2,650,750	16,050,000	25,595,000
Total long-term debt	\$ 60,325,237	\$ 67,130,206	\$ 50,318,976	\$ 46,570,591	\$ 110,644,213	\$ 113,700,797

In the current fiscal year, the City of Concord's total debt increased by \$3,056,584 (3%). The increase is due to the issuance of \$11,770,000 in Limited Obligation Bonds during the fiscal year. There is more information available in Note 8 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 0.30%. The legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is \$1,723,903,156. The current debt limitation for the City of Concord is \$1,791,033,362, 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 8 on pages 67 through 74 of this report.

## ACCOUNTING CHANGE

During fiscal year 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This standard requires governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is taken. The application of GASB 101 resulted in a restatement of \$14,652,782 and \$4,255,460 to the beginning net position of the governmental activities and business-type activities, respectively. As a result, amounts reported in Management's Discussion and Analysis for fiscal year 2025 are not comparable to those reported for fiscal year 2024, which have not been restated in the prior year comparative information. See Note 19 for additional information regarding the impact of this standard on the current year's financial statements.

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

- Budget development for FY 2026 reflects a period of both significant growth and emerging economic headwinds. While the City continues to attract new residents and businesses, which drive staffing needs, the City is also navigating persistent inflationary cost pressures and a noticeable flattening of sales tax revenues. This normalization, observed by local governments across North Carolina after a period of robust growth, requires careful monitoring and minimal growth projections for sales tax. The broader economic landscape, characterized by continued higher interest rates, potential supply chain complexities, and increased costs for goods, presents ongoing challenges for the City.

- The unemployment rate for Cabarrus County at June of 2025 was 3.5%, which is no change from a rate of 3.5% in June of 2024. The state's unemployment rate for June of 2025 was 3.7%.
- Concord's certified population has increased from 79,066 in 2010 to an estimated 115,053 as of July 1, 2024 (per NC Office of State Budget & Management), which represents a growth rate of 45%. The City experienced a 1.5% growth in current year population when compared to the certified population estimate as of July 1, 2023. Concord's most recent estimated population is 110,119 according the United States census estimates. Concord is the 10<sup>th</sup> largest city in North Carolina.
- In May of 2024, City Council adopted a new Strategic Plan for Concord. The Strategic Plan lays out the City's vision, mission, goals, and key strategies for how we'll get there. The Council's six Strategic Plan goals were key in putting together the FY2026 budget. Even though some of the work the City does every day might not directly link to these Goals, leadership was deliberate in making funding decisions for large capital projects and budgetary expansions that align with a strategic goal. These goals provide a helpful framework for understanding next year's budget plan.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2026. The amount of unassigned fund balance in the general fund is \$74,202,397 as of July 1, 2025. Concord has no appropriation from fund balance for the 2026 fiscal year.

The tax base used in the fiscal year 2026 budget preparation represents an estimated 6.8% increase in real property values from fiscal year 2025 projections. The increase is a result of a continued development and growth in the city. One cent on the City's tax rate produces \$2.4 million in revenue, after the City's estimated collection rate is applied. The fiscal year 2026 budget maintains the tax rate at \$0.4200 per \$100 property valuation.

At the core of the FY 2026 budget is a drive for efficiency. Throughout the FY 2026 process, departments scrutinized every area, seeking opportunities to streamline operations and ensure the community's tax dollars go further. This year, leadership made tough decisions, allowing the City to maintain the current tax rate while still delivering essential services.

The City remains committed to encouraging economic vitality through business expansion and the creation of quality jobs for our residents. A recent example of this is Eli Lilly's significant investment in our community. Concord continues to be recognized as a favorable environment for both large corporations and small businesses alike.

Downtown Concord is experiencing a transformation, and the recent completion of the streetscape revitalization project marks a significant milestone. The refreshed downtown branding, incorporating the new residential development, alongside new corporate offices and diverse retail tenants, was celebrated with a successful Streetscape Grand Opening Block Party in May 2025. This revitalized public space is already proving to be a strong draw, attracting new businesses and further enhancing the area's appeal and vibrancy.

This year, we are strengthening our commitment to public safety by adding four new dedicated police officers assigned to the Downtown area, enhancing safety and security in the heart of Concord. In FY 2026, the City will begin the design process for a new Fire Station on Flowes Store Road. This new Station 13 will expand fire service to several areas currently outside of the preferred response radius.

Concord is strategically investing in key capital projects to maintain, modernize, and expand our essential infrastructure systems. An important component of our City's long-term sustainability includes proactively evaluating our existing facilities for potential reuse and/or repurpose. In FY26,

the City will redesign the current, outgrown Fleet Management Facility to meet the needs of our Radio Shop. Our commitment to sustainable infrastructure also includes vital stormwater upgrades, necessary water infrastructure additions, critical sewer improvements, and continued expansion of our electric system to meet the needs of our growing City. Funding is proposed in the FY26 Budget to continue implementing our utilities' Master Plans. The City will use a mix of funding sources to pay for these projects, including reserves and operating revenues.

Council continues to place a priority on dedicated funding for the maintenance of City-owned streets. The FY 2026 budget designates \$4.4 million for projects within the Transportation Improvement Fund. The primary focus of these dedicated monies is to fund roadway projects and will be supplemented by dollars generated from local vehicle license fees. A portion of this funding is specifically set aside for the replacement of concrete streets. The proposed budget also includes \$3.7 million for street resurfacing.

At Concord-Padgett Regional Airport, the City is enhancing connectivity through the rehabilitation of critical aprons and taxiways around the airport, including the apron at the Commercial Service Terminal. Doing so will support the growth of commercial air service with additional flights with Avelo Airlines.

The growing gap in housing affordability continues to be a significant concern and Council prioritizes the creation of affordable options. The FY 2026 budget will continue to dedicate funding for affordable housing and partner with WeBuild Concord and other private organizations. The FY 2026 budget again appropriates \$1.8 million for this purpose. Concord will also continue to support the operations of our Public Housing department beyond their federal funding allotments to ensure the department has the necessary resources to provide decent and safe housing.

Concord is developing into a regional destination known for its distinctive parks and attractions, strong neighborhoods, and vibrant downtown. City staff are working with federal agencies, key community partners, and other non-profits to advance the McGill Reuse Project. This project will allow residents to become entrepreneurs within the food and beverage industry, while also addressing food access needs in the Gibson Village community.

Ensuring our Parks & Recreation department has the necessary resources to make progress towards the goal of 30 miles of greenway by 2030 remains an important Council priority. The FY 2026 budget sets aside \$1.8 million for the Parks & Recreation reserve. Dorton Park successfully reopened in March 2025 and work on many of the remaining Phase I of the \$60 million Parks & Recreation general obligation bond projects is currently underway. Staff have worked diligently to be good stewards of bond funds, refining our projects to ensure that our dollars go as far as possible. Encouragingly, bid openings for the new J.E. 'Jim' Ramseur Park in March came in lower than initial estimates. Construction began in summer 2025. These cost savings will help ensure that all park projects within the scope of the voter-approved GO Bonds will be addressed.

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 2026. Below is a list of personnel decisions over the past five years as well as the 2025/26 adoption.

**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.

**FY23/24:** Merit adjustments are available on the evaluation date from 1% to 4% based on evaluation ratings, a 3% market adjustment will be provided to all employees effective July 10, 2023, and a 1.5% career development increase is available to all employees who complete their career development plan.

**FY24/25:** Merit adjustments are available on the evaluation date from 1% to 4% based on evaluation ratings, a 3% market adjustment will be provided to all employees effective July 8, 2024, and a 1.5% career development increase is available to all employees who complete their career development plan.

**FY25/26:** Merit adjustments are available on the evaluation date from 1% to 4% based on evaluation ratings, a 3% market adjustment will be provided to all employees effective July 7, 2025, 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, 2025**

**Exhibit A**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Concord ABC Board	WeBuild Concord
<b>ASSETS</b>					
Cash and investments	\$ 146,024,329	\$ 270,061,571	\$ 416,085,900	\$ 5,713,172	\$ 4,905,032
Receivables, net	17,289,937	30,553,559	47,843,496	-	134
Internal balances	3,715,886	(3,715,886)	-	-	-
Inventories	249,168	11,642,763	11,891,931	5,603,936	7,199,992
Prepaid expenses	136,409	84,759	221,168	140,400	304
Restricted assets - cash and investments	77,953,944	28,511,928	106,465,872	-	2,005,643
Net OPEB asset	-	209,923	209,923	-	-
Lease receivable	135,404	9,163,350	9,298,754	-	-
Capital assets:					
Non-depreciable	83,581,492	136,516,003	220,097,495	5,825,965	837,517
Depreciable, net	553,726,875	381,360,726	935,087,601	8,238,104	2,344,834
Right to use assets, net of amortization	127,810	380,828	508,638	939,994	-
Total assets	<u>882,941,254</u>	<u>864,769,524</u>	<u>1,747,710,778</u>	<u>26,461,571</u>	<u>17,293,456</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan (LGERS)	19,678,349	9,980,053	29,658,402	538,692	-
Pension plan (LEOSSA)	2,032,330	-	2,032,330	-	-
OPEB deferrals	3,565,137	1,808,093	5,373,230	-	-
Deferred charge on refunding	72,037	1,543,643	1,615,680	-	-
Total deferred outflows of resources	<u>25,347,853</u>	<u>13,331,789</u>	<u>38,679,642</u>	<u>538,692</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	17,664,098	15,099,640	32,763,738	1,420,180	2,030,584
Accrued interest payable	-	171,539	171,539	-	-
Advance from grantors	171,318	8,420,949	8,592,267	-	-
Unearned revenues	13,278	-	13,278	-	-
Deposits payable from restricted resources	4,936,742	4,391,887	9,328,629	-	-
Non-current liabilities:					
Due within one year:					
Total pension liability (LEOSSA)	546,773	-	546,773	-	-
Long-term debt	10,088,006	5,022,926	15,110,932	-	-
Installment purchases	873,729	789,734	1,663,463	-	-
Lease liability	33,444	113,041	146,485	165,990	-
Subscription liability	24,550	36,209	60,759	-	-
Due in more than one year:					
Net pension liability (LGERS)	36,109,807	18,313,414	54,423,221	972,255	-
Total pension liability (LEOSSA)	10,094,554	-	10,094,554	-	-
Net OPEB Liability	28,175,193	3,692,660	31,867,853	-	-
Long-term debt	78,608,381	49,425,066	128,033,447	-	-
Long-term installment purchases	3,412,227	2,360,107	5,772,334	-	-
Lease liability	13,571	116,162	129,733	864,948	-
Subscription liability	51,336	78,445	129,781	-	-
Total liabilities	<u>190,817,007</u>	<u>108,031,779</u>	<u>298,848,786</u>	<u>3,423,373</u>	<u>2,030,584</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals (LGERS)	661,688	335,581	997,269	32,933	-
Pension deferrals (LEOSSA)	1,543,161	-	1,543,161	-	-
OPEB Deferrals	3,871,543	1,963,488	5,835,031	-	-
Leases	122,735	9,003,535	9,126,270	-	-
Prepaid taxes	35,116	-	35,116	-	-
Total deferred inflows of resources	<u>6,234,243</u>	<u>11,302,604</u>	<u>17,536,847</u>	<u>32,933</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	613,295,266	482,681,474	1,095,976,740	13,973,125	-
Restricted for:					
Streets	4,167,887	-	4,167,887	-	-
Stabilization by State Statute	20,625,832	-	20,625,832	-	-
Other	2,603,039	-	2,603,039	4,616,281	-
Unrestricted	70,545,833	276,085,456	346,631,289	4,954,551	15,262,872
Total net position	<u>\$ 711,237,857</u>	<u>\$ 758,766,930</u>	<u>\$ 1,470,004,787</u>	<u>\$ 23,543,957</u>	<u>\$ 15,262,872</u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

**Exhibit B**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and	Capital Grants and	Primary Government		Total	Concord ABC Board	WeBuild Concord
					Governmental Activities	Business-type Activities			
Primary Government:									
Governmental activities:									
General government	\$ 13,402,218	\$ 2,289,392	\$ -	\$ -	\$ (11,112,826)	\$ -	\$ (11,112,826)	\$ -	\$ -
Public safety	77,037,749	2,079,963	2,541,127	-	(72,416,659)	-	(72,416,659)	-	-
Public works	42,200,724	4,251,479	4,657,644	70,004,053	36,712,452	-	36,712,452	-	-
Cultural and recreational	11,880,683	571,850	-	314,614	(10,994,219)	-	(10,994,219)	-	-
Planning and community development	16,250,697	136,506	10,169,588	-	(5,944,603)	-	(5,944,603)	-	-
Administration	5,078,069	-	-	-	(5,078,069)	-	(5,078,069)	-	-
Housing assistance payments	5,386,152	177,327	5,804,534	-	595,709	-	595,709	-	-
Rehabilitation	1,223,755	287,681	1,306,944	-	370,870	-	370,870	-	-
Interest expense	2,757,446	-	-	-	(2,757,446)	-	(2,757,446)	-	-
Total governmental activities	175,217,493	9,794,198	24,479,837	70,318,667	(70,624,791)	-	(70,624,791)	-	-
Business-type activities:									
Electric	85,592,888	105,177,277	-	-	-	19,584,389	19,584,389	-	-
Water	36,223,251	31,383,906	-	9,436,564	-	4,597,219	4,597,219	-	-
Wastewater	26,481,321	22,828,810	-	5,907,040	-	2,254,529	2,254,529	-	-
Regional airport	20,743,633	15,904,552	-	2,608,888	-	(2,230,193)	(2,230,193)	-	-
Stormwater	7,306,243	5,906,071	-	-	-	(1,400,172)	(1,400,172)	-	-
Transit	8,504,853	236,571	7,139,533	-	-	(1,128,749)	(1,128,749)	-	-
Golf course	3,417,180	3,900,403	-	-	-	483,223	483,223	-	-
Housing	2,340,509	514,362	1,615,131	-	-	(211,016)	(211,016)	-	-
Total business-type activities	190,609,878	185,851,952	8,754,664	17,952,492	-	21,949,230	21,949,230	-	-
Total primary government	\$ 365,827,371	\$ 195,646,150	\$ 33,234,501	\$ 88,271,159	\$ (70,624,791)	\$ 21,949,230	\$ (48,675,561)	\$ -	\$ -
Component units:									
Concord ABC Board	\$ 30,622,087	\$ 32,490,400						\$ 1,868,313	
WeBuild Concord	994,474	2,820,708							\$ 1,826,234
	\$ 31,616,561	\$ 35,311,108							
Taxes:									
Ad valorem					100,590,696	-	100,590,696	-	-
Local government sales tax					31,564,759	-	31,564,759	-	-
Grants and contributions not restricted to specific programs:									
Grants					7,535,091	-	7,535,091	-	-
Investment earnings					10,776,399	14,394,342	25,170,741	-	-
Gain on sale of capital assets					141,502	91,397	232,899	-	-
Miscellaneous					5,775,346	1,106,806	6,882,152	68,952	-
Transfers					(2,295,108)	2,295,108	-	-	-
Total general revenues and transfers					154,088,685	17,887,653	171,976,338	68,952	-
Change in net position					83,463,894	39,836,883	123,300,777	1,937,265	1,826,234
Net position - beginning, as previously reported					642,426,745	723,185,507	1,365,612,252	21,606,692	13,436,638
Restatements					(14,652,782)	(4,255,460)	(18,908,242)	-	-
Net position - beginning as restated					627,773,963	718,930,047	1,346,704,010	21,606,692	13,436,638
Net position - ending					\$ 711,237,857	\$ 758,766,930	\$ 1,470,004,787	\$ 23,543,957	\$ 15,262,872

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2025**

**Exhibit C**

	General Fund	General Fund Capital Reserve	General Fund Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 88,213,814	\$ -	\$ 19,168,447	\$ 38,642,068	\$ 146,024,329
Receivables:					
Ad valorem taxes, net	1,126,975	-	-	34,524	1,161,499
Due from other governmental agencies	1,886,833	-	14,524	1,321,554	3,222,911
Sales tax refunds	2,601,524	-	-	-	2,601,524
Interest	569,785	113,844	123,610	234,667	1,041,906
Due from other funds	3,732,466	-	-	-	3,732,466
Other, net	9,261,524	-	-	573	9,262,097
Lease receivable	135,404	-	-	-	135,404
Inventories	249,168	-	-	-	249,168
Prepaid items	128,812	-	117	7,480	136,409
Restricted assets - cash and investments	9,158,172	18,788,067	10,466,038	39,541,667	77,953,944
Total assets	<u>\$ 117,064,477</u>	<u>\$ 18,901,911</u>	<u>\$ 29,772,736</u>	<u>\$ 79,782,533</u>	<u>\$ 245,521,657</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 10,098,818	\$ -	\$ 3,983,798	\$ 1,716,797	\$ 15,799,413
Advance from grantors	63,643	-	-	107,675	171,318
Due to other funds	-	-	-	16,580	16,580
Unearned revenues	11,377	-	-	1,901	13,278
Deposits payable from restricted assets	4,926,642	-	-	10,100	4,936,742
Total liabilities	<u>15,100,480</u>	<u>-</u>	<u>3,983,798</u>	<u>1,853,053</u>	<u>20,937,331</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes receivable	1,126,975	-	-	34,524	1,161,499
Leases	122,735	-	-	-	122,735
Prepaid taxes	35,083	-	-	33	35,116
Total deferred inflows of resources	<u>1,284,793</u>	<u>-</u>	<u>-</u>	<u>34,557</u>	<u>1,319,350</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable					
Inventories	249,168	-	-	-	249,168
Prepays	128,812	-	117	7,480	136,409
Leases	12,669	-	-	-	12,669
Restricted					
Stabilization by State Statute	20,619,172	-	-	6,660	20,625,832
Transportation	4,167,887	-	-	-	4,167,887
Public safety	1,299,099	-	-	-	1,299,099
Planning and community development	-	-	-	1,303,940	1,303,940
Future capital purchases	-	-	10,465,533	38,796,644	49,262,177
Committed					
Future capital purchases	-	18,901,911	15,323,288	35,111,973	69,337,172
Future debt service	-	-	-	2,181,976	2,181,976
Planning and community development	-	-	-	486,320	486,320
Unassigned	74,202,397	-	-	(70)	74,202,327
Total fund balances (deficits)	<u>100,679,204</u>	<u>18,901,911</u>	<u>25,788,938</u>	<u>77,894,923</u>	<u>223,264,976</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 117,064,477</u>	<u>\$ 18,901,911</u>	<u>\$ 29,772,736</u>	<u>\$ 79,782,533</u>	<u>\$ 245,521,657</u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION**  
**June 30, 2025**

**Exhibit D**

Fund balances of governmental funds		\$ 223,264,976
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	1,214,726,270	
Less accumulated depreciation	<u>(577,417,903)</u>	637,308,367
Right to use asset at historical cost	161,289	
Accumulated amortization	<u>(122,267)</u>	39,022
Subscription asset	143,419	
Accumulated amortization	<u>(54,631)</u>	88,788
Deferred outflows of resources related to pensions (LGERS) are not reported in the governmental funds		19,678,349
Deferred outflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		2,032,330
Deferred outflows of resources related to OPEB are not reported in the governmental funds		3,565,137
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	(62,844,250)	
Governmental installment purchases	(4,285,956)	
Leases	(47,015)	
Total pension liability (LEOSSA)	(10,641,327)	
Net pension liability (LGERS)	(36,109,807)	
Net OPEB liability	(28,175,193)	
Long-term compensated absences	(20,568,471)	
Subscription payable	<u>(75,886)</u>	(162,747,905)
Deferred charge on refunding	229,502	
Less accumulated amortization	<u>(157,465)</u>	72,037
Bond premium	(6,764,087)	
Less accumulated amortization	<u>1,480,421</u>	(5,283,666)
Arbitrage rebate liability		(1,205,811)
Deferred inflows of resources related to pensions (LGERS) are not reported in the governmental funds		(661,688)
Deferred inflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		(1,543,161)
Deferred inflows of resources related to OPEB are not reported in the governmental funds		(3,871,543)
Costs of health claims not accrued in the governmental fund statements		(528,810)
Costs of workers' compensation claims reserves not accrued in the governmental fund statements		(130,064)
Earned revenues considered deferred inflows of resources in fund statements		1,161,499
Net position of governmental activities		<u><u>\$ 711,237,857</u></u>
See Notes to Financial Statements		



**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit E**

	General Fund	General Fund Capital Reserve	General Fund Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Ad valorem taxes	\$ 100,177,189	\$ -	\$ -	\$ 227,135	\$ 100,404,324
Other taxes	31,564,759	-	-	-	31,564,759
Unrestricted intergovernmental revenues	7,520,568	-	-	-	7,520,568
Restricted intergovernmental revenues	8,648,331	-	14,524	17,652,383	26,315,238
Licenses and permits	2,548,624	-	-	-	2,548,624
Investment earnings	4,143,776	866,394	2,050,219	1,789,805	8,850,194
Investment earnings, restricted	163,343	-	-	1,885,507	2,048,850
Program income	-	-	-	1,050,421	1,050,421
Other revenues	10,121,104	-	-	277,191	10,398,295
Total revenues	<u>164,887,694</u>	<u>866,394</u>	<u>2,064,743</u>	<u>22,882,442</u>	<u>190,701,273</u>
<b>EXPENDITURES</b>					
General government	11,044,576	-	-	39,843	11,084,419
Public safety	71,599,774	-	-	-	71,599,774
Public works	21,066,607	-	-	-	21,066,607
Cultural and recreational	9,476,710	-	-	-	9,476,710
Planning and community development	3,964,187	-	-	12,300,665	16,264,852
Administration	-	-	787,067	4,291,002	5,078,069
Housing assistance payments	-	-	-	5,386,152	5,386,152
Rehabilitation	-	-	-	1,223,755	1,223,755
Capital outlay	10,297,046	-	24,282,413	7,919,045	42,498,504
Debt service:					
Principal	260,382	-	1,984,650	2,720,000	4,965,032
Interest expense	16,652	-	1,059,629	2,024,768	3,101,049
Total expenditures	<u>127,725,934</u>	<u>-</u>	<u>28,113,759</u>	<u>35,905,230</u>	<u>191,744,923</u>
Excess (deficiency) of revenues over expenditures	<u>37,161,760</u>	<u>866,394</u>	<u>(26,049,016)</u>	<u>(13,022,788)</u>	<u>(1,043,650)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	141,502	-	-	-	141,502
Subscription liability issued	92,555	-	-	-	92,555
Issuance of debt	-	-	11,770,000	-	11,770,000
Premium on issuance of debt	-	-	1,093,560	-	1,093,560
Transfers from other funds	821,431	800,000	5,081,661	19,916,850	26,619,942
Transfers to other funds	(23,603,443)	-	-	(5,311,606)	(28,915,049)
Total other financing sources (uses)	<u>(22,547,955)</u>	<u>800,000</u>	<u>17,945,221</u>	<u>14,605,244</u>	<u>10,802,510</u>
Net change in fund balances	14,613,805	1,666,394	(8,103,795)	1,582,456	9,758,860
Fund balances - beginning, as previously presented	86,065,399	17,235,517	-	110,205,200	213,506,116
Adjustments	-	-	33,892,733	(33,892,733)	-
Fund balances - beginning, as adjusted	86,065,399	17,235,517	33,892,733	76,312,467	213,506,116
Fund balances - ending	<u>\$ 100,679,204</u>	<u>\$ 18,901,911</u>	<u>\$ 25,788,938</u>	<u>\$ 77,894,923</u>	<u>\$ 223,264,976</u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2025**

**Exhibit F**

Net change in fund balances - total government funds \$ 9,758,860

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

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	42,405,949	
Capital contributions	69,947,349	
Current year's depreciation	<u>(26,940,255)</u>	85,413,043
Amortization expense for intangible assets	<u>(31,217)</u>	(31,217)
Subscription asset capital outlay expenditures which were capitalized	92,555	
Amortization expense for software subscription assets	<u>(36,751)</u>	55,804

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	(12,863,560)	
Principal payments	4,965,032	
Premium	<u>343,603</u>	(7,554,925)
Principal payments on lease payable	<u>32,275</u>	32,275
New suscriptions payable issued	(92,555)	
Principal payments on subscriptions payable	<u>31,082</u>	(61,473)

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	(16,008)	
Change in law enforcement officers special separation allowance and related deferred inflows and deferred outflows	(653,603)	
Change in OPEB liability and related deferred inflows and deferred outflows	350,907	
Change in pension liability (LGERS) and related deferred inflows and deferred outflows	(2,162,241)	
Change in arbitrage rebate liability	(1,205,811)	
Change in long-term compensated absences	<u>246,605</u>	(3,440,151)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)

Costs of health claims paid in the governmental fund statements (68,533)

Costs of workers' compensation claims not accrued in the governmental fund statements 85,996

Basis of property disposed of during the year (912,157)

Change in net position of governmental activities \$ 83,463,894

See Notes to Financial Statements

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## GENERAL FUND

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes:				
Current year	\$ 96,407,770	\$ 98,257,770	\$ 99,612,479	\$ 1,354,709
Prior years	308,000	308,000	303,012	(4,988)
Penalties and interest	200,000	200,000	261,698	61,698
	96,915,770	98,765,770	100,177,189	1,411,419
Other taxes:				
Local government sales tax	29,778,739	30,083,739	31,564,759	1,481,020
	29,778,739	30,083,739	31,564,759	1,481,020
Unrestricted intergovernmental revenues:				
Officers' fees	25,191	25,191	19,655	(5,536)
Utilities sales tax	5,858,658	6,608,658	7,048,751	440,093
Beer and wine tax	490,530	452,162	452,162	-
	6,374,379	7,086,011	7,520,568	434,557
Restricted intergovernmental revenues:				
State Street-Aid allocations	3,346,146	3,716,466	3,716,466	-
Cabarrus County schools	1,297,732	1,572,204	1,572,205	1
Transportation (federal, state and local)	445,632	445,632	386,857	(58,775)
On-behalf of payments - Fire and Rescue	-	-	49,700	49,700
Other restricted intergovernmental revenues	830,515	3,264,422	2,923,103	(341,319)
	5,920,025	8,998,724	8,648,331	(350,393)
Licenses and permits:				
Vehicle licenses	1,990,000	2,040,000	2,145,692	105,692
Zoning permits	260,000	260,000	358,465	98,465
Fire permits and inspections	181,175	181,175	259,232	78,057
Business registration fee	-	-	5,270	5,270
Other	9,615	9,615	(220,035)	(229,650)
	2,440,790	2,490,790	2,548,624	57,834
Investment earnings	2,500,000	3,000,000	4,143,776	1,143,776
Investment earnings restricted	-	63,093	163,343	100,250
	2,500,000	3,063,093	4,307,119	1,244,026
Other general revenues:				
Public safety	186,629	241,629	248,526	6,897
Environmental protection	3,421,779	3,491,538	3,802,572	311,034
Miscellaneous	1,454,684	5,339,479	5,498,156	158,677
Recreational	489,084	533,084	571,850	38,766
	5,552,176	9,605,730	10,121,104	515,374
Total revenues	149,481,879	160,093,857	164,887,694	4,793,837

Continued

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>EXPENDITURES</b>				
General government:				
Governing body:				
Salaries and employee benefits	163,677	189,677	189,462	215
Professional services	78,900	78,900	64,689	14,211
Operating expenditures	182,365	182,365	148,056	34,309
Cost allocations	(240,420)	(240,420)	(230,596)	(9,824)
	184,522	210,522	171,611	38,911
City Manager's Office:				
Salaries and employee benefits	1,755,637	1,660,538	1,665,323	(4,785)
Professional services	261,507	161,507	95,598	65,909
Operating expenditures	118,823	123,923	107,223	16,700
Capital outlay	-	-	55,822	(55,822)
Cost allocations	(850,114)	(850,114)	(775,259)	(74,855)
	1,285,853	1,095,854	1,148,707	(52,853)
Public Service Administration department:				
Salaries and employee benefits	276,327	289,827	288,525	1,302
Professional services	216	9,216	11,055	(1,839)
Operating expenditures	428,851	431,517	382,323	49,194
Cost allocations	(474,713)	(474,713)	(465,407)	(9,306)
	230,681	255,847	216,496	39,351
Finance department:				
Salaries and employee benefits	1,781,376	1,841,376	1,833,382	7,994
Professional services	45,972	45,972	34,949	11,023
Operating expenditures	243,170	272,309	259,725	12,584
Capital outlay	-	-	36,733	(36,733)
Cost allocations	(1,130,627)	(1,880,627)	(1,988,336)	107,709
	939,891	279,030	176,453	102,577
Tax department:				
Salaries and employee benefits	125,739	129,739	129,917	(178)
Professional services	509	509	-	509
Operating expenditures	311,264	261,571	236,228	25,343
Cost allocations	169	169	175	(6)
	437,681	391,988	366,320	25,668
Legal department:				
Salaries and employee benefits	1,005,346	1,085,346	1,087,104	(1,758)
Professional services	75,000	75,000	69,527	5,473
Operating expenditures	46,458	50,914	49,573	1,341
Cost allocations	(584,749)	(584,749)	(622,254)	37,505
	542,055	626,511	583,950	42,561

Continued

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Information technology				
Salaries and employee benefits	2,431,411	2,476,411	2,467,832	8,579
Professional services	250,410	250,410	217,164	33,246
Operating expenditures	1,855,766	2,239,746	1,994,540	245,206
Capital outlay	348,122	80,845	181,804	(100,959)
Cost allocations	(1,632,134)	(1,632,134)	(1,682,389)	50,255
	<u>3,253,575</u>	<u>3,415,278</u>	<u>3,178,951</u>	<u>236,327</u>
Human resources:				
Salaries and employee benefits	1,701,877	1,882,877	1,869,081	13,796
Professional services	356,877	556,877	493,446	63,431
Operating expenditures	374,206	306,381	245,630	60,751
Cost allocations	(782,728)	(782,728)	(893,281)	110,553
	<u>1,650,232</u>	<u>1,963,407</u>	<u>1,714,876</u>	<u>248,531</u>
Wellness center:				
Professional services	488,109	488,109	263,731	224,378
Operating expenditures	18,042	19,114	13,673	5,441
Cost allocations	(167,689)	(167,689)	(90,074)	(77,615)
	<u>338,462</u>	<u>339,534</u>	<u>187,330</u>	<u>152,204</u>
Nondepartmental:				
Professional services	75,050	37,050	34,612	2,438
Operating expenditures	2,953,478	7,256,458	2,622,304	4,634,154
Outside agencies	110,500	134,885	135,148	(263)
Capital outlay	-	7,540	7,540	
Cost allocations	818,851	818,851	782,177	36,674
	<u>3,957,879</u>	<u>8,254,784</u>	<u>3,581,781</u>	<u>4,673,003</u>
Total general government	<u>12,820,831</u>	<u>16,832,755</u>	<u>11,326,475</u>	<u>5,506,280</u>
Public safety:				
Police department:				
Salaries and employee benefits	24,201,535	24,526,535	24,479,434	47,101
Professional services	187,679	187,679	219,510	(31,831)
Operating expenditures	5,462,546	5,685,091	4,321,010	1,364,081
Capital outlay	1,176,000	1,241,918	2,078,105	(836,187)
Cost allocations	504,552	504,552	485,278	19,274
	<u>31,532,312</u>	<u>32,145,775</u>	<u>31,583,337</u>	<u>562,438</u>
Communications:				
Salaries and employee benefits	2,483,097	2,325,336	2,279,019	46,317
Professional services	86,863	86,863	15,103	71,760
Operating expenditures	954,683	962,667	845,916	116,751
Cost allocations	(44,714)	(144,714)	(161,343)	16,629
	<u>3,479,929</u>	<u>3,230,152</u>	<u>2,978,695</u>	<u>251,457</u>

Continued

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## GENERAL FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Fire department:				
Salaries and employee benefits	31,261,501	31,991,501	31,947,046	44,455
Professional services	264,055	264,055	232,945	31,110
Operating expenditures	4,419,761	4,488,723	4,203,225	285,498
Capital outlay	7,146,024	6,845,696	5,669,494	1,176,202
Debt service	277,034	277,034	277,034	-
Cost allocations	764,779	764,779	737,851	26,928
	<u>44,133,154</u>	<u>44,631,788</u>	<u>43,067,595</u>	<u>1,564,193</u>
Code enforcement:				
Salaries and employee benefits	1,004,902	1,074,902	1,072,065	2,837
Professional services	1,726	1,726	1,906	(180)
Operating expenditures	268,920	241,453	163,454	77,999
Capital outlay	50,000	50,000	-	50,000
Cost allocations	1,641	1,641	1,750	(109)
	<u>1,327,189</u>	<u>1,369,722</u>	<u>1,239,175</u>	<u>130,547</u>
Emergency management:				
Salaries and employee benefits	168,246	181,096	181,388	(292)
Professional services	32,327	32,327	26,127	6,200
Operating expenditures	57,587	46,497	37,673	8,824
Cost allocations	(50,767)	(50,767)	(49,008)	(1,759)
	<u>207,393</u>	<u>209,153</u>	<u>196,180</u>	<u>12,973</u>
Radio shop:				
Salaries and employee benefits	632,361	647,361	642,296	5,065
Professional services	13,246	13,246	8,337	4,909
Operating expenditures	136,847	137,726	108,955	28,771
Capital outlay	48,535	48,535	38,735	9,800
Cost allocations	(203,073)	(203,073)	(200,163)	(2,910)
	<u>627,916</u>	<u>643,795</u>	<u>598,160</u>	<u>45,635</u>
Total Public safety	<u>81,307,893</u>	<u>82,230,385</u>	<u>79,663,142</u>	<u>2,567,243</u>
Public works:				
Traffic services:				
Salaries and employee benefits	487,272	522,272	525,147	(2,875)
Professional services	16,295	16,295	2,969	13,326
Operating expenditures	283,810	310,143	261,362	48,781
Capital outlay	62,115	62,115	73,147	(11,032)
Cost allocations	4,890	4,890	5,208	(318)
	<u>854,382</u>	<u>915,715</u>	<u>867,833</u>	<u>47,882</u>

Continued

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Transportation signal:				
Salaries and employee benefits	982,206	1,032,206	1,025,886	6,320
Professional services	37,168	67,168	73,014	(5,846)
Operating expenditures	829,917	844,245	698,554	145,691
Capital outlay	35,000	35,000	27,500	7,500
Cost allocations	53,192	53,192	51,698	1,494
	<u>1,937,483</u>	<u>2,031,811</u>	<u>1,876,652</u>	<u>155,159</u>
Transportation:				
Salaries and employee benefits	3,633,328	3,743,328	3,727,703	15,625
Professional services	77,811	47,811	14,108	33,703
Operating expenditures	4,488,427	4,086,992	3,758,944	328,048
Capital outlay	859,776	916,776	846,437	70,339
Cost allocations	421,346	421,346	424,759	(3,413)
	<u>9,480,688</u>	<u>9,216,253</u>	<u>8,771,951</u>	<u>444,302</u>
Fleet services:				
Salaries and employee benefits	1,597,065	1,597,065	1,575,816	21,249
Professional services	432	432	476	(44)
Operating expenditures	4,188,535	4,841,864	4,238,783	603,081
Capital outlay	-	7,540	7,540	-
Cost allocations	(5,704,429)	(5,704,429)	(4,791,881)	(912,548)
	<u>81,603</u>	<u>742,472</u>	<u>1,030,734</u>	<u>(288,262)</u>
Solid waste and recycling:				
Salaries and employee benefits	5,638,080	5,554,321	5,511,378	42,943
Professional services	71,693	71,693	42,857	28,836
Operating expenditures	3,061,461	3,114,011	2,850,088	263,923
Capital outlay	1,221,746	1,221,746	1,008,635	213,111
Cost allocations	295,410	295,410	300,950	(5,540)
	<u>10,288,390</u>	<u>10,257,181</u>	<u>9,713,908</u>	<u>543,273</u>
Cemetery:				
Salaries and employee benefits	686,584	596,455	587,121	9,334
Professional services	43,121	38,121	27,363	10,758
Operating expenditures	160,818	156,547	137,235	19,312
Capital outlay	84,086	69,086	54,716	14,370
Cost allocations	17,628	17,628	17,069	559
	<u>992,237</u>	<u>877,837</u>	<u>823,504</u>	<u>54,333</u>
Total Public works	<u>23,634,783</u>	<u>24,041,269</u>	<u>23,084,582</u>	<u>956,687</u>

Continued

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

## GENERAL FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	3,383,386	3,244,678	3,148,141	96,537
Professional services	1,006,649	1,056,649	829,224	227,425
Operating expenditures	2,335,533	2,343,736	2,009,636	334,100
Capital outlay	136,627	136,627	174,915	(38,288)
Cost allocations	3,613,609	3,613,609	3,489,709	123,900
	<u>10,475,804</u>	<u>10,395,299</u>	<u>9,651,625</u>	<u>743,674</u>
Total Cultural and recreational	<u>10,475,804</u>	<u>10,395,299</u>	<u>9,651,625</u>	<u>743,674</u>
Planning and community development:				
Planning department:				
Salaries and employee benefits	2,438,052	2,428,052	2,413,403	14,649
Professional services	587,826	587,826	508,896	78,930
Operating expenditures	693,600	851,828	763,035	88,793
Capital outlay	74,751	40,967	35,923	5,044
Cost allocations	286,138	286,138	278,853	7,285
	<u>4,080,367</u>	<u>4,194,811</u>	<u>4,000,110</u>	<u>194,701</u>
Total Planning and community development	<u>4,080,367</u>	<u>4,194,811</u>	<u>4,000,110</u>	<u>194,701</u>
Total expenditures	<u>132,319,678</u>	<u>137,694,519</u>	<u>127,725,934</u>	<u>9,968,585</u>
Excess (deficiency) of revenues over expenditures	<u>17,162,201</u>	<u>22,399,338</u>	<u>37,161,760</u>	<u>14,762,422</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(21,714,077)	(23,965,173)	(23,603,443)	361,730
Transfers from other funds	821,431	821,431	821,431	-
Subscription liability issued	-	-	92,555	92,555
Sale of capital assets	-	130,000	141,502	11,502
Fund balance appropriated	3,730,445	614,404	-	(614,404)
Total other financing sources (uses)	<u>(17,162,201)</u>	<u>(22,399,338)</u>	<u>(22,547,955)</u>	<u>(148,617)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>14,613,805</u>	<u>\$ 14,613,805</u>
Fund balances - beginning			86,065,399	
Fund balances - ending			<u>\$ 100,679,204</u>	

See Notes to Financial Statements



**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2025**

**Exhibit H**

	Major Enterprise Funds							Business-type Activities	
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Transit Fund	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Fund
<b>ASSETS</b>									
Current Assets									
Cash and investments	\$ 122,467,259	\$ 69,954,850	\$ 41,442,377	\$ 15,695,129	\$ 13,884,675	\$ -	\$ 6,566,964	\$ 270,011,254	\$ 50,317
Receivables:									
Accounts receivable, net	13,922,232	3,472,945	2,520,344	507,787	717,880	456,471	27,143	21,624,802	-
Due from other governmental agencies	-	60,384	-	1,335,432	-	5,739,387	27,360	7,162,563	-
Interest	823,636	444,947	253,598	156,807	86,220	-	986	1,766,194	-
Lease receivable	-	2,657,715	-	6,505,635	-	-	-	9,163,350	-
Inventories	9,966,489	1,235,877	90,948	103,174	17,193	-	224,035	11,637,716	5,047
Prepaid expenses	13,336	642	-	6,601	2,385	28,064	33,731	84,759	-
Total current assets	147,192,952	77,827,360	44,307,267	24,310,565	14,708,353	6,223,922	6,880,219	321,450,638	55,364
Noncurrent Assets									
Restricted assets - cash and investments	3,262,016	16,359,090	153,291	8,562,795	-	-	174,736	28,511,928	-
Net OPEB asset	80,637	72,888	34,223	-	22,175	-	-	209,923	-
Capital assets	246,698,303	241,357,728	167,093,293	142,900,406	70,913,224	15,342,235	14,884,421	899,189,610	9,952,767
Less accumulated depreciation	(108,284,583)	(104,217,494)	(77,148,550)	(55,184,781)	(32,286,429)	(5,052,244)	(3,844,177)	(386,018,258)	(4,866,562)
Total noncurrent assets	141,756,373	153,572,212	90,132,257	96,278,420	38,648,970	10,289,991	11,214,980	541,893,203	5,086,205
Total assets	288,949,325	231,399,572	134,439,524	120,588,985	53,357,323	16,513,913	18,095,199	863,343,841	5,141,569
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Pension deferrals (LGRS)	1,981,181	1,737,982	777,050	1,230,824	507,159	154,224	335,140	6,723,560	3,256,493
OPEB deferrals	358,932	314,871	140,779	222,989	91,882	27,941	60,718	1,218,112	589,981
Deferred charge on refunding	535,091	819,646	188,906	-	-	-	-	1,543,643	-
Total deferred outflows of resources	2,875,204	2,872,499	1,106,735	1,453,813	599,041	182,165	395,858	9,485,315	3,846,474
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable and accrued liabilities	7,189,892	2,710,885	1,753,086	1,166,887	84,533	575,516	1,096,642	14,577,441	522,199
Current portion of long-term debt	1,178,589	2,486,522	240,512	961,848	96,154	45,763	40,816	5,050,204	762,456
Current portion of lease liability	-	-	-	-	-	-	113,041	113,041	-
Current portion of subscription liability	-	9,550	-	26,659	-	-	-	36,209	-
Accrued interest	23,084	117,790	8,028	14,335	-	-	-	163,237	8,302
Advance from grantors	-	-	-	8,420,949	-	-	-	8,420,949	-
Due to other funds	-	-	-	-	-	3,715,886	-	3,715,886	-
Total current liabilities	8,391,565	5,324,747	2,001,626	10,590,678	180,687	4,337,165	1,250,499	32,076,967	1,292,957
Noncurrent liabilities:									
Net pension liability (LGRS)	3,635,471	3,189,201	1,425,888	2,258,564	930,637	283,001	614,982	12,337,744	5,975,670
Net OPEB liability	-	-	-	1,747,497	-	215,065	516,267	2,478,829	1,213,831
Long-term debt due after one year	8,008,482	34,161,948	2,500,719	2,781,490	235,410	112,041	99,930	47,900,020	3,885,153
Long-term lease liability due after one year	-	-	-	-	-	-	116,162	116,162	-
Long-term subscription liability due after one year	-	20,030	-	58,415	-	-	-	78,445	-
Deposits payable from restricted assets	3,129,153	993,218	88,031	141,846	-	-	39,639	4,391,887	-
Total noncurrent liabilities	14,773,106	38,364,397	4,014,638	6,987,812	1,166,047	610,107	1,386,980	67,303,087	11,074,654
Total liabilities	23,164,671	43,689,144	6,016,264	17,578,490	1,346,734	4,947,272	2,637,479	99,380,054	12,367,611
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Pension deferrals (LGRS)	66,618	58,440	26,128	41,387	17,053	5,186	11,269	226,081	109,500
OPEB deferrals	389,780	341,933	152,878	242,154	99,779	30,342	65,936	1,322,802	640,686
Leases	-	2,396,263	-	6,607,272	-	-	-	9,003,535	-
Total deferred inflows of resources	456,398	2,796,636	179,006	6,890,813	116,832	35,528	77,205	10,552,418	750,186
<b>NET POSITION</b>									
Net investment in capital assets	131,615,671	117,092,156	87,665,552	84,407,842	38,626,793	10,289,991	10,784,164	480,482,169	2,199,305
Unrestricted	136,587,789	70,694,135	41,685,437	13,165,653	13,866,005	1,423,287	4,992,209	282,414,515	(6,329,059)
Total net position	\$ 268,203,460	\$ 187,786,291	\$ 129,350,989	\$ 97,573,495	\$ 52,492,798	\$ 11,713,278	\$ 15,776,373	762,896,684	\$ (4,129,754)

Adjustment to reflect the consolidation of internal service fund activites related to enterprise funds

Net position of business-type activities

(4,129,754)

\$ 758,766,930

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2025**

**Exhibit I**

	Major Enterprise Funds						Total Nonmajor Funds	Total Enterprise Funds	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Transit Fund			
<b>OPERATING REVENUES</b>									
Charges for services	\$ 102,879,138	\$ 28,979,481	\$ 20,187,986	\$ 15,773,762	\$ 5,876,410	\$ 236,571	\$ 2,985,295	\$ 176,918,643	\$ 18,134,233
Other operating revenues	2,298,139	2,404,425	2,640,824	130,790	29,661	-	1,429,470	8,933,309	33,784
Total operating revenues	105,177,277	31,383,906	22,828,810	15,904,552	5,906,071	236,571	4,414,765	185,851,952	18,168,017
<b>OPERATING EXPENSES</b>									
General and administrative	6,104,923	-	-	-	-	955,072	1,560,827	8,620,822	12,813,375
Professional services	-	-	-	-	-	5,297,659	1,408,146	6,705,805	736,806
Water plants and lakes	-	13,690,420	-	-	-	-	-	13,690,420	-
Water line operation and maintenance	-	15,645,278	-	-	-	-	-	15,645,278	-
Wastewater line and plant	-	-	22,282,343	-	-	-	-	22,282,343	-
Purchased power	58,046,632	-	-	-	-	-	-	58,046,632	-
Power line and plant	17,087,435	-	-	-	-	-	-	17,087,435	-
Airport operations and maintenance	-	-	-	16,961,318	-	-	-	16,961,318	-
Stormwater operation and maintenance	-	-	-	-	5,490,131	-	-	5,490,131	-
Utilities	-	-	-	-	-	-	394,075	394,075	-
Housing maintenance and repairs	-	-	-	-	-	-	307,892	307,892	-
Operating supplies	-	-	-	-	-	810,843	-	810,843	-
Other operating costs	-	-	-	-	-	230	1,781,507	1,781,737	3,937,278
Depreciation and amortization	4,060,532	5,335,927	4,098,073	3,696,344	1,816,112	1,441,049	305,242	20,753,279	375,834
Total operating expenses	85,299,522	34,671,625	26,380,416	20,657,662	7,306,243	8,504,853	5,757,689	188,578,010	17,863,293
Operating income (loss)	19,877,755	(3,287,719)	(3,551,606)	(4,753,110)	(1,400,172)	(8,268,282)	(1,342,924)	(2,726,058)	304,724
<b>NONOPERATING REVENUES (EXPENSES)</b>									
Operating subsidy	-	-	-	-	-	7,139,533	1,615,131	8,754,664	-
Investment earnings	6,071,611	4,403,568	1,990,832	1,228,728	684,576	-	15,027	14,394,342	-
Interest expense	(293,366)	(1,551,626)	(100,905)	(85,971)	-	-	-	(2,031,868)	(112,317)
Gain (loss) on sale of capital assets	19,141	39,900	19,400	10,650	-	2,306	-	91,397	(2,583)
Other	-	-	-	350,031	-	448,915	118,036	916,982	-
Total nonoperating revenues (expenses)	5,797,386	2,891,842	1,909,327	1,503,438	684,576	7,590,754	1,748,194	22,125,517	(114,900)
Income (loss) before contributions and transfers	25,675,141	(395,877)	(1,642,279)	(3,249,672)	(715,596)	(677,528)	405,270	19,399,459	189,824
Capital contributions	-	9,436,564	5,907,040	2,608,888	-	-	-	17,952,492	-
Transfers in	-	-	-	1,291,927	-	1,969,489	85,152	3,346,568	-
Transfers out	(821,431)	-	-	-	(230,029)	-	-	(1,051,460)	-
Change in net position	24,853,710	9,040,687	4,264,761	651,143	(945,625)	1,291,961	490,422	39,647,059	189,824
Total net position - beginning, as previously reported	244,730,616	179,400,813	125,254,763	97,391,806	53,633,234	10,506,914	15,356,808	726,274,954	(3,089,447)
GASB 101 Implementation	(1,380,866)	(655,209)	(168,535)	(469,454)	(194,811)	(85,597)	(70,857)	(3,025,329)	(1,230,131)
Total net position - beginning as restated	243,349,750	178,745,604	125,086,228	96,922,352	53,438,423	10,421,317	15,285,951	723,249,625	(4,319,578)
Total net position - ending	\$ 268,203,460	\$ 187,786,291	\$ 129,350,989	\$ 97,573,495	\$ 52,492,798	\$ 11,713,278	\$ 15,776,373	\$ 762,896,684	\$ (4,129,754)

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2025

Exhibit J  
Page 1 of 2

	Major Enterprise Funds								Business-type Activities
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Transit Fund	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from customers	\$ 106,944,187	\$ 31,476,734	\$ 22,859,693	\$ 15,498,663	\$ 5,815,433	\$ 5,340,103	\$ 4,510,652	\$ 192,445,465	\$ 18,168,017
Payments to employees	(8,656,192)	(6,314,106)	(3,221,190)	(3,994,214)	(2,156,802)	(759,828)	(610,244)	(25,712,576)	(11,373,823)
Payments to suppliers	(75,031,951)	(21,712,795)	(18,361,458)	(11,424,845)	(3,340,433)	(6,827,069)	(4,442,095)	(141,140,646)	(5,913,623)
Net cash provided (used) by operating activities	23,256,044	3,449,833	1,277,045	79,604	318,198	(2,246,794)	(541,687)	25,592,243	880,571
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Due to (from) other funds	-	-	-	-	-	(4,542,377)	-	(4,542,377)	(193,971)
Transfers in	-	-	-	1,291,927	-	1,969,489	85,152	3,346,568	-
Transfers out	(821,431)	-	-	-	(230,029)	-	-	(1,051,460)	-
Operating grants received	-	-	-	-	-	7,139,533	1,615,131	8,754,664	-
Net cash provided (used) by noncapital financing activities	(821,431)	-	-	1,291,927	(230,029)	4,566,645	1,700,283	6,507,395	(193,971)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Principal payment on long-term debt	(613,015)	(1,965,150)	(141,835)	(788,035)	-	-	-	(3,508,035)	(240,350)
Interest paid	(295,670)	(1,577,708)	(101,486)	(87,601)	-	-	-	(2,062,465)	(113,298)
Lease/subscription liability payments made	-	(9,252)	-	(24,620)	-	-	(114,803)	(148,675)	-
Acquisition and construction of capital assets	(5,368,898)	(7,950,513)	(1,288,031)	(2,425,266)	(613,584)	(2,322,157)	(35,339)	(20,003,788)	(282,636)
Capital contributions	-	-	-	2,608,888	-	-	-	2,608,888	-
Proceeds from the sale of capital assets	19,141	39,900	19,400	10,650	-	2,306	-	91,397	-
Net cash provided (used) by capital and related financing activities	(6,258,442)	(11,462,723)	(1,511,952)	(705,984)	(613,584)	(2,319,851)	(150,142)	(23,022,678)	(636,284)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Earnings on investments	5,801,891	4,303,565	1,933,945	1,188,528	666,982	-	16,113	13,911,024	-
Net cash provided (used) by investing activities	5,801,891	4,303,565	1,933,945	1,188,528	666,982	-	16,113	13,911,024	-
Net increase (decrease) in cash and cash equivalents	21,978,062	(3,709,325)	1,699,038	1,854,075	141,567	-	1,024,567	22,987,984	50,316
Cash and cash equivalents:									
Beginning	103,751,213	90,023,265	39,896,630	22,403,849	13,743,108	-	5,717,133	275,535,198	1
Ending	\$ 125,729,275	\$ 86,313,940	\$ 41,595,668	\$ 24,257,924	\$ 13,884,675	\$ -	\$ 6,741,700	\$ 298,523,182	\$ 50,317

	Major Enterprise Funds								Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Transit Fund	Total Nonmajor Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating income (loss)	\$ 19,877,755	\$ (3,287,719)	\$ (3,551,606)	\$ (4,753,110)	\$ (1,400,172)	\$ (8,268,282)	\$ (1,342,924)	\$ (2,726,058)	\$ 304,724
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	4,060,532	5,335,927	4,098,073	3,696,344	1,816,112	1,441,049	305,242	20,753,279	375,834
Other income	-	-	-	350,031	-	448,915	118,036	916,982	-
Changes in assets, deferred outflows of resources, deferred inflows of resources and liabilities:									
(Increase) decrease in:									
Accounts receivable	1,466,417	(5,815)	(56,773)	(21,222)	(90,638)	(76,721)	(20,846)	1,194,402	-
Due from other governmental agencies	-	-	-	(745,899)	-	4,731,338	(1,303)	3,984,136	-
Lease receivable	-	48,245	-	(1,782,439)	-	-	-	(1,734,194)	-
Inventories and prepaid expenses	(1,044,199)	(199,622)	(20,968)	33,938	(934)	(27,006)	(40,714)	(1,299,505)	34,363
Deferred outflows of resources for pensions (LGRS)	202,929	185,879	99,229	139,598	59,458	20,373	37,114	744,580	380,395
Deferred outflows of resources for OPEB	(2,529)	(935)	2,212	637	579	550	26	540	3,487
Increase (decrease) in:									
Accounts payable and accrued expenses	(1,285,054)	1,512,236	717,596	1,496,870	(46,126)	(521,926)	399,504	2,273,100	12,817
Compensated absences	(127,090)	60,274	16,017	(98,769)	45,854	13,983	15,168	(74,563)	(131,283)
Net pension liability (LGRS)	62,515	41,982	(7,606)	16,709	3,716	(2,619)	6,017	120,714	26,133
Net OPEB liability	(262,295)	(232,806)	(105,317)	(48,020)	(69,786)	(6,017)	(13,075)	(737,316)	(127,050)
Deferred inflows of resources for pensions (LGRS)	(37,852)	(33,582)	(15,786)	(24,163)	(10,049)	(3,165)	(6,537)	(131,134)	(64,459)
Deferred inflows of resources for OPEB	44,422	37,726	14,318	25,459	10,184	2,734	7,074	141,917	65,610
Deferred inflows of resources for leases	-	(110,600)	-	1,790,303	-	-	-	1,679,703	-
Deposits	300,493	98,643	87,656	3,337	-	-	(4,469)	485,660	-
Net cash provided (used) by operating activities	<u>\$ 23,256,044</u>	<u>\$ 3,449,833</u>	<u>\$ 1,277,045</u>	<u>\$ 79,604</u>	<u>\$ 318,198</u>	<u>\$ (2,246,794)</u>	<u>\$ (541,687)</u>	<u>\$ 25,592,243</u>	<u>\$ 880,571</u>
Non-Cash Capital and Related Financing Activities:									
Donated assets	-	9,436,564	5,907,040	-	-	-	-	15,343,604	-
Net noncash capital and related financing activities	<u>-</u>	<u>9,436,564</u>	<u>5,907,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,343,604.00</u>	<u>-</u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2025**

**Exhibit K**

	<u>Other Postemployment Benefit Trust Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 19,792,535
Total assets	<u>19,792,535</u>
<b>NET POSITION</b>	
Net position restricted for postemployment benefits other than pensions	\$ 19,792,535
Total net position	<u><u>\$ 19,792,535</u></u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Fiscal Year Ended June 30, 2025**

**Exhibit L**

	Other Postemployment Benefit Trust Fund
<b>Additions:</b>	
Employer contributions	\$ 2,249,232
Member contributions	290,347
Total contributions	2,539,579
Investment income	1,380,765
Less investment expense	2,725
Net investment earnings	1,378,040
Total additions	3,917,619
<b>Deductions:</b>	
Benefits	2,064,579
Total deductions	2,064,579
Net increase (decrease) in fiduciary net position	1,853,040
Net Position -- beginning of the year	17,939,495
Net Position -- end of the year	\$ 19,792,535

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

---

**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 units, 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 units, on the other hand, are reported in separate columns in the City's financial statements to emphasize that they are 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. WeBuild has a June 30 year-end and is presented as if it is a governmental fund (discrete presentation). Complete financial statements for WeBuild Concord may be obtained from the entity's administrative offices at WeBuild Concord, 4 Barbrick Ave. SW, Suite 10, Concord, NC 28025.

**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 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.

NOTES TO FINANCIAL STATEMENTS

---

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

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 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.

General Fund Capital Project Fund: The General Fund Capital Project Fund is used to account for various governmental capital activities including a new fire station and fleet facility.

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.

Transit Fund: The Transit Fund is used to account for the operations of the City's transit system.

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.



NOTES TO FINANCIAL STATEMENTS

---

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

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. City of Concord has one fiduciary fund; an OPEB trust fund for reporting purposes.

**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.

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.

NOTES TO FINANCIAL STATEMENTS

---

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

**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 FSS Escrow Forfeitures Fund, the Municipal Service District Fund, the Opioid Settlement 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 Debt Service Fund, Community Development Fund, the Home Fund, the Home ARP Fund, the Affordable Housing Fund, the American Rescue Plan Fund, the State Directed Grants Fund, the Housing Repositioning 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 Funds. 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 prescribes 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.

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, insured cash sweep 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, banker's acceptances, and mutual fund shares when the mutual fund is certified by the Local Government Commission. The City's and the ABC Board's investments are generally reported at fair value.

NOTES TO FINANCIAL STATEMENTS

---

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

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, and the North Carolina Cooperative Liquid Assets Securities System (NCCLASS), an investment pool authorized by North Carolina General Statutes §159-30(c)(10), are measured at fair value. Because the NCCMT Government portfolio and NCCLASS have a weighted average maturity of less than 90 days, they are presented as investments 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 the Equity Index Fund (EIF) 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 involve 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, 2025 of 2.1 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 8.11 years at June 30, 2025. The Equity Index 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, 2025 the fair value of the funds was \$44.333857 per share. Fair value of the Equity Index 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 and the Housing funds, 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.

**RESTRICTED ASSETS**

The unexpended proceeds for the 2023 general obligation bonds, 2024 revenue bonds and 2024 limited obligation bonds 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.

## NOTES TO FINANCIAL STATEMENTS

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

City of Concord Restricted Cash:

## Governmental Activities

## General Fund

Streets	\$ 4,167,887
Customer deposits	4,926,642
Advance from Grantors	63,643

## Other governmental funds

Unexpended loan proceeds	49,262,177
Debt service, extension, and replacement	504
Customer deposits	10,100
Opioid settlement funds	200,750
Advance from Grantors	107,675
Restricted by awarding agency	426,499
Future capital projects	18,788,067

Total governmental activities	<u>\$ 77,953,944</u>
-------------------------------	----------------------

## Business-type Activities

## Electric Fund

Customer deposits	\$ 3,129,153
Debt service, extension, and replacement	132,863

## Water Fund

Customer deposits	993,218
Unexpended bond proceeds	15,063,217
Debt service, extension, and replacement	302,655

## Wastewater Fund

Customer deposits	88,031
Debt service, extension, and replacement	65,260

## Regional Airport Fund

Customer deposits	141,846
Advance from Grantor	8,420,949

## Nonmajor enterprise funds

Restricted by awarding agency	135,097
Customer deposits	39,639

Total business-type activities	<u>\$ 28,511,928</u>
--------------------------------	----------------------

Total Restricted Cash	<u><u>\$ 106,465,872</u></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. WeBuild inventory consists of work in process and real estate held for resale which is stated at the lower of cost or net realizable value, on a specific unit basis.

## 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	–	15 – 40
Automobiles and trucks	3 – 6	5
Other property	3 – 10	–
Furniture/equipment	3 – 5	7 – 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.

NOTES TO FINANCIAL STATEMENTS

---

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

## RIGHT TO USE ASSETS

The City's and ABC Board's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the City reports a lease (only applies when the City is the lessee) or agreements where the City reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term are reported as a prepayment (asset). Such prepayments are reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives are reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount is included in the initial measurement of the subscription asset. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

## 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 2025 fiscal year and an unamortized loss on a bond defeasance for refunding bonds. In addition to liabilities, the statement of net 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, 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.

NOTES TO FINANCIAL STATEMENTS

---

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

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 compensated absences 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 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. Any unused sick leave accumulated for employees that leave the City or ABC Board before retirement is forfeited.

The city uses a three-year look-back period to estimate the amount of sick leave that has been earned and will be used as sick leave over the employee's service period. The liability for sick leave is based on this estimate. The ABC Board determined that the liability for sick leave accrual was immaterial to their financial statements.

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 been 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.

The City received \$189,910 as part of this settlement in Fiscal Year 2023. 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, 2025. Payments to be received after July 1, 2023 were redirected to Cabarrus County.

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.

NOTES TO FINANCIAL STATEMENTS

---

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

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.

**Restricted for Future Capital Purchases** – portion of fund balance that is restricted by revenue source to utilize unspent bond proceeds for future capital purchases.

**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

---

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

Committed for Debt Service – portion of fund balance committed by the City Council for the payment of future debt service.

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

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 the 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.

## NOTES TO FINANCIAL STATEMENTS

**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 \$1,161,499 adjustment reflected on the reconciliation represents the 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 \$186,372 that did not provide current financial resources for the fund. This adjustment reflected on the reconciliation represents the change between the ad valorem taxes outstanding for the years ended June 30, 2025 and June 30, 2024.

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, 2025, the City's deposits had a carrying amount of \$37,862,628 and a bank balance of \$38,615,395. Of the bank balance, \$23,000,000 was covered by federal depository insurance and \$15,615,395 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of \$7,605 at June 30, 2025.

At June 30, 2025, the carrying amount of deposits for the ABC Board was \$4,653,151 and the bank balance was \$4,616,991. At June 30, 2025, the carrying amount of deposits for WeBuild was \$6,910,675 and the bank balance was \$6,659,890. All of the bank balances were covered by federal depository insurance or collateralized deposits.

On June 30, 2025, the City's investment balances were as follows:

	Valuation						
	Measurement	Reported	Less than	Reported	Reported	More than	
	Method	Value	6 Months	6 – 12 Months	1 – 3 Years	3 Years	
U. S. Treasury	Fair Value Level 1	\$ 9,895,115	\$ 9,895,115	\$ -	\$ -	\$ -	
U. S. Government agencies	Fair Value Level 1	349,700,128	52,907,840	34,946,500	208,202,202	53,643,586	
Commercial paper	Cost	43,701,185	14,529,461	29,171,724	-	-	
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level 1	65,211,845	65,211,845	N/A	N/A	N/A	
North Carolina Cooperative Liquid Assets Securities System	Fair Value Level 1	16,173,266	16,173,266	N/A	N/A	N/A	
Total		\$ 484,681,539	\$ 158,717,527	\$ 64,118,224	\$ 208,202,202	\$ 53,643,586	

\* 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.

NOTES TO FINANCIAL STATEMENTS

---

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

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 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, 2025, the City's investments in commercial paper consisted of nine 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, 2025. The City's investment in NCCLASS carried a credit rating of AAAm by Standard & Poors as of June 30, 2025. 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 Aa1 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 21%, 20%, 14%, and 23% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2025, the City's irrevocable OPEB trust had \$19,792,535 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program 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 fiscal year end, the City's irrevocable OPEB trust was invested as follows: Short Term Investment Fund (STIF) 14.73%, which is reported as cash and cash equivalents; Bond Index Fund (BIF) 65.85% and Equity Index Fund (EIF) 19.42% (the equities were split with 64% in domestic securities and 36% 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 measured at fair value by the custodian using Level 2 inputs. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2025, of 2.1 years. Level 2 inputs 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.

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, 2025, the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.11 years.

The EIF, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The EIF's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2025, the net asset value of the EIF was \$44.333857 per share. Fair value for the EIF is determined using Level 1 inputs, which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

## NOTES TO FINANCIAL STATEMENTS

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

*Valuation technique:* AGPIP 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 2.1 years at June 30, 2025. The State Treasurer’s BIF is unrated and had a weighted average maturity of 8.11 years at June 30, 2025.

*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, 2025, the ABC Board’s investments consisted of the following:

	Valuation Measurement Method	Reported Value	Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years	More than 3 Years
U. S. Treasury	Fair Value Level 1	\$ 790,603	\$ 522,365	\$ 268,238	\$ -	\$ -
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level 1	269,418	269,418	N/A	N/A	N/A
Total		<u>\$ 1,060,021</u>	<u>\$ 791,783</u>	<u>\$ 268,238</u>	<u>\$ -</u>	<u>\$ -</u>

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 ABC Board does not have a formal investment interest rate policy that manages its exposure to fair value arising from increasing interest rates.

Credit Risk The ABC Board’s investments in U.S. Treasury Notes are rated AA+ by Standard & Poor’s and Aa1 by Moody’s Investors Service. The ABC Board has no policy on credit risk.

At June 30, 2025, WeBuild did not have any investments.

**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:

	Governmental Activities	Business-type Activities
Accounts receivable, net	\$ -	\$ 21,624,802
Ad valorem taxes, net	1,161,499	-
Due from other governmental agencies	3,222,911	7,162,562
Sales tax refunds	2,601,524	-
Interest	1,041,906	1,766,194
Lease	135,404	9,163,350
Other	9,262,097	-
	<u>\$ 17,425,341</u>	<u>\$ 39,716,908</u>

## NOTES TO FINANCIAL STATEMENTS

**Note 4. Receivables and Allowances for Doubtful Amounts (Continued)**

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

Governmental Activities, allowance for doubtful ad valorem taxes	\$ 387,166
Governmental Activities, allowance for doubtful other receivables	\$ 25,469
Business-type Activities, allowance for doubtful accounts receivable	\$ 423,474

**Note 5. Leases Receivable**

For the year ended 6/30/2025, 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.

As of 06/30/2025, City of Concord, NC had 64 active leases. The leases have receipts that range from \$147 to \$300,441 and interest rates that range from 0.6160% to 3.7300%. As of 06/30/2025, the total combined value of the lease receivable is \$9,298,754, and the combined value of the deferred inflow of resources is \$9,126,270.

Fiscal Year	Principal and Interest Expected to Maturity		
	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	23,539	3,065	26,604
2027	19,096	2,723	21,819
2028	5,488	2,512	8,000
2029	5,643	2,357	8,000
2030	5,803	2,197	8,000
2031-2035	47,674	7,793	55,467
2036-2040	28,161	791	28,952
Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
	Principal Payments	Interest Payments	Total Payments
2026	1,075,259	176,697	1,251,956
2027	1,121,228	154,485	1,275,713
2028	1,013,798	134,008	1,147,806
2029	889,461	117,588	1,007,049
2030	690,405	100,758	791,163
2031-2035	1,857,066	419,604	2,276,670
2036-2040	763,388	317,299	1,080,687
2041-2045	519,174	223,455	742,629
2046-2050	291,441	178,416	469,857
2051-2055	318,851	131,393	450,244
2056-2060	330,349	77,724	408,073
2061-2065	244,440	20,040	264,480
2066-2070	30,495	4,920	35,415
2071-2075	17,995	1,324	19,319

## NOTES TO FINANCIAL STATEMENTS

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2025 was as follows:

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 20,846,479	\$ 61,985	\$ -	\$ -	\$ 20,908,464
Construction in progress	41,679,800	35,829,259	(14,836,031)	-	62,673,028
Total capital assets, not being depreciated	62,526,279	35,891,244	(14,836,031)	-	83,581,492
Capital assets, being depreciated:					
Buildings	68,983,395	12,021,026	-	-	81,004,421
Improvements other than buildings	13,317,483	12,212	-	-	13,329,695
Machinery and equipment	59,732,062	8,570,122	(3,266,617)	(52,313)	64,983,254
Infrastructure	901,880,059	69,947,349	-	-	971,827,408
Total capital assets, being depreciated	1,043,912,999	90,550,709	(3,266,617)	(52,313)	1,131,144,778
Less accumulated depreciation for:					
Buildings	40,076,469	2,418,260	-	-	42,494,729
Improvements other than buildings	5,050,849	632,683	-	-	5,683,532
Machinery and equipment	40,907,476	5,278,088	(3,101,836)	(52,313)	43,031,415
Infrastructure	467,597,003	18,611,224	-	-	486,208,227
Total accumulated depreciation	553,631,797	26,940,255	(3,101,836)	(52,313)	577,417,903
Total capital assets, being depreciated, net	490,281,202	63,610,454	(164,781)	-	553,726,875
Capital assets being amortized:					
Right to use assets:					
Leased buildings	161,289	-	-	-	161,289
Software subscriptions	50,864	92,555	-	-	143,419
Total capital assets, being amortized	212,153	92,555	-	-	304,708
Less accumulated amortization for:					
Right to use assets:					
Leased buildings	91,050	31,217	-	-	122,267
Software subscriptions	17,880	36,751	-	-	54,631
Total accumulated amortization	108,930	67,968	-	-	176,898
Total capital assets, being depreciated, net	103,223	24,587	-	-	127,810
Governmental activities capital assets, net	<u>\$ 552,910,704</u>				<u>\$ 637,436,177</u>

## NOTES TO FINANCIAL STATEMENTS

## Note 6. Capital Assets (Continued)

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 42,678,054	\$ -	\$ -	\$ -	\$ 42,678,054
Construction in progress	91,991,383	14,203,634	(12,357,068)	-	93,837,949
Total capital assets, not being depreciated	134,669,437	14,203,634	(12,357,068)	-	136,516,003
Capital assets, being depreciated:					
Buildings	74,403,700	581,165	-	-	74,984,865
Improvements other than buildings	620,248,599	27,998,990	(1,376,332)	-	646,871,257
Machinery and equipment	45,713,903	5,203,309	(941,855)	52,313	50,027,670
Total capital assets, being depreciated	740,366,202	33,783,464	(2,318,187)	52,313	771,883,792
Accumulated depreciation:					
Buildings	38,418,129	2,081,901	-	-	40,500,030
Improvements other than buildings	303,621,454	15,006,040	(1,376,332)	-	317,251,162
Machinery and equipment	29,530,857	4,127,976	(939,272)	52,313	32,771,874
Total accumulated depreciation	371,570,440	21,215,917	(2,315,604)	52,313	390,523,066
Total capital assets, being depreciated, net	368,795,762	12,567,547	(2,583)	-	381,360,726
Capital assets, being amortized:					
Right to use assets:					
Leased equipment	536,115	-	(37,416)	-	498,699
Software subscriptions	243,884	-	-	-	243,884
Total capital assets, being amortized	779,999	-	(37,416)	-	742,583
Accumulated amortization:					
Right to use assets:					
Leased equipment	187,764	116,727	(37,416)	-	267,075
Software subscriptions	39,066	55,614	-	-	94,680
Total accumulated amortization	226,830	172,341	(37,416)	-	361,755
Total capital assets, being amortized, net	553,169	(172,341)	-	-	380,828
Business-type activities capital assets, net	<u>\$ 504,018,368</u>				<u>\$ 518,257,557</u>

## NOTES TO FINANCIAL STATEMENTS

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

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

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

Governmental activities:	
General government	\$ 1,015,668
Public safety	4,156,296
Public works	20,729,971
Culture and recreational	1,008,269
Planning and community development	98,019
Total depreciation/amortization expense – governmental activities	<u>\$ 27,008,223</u>
Business-type activities:	
Electric	\$ 4,102,180
Water	5,512,628
Wastewater	4,111,084
Regional airport	3,696,344
Stormwater	1,816,112
Transit	1,441,049
Other nonmajor business-type activities	305,244
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	403,617
Total depreciation/amortization expense – business-type activities	<u>\$ 21,388,258</u>

Activity for the ABC Board for the year ended June 30, 2025, was as follows:

	July 1, 2024	Increases	Decreases	June 30, 2025
<b>Component unit:</b>				
Capital assets not being depreciated:				
Land	\$ 2,862,896	\$ -	\$ -	2,862,896
Construction in progress	55,373	2,907,696	-	2,963,069
Total capital assets not being depreciated	<u>2,918,269</u>	<u>-</u>	<u>-</u>	<u>5,825,965</u>
Capital assets, being depreciated:				
Buildings	9,030,332	73,500	-	9,103,832
Improvements other than buildings	755,041	-	-	755,041
Machinery and equipment	895,782	70,219	-	966,001
Total capital assets, being depreciated	<u>10,681,155</u>	<u>143,719</u>	<u>-</u>	<u>10,824,874</u>
Accumulated depreciation	2,236,476	350,294	-	2,586,770
Total capital assets, being depreciated, net	<u>8,444,679</u>	<u>\$ (206,575)</u>	<u>\$ -</u>	<u>8,238,104</u>
Capital assets, being amortized:				
Right to use assets:				
Leased buildings	1,617,949	-	-	1,617,949
Total capital assets, being amortized	<u>1,617,949</u>	<u>-</u>	<u>-</u>	<u>1,617,949</u>
Accumulated amortization	508,466	169,489	-	677,955
Total capital assets being amortized, net	<u>1,109,483</u>	<u>(169,489)</u>	<u>-</u>	<u>939,994</u>
Component unit capital assets, net	<u>\$ 12,472,431</u>			<u>\$ 15,004,063</u>



## NOTES TO FINANCIAL STATEMENTS

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

Activity for WeBuild Concord for the year ended June 30, 2025, was as follows:

	July 1, 2024	Increases	Decreases	June 30, 2025
<b>Component unit:</b>				
Capital assets not being depreciated:				
Construction in progress	1,202,274	-	444,757	757,517
Land	80,000	-	-	80,000
Total capital assets not being depreciated	1,282,274	-	444,757	837,517
Capital assets, being depreciated:				
Buildings	349,093	1,994,853	-	2,343,946
Vehicles	-	48,743	-	48,743
Total capital assets, being depreciated	349,093	2,043,596	-	2,392,689
Accumulated depreciation	7,579	40,276	-	47,855
Total capital assets, being depreciated, net	341,514	2,003,320	-	2,344,834
Capital assets, being amortized:				
Right to use assets:				
Leased buildings	18,055	-	18,055	-
Total capital assets, being amortized	18,055	-	18,055	-
Accumulated depreciation	11,046	-	11,046	-
Total capital assets being amortized, net	7,009	-	7,009	-
Component unit capital assets, net	<u>\$ 1,630,797</u>			<u>\$ 3,182,351</u>

**Note 7. Accounts Payable and Accrued Liabilities**

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

	Governmental Activities	Business-type Activities
Accounts payable	\$ 7,119,294	\$ 12,884,689
Accrued payroll and payroll related liabilities	8,701,381	1,294,345
Accrued sales tax payable	11,110	419,453
Other accrued liabilities	1,832,313	501,153
	<u>\$ 17,664,098</u>	<u>\$ 15,099,640</u>

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

**Note 8. 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 8 years and 22 years in duration, depending upon the assets acquired. Interest rates range between 1.43% and 2.42%. The debt is collateralized by the assets acquired and serviced by the funds holding such debt.

## NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (Continued)**

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

	Governmental Activities	Business-type Activities
Capital Asset		
Buildings and improvements	\$ 5,352,617	\$ 17,877,220
Less accumulated depreciation	2,676,309	6,060,417
	<u>\$ 2,676,308</u>	<u>\$ 11,816,803</u>

Direct placement installment purchases payable at June 30, 2025 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	\$ 621,452
\$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	3,664,504
	<u>\$ 4,285,956</u>

## Business-type activities:

\$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	2,281,000
\$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	868,841
	<u>\$ 3,149,841</u>

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
2026	873,729	63,776	789,734	71,102
2027	866,882	49,769	790,161	53,387
2028	740,842	35,903	624,946	35,627
2029	620,000	25,804	467,000	22,869
2030	620,000	16,938	478,000	11,568
2031-2035	564,503	8,072	-	-
	<u>\$ 4,285,956</u>	<u>\$ 200,262</u>	<u>\$ 3,149,841</u>	<u>\$ 194,553</u>

Direct placement general revenue bonds: The City's general obligation bonds serviced by the governmental funds were issued for the construction and rehabilitation of public parks. General obligation bonds are collateralized by the full faith, credit, and taxing power of the City. Principal and interest requirements are appropriated when due. Direct placement general obligation bonds outstanding at June 30, 2025 are as follows:

## NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (Continued)**

## Governmental activities:

\$42,000,000, General Obligation Bonds series 2024 due in annual installments of \$2,100,000 through September 2043; interest 4.00% to 5.00% to be paid from General Fund

39,900,000  
\$ 39,900,000

Annual debt service requirements to maturity for the direct placement general obligation bonds are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	2,100,000	1,858,500	-	-
2027	2,100,000	1,753,500	-	-
2028	2,100,000	1,648,500	-	-
2029	2,100,000	1,543,500	-	-
2030	2,100,000	1,438,500	-	-
2031-2035	10,500,000	5,617,500	-	-
2036-2040	10,500,000	2,992,500	-	-
2041-2045	8,400,000	672,000	-	-
	\$ 39,900,000	\$ 17,524,500	\$ -	\$ -

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. Direct placement revenue bonds outstanding at June 30, 2025 are as follows:

## Business-type activities:

\$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%.

5,305,000

\$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%.

14,020,000

\$22,000,000 Utilities Systems Revenue Bonds Series 2024 due in annual installments of \$555,000 to \$1,630,000 through December 2043; interest from 3.00% to 5.00%

21,445,000  
\$ 40,770,000

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
2026	-	-	2,970,000	1,737,481
2027	-	-	3,090,000	1,616,656
2028	-	-	3,215,000	1,484,691
2029	-	-	3,350,000	1,351,038
2030	-	-	2,060,000	1,233,650
2031-2035	-	-	11,995,000	4,473,950
2036-2040	-	-	7,945,000	2,009,775
2041-2045	-	-	6,145,000	503,900
	\$ -	\$ -	\$ 40,770,000	\$ 14,411,141

NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (Continued)**

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 is 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 2024. Section 6.6 of the General Trust Indenture requires the debt service coverage ratio to be no less than 120%.

The debt service coverage ratio calculation for the year ended June 30, 2025, is as follows:

Net Income (GAAP Basis)	\$ 38,159,158
Add: Depreciation/Amortization Expense	13,494,532
Interest Expense	1,945,897
Income available for debt service	53,599,587
Debt service, principal and interest paid (Revenue bond only)	\$ 4,665,897
Debt service coverage ratio	1149%

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay \$58,720,000 in electric, water, and wastewater system direct placement revenue bonds issued in 2012 through 2024. 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 2043. 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 \$55,181,141. Principal and interest paid for the current year and total customer net revenues were \$4,665,897 and \$159,389,993, 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, 2025 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, 2025 was \$278,363.

## NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (Continued)**

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, 2025 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, 2025 was \$1,265,279.

Direct placement loan and installment notes: Direct placement loan and installment notes payable at June 30, 2025 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.	11,764,250
\$11,770,000, 2024 Limited Obligation Bonds due in annual installments of \$608,400 to \$1,092,222 through June 1, 2044, plus interest due semiannually at 4% to 5% financed through First Concord Corporation, to be paid from General Fund.	11,180,000
	<u>\$ 22,944,250</u>

## 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.	2,650,750
	<u>\$ 2,650,750</u>

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
2026	2,023,150	984,996	251,850	101,285
2027	2,065,500	883,839	264,500	88,692
2028	2,082,450	810,074	272,550	80,757
2029	2,094,400	735,800	280,600	72,581
2030	2,116,350	659,382	288,650	63,812
2031-2035	7,267,400	2,045,466	1,292,600	119,097
2036-2040	2,945,000	912,000	-	-
2041-2045	2,350,000	234,600	-	-
	<u>\$ 22,944,250</u>	<u>\$ 7,266,157</u>	<u>\$ 2,650,750</u>	<u>\$ 526,224</u>

## NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (Continued)**

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, 2025 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, 2025 was \$72,037.

Leases Payable

For the year ended 6/30/2025, 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.

As of 06/30/2025, City of Concord, NC had 4 active leases. The leases have payments that range from \$5,260 to \$112,767 and interest rates that range from 0.5140% to 2.6820%. As of 06/30/2025, the total combined value of the lease liability is \$276,218. The combined value of the right to use asset, as of 06/30/2025 of \$659,988 with accumulated amortization of \$389,342 is included within 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	498,699	267,075
Buildings	161,289	122,267
Total Leases	659,988	389,342

## Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Business-Type Activities	
		Interest Payments	Total Payments
2026	113,041	4,986	118,026
2027	116,092	1,935	118,026
2028	70	21	91

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	33,444	239	33,683
2027	13,571	13	13,584

Subscriptions Payable

For the year ended 6/30/2025, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

## NOTES TO FINANCIAL STATEMENTS

**Note 8. Long-Term Debt (Continued)**

As of 06/30/2025, City of Concord, NC had 5 active subscriptions. The subscriptions have payments that range from \$2,039 to \$27,563 and interest rates that range from 2.656% to 3.241%. As of 06/30/2025, the total combined value of the subscription liability is \$190,540. The combined value of the right to use asset, as of 06/30/2025 of \$387,303 with accumulated amortization of \$149,310 is included within the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset			
Asset Class	As of Fiscal Year-end		
	Lease Asset Value	Accumulated Amortization	
Software	387,303	149,310	
Total Subscriptions	387,303	149,310	

Principal and Interest Requirements to Maturity				
Fiscal Year	Business-Type Activities			
	Principal Payments	Interest Payments	Total Payments	
2026	36,209	3,232	39,441	
2027	38,678	2,210	40,888	
2028	39,767	1,120	40,887	
Fiscal Year	Governmental Activities			
	Principal Payments	Interest Payments	Total Payments	
2026	24,550	2,280	26,830	
2027	25,288	1,542	26,830	
2028	26,048	783	26,831	

A summary of changes in long-term debt follows:

	July 1, 2024	Additions	Reductions	June 30, 2025
Governmental activities:				
Direct placement installment purchases	\$ 5,166,337	\$ -	\$ 880,381	\$ 4,285,956
Less current maturities				873,729
Long-term direct placement installment purchases				<u>\$ 3,412,227</u>
Bond payables:				
Direct placement installment notes	\$ 13,158,900	\$ 11,770,000	\$ 1,984,650	\$ 22,944,250
Plus premium on limited obligation bonds	982,412	1,093,560	158,319	1,917,653
Direct placement general obligation bonds	42,000,000	-	2,100,000	39,900,000
Plus premium on general obligation bonds	3,551,298	-	185,285	3,366,013
Total bond payable	<u>\$ 59,692,610</u>	<u>\$ 12,863,560</u>	<u>\$ 4,428,254</u>	68,127,916
Compensated absences	<u>\$ 20,815,075</u>	<u>\$ -</u>	<u>\$ 246,604</u>	20,568,471
Total pension liability (LEOSSA)	<u>\$ 10,267,397</u>	<u>\$ 373,930</u>	<u>\$ -</u>	10,641,327
Net OPEB liability	<u>\$ 28,942,939</u>	<u>\$ -</u>	<u>\$ 767,746</u>	28,175,193
Net pension liability (LGERS)	<u>\$ 35,724,167</u>	<u>\$ 385,640</u>	<u>\$ -</u>	36,109,807
Leases	<u>\$ 79,290</u>	<u>\$ -</u>	<u>\$ 32,275</u>	47,015
Subscriptions	<u>\$ 14,413</u>	<u>\$ 92,555</u>	<u>\$ 31,082</u>	75,886
Less current maturities:				
Direct placement installment notes				2,023,150
Direct placement general obligation bonds				2,100,000
Pension liability (LEOSSA)				546,773
Leases				33,444
Subscriptions				24,550
Compensated absences				5,964,856
Long-term debt				<u>\$ 153,052,842</u>

## NOTES TO FINANCIAL STATEMENTS

## Note 8. Long-Term Debt (Continued)

	July 1, 2024	Additions	Reductions	June 30, 2025
Business-type activities:				
Direct placement Installment purchases	\$ 3,937,876	\$ -	\$ 788,035	\$ 3,149,841
Less current maturities				789,734
Long-term direct placement installment purchases				<u>\$ 2,360,107</u>
Bond payables:				
Direct placement installment notes	\$ 2,891,100	\$ -	\$ 240,350	\$ 2,650,750
Plus premium on limited obligation bonds	263,931	-	27,781	236,150
Direct placement revenue bonds	43,490,000	-	2,720,000	40,770,000
Plus premium on revenue bonds	4,985,346	-	404,856	4,580,490
Total bond payable	<u>\$ 51,630,377</u>	<u>\$ -</u>	<u>\$ 3,392,987</u>	48,237,390
Compensated absences	<u>\$ 6,416,448</u>	<u>\$ -</u>	<u>\$ 205,846</u>	6,210,602
Net OPEB liability	<u>\$ 4,347,103</u>	<u>\$ -</u>	<u>\$ 654,443</u>	3,692,660
Net pension liability (LGERS)	<u>\$ 18,166,567</u>	<u>\$ 146,847</u>	<u>\$ -</u>	18,313,414
Leases	<u>\$ 344,006</u>	<u>\$ -</u>	<u>\$ 114,803</u>	229,203
Subscriptions	<u>\$ 148,526</u>	<u>\$ -</u>	<u>\$ 33,872</u>	114,654
Less current maturities:				
Direct placement installment notes				251,850
Direct placement revenue bonds				2,970,000
Leases				113,041
Subscriptions				36,209
Compensated absences				<u>1,801,076</u>
Long-term debt				<u>\$ 73,985,854</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, 2025 was \$1,723,903,156.

## Note 9. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2025 are as follows:

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.

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 16,580
General Fund	From Transit Fund	3,715,886
		<u>\$ 3,732,466</u>



## NOTES TO FINANCIAL STATEMENTS

**Note 9. Interfund Receivables, Payables and Transfers (Continued)**

A schedule of interfund transfers at June 30, 2025 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	\$ 821,431
From the Stormwater Capital Projects Fund to the Parks & Recreation Capital Projects Fund for parking improvements at Logan Rec Center	230,029
From the General Fund to the Debt Service Fund for future debt service payments	6,886,269
From the General Fund to the General Capital Projects Fund for various capital projects	1,553,447
From the General Fund to the General Capital Projects Fund for debt service payments	3,005,907
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	4,400,000
From the General Fund to the Transit Fund for current operating needs	1,969,489
From the General Fund to the Regional Airport Fund for current operating needs	1,291,927
From the General Fund to the General Fund Capital Reserve Fund for future capital projects	800,000
From the General Fund to the Municipal Service District Fund for current operating needs	50,007
From the General Fund to the Parks & Recreation Capital Reserve for future capital projects	1,800,000
From the General Fund to the Affordable Housing Fund for various capital projects	1,800,000
From the General Fund to the Housing Department Operating fund for current operating needs	46,397
various recreation projects	2,656,318
From the Affordable Housing Fund to the Housing Repositioning Fund for future repositioning activities	337,380
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	8,221
From the Market Rate Units Fund to the Housing Department Operating Fund to pay management fees for properties	38,755
From the American Rescue Plan Fund to the Municipal Service District Fund for downtown events	55,000
From the American Rescue Plan Fund to the Housing Repositioning Fund for Housing repositioning projects	2,000,000
From the American Rescue Plan Fund to the General Capital Projects Fund for various capital projects	522,306
	<u>\$ 30,303,889</u>

**Note 10. 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).

NOTES TO FINANCIAL STATEMENTS

---

**Note 10. Pension Plan Obligations (Continued)****(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, 2025, was 15.04% of compensation for law enforcement officers and 13.63% 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 \$12,598,879 for the year ended June 30, 2025. Contributions to the pension plan from the ABC Board were \$220,944 for the year ended June 30, 2025.

**(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.

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

At June 30, 2025, the City reported a liability of \$54,423,221 for its proportionate share of the net pension liability. At June 30, 2025, the ABC Board reported a liability of \$972,255 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions.

## NOTES TO FINANCIAL STATEMENTS

**Note 10. Pension Plan Obligations (Continued)**

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, 2025, the City's proportion was 0.80729%, which was an decrease of 0.00639% from its proportion as of June 30, 2024.

For the year ended June 30, 2025, the City recognized pension expense of \$15,837,350. At June 30, 2025, 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	\$ 9,537,009	\$ 64,123
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	7,398,805	-
Changes in proportion and differences between City contributions and proportionate share of contributions	123,709	933,146
City contributions subsequent to the measurement date	12,598,879	-
Total	<u>\$ 29,658,402</u>	<u>\$ 997,269</u>

\$12,598,879 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 ending June 30, 2026. 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 ending June 30:	
2026	\$ 4,783,709
2027	10,326,647
2028	1,788,492
2029	(836,594)
2030	-
Thereafter	-
	<u>\$ 16,062,254</u>

**(6) Actuarial assumptions:**

The total pension liability in the December 31, 2023 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 10. Pension Plan Obligations (Continued)**

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience review 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, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
Total	100%	

The information in the preceding table is based on 30 year expectations developed with an investment consulting firm. The long-term nominal rates of return underlying the real rates of return are arithmetic annual figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. Return projections do not include any excess return expectations over benchmark averages for public markets. All rates of return and inflation are annual amounts. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2025 is 2.76%.

(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:

NOTES TO FINANCIAL STATEMENTS

**Note 10. Pension Plan Obligations (Continued)**

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 96,439,541	\$ 54,423,221	\$ 19,859,019

(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.

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, 2023, the Separation Allowance's membership consisted of:

Retirees receiving benefits	29
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	184
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, 2023 valuation. The total pension liability in the December 31, 2023 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	4.28 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.

NOTES TO FINANCIAL STATEMENTS

**Note 10. Pension Plan Obligations (Continued)**

(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 \$653,032 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, 2025, the City reported a total pension liability of \$10,641,327. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the City recognized pension expense of \$1,288,986.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,095,257	\$ 411,488
Changes of assumptions and other inputs	626,628	1,131,673
City benefit payments subsequent to the measurement date	310,445	
Total	<u>\$ 2,032,330</u>	<u>\$ 1,543,161</u>

\$310,445 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 ending June 30, 2026.

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 ending June 30:	
2026	\$ 392,093
2027	(180,069)
2028	(220,910)
2029	156,422
2030	31,188
Thereafter	-
	<u>\$ 178,724</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 4.28 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 (3.28 percent) or one percentage point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
City's proportionate share of the total pension liability (asset)	\$11,450,278	\$10,641,327	\$9,903,956

## NOTES TO FINANCIAL STATEMENTS

**Note 10. Pension Plan Obligations (Continued)**

## (7) Schedule of changes in total pension liability:

Beginning balance	\$ 10,267,397
Service Cost	387,409
Interest on the total pension liability	397,635
Change in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	460,971
Changes of assumptions or other inputs	(219,053)
Benefit payments	(653,032)
Other changes	-
Ending balance of the total pension liability	<u>\$ 10,641,327</u>

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

The actuarial assumptions used in the December 31, 2023 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	\$ 15,837,350	\$ 1,288,986	\$ 17,126,336
Pension Liability	54,423,221	10,641,327	65,064,548
Proportionate share of the net pension liability	0.80729%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	9,537,009	1,095,257	10,632,266
Changes of assumptions	-	626,628	626,628
Net difference between projected and actual earnings on plan investments	7,398,805	-	7,398,805
Changes in proportion and differences between contributions and proportionate share of contributions	123,709	-	123,709
Benefit payments and administrative costs paid subsequent to the measurement date	12,598,879	310,445	12,909,324
Deferred Inflows of Resources			
Differences between expected and actual experience	64,123	411,488	475,611
Changes of assumptions	-	1,131,673	1,131,673
Changes in proportion and differences between contributions and proportionate share of contributions	933,146	-	933,146

## 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.

NOTES TO FINANCIAL STATEMENTS

---

**Note 10. Pension Plan Obligations (Continued)**

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, 2025, were \$901,128, which consisted of \$658,561 from the City and \$242,567 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.

## (2) Funding policy:

The City of Concord's policy is to contribute an amount equal to five percent 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, 2025 were \$5,906,524, which consisted of \$3,914,800 from the City and \$1,991,724 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 \$175 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.



NOTES TO FINANCIAL STATEMENTS

**Note 10. Pension Plan Obligations (Continued)**

(3) Contributions:

Plan members are required to contribute \$15 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, 2025, the State contributed \$19,789,708 to the plan. The City of Concord's proportionate share of the State's contribution is \$126,599.

(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, 2025, 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 liability that was associated with the City and supported by the State was \$90,457. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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 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, 2025 and at June 30, 2024 was 0%.

For the year ended June 30, 2025, the City recognized pension expense of \$49,700 and revenue of \$49,700 for support provided by the State. At June 30, 2025, 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, 2023 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.

NOTES TO FINANCIAL STATEMENTS

**Note 10. Pension Plan Obligations (Continued)**

(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 11. 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, 2025 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, 2022, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	177
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	1,144
Total	<u>1,321</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 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 \$98 to \$18,451. 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 \$6,764 to \$17,808 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 \$2,249,232. The Fund is accounted for as a trust fund.

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Postemployment Benefits (Continued)

(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, 2025 and June 30, 2024:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	2025	2024	2025	2024
STIF	15%	15%	0.83%	0.83%
Equity Index	19%	19%	1.05%	1.05%
Bond Index	66%	66%	3.62%	3.62%
Total	100%	100%		

For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense, was 5.50 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 City at June 30, 2025 were as follows:

Total OPEB Liability	\$ 51,450,465
Plan fiduciary net position	<u>19,792,535</u>
City's net OPEB liability	<u>\$ 31,657,930</u>
Plan fiduciary net position as a percentage of the total OPEB liability	38.47%

(7) Actuarial assumptions:

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 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 2024 decreasing to an ultimate rate of 4.50 percent by 2034

The total OPEB liabilities were rolled forward to June 30, 2025 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, 2024 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, 2024 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2024 valuation.

NOTES TO FINANCIAL STATEMENTS

**Note 11. Other Postemployment Benefits (Continued)**

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, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 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, 2025, 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	\$36,916,557	\$31,657,930	\$27,036,007

(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	\$26,018,863	\$31,657,930	\$38,354,031

## NOTES TO FINANCIAL STATEMENTS

**Note 11. 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, 2025, the city reported a net OPEB liability of \$31,657,930. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The total OPEB liability was then rolled forward to the measurement date of June 30, 2025 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2025, 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, 2024	\$51,229,537	\$17,939,495	\$33,290,042
Changes for the year			
Service cost	1,671,111	-	1,671,111
Interest	2,716,778	-	2,716,778
Difference between expected and actual experience	(2,527,372)	-	(2,527,372)
Changes of assumptions or other inputs	2,077,318	-	2,077,318
Contributions	-	4,191,907	(4,191,907)
Net investment income	-	1,378,040	(1,378,040)
Benefit payments	(3,716,907)	(3,716,907)	-
Net changes	220,928	1,853,040	(1,632,112)
Balances at June 30, 2025	\$51,450,465	\$19,792,535	\$31,657,930

- (12) Changes of assumptions:

For the year ended June 30, 2025, the City recognized OPEB expense of \$3,188,188. At June 30, 2025, 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	\$ 1,517,255	\$ 3,708,919
Changes of assumptions or other inputs	3,598,983	2,126,112
Net difference between projected and actual earnings on plan investments	256,992	-
Total	\$ 5,373,230	\$ 5,835,031

## NOTES TO FINANCIAL STATEMENTS

**Note 11. Other Postemployment Benefits (Continued)**

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:	
2026	\$ (148,901)
2027	(361,058)
2028	4,582
2029	101,758
2030	70,925
Thereafter	(129,107)
	<u>\$ (461,801)</u>

**Note 12. 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 13. 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	\$ 12,598,879
Benefit payments made for LEOSSA	310,445
Differences between expected and actual experience (LGERS)	9,537,009
Differences between expected and actual experience (LEOSSA)	1,095,257
Differences between expected and actual experience (OPEB)	1,517,255
Changes of assumptions (LGERS)	-
Changes of assumptions (LEOSSA)	626,628
Changes of assumptions (OPEB)	3,598,983
Net difference between projected and actual earnings on pension plan investments (LGERS)	7,398,805
Net difference between projected and actual earnings on plan investments (OPEB)	256,992
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	123,709
Charge on refunding	1,615,680
	<u>\$ 38,679,642</u>

## NOTES TO FINANCIAL STATEMENTS

**Note 13. Deferred Outflows and Inflows of Resources (Continued)**

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

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid taxes	\$ 35,116	\$ 35,116
Taxes Receivable, less penalties	-	1,161,499
Leases	9,126,270	122,735
Differences between expected and actual experience (LGRS)	64,123	-
Differences between expected and actual experience (LEOSSA)	411,488	-
Changes in proportion and difference between City contributions and proportionate share of contributions (LGRS)	933,146	-
Changes of assumptions (LEOSSA)	1,131,673	-
Differences between expected and actual experience (OPEB)	3,708,919	-
Changes of assumptions (OPEB)	2,126,112	-
	<u>\$ 17,536,847</u>	<u>\$ 1,319,350</u>

**Note 14. Commitments and Contingencies**

The City had commitments on contracts of approximately \$72 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, 2025, 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, 2025. 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 15. 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	\$ 100,679,204
Less:	
Inventories	249,168
Prepays	128,812
Leases	12,669
Stabilization by State Statute	20,619,172
Streets – Powell Bill	4,167,887
Public Safety	<u>1,299,099</u>
Remaining Fund Balance	<u>\$ 74,202,397</u>

## NOTES TO FINANCIAL STATEMENTS

**Note 15. Fund Balance (Continued)**

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, 2025 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental activities:	
General Fund	\$ 2,567,040
Nonmajor Funds	50,362,961
Total governmental activities	<u>\$ 52,930,001</u>
Business-type activities:	
Electric Fund	\$ 7,670,461
Water Fund	13,435,958
Wastewater Fund	1,719,363
Regional Airport Fund	4,549,221
Stormwater Fund	400,788
Transit Fund	643,129
Nonmajor Funds	1,213,997
Total business-type activities	<u>\$ 29,632,917</u>

**Note 16. 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>2025</u>	<u>2024</u>
Unpaid claims, beginning	\$706,000	\$675,000
Incurred claims and premiums	13,811,733	11,130,278
Claims and premiums paid	(13,720,733)	(11,099,278)
Balance, end of year	<u>\$797,000</u>	<u>\$706,000</u>

The City is fully insured through several insurance companies and is self-funded for workers' compensation and health benefits. The City maintains commercial general liability coverage of \$5 million per occurrence, with a \$5 million aggregate that is shared with law enforcement liability and is subject to a \$500,000 retention. Public official liability coverage is maintained at \$5 million per occurrence and \$5 million aggregate, also subject to a \$500,000 retention. Law enforcement liability coverage provides \$5 million per occurrence with a shared \$5 million aggregate (with commercial general liability) and is subject to a \$500,000 retention. Employment practices liability is covered at \$5 million per occurrence and \$5 million aggregate, subject to a \$500,000 retention. The City maintains automobile liability coverage of \$5 million per occurrence, subject to a \$500,000 retention. The City's Building and Business Personal Property insurance provides a Total Insurable Value coverage limit of \$265,283,034. Inland Marine coverage includes \$4,014,992 for scheduled equipment and \$250,000 per occurrence for unscheduled equipment. 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.



NOTES TO FINANCIAL STATEMENTS

---

**Note 16. Risk Management (Continued)**

The City carries commercial coverage for all other risks of loss, including crime; cyber liability; excess workers' compensation; boiler and machinery; fine arts; aviation drone liability; equipment floater; airport pollution liability; airport pollution liability; airport owners and operators' liability; earthquake; pollution control; and directors' and officers' liability. There have been no significant reductions in insurance coverage during the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City's property policy also provides up to \$5 million in flood coverage for locations not situated within FEMA-designated Flood Zones A, V, B, Shaded X, D, or MN.

In accordance with G.S. 159-29, criminal loss conducted by the City's employee is insured through criminal activities insurance at \$250,000 for losses resulting from fraudulent or dishonest acts committed by employees or third parties. Cyber activities insurance covers losses up to \$1,000,000. The finance officer is individually bonded for \$1,000,000.

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 17. 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 \$13.9 million for wastewater treatment and raw water charges during the year ended June 30, 2025.

**Note 18. Subsequent Events**

Management has evaluated subsequent events through December 12, 2025, the date the financial statements were available to be issued.

**Note 19. Adjustments and restatements of beginning balances**

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the City now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatement – GASB 101 implementation" column in the table below.

## NOTES TO FINANCIAL STATEMENTS

**Note 19. Adjustments and restatements of beginning balances (Continued)**

Due to the capital outlay for several capital projects, the General Fund Capital Projects fund now qualifies as a major fund. The General Fund Capital Projects fund was previously reported as a nonmajor governmental fund. The effect of the change within the financial reporting entity is summarized below in the "Adjustment General Fund Capital Projects fund as a major fund" column in the following table.

	Net position/fund balance 6/30/2024 as previously reported	Restatement - GASB 101 implementation	Adjustment - General Fund Capital Projects fund as a major fund	Net position/fund balance 6/30/2024 as restated/adjusted
<b>Government-wide</b>				
Governmental activities	\$ 642,426,745	\$ (14,652,782)	\$ -	\$ 627,773,963
Business-type activities	723,185,507	(4,255,460)	-	718,930,047
<b>Total government-wide</b>	<b>\$1,365,612,252</b>	<b>\$ (18,908,242)</b>	<b>\$ -</b>	<b>\$ 1,346,704,010</b>
<b>Governmental funds</b>				
Major funds:				
General Fund	86,065,399	-	-	86,065,399
General Fund Capital Reserve Fund	17,235,517	-	-	17,235,517
General Fund Capital Projects Fund	-	-	33,892,733	33,892,733
Nonmajor funds	110,205,200	-	(33,892,733)	76,312,467
<b>Total governmental funds</b>	<b>\$ 213,506,116</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 213,506,116</b>
<b>Proprietary Funds</b>				
<b>Enterprise funds</b>				
Major funds:				
Electric Fund	244,730,616	(1,380,866)	-	243,349,750
Water Fund	179,400,813	(655,209)	-	178,745,604
Wastewater Fund	125,254,763	(168,535)	-	125,086,228
Regional Airport Fund	97,391,806	(469,454)	-	96,922,352
Stormwater Fund	53,633,234	(194,811)	-	53,438,423
Transit Fund	10,506,914	(85,597)	-	10,421,317
Nonmajor funds:	15,356,808	(70,857)	-	15,285,951
<b>Total enterprise funds</b>	<b>726,274,954</b>	<b>(3,025,329)</b>	<b>-</b>	<b>723,249,625</b>
<b>Internal service funds</b>	<b>(3,089,447)</b>	<b>(1,230,131)</b>	<b>-</b>	<b>(4,319,578)</b>

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

Exhibit M

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 10,267,397	\$ 9,279,973	\$ 11,546,707	\$ 10,975,270	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329	\$ 6,881,079
Service Cost	387,409	351,107	513,038	568,056	333,799	278,050	279,117	235,882	255,254
Interest on the total pension liability	397,635	387,284	254,182	206,809	235,138	235,400	217,292	250,341	237,293
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	460,971	610,536	(828,536)	625,727	628,867	579,473	(85,995)	20,366	-
Changes of assumptions and other inputs	(219,053)	227,010	(1,705,964)	(309,555)	2,844,537	223,537	(264,446)	409,492	(158,844)
Benefit payments	(653,032)	(588,513)	(499,454)	(519,600)	(559,798)	(581,557)	(528,943)	(521,611)	(468,453)
Other changes	-	-	-	-	-	-	-	-	-
Ending balance of the total pension liability	\$ 10,641,327	\$ 10,267,397	\$ 9,279,973	\$ 11,546,707	\$ 10,975,270	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329

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 Nine Fiscal Years

Exhibit N

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 10,641,327	\$ 10,267,397	\$ 9,279,973	\$ 11,546,707	\$ 10,975,270	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329
Covered-employee payroll	12,287,893	11,766,991	11,435,476	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	86.60%	87.26%	81.15%	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 of GASB codification p22.101 or P52.101 to pay related benefits for the pension plan.

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  
Last Nine Fiscal Years

Exhibit O

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>									
Service cost at end of year	\$ 1,671,111	\$ 1,618,509	\$ 1,535,189	\$ 1,486,865	\$ 1,430,363	\$ 1,936,062	\$ 1,974,188	\$ 2,042,623	\$ 2,212,156
Interest on the Total OPEB Liability	2,716,778	2,655,859	2,516,275	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	(2,527,372)	(133,922)	(556,789)	752,280	3,020,426	(278,653)	(4,943,630)	(19,092)	-
Changes of assumptions or other inputs	2,077,318	-	1,695,858	-	788,784	(6,507,379)	2,183,220	(1,287,975)	(2,588,027)
Benefit payments	(3,716,907)	(2,366,829)	(2,930,908)	(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>	220,928	1,773,617	2,259,625	1,838,012	5,173,782	(4,563,993)	(1,007,786)	894,753	(802,452)
<b>Total OPEB Liability - beginning</b>	51,229,537	49,455,920	47,196,295	45,358,283	40,184,501	44,748,494	45,756,280	44,861,527	45,663,979
<b>Total OPEB Liability - ending</b>	\$ 51,450,465	\$ 51,229,537	\$ 49,455,920	\$ 47,196,295	\$ 45,358,283	\$ 40,184,501	\$ 44,748,494	\$ 45,756,280	\$ 44,861,527
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	\$ 4,191,907	\$ 3,559,657	\$ 3,164,417	\$ 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	1,378,040	991,403	362,002	(1,268,477)	722,116	406,183	218,453	6,375	29,405
Benefit payments	(3,716,907)	(2,366,829)	(2,930,908)	(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>	1,853,040	2,184,231	595,511	593,827	4,901,210	4,155,933	3,218,453	1,106,375	129,405
<b>Plan Fiduciary Net Position - beginning</b>	17,939,495	15,755,264	15,159,753	14,565,926	9,664,716	5,508,783	2,290,330	1,183,955	1,054,550
<b>Plan Fiduciary Net Position - ending</b>	\$ 19,792,535	\$ 17,939,495	\$ 15,755,264	\$ 15,159,753	\$ 14,565,926	\$ 9,664,716	\$ 5,508,783	\$ 2,290,330	\$ 1,183,955
<b>Net OPEB Liability - ending</b>	\$ 31,657,930	\$ 33,290,042	\$ 33,700,656	\$ 32,036,542	\$ 30,792,357	\$ 30,519,785	\$ 39,239,711	\$ 43,465,950	\$ 43,677,572
Plan fiduciary net position as a percentage of the total OPEB liability	38.47%	35.02%	31.86%	32.12%	32.11%	24.05%	12.31%	5.01%	2.64%
Covered payroll	\$ 81,374,039	\$ 62,622,170	\$ 62,622,170	\$ 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	38.90%	53.16%	53.82%	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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,825,812	\$ 3,825,812	\$ 3,709,089	\$ 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	4,191,907	3,559,657	3,164,417	4,681,648	6,394,913	5,185,637	4,968,049	2,512,943	1,874,363	2,063,924
Contribution deficiency (excess)	\$ (366,095)	\$ 266,155	\$ 544,672	\$ (972,559)	\$ (2,820,879)	\$ (1,611,603)	\$ (1,612,031)	\$ 843,075	\$ 866,995	\$ 745,439
Covered payroll	\$ 81,374,039	\$ 62,622,170	\$ 62,622,170	\$ 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	5.15%	5.68%	5.05%	8.20%	11.20%	10.91%	10.45%	5.94%	4.43%	4.88%

Notes to Schedule:

Valuation date:  
June 30, 2024  
June 30, 2024  
Methods and assumptions used to determine contribution rates:  
Actuarial cost method           Entry age normal  
Amortization method           Level dollar  
Remaining amortization period   22 years  
Asset valuation method           Fair 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 2034

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

Exhibit Q

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual rate of return, net of investment expense	7.67%	6.25%	2.39%	-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 Ten Fiscal Years

Exhibit R

	Local Government Employees' Retirement System									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Concord's proportion of the net pension liability (asset) (%)	0.80729%	0.81368%	0.86488%	0.86008%	0.84356%	0.79030%	0.77199%	0.76685%	0.76650%	0.79314%
Concord's proportion of the net pension liability (asset) (\$)	\$ 54,423,221	\$ 53,890,734	\$ 48,791,582	\$ 13,190,152	\$ 30,143,992	\$ 21,582,477	\$ 18,314,243	\$ 11,715,344	\$ 16,267,697	\$ 3,559,574
Concord's covered payroll during the measurement period	\$ 77,564,902	\$ 68,559,068	\$ 62,974,774	\$ 59,664,044	\$ 56,280,529	\$ 51,963,152	\$ 47,797,392	\$ 46,456,219	\$ 44,675,120	\$ 43,605,721
Concord's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	70.16%	78.60%	77.48%	22.11%	53.56%	41.53%	38.32%	25.22%	36.41%	8.16%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%

\* 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.



	Local Government Employees' Retirement System									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 12,598,879	\$ 10,132,609	\$ 8,430,813	\$ 7,245,413	\$ 6,157,331	\$ 5,138,261	\$ 4,194,942	\$ 3,671,191	\$ 3,347,736	\$ 2,955,892
Contributions in relation to the contractually required contribution	12,598,879	10,132,609	8,430,813	7,245,413	6,157,331	5,138,261	4,194,942	3,671,191	3,347,736	2,955,892
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Concord's covered payroll	91,055,459	77,564,902	68,559,068	62,974,774	59,664,044	56,280,529	51,963,152	47,797,392	46,456,219	44,675,120
Contributions as a percentage of covered payroll	13.84%	13.06%	12.30%	11.51%	10.32%	9.13%	8.07%	7.68%	7.21%	6.62%

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

Exhibit T

	Firefighters' and Rescue Squad Workers' Pension									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Concord's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	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	90,457	61,533	124,819	(175,249)	192,536	91,528	113,784	109,722	90,853	76,707
Total	\$ 90,457	\$ 61,533	\$ 124,819	\$ (175,249)	\$ 192,536	\$ 91,528	\$ 113,784	\$ 109,722	\$ 90,853	\$ 76,707
Concord's covered payroll during the measurement period	\$ 20,729,009	\$ 17,121,090	\$ 14,540,555	\$ 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	0.44%	0.36%	0.86%	-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)	102.76%	98.16%	89.69%	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

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

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2025**

**Statement 1**

	Debt service funds	Special revenue funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 2,168,862	\$ 1,200,598	\$ 35,272,608	\$ 38,642,068
Receivables:				
Ad valorem taxes, net	-	34,524	-	34,524
Due from other governmental agencies	-	1,053,579	267,975	1,321,554
Interest	13,114	7,538	214,015	234,667
Other, net	-	573	-	573
Prepaid items	-	7,480	-	7,480
Restricted assets -cash and investments	-	675,024	38,866,643	39,541,667
Total assets	<u>\$ 2,181,976</u>	<u>\$ 2,979,316</u>	<u>\$ 74,621,241</u>	<u>\$ 79,782,533</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ 1,074,173	\$ 642,624	\$ 1,716,797
Advance from grantors	-	37,675	70,000	107,675
Due to other funds	-	16,580	-	16,580
Unearned revenues	-	1,901	-	1,901
Deposits payable from restricted assets	-	10,100	-	10,100
Total liabilities	<u>-</u>	<u>1,140,429</u>	<u>712,624</u>	<u>1,853,053</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	-	34,524	-	34,524
Prepaid taxes	-	33	-	33
Total deferred inflows of resources	<u>-</u>	<u>34,557</u>	<u>-</u>	<u>34,557</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Prepays	-	7,480	-	7,480
Restricted				
Planning and community development	-	1,303,940	-	1,303,940
Stabilization by State Statute	-	6,660	-	6,660
Future capital purchases	-	-	38,796,644	38,796,644
Committed				
Future capital purchases	-	-	35,111,973	35,111,973
Future debt service	2,181,976	-	-	2,181,976
Planning and community development	-	486,320	-	486,320
Unassigned	-	(70)	-	(70)
Total fund balances (deficits)	<u>2,181,976</u>	<u>1,804,330</u>	<u>73,908,617</u>	<u>77,894,923</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,181,976</u>	<u>\$ 2,979,316</u>	<u>\$ 74,621,241</u>	<u>\$ 79,782,533</u>

	State Directed Grants	American Rescue Plan	Opioid Settlement	Housing Assistance	FSS Escrow Forfeitures	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Home ARP Grant	Affordable Housing Fund	Municipal Service District	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>													
Cash and investments	\$ -	\$ -	\$ -	\$ 205,075	\$ -	\$ -	\$ 297,340	\$ -	\$ 474,960	\$ -	\$ 137,921	\$ 85,302	\$ 1,200,598
Receivables:													
Ad valorem taxes, net	-	-	-	-	-	-	-	-	-	-	-	34,524	34,524
Due from other governmental agencies	1,019,099	-	-	-	-	2,132	-	12,334	8,798	11,172	-	44	1,053,579
Interest	-	-	1,116	215	35	34	1,953	-	2,790	-	837	558	7,538
Other, net	-	-	-	222	-	324	27	-	-	-	-	-	573
Prepaid items	-	-	-	6,137	-	-	-	70	-	-	-	1,273	7,480
Restricted assets -cash and investments	-	-	200,750	90,092	300,906	73,176	10,100	-	-	-	-	-	675,024
Total assets	<u>\$ 1,019,099</u>	<u>\$ -</u>	<u>\$ 201,866</u>	<u>\$ 301,741</u>	<u>\$ 300,941</u>	<u>\$ 75,666</u>	<u>\$ 309,420</u>	<u>\$ 12,404</u>	<u>\$ 486,548</u>	<u>\$ 11,172</u>	<u>\$ 138,758</u>	<u>\$ 121,701</u>	<u>\$ 2,979,316</u>
<b>LIABILITIES</b>													
Accounts payable and accrued liabilities	\$ 1,019,099	\$ -	\$ -	\$ 40,224	\$ -	\$ -	\$ 57	\$ 4,389	\$ 258	\$ 2,577	\$ -	\$ 7,569	\$ 1,074,173
Advance from grantors	-	-	-	-	-	37,675	-	-	-	-	-	-	37,675
Due to other funds	-	-	-	-	-	-	-	8,015	-	8,565	-	-	16,580
Unearned revenues	-	-	-	-	-	-	1,901	-	-	-	-	-	1,901
Deposits payable from restricted assets	-	-	-	-	-	-	10,100	-	-	-	-	-	10,100
Total liabilities	<u>1,019,099</u>	<u>-</u>	<u>-</u>	<u>40,224</u>	<u>-</u>	<u>37,675</u>	<u>12,058</u>	<u>12,404</u>	<u>258</u>	<u>11,142</u>	<u>-</u>	<u>7,569</u>	<u>1,140,429</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>													
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	-	34,524	34,524
Prepaid taxes	-	-	-	-	-	-	-	-	-	-	-	33	33
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,557</u>	<u>34,557</u>
<b>FUND BALANCES (DEFICITS)</b>													
Nonspendable													
Prepays	-	-	-	6,137	-	-	-	70	-	-	-	1,273	7,480
Restricted													
Planning and community development	-	-	200,750	254,943	300,906	35,501	295,382	-	-	-	138,758	77,700	1,303,940
Stabilization by State Statute	-	-	1,116	437	35	2,490	1,980					602	6,660
Committed													
Planning and community development	-	-	-	-	-	-	-	-	486,290	30	-		486,320
Unassigned	-	-	-	-	-	-	-	(70)	-	-	-	-	(70)
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>201,866</u>	<u>261,517</u>	<u>300,941</u>	<u>37,991</u>	<u>297,362</u>	<u>-</u>	<u>486,290</u>	<u>30</u>	<u>138,758</u>	<u>79,575</u>	<u>1,804,330</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,019,099</u>	<u>\$ -</u>	<u>\$ 201,866</u>	<u>\$ 301,741</u>	<u>\$ 300,941</u>	<u>\$ 75,666</u>	<u>\$ 309,420</u>	<u>\$ 12,404</u>	<u>\$ 486,548</u>	<u>\$ 11,172</u>	<u>\$ 138,758</u>	<u>\$ 121,701</u>	<u>\$ 2,979,316</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**June 30, 2025**

**Statement 3**

	Housing Repositioning	Parks	Parks Capital Reserve	Transportation	Fire and Life Safety	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>						
Cash and investments	\$ 2,215,306	\$ 8,244,744	\$ 1,234,585	\$ 22,255,969	\$ 1,322,004	\$ 35,272,608
Receivables:						
Due from other governmental agencies	-	214,439	-	53,536	-	267,975
Interest	13,393	50,504	7,534	134,492	8,092	214,015
Restricted assets -cash and investments	-	38,866,643	-	-	-	38,866,643
Total assets	<u>\$ 2,228,699</u>	<u>\$ 47,376,330</u>	<u>\$ 1,242,119</u>	<u>\$ 22,443,997</u>	<u>\$ 1,330,096</u>	<u>\$ 74,621,241</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ 476,116	\$ -	\$ 3,473	\$ 163,035	\$ 642,624
Advance from grantors	-	70,000	-	-	-	70,000
Total liabilities	<u>-</u>	<u>546,116</u>	<u>-</u>	<u>3,473</u>	<u>163,035</u>	<u>712,624</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted						
Future capital purchases	-	38,796,644	-	-	-	38,796,644
Committed						
Future capital purchases	2,228,699	8,033,570	1,242,119	22,440,524	1,167,061	35,111,973
Total fund balances (deficits)	<u>2,228,699</u>	<u>46,830,214</u>	<u>1,242,119</u>	<u>22,440,524</u>	<u>1,167,061</u>	<u>73,908,617</u>
 Total liabilities and fund balances (deficits)	<u>\$ 2,228,699</u>	<u>\$ 47,376,330</u>	<u>\$ 1,242,119</u>	<u>\$ 22,443,997</u>	<u>\$ 1,330,096</u>	<u>\$ 74,621,241</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2025**

**Statement 4**

	Debt service funds	Special revenue funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ 227,135	\$ -	\$ 227,135
Restricted intergovernmental revenues	-	17,281,065	371,318	17,652,383
Investment earnings	40,475	206,791	1,542,539	1,789,805
Investment earnings, restricted	-	-	1,885,507	1,885,507
Program income	-	601,513	448,908	1,050,421
Other revenues	-	277,191	-	277,191
Total revenues	<u>40,475</u>	<u>18,593,695</u>	<u>4,248,272</u>	<u>22,882,442</u>
<b>EXPENDITURES</b>				
General government	-	39,843	-	39,843
Planning and community development	-	12,300,665	-	12,300,665
Administration	-	913,703	3,377,299	4,291,002
Housing assistance payments	-	5,386,152	-	5,386,152
Rehabilitation	-	1,223,755	-	1,223,755
Capital outlay	-	-	7,919,045	7,919,045
Debt service:				
Interest	2,024,768	-	-	2,024,768
Principal retirement	2,720,000	-	-	2,720,000
Total expenditures	<u>4,744,768</u>	<u>19,864,118</u>	<u>11,296,344</u>	<u>35,905,230</u>
Excess (deficiency) of revenues over expenditures	<u>(4,704,293)</u>	<u>(1,270,423)</u>	<u>(7,048,072)</u>	<u>(13,022,788)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	6,886,269	1,606,854	11,423,727	19,916,850
Transfers to other funds	-	(2,655,288)	(2,656,318)	(5,311,606)
Total other financing sources (uses)	<u>6,886,269</u>	<u>(1,048,434)</u>	<u>8,767,409</u>	<u>14,605,244</u>
Net change in fund balances	2,181,976	(2,318,857)	1,719,337	1,582,456
Fund balances - beginning, as previously presented	-	4,123,187	106,082,013	110,205,200
Adjustments	-	-	(33,892,733)	(33,892,733)
Fund balances - beginning, as adjusted	-	4,123,187	72,189,280	76,312,467
Fund balances - ending	<u>\$ 2,181,976</u>	<u>\$ 1,804,330</u>	<u>\$ 73,908,617</u>	<u>\$ 77,894,923</u>

CITY OF CONCORD, NORTH CAROLINA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2025

Statement 5

	State Directed Grants	American Rescue Plan	Opioid Settlement	Housing Assistance	FSS Escrow Forfeitures	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Home ARP Grant	Affordable Housing Fund	Municipal Service District	Nonmajor Special Revenue
<b>REVENUES</b>													
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,135	\$ 227,135
Restricted intergovernmental revenues	10,169,588	-	-	5,518,871	-	285,663	-	334,590	851,016	121,337	-	-	17,281,065
Investment earnings	70,471	77,384	9,158	1,649	374	529	13,665	-	12,834	-	13,567	7,160	206,791
Program income	-	-	-	177,326	-	-	136,506	5,579	282,102	-	-	-	601,513
Other revenues	-	-	-	-	275,674	-	1,222	-	-	-	-	295	277,191
Total revenues	10,240,059	77,384	9,158	5,697,846	276,048	286,192	151,393	340,169	1,145,952	121,337	13,567	234,590	18,593,695
<b>EXPENDITURES</b>													
General government	-	39,843	-	-	-	-	-	-	-	-	-	-	39,843
Planning and community development	10,169,588	-	-	-	-	-	-	-	-	-	1,706,017	425,060	12,300,665
Administration	-	-	-	626,947	2,323	11,743	9,574	104,470	37,309	121,337	-	-	913,703
Housing assistance payments	-	-	-	5,126,313	-	259,839	-	-	-	-	-	-	5,386,152
Rehabilitation	-	-	-	-	-	-	-	235,699	988,056	-	-	-	1,223,755
Total expenditures	10,169,588	39,843	-	5,753,260	2,323	271,582	9,574	340,169	1,025,365	121,337	1,706,017	425,060	19,864,118
Excess (deficiency) of revenues over expenditures	70,471	37,541	9,158	(55,414)	273,725	14,610	141,819	-	120,587	-	(1,692,450)	(190,470)	(1,270,423)
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers from other funds	-	-	-	8,221	-	-	-	-	31,006	-	1,800,000	105,007	1,944,234
Transfers to other funds	-	(2,577,306)	-	-	-	-	(77,982)	-	-	-	(337,380)	-	(2,992,668)
Total other financing sources (uses)	-	(2,577,306)	-	8,221	-	-	(77,982)	-	31,006	-	1,462,620	105,007	(1,048,434)
Net change in fund balances	70,471	(2,539,765)	9,158	(47,193)	273,725	14,610	63,837	-	151,593	-	(229,830)	(85,463)	(2,318,857)
Fund balances - beginning	(70,471)	2,539,765	192,708	308,710	27,216	23,381	233,525	-	334,697	30	368,588	165,038	4,123,187
Fund balances - ending	\$ -	\$ -	\$ 201,866	\$ 261,517	\$ 300,941	\$ 37,991	\$ 297,362	\$ -	\$ 486,290	\$ 30	\$ 138,758	\$ 79,575	\$ 1,804,330

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended June 30, 2025**

**Statement 6**

	Housing Repositioning	Parks	Parks Capital Reserve	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>							
Restricted intergovernmental revenues	\$ -	\$ 314,614	\$ -	\$ 56,704	\$ -	\$ -	\$ 371,318
Investment earnings	41,912	329,415	88,247	1,009,256	-	73,709	1,542,539
Investment earnings, restricted	-	1,885,507	-	-	-	-	1,885,507
Program income	-	-	-	448,908	-	-	448,908
Total revenues	<u>41,912</u>	<u>2,529,536</u>	<u>88,247</u>	<u>1,514,868</u>	<u>-</u>	<u>73,709</u>	<u>4,248,272</u>
<b>EXPENDITURES</b>							
Administration	150,593	531	-	3,226,175	-	-	3,377,299
Capital outlay	-	7,331,699	-	135,495	-	451,851	7,919,045
Total expenditures	<u>150,593</u>	<u>7,332,230</u>	<u>-</u>	<u>3,361,670</u>	<u>-</u>	<u>451,851</u>	<u>11,296,344</u>
Excess (deficiency) of revenues over expenditures	<u>(108,681)</u>	<u>(4,802,694)</u>	<u>88,247</u>	<u>(1,846,802)</u>	<u>-</u>	<u>(378,142)</u>	<u>(7,048,072)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	2,337,380	2,886,347	1,800,000	4,400,000	-	-	11,423,727
Transfers to other funds	-	-	(2,656,318)	-	-	-	(2,656,318)
Total other financing sources (uses)	<u>2,337,380</u>	<u>2,886,347</u>	<u>(856,318)</u>	<u>4,400,000</u>	<u>-</u>	<u>-</u>	<u>8,767,409</u>
Net change in fund balances	2,228,699	(1,916,347)	(768,071)	2,553,198	-	(378,142)	1,719,337
Fund balances - beginning, as previously presented	-	48,746,561	2,010,190	19,887,326	33,892,733	1,545,203	106,082,013
Adjustments	-	-	-	-	(33,892,733)	-	(33,892,733)
Fund balances - beginning, as adjusted	-	48,746,561	2,010,190	19,887,326	-	1,545,203	72,189,280
Fund balances - ending	<u>\$ 2,228,699</u>	<u>\$ 46,830,214</u>	<u>\$ 1,242,119</u>	<u>\$ 22,440,524</u>	<u>\$ -</u>	<u>\$ 1,167,061</u>	<u>\$ 73,908,617</u>



**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2025**

**Statement 7**

	Golf Course Fund	Housing Department Operating Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 4,731,201	\$ 1,835,763	\$ 6,566,964
Receivables:			
Accounts receivable, net	8,069	19,074	27,143
Due from other governmental agencies	-	27,360	27,360
Interest	-	986	986
Inventories	224,035	-	224,035
Prepaid items	31,283	2,448	33,731
Total current assets	4,994,588	1,885,631	6,880,219
Noncurrent Assets			
Restricted assets - cash and investments	-	174,736	174,736
Capital assets	10,837,749	4,046,672	14,884,421
Less accumulated depreciation	(1,220,348)	(2,623,829)	(3,844,177)
Total noncurrent assets	9,617,401	1,597,579	11,214,980
Total assets	14,611,989	3,483,210	18,095,199
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	-	335,140	335,140
OPEB deferrals	-	60,718	60,718
Total deferred outflows of resources	-	395,858	395,858
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued liabilities	1,025,994	70,648	1,096,642
Current portion of long-term debt	-	40,816	40,816
Current portion of lease liability	113,041	-	113,041
Total current liabilities	1,139,035	111,464	1,250,499
Noncurrent Liabilities			
Net pension liability (LGERS)	-	614,982	614,982
Net OPEB liability	-	516,267	516,267
Long-term debt due after one year	-	99,930	99,930
Long-term lease liability due after one year	116,162	-	116,162
Deposits payable from restricted assets	-	39,639	39,639
Total noncurrent liabilities	116,162	1,270,818	1,386,980
Total liabilities	1,255,197	1,382,282	2,637,479
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	-	11,269	11,269
OPEB deferrals	-	65,936	65,936
Total deferred inflows of resources	-	77,205	77,205
<b>NET POSITION</b>			
Net investment in capital assets	9,361,321	1,422,843	10,784,164
Unrestricted	3,995,471	996,738	4,992,209
Total net position	\$ 13,356,792	\$ 2,419,581	\$ 15,776,373

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2025**

**Statement 8**

	Golf Course Fund	Housing Department Operating Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,470,933	\$ 514,362	\$ 2,985,295
Other operating revenues	1,429,470	-	1,429,470
Total operating revenues	3,900,403	514,362	4,414,765
<b>OPERATING EXPENSES</b>			
General and administrative	-	1,560,827	1,560,827
Professional services	1,408,146	-	1,408,146
Utilities	-	394,075	394,075
Maintenance and repairs	-	307,892	307,892
Other operating costs	1,781,507	-	1,781,507
Depreciation and amortization	227,527	77,715	305,242
Total operating expenses	3,417,180	2,340,509	5,757,689
Operating income (loss)	483,223	(1,826,147)	(1,342,924)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating subsidy	-	1,615,131	1,615,131
Investment earnings	-	15,027	15,027
Other	-	118,036	118,036
Total nonoperating revenues (expenses)	-	1,748,194	1,748,194
Income (loss) before transfers	483,223	(77,953)	405,270
Transfers in	-	85,152	85,152
Change in net position	483,223	7,199	490,422
Net position - beginning, as previously reported	12,873,569	2,483,239	15,356,808
Restatements	-	(70,857)	(70,857)
Net position - beginning as restated	12,873,569	2,412,382	15,285,951
Net position - ending	\$ 13,356,792	\$ 2,419,581	\$ 15,776,373

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2025**

**Statement 9**

	Golf Course Fund	Housing Department Operating Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 3,892,334	\$ 618,318	\$ 4,510,652
Payments to employees	-	(610,244)	(610,244)
Payments to suppliers	(2,756,006)	(1,686,089)	(4,442,095)
Net cash provided (used) by operating activities	<u>1,136,328</u>	<u>(1,678,015)</u>	<u>(541,687)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	85,152	85,152
Operating grants received	-	1,615,131	1,615,131
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>1,700,283</u>	<u>1,700,283</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Lease liability payments made	(114,803)	-	(114,803)
Acquisition and construction of capital assets	-	(35,339)	(35,339)
Net cash provided (used) by capital and related financing activities	<u>(114,803)</u>	<u>(35,339)</u>	<u>(150,142)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Earnings on investments	-	16,113	16,113
Net cash provided (used) by investing activities	<u>-</u>	<u>16,113</u>	<u>16,113</u>
Net increase (decrease) in cash and cash equivalents	<u>1,021,525</u>	<u>3,042</u>	<u>1,024,567</u>
Balances - beginning of year	<u>3,709,676</u>	<u>2,007,457</u>	<u>5,717,133</u>
Balances - end of the year	<u>\$ 4,731,201</u>	<u>\$ 2,010,499</u>	<u>\$ 6,741,700</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating Income	\$ 483,223	\$ (1,826,147)	\$ (1,342,924)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	227,527	77,715	305,242
Other income	-	118,036	118,036
Changes in assets and liabilities:			
Accounts receivable	(8,069)	(12,777)	(20,846)
Due from other governmental agencies	-	(1,303)	(1,303)
Inventories and prepaid expenses	(40,682)	(32)	(40,714)
Deferred outflows of resources for pensions (LGERS)	-	37,114	37,114
Deferred outflows of resources for OPEB	-	26	26
Accounts payable and accrued expenses	474,329	(74,825)	399,504
Vacation accrual	-	15,168	15,168
Net pension liability (LGERS)	-	6,017	6,017
Net OPEB liability	-	(13,075)	(13,075)
Deferred inflows of resources for pensions (LGERS)	-	(6,537)	(6,537)
Deferred inflows of resources of OPEB	-	7,074	7,074
Deposits	-	(4,469)	(4,469)
Net cash provided (used) by operating activities	<u>\$ 1,136,328</u>	<u>\$ (1,678,015)</u>	<u>\$ (541,687)</u>

## CITY OF CONCORD, NORTH CAROLINA

## Statement 10

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## SCHEDULE OF FUNCTION AND ACTIVITY

June 30, 2025

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Software Subscriptions	Leases	Infrastructure	Construction in Progress	Total
General Government									
Administration	\$ 2,824,365	\$ 17,443,114	\$ 899,114	\$ 2,428,649	\$ 55,822	\$ -	\$ 1,870,391	\$ 3,347,148	\$ 28,868,603
Finance	-	-	-	425,592	87,597	-	-	-	513,189
Tax office	-	-	-	81,896	-	-	-	-	81,896
Legal	-	-	-	-	-	-	-	-	-
Information Technology	-	-	-	1,118,507	-	-	501,674	-	1,620,181
Human resources	-	421,736	-	106,886	-	-	-	-	528,622
<b>Total general government</b>	<b>2,824,365</b>	<b>17,864,850</b>	<b>899,114</b>	<b>4,161,530</b>	<b>143,419</b>	<b>-</b>	<b>2,372,065</b>	<b>3,347,148</b>	<b>31,612,491</b>
Public Safety									
Communications	-	-	-	1,415,283	-	-	-	6,300	1,421,583
Police	-	14,586,391	24,000	13,809,302	-	-	-	-	28,419,693
Fire	2,306,087	28,083,646	441,098	21,699,172	-	-	101,802	11,229,807	63,861,612
Fiber Network Management	-	-	-	225,691	-	-	-	-	225,691
<b>Total public safety</b>	<b>2,306,087</b>	<b>42,670,037</b>	<b>465,098</b>	<b>37,149,448</b>	<b>-</b>	<b>-</b>	<b>101,802</b>	<b>11,236,107</b>	<b>93,928,579</b>
Public Works									
Streets	2,940,554	4,850,501	1,056,777	8,521,933	-	-	961,601,883	1,478,690	980,450,338
Sanitation	-	4,855,190	293,523	11,509,398	-	-	-	-	16,658,111
Cemeteries	-	-	191,522	550,360	-	-	168,238	182,837	1,092,957
Transportation	50,987	-	-	-	-	-	6,843,848	-	6,894,835
Fleet Services	-	702,705	-	635,164	-	-	-	18,608,948	19,946,817
<b>Total public works</b>	<b>2,991,541</b>	<b>10,408,396</b>	<b>1,541,822</b>	<b>21,216,855</b>	<b>-</b>	<b>-</b>	<b>968,613,969</b>	<b>20,270,475</b>	<b>1,025,043,058</b>
Cultural and Recreational									
Parks and recreation	12,245,365	9,503,620	9,972,760	2,239,544	-	-	66,304	15,885,905	49,913,498
Planning and Community Development									
Planning and zoning	541,106	557,518	450,901	215,877	-	161,289	673,268	11,933,393	14,533,352
<b>Total capital assets</b>	<b>\$ 20,908,464</b>	<b>\$ 81,004,421</b>	<b>\$ 13,329,695</b>	<b>\$ 64,983,254</b>	<b>\$ 143,419</b>	<b>\$ 161,289</b>	<b>\$ 971,827,408</b>	<b>\$ 62,673,028</b>	<b>\$ 1,215,030,978</b>

## CITY OF CONCORD, NORTH CAROLINA

## Statement 11

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

June 30, 2025

Function/Activity	June 30, 2024	Additions	Retirements/ Transfers	June 30, 2025
General Government				
Administration	\$ 25,858,917	\$ 3,134,884	\$ 125,198	\$ 28,868,603
Finance	566,454	36,733	89,998	513,189
Tax office	81,896	-	-	81,896
Information Technology	3,958,618	191,054	2,529,491	1,620,181
Human resources	528,622	-	-	528,622
<b>Total general government</b>	<b>30,994,507</b>	<b>3,362,671</b>	<b>2,744,687</b>	<b>31,612,491</b>
Public Safety				
Communications	1,785,249	38,735	402,401	1,421,583
Police	26,437,176	2,082,624	100,107	28,419,693
Fire	58,327,790	19,060,939	13,527,117	63,861,612
Fiber Network Management	225,691	-	-	225,691
<b>Total public safety</b>	<b>86,775,906</b>	<b>21,182,298</b>	<b>14,029,625</b>	<b>93,928,579</b>
Public Works				
Streets	909,572,458	71,029,927	152,047	980,450,338
Sanitation	15,640,139	2,224,939	1,206,967	16,658,111
Cemeteries	1,022,937	70,020	-	1,092,957
Transportation	6,894,835	-	-	6,894,835
Fleet services	3,024,200	16,909,470	(13,147)	19,946,817
<b>Total public works</b>	<b>936,154,569</b>	<b>90,234,356</b>	<b>1,345,867</b>	<b>1,025,043,058</b>
Cultural and Recreational				
Parks and recreation	42,441,665	7,506,614	34,781	49,913,498
Planning and Community Development				
Planning and zoning	10,284,784	4,248,568	-	14,533,352
<b>Total capital assets</b>	<b>\$ 1,106,651,431</b>	<b>\$ 126,534,507</b>	<b>\$ 18,154,960</b>	<b>\$ 1,215,030,978</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL CAPITAL RESERVE PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 12**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 1,575,012	\$ 1,575,013	\$ 866,394	\$ 2,441,407
Total revenues	<u>1,575,012</u>	<u>1,575,013</u>	<u>866,394</u>	<u>2,441,407</u>
<b>EXPENDITURES</b>				
Capital outlay	18,035,515	-	-	-
Total expenditures	<u>18,035,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(16,460,503)</u>	<u>1,575,013</u>	<u>866,394</u>	<u>2,441,407</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	16,460,503	15,660,504	800,000	16,460,504
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>16,460,503</u>	<u>15,660,504</u>	<u>800,000</u>	<u>16,460,504</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 17,235,517</u>	1,666,394	<u>\$ 18,901,911</u>
Fund balances - beginning			17,235,517	
Fund balances - ending			<u>\$ 18,901,911</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 13**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	989,910	137,790	14,524	152,314
Investment earnings	252,252	252,251	1,566,017	1,818,268
Other revenues	40,784	40,784	-	40,784
Total revenues	<u>1,282,946</u>	<u>430,825</u>	<u>1,580,541</u>	<u>2,011,366</u>
<b>EXPENDITURES</b>				
Administration	1,678,227	183,471	550,053	733,524
Capital outlay	50,933,631	11,617,514	21,379,865	32,997,379
Total expenditures	<u>52,611,858</u>	<u>11,800,985</u>	<u>21,929,918</u>	<u>33,730,903</u>
Excess (deficiency) of revenues over expenditures	<u>(51,328,912)</u>	<u>(11,370,160)</u>	<u>(20,349,377)</u>	<u>(31,719,537)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,145,000	-	-	-
Proceeds from sale of capital assets	17,497	17,497	-	17,497
Transfers from other funds	49,166,415	47,090,663	2,075,753	49,166,416
Total other financing sources (uses)	<u>51,328,912</u>	<u>47,108,160</u>	<u>2,075,753</u>	<u>49,183,913</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 35,738,000</u>	<u>\$ (18,273,624)</u>	<u>\$ 17,464,376</u>
Change in net position:				
General Fund Capital Projects Fund			\$ (18,273,624)	
First Concord Capital Project Fund (Statement 49)			10,169,829	
			<u>\$ (8,103,795)</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 14**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 40,475	\$ 40,475
Total revenues	-	-	40,475	40,475
<b>EXPENDITURES</b>				
Future debt service	2,141,501	-	-	-
Interest	2,024,768	-	2,024,768	2,024,768
Principal retirement	2,720,000	-	2,720,000	2,720,000
Total expenditures	6,886,269	-	4,744,768	4,744,768
Excess (deficiency) of revenues over expenditures	(6,886,269)	-	(4,704,293)	(4,704,293)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	6,886,269	-	6,886,269	6,886,269
Total other financing sources (uses)	6,886,269	-	6,886,269	6,886,269
Net change in fund balances	\$ -	\$ -	2,181,976	\$ 2,181,976
Fund balances - beginning			-	
Fund balances - ending			\$ 2,181,976	



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**AMERICAN RESCUE PLAN FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 15**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	237,109	159,725	77,384	237,109
Other revenues	1,362	1,362	-	1,362
Total revenues	<u>238,471</u>	<u>161,087</u>	<u>77,384</u>	<u>238,471</u>
<b>EXPENDITURES</b>				
General government	100,000	60,157	39,843	100,000
Capital outlay	-	-	-	-
Total expenditures	<u>100,000</u>	<u>60,157</u>	<u>39,843</u>	<u>100,000</u>
Excess (deficiency) of revenues over expenditures	<u>138,471</u>	<u>100,930</u>	<u>37,541</u>	<u>138,471</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	2,438,835	2,438,835	-	2,438,835
Transfers to other funds	(2,577,306)	-	(2,577,306)	(2,577,306)
Total other financing sources (uses)	<u>(138,471)</u>	<u>2,438,835</u>	<u>(2,577,306)</u>	<u>(138,471)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 2,539,765</u>	<u>(2,539,765)</u>	<u>\$ -</u>
Fund balances - beginning			2,539,765	
Fund balances - ending			<u>\$ -</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**STATE DIRECTED GRANTS FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 16**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 17,122,255	\$ 6,952,667	\$ 10,169,588	\$ 17,122,255
Investment earnings	-	(46,528)	70,471	23,943
Total revenues	<u>17,122,255</u>	<u>6,906,139</u>	<u>10,240,059</u>	<u>17,146,198</u>
<b>EXPENDITURES</b>				
Planning and community development	<u>17,122,255</u>	<u>6,976,610</u>	<u>10,169,588</u>	<u>17,146,198</u>
Total expenditures	<u>17,122,255</u>	<u>6,976,610</u>	<u>10,169,588</u>	<u>17,146,198</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(70,471)</u>	<u>70,471</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (70,471)</u>	<u>70,471</u>	<u>\$ -</u>
Fund balances - beginning			(70,471)	
Fund balances - ending			<u>\$ -</u>	

CITY OF CONCORD, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
OPIOID SETTLEMENT FUND  
For the Year Ended June 30, 2025

Statement 17

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 9,158	\$ 9,158
Total revenues	-	-	9,158	9,158
EXPENDITURES				
Administration	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	9,158	9,158
Net change in fund balances	\$ -	\$ -	9,158	\$ 9,158
Fund balances - beginning			192,708	
Fund balances - ending			\$ 201,866	

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## HOUSING ASSISTANCE FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 5,656,432	\$ 5,656,432	\$ 5,518,871	\$ (137,561)
Investment earnings	-	-	1,649	1,649
Program income	229,700	229,700	177,326	(52,374)
Total revenues	5,886,132	5,886,132	5,697,846	(188,286)
<b>EXPENDITURES</b>				
Administration	620,323	620,323	626,947	(6,624)
Housing assistance payments	5,270,932	5,270,932	5,126,313	144,619
Total expenditures	5,891,255	5,891,255	5,753,260	137,995
Excess (deficiency) of revenues over expenditures	(5,123)	(5,123)	(55,414)	(50,291)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	5,123	5,123	8,221	3,098
Total other financing sources (uses)	5,123	5,123	8,221	3,098
Net change in fund balances	\$ -	\$ -	(47,193)	\$ (47,193)
Fund balances - beginning			308,710	
Fund balances - ending			\$ 261,517	

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## FSS ESCROW FORFEITURES FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 374	\$ 374
Other revenues	-	50,876	275,674	224,798
Total revenues	-	50,876	276,048	225,172
<b>EXPENDITURES</b>				
Administration	-	50,876	2,323	48,553
Total expenditures	-	50,876	2,323	48,553
Excess (deficiency) of revenues over expenditures	-	-	273,725	273,725
Net change in fund balances	\$ -	\$ -	273,725	\$ 273,725
Fund balances - beginning			27,216	
Fund balances - ending			\$ 300,941	

## CITY OF CONCORD, NORTH CAROLINA

## Statement 20

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## EMERGENCY HOUSING ASSISTANCE FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ -	\$ 285,407	\$ 285,663	\$ 256
Investment earnings	-	-	529	529
Total revenues	-	285,407	286,192	785
<b>EXPENDITURES</b>				
Administration	-	11,200	11,743	(543)
Housing assistance payments	-	274,207	259,839	14,368
Total expenditures	-	285,407	271,582	13,825
Excess (deficiency) of revenues over expenditures	-	-	14,610	14,610
Net change in fund balances	\$ -	\$ -	14,610	\$ 14,610
Fund balances - beginning			23,381	
Fund balances - ending			\$ 37,991	

## CITY OF CONCORD, NORTH CAROLINA

## Statement 21

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## MARKET RATE UNITS FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 151,788	\$ 151,788	\$ 136,506	\$ (15,282)
Other revenues	700	700	1,222	522
Investment earnings	-	-	13,665	13,665
Total revenues	152,488	152,488	151,393	(1,095)
<b>EXPENDITURES</b>				
Administration	75,945	75,945	9,574	66,371
Total expenditures	75,945	75,945	9,574	66,371
Excess (deficiency) of revenues over expenditures	76,543	76,543	141,819	65,276
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(76,543)	(76,543)	(77,982)	(1,439)
Total other financing sources (uses)	(76,543)	(76,543)	(77,982)	(1,439)
Net change in fund balances	\$ -	\$ -	63,837	\$ 63,837
Fund balances - beginning			233,525	
Fund balances - ending			\$ 297,362	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT GRANT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 22**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 3,155,135	\$ 2,054,465	\$ 334,590	\$ 2,389,055
Program income	105,891	104,891	5,579	110,470
Total revenues	3,261,026	2,159,356	340,169	2,499,525
<b>EXPENDITURES</b>				
Administration	564,344	458,667	104,470	563,137
Rehabilitation	2,696,682	1,700,689	235,699	1,936,388
Total expenditures	3,261,026	2,159,356	340,169	2,499,525
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			\$ -	



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOME FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 23**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 10,888,784	\$ 4,609,043	\$ 851,016	\$ 5,460,059
Program income	1,527,160	1,327,160	282,102	1,609,262
Investment earnings	8,145	11,293	12,834	24,127
Total revenues	<u>12,424,089</u>	<u>5,947,496</u>	<u>1,145,952</u>	<u>7,093,448</u>
<b>EXPENDITURES</b>				
Administration	1,162,358	875,829	37,309	913,138
Rehabilitation	11,725,439	5,170,808	988,056	6,158,864
Total expenditures	<u>12,887,797</u>	<u>6,046,637</u>	<u>1,025,365</u>	<u>7,072,002</u>
Excess (deficiency) of revenues over expenditures	<u>(463,708)</u>	<u>(99,141)</u>	<u>120,587</u>	<u>21,446</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	463,708	433,838	31,006	464,844
Total other financing sources (uses)	<u>463,708</u>	<u>433,838</u>	<u>31,006</u>	<u>464,844</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 334,697</u>	151,593	<u>\$ 486,290</u>
Fund balances - beginning			334,697	
Fund balances - ending			<u>\$ 486,290</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOME ARP GRANT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 24**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 4,772,338	\$ 119,786	\$ 121,337	\$ 241,123
Other revenues	-	30	-	30
Total revenues	<u>4,772,338</u>	<u>119,816</u>	<u>121,337</u>	<u>241,153</u>
<b>EXPENDITURES</b>				
Administration	715,850	119,786	121,337	241,123
Rehabilitation	<u>4,056,488</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,772,338</u>	<u>119,786</u>	<u>121,337</u>	<u>241,123</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>30</u>	<u>-</u>	<u>30</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 30</u>	<u>-</u>	<u>\$ 30</u>
Fund balances - beginning			30	
Fund balances - ending			<u>\$ 30</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**AFFORDABLE HOUSING FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 25**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 14,163	\$ 14,162	\$ 13,567	\$ 27,729
Program income	77,599	77,599	-	77,599
Total revenues	91,762	91,761	13,567	105,328
<b>EXPENDITURES</b>				
Planning and community development	3,922,296	2,091,087	1,706,017	3,797,104
Total expenditures	3,922,296	2,091,087	1,706,017	3,797,104
Excess (deficiency) of revenues over expenditures	(3,830,534)	(1,999,326)	(1,692,450)	(3,691,776)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	3,830,534	2,367,914	1,462,620	3,830,534
Total other financing sources (uses)	3,830,534	2,367,914	1,462,620	3,830,534
Net change in fund balances	\$ -	\$ 368,588	(229,830)	\$ 138,758
Fund balances - beginning			368,588	
Fund balances - ending			\$ 138,758	

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

## MUNICIPAL SERVICE DISTRICT FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes	\$ 236,889	\$ 236,889	\$ 227,135	\$ (9,754)
Other revenues	5,972	103,869	295	(103,574)
Investment earnings	-	-	7,160	7,160
Total revenues	242,861	340,758	234,590	(106,168)
<b>EXPENDITURES</b>				
Planning and community development	292,868	445,765	425,060	20,705
Total expenditures	292,868	445,765	425,060	20,705
Excess (deficiency) of revenues over expenditures	(50,007)	(105,007)	(190,470)	(85,463)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	50,007	105,007	105,007	-
Total other financing sources (uses)	50,007	105,007	105,007	-
Net change in fund balances	\$ -	\$ -	(85,463)	\$ (85,463)
Fund balances - beginning			165,038	
Fund balances - ending			\$ 79,575	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOUSING REPOSITIONING FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 27**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 41,912	\$ 41,912
Total revenues	-	-	41,912	41,912
<b>EXPENDITURES</b>				
Planning and community development	2,337,380	-	150,593	150,593
Total expenditures	2,337,380	-	150,593	150,593
Excess (deficiency) of revenues over expenditures	(2,337,380)	-	(108,681)	(108,681)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	2,337,380	-	2,337,380	2,337,380
Total other financing sources (uses)	2,337,380	-	2,337,380	2,337,380
Net change in fund balances	\$ -	\$ -	2,228,699	\$ 2,228,699
Fund balances - beginning			-	
Fund balances - ending			\$ 2,228,699	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**PARKS AND RECREATION CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 28**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 4,678,960	\$ 164,088	\$ 314,614	\$ 478,702
Investment earnings	245,619	145,909	329,415	475,324
Investment earnings, restricted	1,090,301	1,870,279	1,885,507	3,755,786
Other revenues	23,180	23,180	-	23,180
Total revenues	<u>6,038,060</u>	<u>2,203,456</u>	<u>2,529,536</u>	<u>4,732,992</u>
<b>EXPENDITURES</b>				
Administration	357,166	407,645	531	408,176
Capital outlay	66,946,490	11,428,499	7,331,699	18,760,198
Debt service - interest expense	940,800	940,800	-	940,800
Total expenditures	<u>68,244,456</u>	<u>12,776,944</u>	<u>7,332,230</u>	<u>20,109,174</u>
Excess (deficiency) of revenues over expenditures	<u>(62,206,396)</u>	<u>(10,573,488)</u>	<u>(4,802,694)</u>	<u>(15,376,182)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	42,000,000	42,000,000	-	42,000,000
Premium on issuance of debt	3,705,702	3,705,702	-	3,705,702
Transfers from other funds	16,500,694	13,614,347	2,886,347	16,500,694
Total other financing sources (uses)	<u>62,206,396</u>	<u>59,320,049</u>	<u>2,886,347</u>	<u>62,206,396</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 48,746,561</u>	<u>(1,916,347)</u>	<u>\$ 46,830,214</u>
Fund balances - beginning			48,746,561	
Fund balances - ending			<u>\$ 46,830,214</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**PARKS CAPITAL RESERVE PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 29**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (5,238)	\$ 88,247	\$ 83,009
Total revenues	-	(5,238)	88,247	83,009
<b>EXPENDITURES</b>				
Capital outlay	1,159,110	-	-	-
Total expenditures	1,159,110	-	-	-
Excess (deficiency) of revenues over expenditures	(1,159,110)	(5,238)	88,247	83,009
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	3,815,428	2,015,428	1,800,000	3,815,428
Transfers to other funds	(2,656,318)	-	(2,656,318)	(2,656,318)
Total other financing sources (uses)	1,159,110	2,015,428	(856,318)	1,159,110
Net change in fund balances	\$ -	\$ 2,010,190	(768,071)	\$ 1,242,119
Fund balances - beginning			2,010,190	
Fund balances - ending			\$ 1,242,119	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**TRANSPORTATION CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 30**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 19,824,114	\$ 485,241	\$ 56,704	\$ 541,945
Investment earnings	1,467,135	1,467,135	1,009,256	2,476,391
Program income	2,537,209	2,102,209	448,908	2,551,117
Other revenues	275,000	275,000	-	275,000
Total revenues	<u>24,103,458</u>	<u>4,329,585</u>	<u>1,514,868</u>	<u>5,844,453</u>
<b>EXPENDITURES</b>				
Administration	-	2,712,703	3,226,175	5,938,878
Capital outlay	48,020,056	1,246,152	135,495	1,381,647
Total expenditures	<u>48,020,056</u>	<u>3,958,855</u>	<u>3,361,670</u>	<u>7,320,525</u>
Excess (deficiency) of revenues over expenditures	<u>(23,916,598)</u>	<u>370,730</u>	<u>(1,846,802)</u>	<u>(1,476,072)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	23,916,598	19,516,596	4,400,000	23,916,596
Total other financing sources (uses)	<u>23,916,598</u>	<u>19,516,596</u>	<u>4,400,000</u>	<u>23,916,596</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 19,887,326</u>	2,553,198	<u>\$ 22,440,524</u>
Fund balances - beginning			19,887,326	
Fund balances - ending			<u>\$ 22,440,524</u>	



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRE AND LIFE SAFETY CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 31**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 5,656	\$ 5,656	\$ 73,709	\$ 79,365
Total revenues	<u>5,656</u>	<u>5,656</u>	<u>73,709</u>	<u>79,365</u>
<b>EXPENDITURES</b>				
Capital outlay	6,862,872	5,017,670	451,851	5,469,521
Total expenditures	<u>6,862,872</u>	<u>5,017,670</u>	<u>451,851</u>	<u>5,469,521</u>
Excess (deficiency) of revenues over expenditures	<u>(6,857,216)</u>	<u>(5,012,014)</u>	<u>(378,142)</u>	<u>(5,390,156)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	300,000	-	-	-
Transfers from other funds	6,557,216	6,557,217	-	6,557,217
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>6,857,216</u>	<u>6,557,217</u>	<u>-</u>	<u>6,557,217</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 1,545,203</u>	<u>(378,142)</u>	<u>\$ 1,167,061</u>
Fund balances - beginning			1,545,203	
Fund balances - ending			<u>\$ 1,167,061</u>	

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

## ELECTRIC FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 98,450,000	\$ 99,000,000	\$ 102,879,138	\$ 3,879,138
Other operating revenues	1,150,000	2,274,544	2,298,139	23,595
Total operating revenues	99,600,000	101,274,544	105,177,277	3,902,733
<b>OPERATING EXPENSES</b>				
General and administrative	5,494,203	5,918,142	6,091,655	(173,513)
Purchased power	65,214,279	59,714,279	58,046,632	1,667,647
Power line and plant	24,981,855	24,087,181	17,077,526	7,009,655
Total operating expenses	95,690,337	89,719,602	81,215,813	8,503,789
Operating income (loss)	3,909,663	11,554,942	23,961,464	12,406,522
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Capital outlay	(1,792,363)	(1,732,968)	(3,460,741)	(1,727,773)
Investment earnings	1,000,000	2,500,000	4,997,853	2,497,853
Debt service payments	(908,684)	(908,684)	(906,381)	2,303
Gain (loss) on sale of capital assets	-	19,141	19,141	-
Appropriation from fund balance	6,962,815	5,000,000	-	(5,000,000)
Total nonoperating revenues (expenses)	5,261,768	4,877,489	649,872	(4,227,617)
Income (loss) before transfers	9,171,431	16,432,431	24,611,336	8,178,905
Transfers out	(9,171,431)	(16,432,431)	(16,432,431)	-
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ -	8,178,905	\$ 8,178,905
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,060,532)	
Capital outlay			3,460,741	
Unfunded OPEB Expense			220,402	
Pension expense			(227,592)	
Health claims incurred but not reported			(6,079)	
Increase to workers comp claims reserve			(6,903)	
Debt service			613,015	
Change in net position			\$ 8,171,957	
Change in net position:				
Electric Operating Fund			\$ 8,171,957	
Electric Projects Capital Projects Fund (Statement 33)			8,540,222	
Utility Capital Reserve Project Fund (Statement 38)			8,141,531	
			\$ 24,853,710	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**ELECTRIC PROJECTS CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 33**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 489,316	\$ 432,227	\$ 921,543
Total revenues	-	489,316	432,227	921,543
<b>EXPENDITURES</b>				
Contract cost	-	784,101	3,005	787,106
Capital outlay	86,616,715	71,343,087	1,908,157	73,251,244
Total expenditures	86,616,715	72,127,188	1,911,162	74,038,350
Excess (deficiency) of revenues over expenditures	(86,616,715)	(71,637,872)	(1,478,935)	(73,116,807)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital contributions	6,157,700	6,157,700	-	6,157,700
Transfers to other funds	(239,000)	-	(239,000)	(239,000)
Transfers from other funds	80,698,015	72,348,015	8,350,000	80,698,015
Total other financing sources (uses)	86,616,715	78,505,715	8,111,000	86,616,715
Excess (decficiency) of reveues and transfers over expenditures	\$ -	\$ 6,867,843	6,632,065	\$ 13,499,908
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			1,908,157	
Change in net position			\$ 8,540,222	

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

## WATER FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 27,671,785	\$ 28,671,785	\$ 28,979,481	\$ 307,696
Other operating revenues	901,000	979,000	1,307,037	328,037
Total operating revenues	28,572,785	29,650,785	30,286,518	635,733
<b>OPERATING EXPENSES</b>				
Water plants and lakes	11,458,253	12,834,736	12,147,498	687,238
Water line operation and maintenance	11,317,791	11,696,817	11,463,174	233,643
Repairs and maintenance	2,235,662	2,235,662	1,802,811	432,851
Total operating expenses	25,011,706	26,767,215	25,413,483	1,353,732
Operating income (loss)	3,561,079	2,883,570	4,873,035	1,989,465
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	500,000	800,000	2,025,857	1,225,857
Capital outlay	(1,295,452)	(705,502)	(451,818)	253,684
Debt service	(3,642,760)	(3,662,760)	(3,516,776)	145,984
Gain (loss) on sale of capital assets	-	39,900	39,900	-
Appropriation from fund balance	1,877,133	1,644,792	-	(1,644,792)
Total nonoperating revenues (expenses)	(2,561,079)	(1,883,570)	(1,902,837)	(19,267)
Income (loss) before contributions and transfers	1,000,000	1,000,000	2,970,198	1,970,198
Capital contributions	-	-	9,436,564	9,436,564
Transfers out	(1,000,000)	(1,000,000)	(1,211,799)	(211,799)
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ -	11,194,963	\$ 11,194,963

## Reconciliation of Modified Accrual Basis

## to Full Accrual Basis

Depreciation and amortization	(5,335,927)
Capital outlay	451,818
Unfunded OPEB Expense	196,016
Pension expense	(194,279)
Health claims incurred but not reported	(5,333)
Increase to workers comp claims reserve	18,642
Subscriptions	10,500
Debt service	1,965,150
Change in net position	\$ 8,301,550

## Change in net position:

Water Operating Fund	\$ 8,301,550
Water Projects Capital Projects Fund (Statement 35)	838,027
Utility Capital Reserve Project Fund (Statement 38)	(98,890)
	\$ 9,040,687

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**WATER PROJECTS CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 35**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 380,795	\$ 380,795	\$ 1,226,477	\$ 1,607,272
Investment earnings, restricted	-	150,919	951,005	1,101,924
Other income	7,142,254	7,202,638	1,097,388	8,300,026
Total revenues	7,523,049	7,734,352	3,274,870	11,009,222
<b>EXPENDITURES</b>				
Contract cost	445,607	1,873,581	3,947,761	5,821,342
Capital outlay	51,219,209	1,725,743	7,498,695	9,224,438
Total expenditures	51,664,816	3,599,324	11,446,456	15,045,780
Excess (deficiency) of revenues over expenditures	(44,141,767)	4,135,028	(8,171,586)	(4,036,558)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	22,000,000	22,000,000	-	22,000,000
Premium on issuance of debt	1,725,975	1,725,975	-	1,725,975
Transfers from other funds	20,415,792	18,904,874	1,510,918	20,415,792
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	44,141,767	42,630,849	1,510,918	44,141,767
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 46,765,877	(6,660,668)	\$ 40,105,209
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			7,498,695	
Change in net position			\$ 838,027	

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

## WASTEWATER FUND

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>OPERATING REVENUES</b>				
Charges for services	\$ 19,282,353	\$ 20,032,353	\$ 20,187,986	\$ 155,633
Other operating revenues	302,000	302,000	379,480	77,480
Total operating revenues	19,584,353	20,334,353	20,567,466	233,113
<b>OPERATING EXPENSES</b>				
Wastewater line and plant	19,008,410	20,598,406	20,622,342	(23,936)
Repairs and maintenance	3,078,273	1,878,273	1,571,633	306,640
Total operating expenses	22,086,683	22,476,679	22,193,975	282,704
Operating income (loss)	(2,502,330)	(2,142,326)	(1,626,509)	515,817
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	800,000	800,000	1,459,310	659,310
Capital outlay	(493,285)	(493,285)	(298,478)	194,807
Debt service	(243,322)	(243,322)	(242,740)	582
Gain (loss) on sale of capital assets	-	19,400	19,400	-
Appropriation from fund balance	1,638,937	2,459,533	-	(2,459,533)
Total nonoperating revenues (expenses)	1,702,330	2,542,326	937,492	(1,604,834)
Income (loss) before contributions and transfers	(800,000)	400,000	(689,017)	(1,089,017)
Capital contributions	-	-	5,907,040	5,907,040
Transfers out	800,000	(400,000)	(434,194)	(34,194)
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ -	4,783,829	\$ 4,783,829
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,098,073)	
Capital outlay			298,478	
Unfunded OPEB Expense			88,786	
Pension expense			(75,838)	
Health claims incurred but not reported			(2,384)	
Decrease to workers comp claims reserve			-	
Debt service			141,835	
Change in net position			\$ 1,136,633	
Change in net position:				
Wastewater Operating Fund			\$ 1,136,633	
Wastewater Projects Capital Projects Fund (Statement 37)			2,597,810	
Utility Capital Reserve Project Fund (Statement 38)			530,318	
			\$ 4,264,761	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**WASTEWATER PROJECTS CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 37**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 146,640	\$ 146,640	\$ 435,398	\$ 582,038
Restricted intergovernmental revenues	500,000	400,000	100,000	500,000
Other income	10,137,339	7,137,339	2,161,344	9,298,683
Total revenues	10,783,979	7,683,979	2,696,742	10,380,721
<b>EXPENDITURES</b>				
Contract services	-	-	98,932	98,932
Capital outlay	15,843,447	4,848,925	989,553	5,838,478
Total expenditures	15,843,447	4,848,925	1,088,485	5,937,410
Excess (deficiency) of revenues over expenditures	(5,059,468)	2,835,054	1,608,257	4,443,311
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	5,059,468	5,059,468	-	5,059,468
Total other financing sources (uses)	5,059,468	5,059,468	-	5,059,468
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 7,894,522	1,608,257	\$ 9,502,779
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			989,553	
Change in net position			\$ 2,597,810	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**UTILITY CAPITAL RESERVE PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 38**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 1,136,441	\$ 1,136,443	\$ 937,884	\$ 2,074,327
Total revenues	<u>1,136,441</u>	<u>1,136,443</u>	<u>937,884</u>	<u>2,074,327</u>
<b>EXPENDITURES</b>				
Capital outlay	24,133,575	-	-	-
Total expenditures	<u>24,133,575</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(22,997,134)</u>	<u>1,136,443</u>	<u>937,884</u>	<u>2,074,327</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	24,508,052	15,699,750	9,145,993	24,845,743
Transfer to other funds	(1,510,918)	-	(1,510,918)	(1,510,918)
Total other financing sources (uses)	<u>22,997,134</u>	<u>15,699,750</u>	<u>7,635,075</u>	<u>23,334,825</u>
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 16,836,193</u>	<u>8,572,959</u>	<u>\$ 25,409,152</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			<u>\$ 8,572,959</u>	
The change in net position is allocated as follows:				
Electric Operating Fund			8,141,531	
Water Operating Fund			(98,890)	
Wastewater Operating Fund			530,318	
			<u>\$ 8,572,959</u>	



## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

## REGIONAL AIRPORT OPERATING FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 14,225,680	\$ 14,805,680	\$ 15,773,762	\$ 968,082
Other operating revenues	45,000	75,000	130,790	55,790
Total operating revenues	14,270,680	14,880,680	15,904,552	1,023,872
<b>OPERATING EXPENSES</b>				
Airport operations and maintenance	15,620,926	17,462,505	16,387,060	1,075,445
Total operating expenses	15,620,926	17,462,505	16,387,060	1,075,445
Operating income (loss)	(1,350,246)	(2,581,825)	(482,508)	2,099,317
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Capital outlay	(582,649)	(547,649)	(478,031)	69,618
Investment earnings	-	-	826,346	826,346
Debt service	(876,776)	(876,776)	(874,006)	2,770
Gain (loss) on sale of capital assets	-	10,650	10,650	-
Other	-	-	31	31
Appropriation from fund balance	733,968	2,122,038	-	(2,122,038)
Total nonoperating revenues (expenses)	(725,457)	708,263	(515,010)	(1,223,273)
Income (loss) before transfers	(2,075,703)	(1,873,562)	(997,518)	876,044
Transfers in	2,075,703	1,873,562	1,873,562	-
Transfers out	-	-	-	-
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ -	876,044	\$ 876,044
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(3,696,344)	
Capital outlay			478,031	
Unfunded OPEB Expense			21,925	
Pension expense			(132,144)	
Health claims incurred but not reported			(3,777)	
Increase to workers comp claims reserve			(1,783)	
Subscriptions			27,562	
Debt service			788,035	
Change in net position			\$ (1,642,451)	
Change in net position:				
Regional Airport Operating Fund			\$ (1,642,451)	
Airport Capital Project Fund (Statement 40)			2,293,594	
			\$ 651,143	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**AIRPORT CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 40**

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 353,892	\$ 65,013	\$ 402,383	\$ 467,396
Other revenue	350,000	-	350,000	350,000
Restricted intergovernmental revenues	22,490,715	9,124,717	2,608,888	11,733,605
Total revenues	23,194,607	9,189,730	3,361,271	12,551,001
<b>EXPENDITURES</b>				
Contract cost	-	840,235	486,042	1,326,277
Capital outlay	21,371,200	6,628,450	1,947,235	8,575,685
Total expenditures	21,371,200	7,468,685	2,433,277	9,901,962
Excess (deficiency) of revenues over expenditures	1,823,407	1,721,045	927,994	2,649,039
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	782,348	487,207	295,141	782,348
Transfers to other funds	(2,605,755)	(1,727,790)	(876,776)	(2,604,566)
Total other financing sources (uses)	(1,823,407)	(1,240,583)	(581,635)	(1,822,218)
Excess (decficiency) of reveues and transfers over expenditures	\$ -	\$ 480,462	346,359	\$ 826,821
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			1,947,235	
Change in net position			\$ 2,293,594	

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

## STORMWATER OPERATING FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,667,428	\$ 5,807,428	\$ 5,876,410	\$ 68,982
Other operating revenues	25,000	25,000	29,661	4,661
Total operating revenues	<u>5,692,428</u>	<u>5,832,428</u>	<u>5,906,071</u>	<u>73,643</u>
<b>OPERATING EXPENSES</b>				
Stormwater operation and maintenance	<u>5,192,052</u>	<u>5,414,806</u>	<u>5,459,553</u>	<u>(44,747)</u>
Total operating expenses	<u>5,192,052</u>	<u>5,414,806</u>	<u>5,459,553</u>	<u>(44,747)</u>
Operating income (loss)	<u>500,376</u>	<u>417,622</u>	<u>446,518</u>	<u>28,896</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	-	250,000	509,767	259,767
Capital outlay	(709,656)	(802,656)	(450,446)	352,210
Gain (loss) on sale of capital assets	-	-	-	-
Appropriation from fund balance	<u>209,280</u>	<u>135,034</u>	<u>-</u>	<u>(135,034)</u>
Total nonoperating revenues (expenses)	<u>(500,376)</u>	<u>(417,622)</u>	<u>59,321</u>	<u>476,943</u>
Income (loss) before transfers	-	-	505,839	505,839
Transfers out	-	-	-	-
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>	<u>505,839</u>	<u>\$ 505,839</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(1,816,112)	
Capital outlay			450,446	
Unfunded OPEB Expense			59,024	
Pension expense			(53,125)	
Health claims incurred but not reported			(1,556)	
Increase to workers comp claims reserve			(8,660)	
Change in net position			<u>\$ (864,144)</u>	
Change in net position:				
Stormwater Operating Fund			\$ (864,144)	
Stormwater Capital Project Fund (Statement 42)			(81,481)	
			<u>\$ (945,625)</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**STORMWATER CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 42**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 179,979	\$ 98,250	\$ 174,809	\$ 273,059
Restricted intergovernmental revenues	-	-	-	-
Total revenues	179,979	98,250	174,809	273,059
<b>EXPENDITURES</b>				
Contract cost	-		26,261	26,261
Capital outlay	4,309,638	813,487	163,138	976,625
Total expenditures	4,309,638	813,487	189,399	1,002,886
Excess (deficiency) of revenues over expenditures	(4,129,659)	(715,237)	(14,590)	(729,827)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	(230,029)	-	(230,029)	(230,029)
Transfers from other funds	4,359,688	4,359,688	-	4,359,688
Total other financing sources (uses)	4,129,659	4,359,688	(230,029)	4,129,659
Excess (decficiency) of reveues and transfers over expenditures	\$ -	\$ 3,644,451	(244,619)	\$ 3,399,832
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			163,138	
Change in net position			\$ (81,481)	

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

## TRANSIT FUND

From Inception and for the Year Ended June 30, 2025

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>OPERATING REVENUES</b>				
Charges for services	\$ 264,209	\$ -	\$ 236,571	\$ 236,571
Total operating revenues	264,209	-	236,571	236,571
<b>OPERATING EXPENSES</b>				
General and administrative	1,144,780	252,549	942,743	1,195,292
Professional services	21,816,465	13,258,239	5,297,659	18,555,898
Operating supplies	1,561,508	301,231	810,843	1,112,074
Other operating costs	-	8,404	230	8,634
Total operating expenses	24,522,753	13,820,423	7,051,475	20,871,898
Operating income (loss)	(24,258,544)	(13,820,423)	(6,814,904)	(20,635,327)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating subsidy	20,376,659	11,253,094	7,139,533	18,392,627
Gain on sale of capital assets	-	-	2,306	2,306
Capital outlay	(2,521,805)	(199,648)	(2,322,157)	(2,521,805)
Other	435,000	-	448,915	448,915
Total nonoperating revenues (expenses)	18,289,854	11,053,446	5,268,597	16,322,043
Income (loss) before transfers	(5,968,690)	(2,766,977)	(1,546,307)	(4,313,284)
Transfers in	5,968,690	3,999,201	1,969,489	5,968,690
Transfers out	-	-	-	-
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ 1,232,224	423,182	\$ 1,655,406
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(1,441,049)	
Capital outlay			2,322,157	
Unfunded OPEB Expense			2,732	
Pension expense			(14,588)	
Health claims incurred but not reported			(473)	
Change in net position			\$ 1,291,961	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**GOLF COURSE OPERATING FUND**  
**For the Year Ended June 30, 2025**

**Statement 44**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,814,000	\$ 2,014,000	\$ 2,470,933	\$ 456,933
Other operating revenues	804,152	1,129,177	1,429,470	300,293
Total operating revenues	<u>2,618,152</u>	<u>3,143,177</u>	<u>3,900,403</u>	<u>757,226</u>
<b>OPERATING EXPENSES</b>				
Professional services	1,100,475	1,342,858	1,408,146	(65,288)
Other operating costs	<u>1,517,677</u>	<u>1,722,702</u>	<u>1,591,004</u>	<u>131,698</u>
Total operating expenses	<u>2,618,152</u>	<u>3,065,560</u>	<u>2,999,150</u>	<u>66,410</u>
Operating income (loss)	<u>-</u>	<u>77,617</u>	<u>901,253</u>	<u>823,636</u>
Transfers out	-	(77,617)	(77,617)	-
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>823,636</u>	<u>\$ 823,636</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(227,527)	
Capital outlay			-	
Lease payments			<u>122,897</u>	
Change in net position			<u>\$ 719,006</u>	
Change in net position:				
Golf Course Operating Fund			\$ 719,006	
Golf Capital Project Fund (Statement 45)			<u>(235,783)</u>	
			<u>\$ 483,223</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GOLF CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 45**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>EXPENDITURES</b>				
Contract cost	\$ 1,417,617	\$ 167,118	\$ 313,400	\$ 480,518
Total expenditures	<u>1,417,617</u>	<u>167,118</u>	<u>313,400</u>	<u>480,518</u>
Excess (deficiency) of revenues over expenditures	<u>(1,417,617)</u>	<u>(167,118)</u>	<u>(313,400)</u>	<u>(480,518)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	<u>1,417,617</u>	<u>1,340,000</u>	<u>77,617</u>	<u>1,417,617</u>
Total other financing sources (uses)	<u>1,417,617</u>	<u>1,340,000</u>	<u>77,617</u>	<u>1,417,617</u>
Excess (decficiency) of reveues and transfers over expenditures	<u>\$ -</u>	<u>\$ 1,172,882</u>	<u>(235,783)</u>	<u>\$ 937,099</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>-</u>	
Change in net position			<u>\$ (235,783)</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**HOUSING DEPARTMENT OPERATING FUND**  
**For the Year Ended June 30, 2025**

**Statement 46**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>OPERATING REVENUES</b>				
Charges for services	\$ 490,000	\$ 490,000	\$ 514,362	\$ 24,362
Total operating revenues	490,000	490,000	514,362	24,362
<b>OPERATING EXPENSES</b>				
General and administrative	1,296,515	1,645,345	1,334,411	310,934
Utilities	331,000	351,000	394,075	(43,075)
Housing maintenance and repairs	437,321	443,288	307,892	135,396
Total operating expenses	2,064,836	2,439,633	2,036,378	403,255
Operating income (loss)	(1,574,836)	(1,949,633)	(1,522,016)	427,617
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating subsidy	1,093,224	1,163,112	1,161,467	(1,645)
Investment earnings	-	-	15,027	15,027
Capital outlay	(95,046)	(89,079)	(35,339)	53,740
Interest expense	(2,995)	(2,995)	-	2,995
Other	75,000	115,046	118,036	2,990
Appropriation from fund balance	47,068	47,068	-	(47,068)
Total nonoperating revenues (expenses)	1,117,251	1,233,152	1,259,191	26,039
Income (loss) before transfers	(457,585)	(716,481)	(262,825)	453,656
Transfers in	457,585	716,481	344,048	(372,433)
Transfers out				-
Excess (deciciency) of reveues and transfers over expenditures	\$ -	\$ -	81,223	\$ 81,223
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(77,715)	
Capital outlay			35,339	
Unfunded OPEB Expense			5,975	
Pension expense			(36,595)	
Health claims incurred but not reported			(1,028)	
Change in net position			\$ 7,199	
Change in net position:				
Housing Department Operating Fund			\$ 7,199	
Housing Capital Project Fund (Statement 47)			-	
			\$ 7,199	



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOUSING CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 47**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Federal grants	\$ 3,248,142	\$ 1,565,279	\$ 453,664	\$ 2,018,943
Total revenues	<u>3,248,142</u>	<u>1,565,279</u>	<u>453,664</u>	<u>2,018,943</u>
<b>EXPENDITURES</b>				
Administrative	2,333,972	910,006	194,768	1,104,774
Total expenditures	<u>2,333,972</u>	<u>910,006</u>	<u>194,768</u>	<u>1,104,774</u>
Excess (deficiency) of revenues over expenditures	<u>914,170</u>	<u>655,273</u>	<u>258,896</u>	<u>914,169</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(914,170)	(655,273)	(258,896)	(914,169)
Total other financing sources (uses)	<u>(914,170)</u>	<u>(655,273)</u>	<u>(258,896)</u>	<u>(914,169)</u>
Excess (decficiency) of reveues and transfers over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			<u>\$ -</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**INTERNAL SERVICE FUND**  
**Year Ended June 30, 2025**

**Statement 48**  
**Page 1 of 2**

	Financial Plan	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	\$ 4,680,376	\$ 4,640,608	\$ 39,768
Professional services	68,605	54,121	14,484
Other expenses	1,837,848	1,738,106	99,742
Capital outlay	591,413	233,026	358,387
Buildings and grounds allocation	(7,178,242)	(6,733,338)	(444,904)
	-	(67,477)	67,477
Engineering			
Salaries and benefits	3,168,855	3,112,510	56,345
Professional services	130,467	149,643	(19,176)
Other expenses	499,035	503,220	(4,185)
Capital outlay	49,559	49,610	(51)
Engineering allocation	(3,814,132)	(3,870,985)	56,853
	33,784	(56,002)	89,786
Billing			
Salaries and benefits	1,728,976	1,728,476	500
Professional services	511,625	427,862	83,763
Other expenses	707,663	631,846	75,817
Billing allocation	(3,074,349)	(2,992,081)	(82,268)
	(126,085)	(203,897)	77,812
Customer Care			
Salaries and benefits	2,004,010	2,044,076	(40,066)
Professional services	59,345	42,385	16,960
Other expenses	809,218	741,997	67,221
Customer care allocation	(3,072,463)	(3,089,361)	16,898
	(199,890)	(260,903)	61,013
Warehouse Operations			
Salaries and benefits	661,727	674,402	(12,675)
Professional services	50	55	(5)
Other expenses	198,192	167,112	31,080
Warehouse allocation	(859,969)	(875,381)	15,412
	-	(33,812)	33,812

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**INTERNAL SERVICE FUND**  
**Year Ended June 30, 2025**

**Statement 48**  
**Page 2 of 2**

	Financial Plan	Actual	Variance - Favorable (Unfavorable)
Utilities Collection			
Salaries and benefits	315,398	316,117	(719)
Professional services	83,427	62,740	20,687
Other expenses	158,903	154,997	3,906
Utilities collection allocation	(585,405)	(573,087)	(12,318)
	<u>(27,677)</u>	<u>(39,233)</u>	<u>11,556</u>
Total operating expenses	<u>(319,868)</u>	<u>(661,324)</u>	<u>341,456</u>
Loss on sale of capital assets	-	(2,583)	(2,583)
Grant proceeds	33,784	33,784	
Transfers out	(353,652)	(353,652)	-
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>338,873</u>	<u>\$ 338,873</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation and amortization		(260,788)	
Capital outlay		282,636	
Unfunded OPEB Expense		57,953	
Pension expense		(342,070)	
Increase to workers comp claims reserve		(3,077)	
Health claims incurred but not reported		(9,992)	
Change in net position		<u>\$ 63,535</u>	
Change in net position:			
Internal Service Fund		\$ 63,535	
First Concord Capital Project Fund (Statement 49)		<u>126,289</u>	
		<u>\$ 189,824</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRST CONCORD CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2025**

**Statement 49**

	Project	Actual		
	Authorization	Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 35,633	\$ 35,632	\$ 484,202	\$ 519,834
Gain on sale of capital assets	579,000	579,000	-	579,000
Total revenues	<u>614,633</u>	<u>614,632</u>	<u>484,202</u>	<u>1,098,834</u>
<b>EXPENDITURES</b>				
Debt service	22,814,298	22,866,187	3,396,946	26,263,133
Contract services	1,078,312	1,060,241	374,486	1,434,727
Capital outlay	13,623,001	1,463,270	2,902,548	4,365,818
Total expenditures	<u>37,515,611</u>	<u>25,389,698</u>	<u>6,673,980</u>	<u>32,063,678</u>
Excess (deficiency) of revenues over expenditures	<u>(36,900,978)</u>	<u>(24,775,066)</u>	<u>(6,189,778)</u>	<u>(30,964,844)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	24,177,856	24,177,817	3,359,560	27,537,377
Premium on issuance of bonds	1,093,560	-	1,093,560	1,093,560
Issuance of bonds	11,629,562	62,122	11,770,000	11,832,122
Total other financing sources (uses)	<u>36,900,978</u>	<u>24,239,939</u>	<u>16,223,120</u>	<u>40,463,059</u>
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ (535,127)</u>	10,033,342	<u>\$ 9,498,215</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			2,902,548	
Debt service principal payments			2,225,000	
Issuance of bonds			(12,863,560)	
Depreciation and amortization			(1,152,457)	
Change in net position			<u>\$ 1,144,873</u>	
The change in First Concord net position is allocated as follows:				
General Fund Capital Projects Fund			10,169,829	
Governmental activities			(9,151,245)	
Internal Service Fund			126,289	
			<u>\$ 1,144,873</u>	

CITY OF CONCORD, NORTH CAROLINA  
ANALYSIS OF CURRENT LEVY  
June 30, 2025

Schedule 1

Fiscal Year	Uncollected Balance June 30, 2024	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 100,461,206	\$ 99,835,574	\$ 625,632
2023-2024	391,247	-	246,116	145,131
2022-2023	200,781	-	22,710	178,071
2021-2022	69,304	-	7,271	62,033
2020-2021	62,695	-	4,664	58,031
2019-2020	129,102	-	1,828	127,274
2018-2019	39,519	-	4,079	35,440
2017-2018	307,880	-	12,447	295,433
2016-2017	15,603	-	5,931	9,672
2015-2016	38,039	-	26,092	11,947
2014-2015	45,999	-	45,999	-
	<u>\$ 1,300,169</u>	<u>\$ 100,461,206</u>	<u>\$ 100,212,711</u>	1,548,664
Less allowance for uncollectible ad valorem taxes receivable				387,165
<b>Ad valorem taxes receivable</b>				<u><u>\$ 1,161,499</u></u>

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	\$ 99,915,492	\$ 224,711	
Releases of prior years' taxes		-	
Miscellaneous adjustment	49,913	-	
Taxes written off	22,818	30	
<b>Total collections and credits</b>	<u>\$ 99,988,223</u>	<u>\$ 224,741</u>	\$ 100,212,964
Interest billed and collected during the year			264,121
Miscellaneous adjustment			(49,913)
Taxes written off			(22,848)
<b>Total Ad valorem taxes</b>			<u><u>\$ 100,404,324</u></u>

**CITY OF CONCORD, NORTH CAROLINA**  
**ANALYSIS OF CURRENT LEVY**  
**Year Ended June 30, 2025**

**Schedule 2**

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy	
				Property	Registered Motor Vehicles
Original levy:					
City wide	\$ 22,387,917,021	0.42	\$ 94,029,251	\$ 94,029,251	\$ -
Municipal Service District	151,532,456	0.16	242,452	242,452	-
Current year's rate, Motor vehicles	1,570,976,905	0.42	6,598,103	-	6,598,103
Discoveries/additional listings:					
Current year taxes, City wide	119,739,738	0.42	502,907	502,907	-
Current year taxes, MSD	1,349,206	0.16	2,159	2,159	-
Current year's rate, Motor vehicles	1,234,871	0.42	5,186	-	5,186
Abatements:					
Current year's rate, City wide	(218,663,671)	0.42	(918,387)	(918,387)	-
Current year's rate, MSD	(267,106)	0.16	(427)	(427)	-
Current year's rate, Motor vehicles	(9,050)	0.42	(38)	-	(38)
<b>Total for year</b>	<u>\$ 24,013,810,370</u>		100,461,206	93,857,955	6,603,251
Less uncollected tax at June 30, 2025			625,632	621,508	4,124
<b>Current year's taxes collected</b>			<u>\$ 99,835,574</u>	<u>\$ 93,236,447</u>	<u>\$ 6,599,127</u>
<b>Current levy collection percentage</b>			<u>99.38%</u>	<u>99.34%</u>	<u>99.94%</u>
Distribution of levy:					
General Fund			\$ 100,217,022		
Municipal Service District			244,183		
			<u>\$ 100,461,205</u>		

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF CASH AND INVESTMENT BALANCES**  
**June 30, 2025**

**Schedule 3**  
**Page 1 of 2**

	Reported Value	Fair Value
Cash		
On hand	\$ 7,605	\$ 7,605
Demand deposits	15,556,104	15,556,104
Certificates of deposit	500,000	500,000
Insured Cash Sweep	21,806,524	21,806,524
<b>Total cash</b>	<b>37,870,233</b>	<b>37,870,233</b>
Investments		
North Carolina Capital Management Trust	65,211,845	65,211,845
North Carolina Cooperative Liquid Assets Securities System	16,173,266	16,173,266
US Treasury	9,895,115	9,895,115
Federal Farm Credit	87,959,825	87,959,825
Federal National Mortgage Association	64,322,862	64,322,862
Federal Home Loan	93,571,875	93,571,875
Federal Home Loan Mortgage Corporation	103,845,566	103,845,566
Commercial Paper	43,701,185	44,291,630
<b>Total investments</b>	<b>484,681,539</b>	<b>485,271,984</b>
<b>Total cash and investments</b>	<b>\$ 522,551,772</b>	<b>\$ 523,142,217</b>
Distribution by Fund		
General Fund:		
Unrestricted	\$ 88,213,814	
Restricted	9,158,172	\$ 97,371,986
Special Revenue Funds:		
Opioid Settlement Fund (Restricted)		200,750
Housing Assistance Fund		
Unrestricted	205,075	
Restricted	90,092	295,167
FSS Escrow Forfeitures Fund (Restricted)		300,906
Emergency Housing Assistance (Restricted)		73,176
Market Rate Units Fund:		
Unrestricted	297,340	
Restricted	10,100	307,440
Home Fund (Unrestricted)		474,960
Affordable Housing Fund (Unrestricted)		137,921
Municipal Service District (Unrestricted)		85,302
Capital Project Funds:		
Housing Repositioning Fund (Unrestricted)		2,215,306
Parks		
Unrestricted	8,244,744	
Restricted	38,866,643	47,111,387
Parks Capital Reserve Fund (Unrestricted)		1,234,585
Transportation (Unrestricted)		22,255,969

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF CASH AND INVESTMENT BALANCES**  
**June 30, 2025**

**Schedule 3**  
**Page 2 of 2**

	Reported Value	Fair Value
Distribution by Fund (Continued)		
General Fund Capital Project Fund:		
Unrestricted	19,168,447	
Restricted	<u>10,466,038</u>	29,634,485
General Fund Capital Reserve Project Fund (Restricted)		18,788,067
Fire and Life Safety (Unrestricted)		1,322,004
Debt Service Funds:		
Debt Service Fund (Unrestricted)		2,168,862
Enterprise Funds:		
Electric Fund:		
Unrestricted	\$ 122,467,259	
Restricted	<u>3,262,016</u>	\$ 125,729,275
Water Fund:		
Unrestricted	69,954,850	
Restricted	<u>16,359,090</u>	86,313,940
Wastewater Fund:		
Unrestricted	41,442,377	
Restricted	<u>153,291</u>	41,595,668
Regional Airport Fund:		
Unrestricted	15,695,129	
Restricted	<u>8,562,795</u>	24,257,924
Stormwater Fund (Unrestricted)		13,884,675
Golf Course Fund (Unrestricted)		4,731,201
Housing Department Fund:		
Unrestricted	1,835,763	
Restricted	<u>174,736</u>	2,010,499
Internal Service Fund (Restricted)		50,317
<b>Total reported value</b>		<u><u>\$ 522,551,772</u></u>



CITY OF CONCORD, NORTH CAROLINA  
SUPPLEMENTAL FINANCIAL DATA SCHEDULE - HOUSING PROGRAMS  
Year Ended June 30, 2025

Schedule 4  
Page 1 of 3

Line Item	Account Description	Low Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Emergency Housing Vouchers 14.EHV	FSS Escrow Forfeiture Account 14.EFA
Assets:							
Current Assets:							
Cash:							
111	Cash - unrestricted	\$ 1,858,447	\$ 205,075	\$ -	\$ -	\$ -	\$ -
112	Cash - restricted - modernization and development	135,097	-	-	-	-	-
113	Cash - other restricted	-	88,790	-	-	73,176	300,906
114	Cash - tenant security deposits	39,639	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	-	1,302	-	-	-	-
100	<b>Total cash</b>	<b>2,033,183</b>	<b>295,167</b>	<b>-</b>	<b>-</b>	<b>73,176</b>	<b>300,906</b>
Accounts and notes receivable:							
121	Accounts receivable - PHA projects	-	-	-	-	2,456	-
125	Accounts receivable - miscellaneous	-	222	-	-	-	-
126	Accounts receivable - tenants - dwelling units	36,463	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(18,119)	-	-	-	-	-
128	Fraud recovery	974	-	-	-	-	-
128.1	Allowance for doubtful accounts - other	(243)	-	-	-	-	-
129	Accrued interest receivable	985	215	-	-	34	35
120	<b>Total receivables</b>	<b>20,060</b>	<b>437</b>	<b>-</b>	<b>-</b>	<b>2,490</b>	<b>35</b>
142	Prepaid expenses and other assets	2,448	6,137	-	-	-	\$ -
150	<b>Total current assets</b>	<b>2,055,691</b>	<b>301,741</b>	<b>-</b>	<b>-</b>	<b>75,666</b>	<b>300,941</b>
Noncurrent Assets:							
161	Land	577,382	-	-	-	-	-
162	Buildings	3,237,713	-	-	-	-	-
164	Furniture, equipment, machinery - administration	206,186	11,654	-	-	-	-
165	Leasehold improvements	25,391	-	-	-	-	-
166	Accumulated depreciation	(2,623,829)	(10,289)	-	-	-	-
180	<b>Total non-current assets</b>	<b>1,422,843</b>	<b>1,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
200	Deferred Outflow of Resources	395,857	-	-	-	-	-
290	<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 3,874,391</b>	<b>\$ 303,106</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,666</b>	<b>\$ 300,941</b>
Liabilities and Equity:							
Liabilities:							
Current Liabilities:							
312	Accounts payable (less than or equal to 90 days)	\$ 47,257	\$ -	\$ -	\$ -	\$ -	\$ -
321	Accrued wage/payroll taxes payable	10,908	10,326	-	-	-	-
322	Accrued compensated absences - Current Portion	40,347	7,534	-	-	-	-
341	Tenant security deposits	39,639	-	-	-	-	-
342	Unearned revenue	-	276	-	-	37,675	-
345	Other current liabilities	-	1,302	-	-	-	-
346	Accrued liability - other	9,426	-	-	-	-	-
310	<b>Total current liabilities</b>	<b>147,577</b>	<b>19,438</b>	<b>-</b>	<b>-</b>	<b>37,675</b>	<b>-</b>

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SUPPLEMENTAL FINANCIAL DATA SCHEDULE - HOUSING PROGRAMS**  
**Year Ended June 30, 2025**

**Schedule 4**  
**Page 2 of 3**

Line Item	Account Description	Low Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Emergency Housing Vouchers 14.EHV	FSS Escrow Forfeiture Account 14.EFA
	Non-current Liabilities:						
353	Non-current liabilities - other	-	2,344	-	-	-	-
354	Accrued compensated absences - non current	98,781	18,443	-	-	-	-
357	Accrued pension and OPEB liabilities	1,131,249	-	-	-	-	-
350	<b>Total non-current liabilities</b>	<b>1,230,030</b>	<b>20,787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
300	<b>Total liabilities</b>	<b>1,377,607</b>	<b>40,225</b>	<b>-</b>	<b>-</b>	<b>37,675</b>	<b>-</b>
400	Deferred Inflow of Resources	77,205	-	-	-	-	-
	Equity:						
	Contributed Capital:						
508.4	Net investment in capital assets	1,422,843	1,365	-	-	-	-
511.4	Restricted net position	-	86,171	-	-	-	300,941
512.4	Unrestricted net position	996,736	175,345	-	-	37,991	-
513	<b>Total equity</b>	<b>2,419,579</b>	<b>262,881</b>	<b>-</b>	<b>-</b>	<b>37,991</b>	<b>300,941</b>
600	<b>Total liabilities, deferred inflows of resources and equity</b>	<b>\$ 3,874,391</b>	<b>\$ 303,106</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,666</b>	<b>\$ 300,941</b>

Reconciliation from FDS to ACFR

Total assets per FDS  
Subtract special revenue fund net capital assets not recorded within fund  
Adjusted total assets

\$ 303,106  
(1,365)  
\$ 301,741

Total liabilities and equity FDS  
Add depreciation (not recorded in SRF)  
Subtract beginning balance, net capital assets  
Adjusted total liabilities and equity

\$ 303,106  
2,331  
(3,696)  
\$ 301,741

Revenues:

70300	Net tenant rental revenue	\$ 514,362	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	73,181	-	-	-	-	-
70600	HUD PHA operating grants	1,066,109	5,518,871	453,664	60,019	285,663	-
70610	Capital grants	35,339	-	-	-	-	-
70800	Other government grants	40,046	-	-	-	-	-
71100	Investment income - unrestricted	15,027	1,649	-	-	529	-
71500	Other revenue	43,564	185,547	-	-	-	275,674
72000	Investment income - restricted	-	-	-	-	-	374
70000	<b>Total revenue</b>	<b>1,787,628</b>	<b>5,706,067</b>	<b>453,664</b>	<b>60,019</b>	<b>286,192</b>	<b>276,048</b>

Expenses:

Administrative:

91100	Administrative salaries	205,982	289,413	-	-	7,965	-
91200	Auditing fees	327	965	-	-	3,627	-
91500	Employee benefit contributions - administrative	112,745	107,508	-	-	-	-
91600	Office expenses	33,873	61,830	-	-	-	850
91700	Legal expense	4,800	-	-	-	-	-
91800	Travel	752	508	-	-	-	1,344

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SUPPLEMENTAL FINANCIAL DATA SCHEDULE - HOUSING PROGRAMS**  
**Year Ended June 30, 2025**

**Schedule 4**  
**Page 3 of 3**

Line Item	Account Description	Low Rent Public Housing 14.850	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Emergency Housing Vouchers 14.EHV	FSS Escrow Forfeiture Account 14.EFA
91810	Allocated overhead	575,506	55,931	-	-	-	-
91900	Other	11,596	8,761	-	-	-	129
92100	Tenant services - salaries	50,570	-	-	41,256	-	-
92300	Tenant services - employee benefit contributions	21,692	-	-	16,611	-	-
92400	Tenant services - other	6,071	-	-	-	151	-
93100	Water	62,203	-	-	-	-	-
93200	Electricity	139,533	-	-	-	-	-
93300	Gas	118,945	-	-	-	-	-
93600	Sewer	62,449	-	-	-	-	-
93800	Other utility expense	10,945	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	116,855	54,159	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	79,973	-	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	311,531	-	-	-	-	-
94500	Ordinary maintenance and operations - employee benefit contributions	49,506	20,384	-	-	-	-
96110	Property insurance	122,363	-	-	-	-	-
96120	Liability insurance	4,649	4,649	-	-	-	-
96130	Workmen's compensation	1,474	632	-	-	-	-
96140	All other insurance	11,475	694	-	-	-	-
96200	Other general expense	17,988	4,617	-	-	-	-
96210	Compensated absences	42,278	16,896	-	2,152	-	-
96400	Bad debt - tenant rents	26,695	-	-	-	-	-
96900	<b>Total operating expenses</b>	<b>2,202,776</b>	<b>626,947</b>	<b>-</b>	<b>60,019</b>	<b>11,743</b>	<b>2,323</b>
97000	<b>Excess of operating revenues over expenditures</b>	<b>(415,148)</b>	<b>5,079,120</b>	<b>453,664</b>	<b>-</b>	<b>274,449</b>	<b>273,725</b>
97300	Housing assistance payments	-	4,954,895	-	-	259,839	-
97350	HAP portability-in	-	171,418	-	-	-	-
97400	Depreciation expense	77,715	2,331	-	-	-	-
90000	<b>Total expenses</b>	<b>2,280,491</b>	<b>5,755,591</b>	<b>-</b>	<b>60,019</b>	<b>271,582</b>	<b>2,323</b>
10010	Operating transfer in	453,664	-	-	-	-	-
10020	Operating transfer out	-	-	(453,664)	-	-	-
10040	Operating transfers from/to component unit	46,395	-	-	-	-	-
10000	<b>Excess of revenue over expenses</b>	<b>7,196</b>	<b>(49,524)</b>	<b>-</b>	<b>-</b>	<b>14,610</b>	<b>273,725</b>
11030	Beginning equity	2,483,239	312,405	-	-	23,381	\$ 27,216
11040	Prior period adjustments, equity transfers & correction of errors	(70,856)	-	-	-	-	\$ -
	Ending equity	<b>\$ 2,419,579</b>	<b>\$ 262,881</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,991</b>	<b>\$ 300,941</b>
Memo information:							
11170	Administrative fee equity	-	176,710	-	-	37,991	-
11180	Housing assistance payments equity	-	86,171	-	-	-	-
11190	Unit months available	2,036	6,828	-	-	300	-
11210	Number of unit months leased	1,721	5,515	-	-	283	-
11270	Excess cash	1,587,005	-	-	-	-	-
11640	Furniture & equipment - administrative purchases	35,339	-	-	-	-	-

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS**  
**June 30, 2025**

**Schedule 5**  
**Page 1 of 4**

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
<b>Electric Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 5,354,401	\$ -	\$ -	\$ -	\$ 5,354,401
Construction in progress	68,621,040	3,219,930	(637,275)	-	71,203,695
Total capital assets, not being depreciated	73,975,441	3,219,930	(637,275)	-	76,558,096
Capital assets, being depreciated:					
Buildings	5,429,405	108,946	-	-	5,538,351
Improvements other than buildings	149,090,462	1,526,966	(1,376,332)	-	149,241,096
Machinery and equipment	14,301,798	1,150,332	(65,699)	(25,671)	15,360,760
Total capital assets, being depreciated	168,821,665	2,786,244	(1,442,031)	(25,671)	170,140,207
Accumulated depreciation:					
Buildings	3,294,558	128,815	-	-	3,423,373
Improvements other than buildings	92,741,155	2,933,392	(1,376,332)	-	94,298,215
Machinery and equipment	9,614,392	1,039,973	(65,699)	(25,671)	10,562,995
Total accumulated depreciation	105,650,105	4,102,180	(1,442,031)	(25,671)	108,284,583
Total capital assets, being depreciated, net	63,171,560	(1,315,936)	-	-	61,855,624
Electric Fund capital assets, net	\$ 137,147,001	\$ 1,903,994	\$ (637,275)	\$ -	\$ 138,413,720
<b>Water Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 1,300,497	\$ -	\$ -	\$ -	\$ 1,300,497
Construction in progress	9,274,442	7,683,578	(928,247)	-	16,029,773
Total capital assets, not being depreciated	10,574,939	7,683,578	(928,247)	-	17,330,270
Capital assets, being depreciated:					
Buildings	15,259,995	472,219	-	-	15,732,214
Improvements other than buildings	193,259,806	9,892,592	-	-	203,152,398
Machinery and equipment	4,974,872	266,935	(117,952)	(30,306)	5,093,549
Total capital assets, being depreciated	213,494,673	10,631,746	(117,952)	(30,306)	223,978,161
Accumulated depreciation:					
Buildings	8,797,386	492,498	-	-	9,289,884
Improvements other than buildings	86,225,609	4,639,244	-	-	90,864,853
Machinery and equipment	3,821,694	371,027	(117,952)	(30,306)	4,044,463
Total accumulated depreciation	98,844,689	5,502,769	(117,952)	(30,306)	104,199,200
Total capital assets, being depreciated, net	114,649,984	5,128,977	-	-	119,778,961
Capital assets, being amortized					
Software subscriptions	49,297	-	-	-	49,297
Total capital assets, being amortized	49,297	-	-	-	49,297
Accumulated amortization:					
Software subscriptions	8,435	9,859	-	-	18,294
Total accumulated amortization	8,435	9,859	-	-	18,294
Total capital assets, being amortized, net	40,862	(9,859)	-	-	31,003
Water Fund capital assets, net	\$ 125,265,785	\$ 12,802,696	\$ (928,247)	\$ -	\$ 137,140,234

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2025**

**Schedule 5**  
**Page 2 of 4**

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
<b>Wastewater Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 1,102,904	\$ -	\$ -	\$ -	\$ 1,102,904
Construction in progress	4,811,422	989,553	(2,181,974)	-	3,619,001
Total capital assets, not being depreciated	5,914,326	989,553	(2,181,974)	-	4,721,905
Capital assets, being depreciated:					
Buildings	1,909,378	-	-	-	1,909,378
Improvements other than buildings	147,554,992	8,089,014	-	-	155,644,006
Machinery and equipment	4,549,834	298,478	(30,308)	-	4,818,004
Total capital assets, being depreciated	154,014,204	8,387,492	(30,308)	-	162,371,388
Accumulated depreciation:					
Buildings	1,101,782	47,380	-	-	1,149,162
Improvements other than buildings	68,512,103	3,704,108	-	-	72,216,211
Machinery and equipment	3,453,889	359,596	(30,308)	-	3,783,177
Total accumulated depreciation	73,067,774	4,111,084	(30,308)	-	77,148,550
Total capital assets, being depreciated, net	80,946,430	4,276,408	-	-	85,222,838
Wastewater Fund capital assets, net	\$ 86,860,756	\$ 5,265,961	\$ (2,181,974)	\$ -	\$ 89,944,743
<b>Regional Airport Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 23,596,652	\$ -	\$ -	\$ -	\$ 23,596,652
Construction in progress	5,290,078	1,947,235	(4,590,371)	-	2,646,942
Total capital assets, not being depreciated	28,886,730	1,947,235	(4,590,371)	-	26,243,594
Capital assets, being depreciated:					
Buildings	40,137,792	-	-	-	40,137,792
Improvements other than buildings	65,940,763	4,471,217	-	-	70,411,980
Machinery and equipment	5,350,983	597,186	(35,716)	-	5,912,453
Total capital assets, being depreciated	111,429,538	5,068,403	(35,716)	-	116,462,225
Accumulated depreciation:					
Buildings	20,571,327	1,126,334	-	-	21,697,661
Improvements other than buildings	27,105,786	2,085,689	-	-	29,191,475
Machinery and equipment	3,816,409	438,566	(35,716)	-	4,219,259
Total accumulated depreciation	51,493,522	3,650,589	(35,716)	-	55,108,395
Total capital assets, being depreciated, net	59,936,016	1,417,814	-	-	61,353,830
Capital assets, being amortized:					
Software Subscriptions	194,587	-	-	-	194,587
Total capital assets, being amortized	194,587	-	-	-	194,587
Accumulated amortization:					
Software subscriptions	30,631	45,755	-	-	76,386
Total accumulated amortization	30,631	45,755	-	-	76,386
Total capital assets, being amortized, net	163,956	(45,755)	-	-	118,201
Regional Airport Fund capital assets, net	\$ 88,986,702	\$ 3,319,294	\$ (4,590,371)	\$ -	\$ 87,715,625

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2025**

**Schedule 5**  
**Page 3 of 4**

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
<b>Stormwater Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 114,282	\$ -	\$ -	\$ -	\$ 114,282
Construction in progress	3,994,401	363,338	(4,019,201)	-	338,538
Total capital assets, not being depreciated	4,108,683	363,338	(4,019,201)	-	452,820
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	63,328,415	4,019,201	-	-	67,347,616
Machinery and equipment	2,786,033	250,246	-	-	3,036,279
Total capital assets, being depreciated	66,190,957	4,269,447	-	-	70,460,404
Accumulated depreciation:					
Buildings	38,038	2,380	-	-	40,418
Improvements other than buildings	28,242,570	1,573,387	-	-	29,815,957
Machinery and equipment	2,189,709	240,345	-	-	2,430,054
Total accumulated depreciation	30,470,317	1,816,112	-	-	32,286,429
Total capital assets, being depreciated, net	35,720,640	2,453,335	-	-	38,173,975
Stormwater Fund capital assets, net	\$ 39,829,323	\$ 2,816,673	\$ (4,019,201)	\$ -	\$ 38,626,795
<b>Transit Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Total capital assets, not being depreciated	1,500,000	-	-	-	1,500,000
Capital assets, being depreciated:					
Buildings	2,511,520	-	-	-	2,511,520
Improvements other than buildings	19,317	-	-	-	19,317
Machinery and equipment	9,644,429	2,322,157	(655,188)	-	11,311,398
Total capital assets, being depreciated	12,175,266	2,322,157	(655,188)	-	13,842,235
Accumulated depreciation:					
Buildings	948,881	81,541	-	-	1,030,422
Improvements other than buildings	16,474	406	-	-	16,880
Machinery and equipment	3,301,028	1,359,102	(655,188)	-	4,004,942
Total accumulated depreciation	4,266,383	1,441,049	(655,188)	-	5,052,244
Total capital assets, being depreciated, net	7,908,883	881,108	-	-	8,789,991
Transit Fund capital assets, net	\$ 9,408,883	\$ 881,108	\$ -	\$ -	\$ 10,289,991

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2025**

**Schedule 5**  
**Page 4 of 4**

	July 1, 2024	Increases	Decreases	Transfers	June 30, 2025
Nonmajor Enterprise Funds and Internal Service Fund					
Capital assets, not being depreciated:					
Land	\$ 9,709,318	\$ -	\$ -	\$ -	\$ 9,709,318
Total capital assets, not being depreciated	9,709,318	-	-	-	9,709,318
Capital assets, being depreciated:					
Buildings	9,079,101	-	-	-	9,079,101
Improvements other than buildings	1,054,844	-	-	-	1,054,844
Machinery and equipment	4,105,954	317,975	(36,992)	108,289	4,495,226
Total capital assets, being depreciated	14,239,899	317,975	(36,992)	108,289	14,629,171
Accumulated depreciation:					
Buildings	3,666,157	202,953	-	-	3,869,110
Improvements other than buildings	777,757	69,814	-	-	847,571
Machinery and equipment	3,333,736	319,367	(34,409)	108,289	3,726,983
Total accumulated depreciation	7,777,650	592,134	(34,409)	108,289	8,443,664
Total capital assets, being depreciated, net	6,462,249	(274,159)	(2,583)	-	6,185,507
Capital assets, being amortized:					
Right-to-use leased equipment	536,115	-	(37,416)	-	498,699
Total capital assets, being amortized	536,115	-	(37,416)	-	498,699
Accumulated amortization:					
Right-to-use leased equipment	187,764	116,727	(37,416)	-	267,075
Total accumulated amortization	187,764	116,727	(37,416)	-	267,075
Total capital assets, being amortized, net	348,351	(116,727)	-	-	231,624
Nonmajor Enterprise Funds capital assets, net	\$ 16,519,918	\$ (390,886)	\$ (2,583)	\$ -	\$ 16,126,449
Business-type activities capital assets, net	\$ 504,018,368	\$ 26,598,840	\$ (12,359,651)	\$ -	\$ 518,257,557

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT**  
**June 30, 2025**

**Schedule 6**

	July 1, 2024	Increases	Decreases	June 30, 2025	Current Maturities
<b>Electric Fund</b>					
Revenue bonds	\$ 7,008,399	\$ -	\$ (613,015)	\$ 6,395,384	\$ 640,467
Plus premium on revenue bonds	1,033,500	-	(97,404)	936,096	
Compensated absences	1,982,681	518,860	(645,950)	1,855,591	538,122
Net pension liability (LGERS)	3,572,956	62,515	-	3,635,471	
Net OPEB liability	181,658	-	(181,658)	-	
<b>Electric Fund long-term debt</b>	<b>\$ 13,779,194</b>	<b>\$ 581,375</b>	<b>\$ (1,538,027)</b>	<b>\$ 12,822,542</b>	<b>\$ 1,178,589</b>
<b>Water Fund</b>					
Revenue bonds	\$ 34,246,580	\$ -	\$ (1,965,150)	\$ 32,281,430	\$ 2,180,980
Plus premium on revenue bonds	3,590,585	-	(277,137)	3,313,448	
Compensated absences	993,318	520,871	(460,597)	1,053,592	305,542
Net pension liability (LGERS)	3,147,219	41,982	-	3,189,201	
Net OPEB liability	159,918	-	(159,918)	-	
Subscriptions	38,832	-	(9,252)	29,580	9,550
<b>Water Fund long-term debt</b>	<b>\$ 42,176,452</b>	<b>\$ 562,853</b>	<b>\$ (2,872,054)</b>	<b>\$ 39,867,251</b>	<b>\$ 2,496,072</b>
<b>Wastewater Fund</b>					
Revenue bonds	\$ 2,235,021	\$ -	\$ (141,835)	\$ 2,093,186	\$ 148,553
Plus premium on revenue bonds	361,262	-	(30,316)	330,946	
Compensated absences	301,082	249,216	(233,199)	317,099	91,959
Net pension liability (LGERS)	1,433,494	-	(7,606)	1,425,888	
Net OPEB liability	71,094	-	(71,094)	-	
<b>Wastewater Fund long-term debt</b>	<b>\$ 4,401,953</b>	<b>\$ 249,216</b>	<b>\$ (484,050)</b>	<b>\$ 4,167,119</b>	<b>\$ 240,512</b>
<b>Regional Airport Fund</b>					
Installment purchase	\$ 3,937,876	\$ -	\$ (788,035)	\$ 3,149,841	\$ 789,734
Compensated absences	692,266	191,533	(290,302)	593,497	172,114
Net pension liability (LGERS)	2,241,855	16,709	-	2,258,564	
Net OPEB liability	1,795,517	-	(48,020)	1,747,497	
Subscriptions	109,694	-	(24,620)	85,074	26,659
<b>Regional Airport Fund long-term debt</b>	<b>\$ 8,777,208</b>	<b>\$ 208,242</b>	<b>\$ (1,150,977)</b>	<b>\$ 7,834,473</b>	<b>\$ 988,507</b>
<b>Stormwater Fund</b>					
Compensated absences	\$ 285,710	\$ 254,985	\$ (209,131)	\$ 331,564	\$ 96,154
Net pension liability (LGERS)	926,921	3,716	-	930,637	
Net OPEB liability	47,611	-	(47,611)	-	
<b>Stormwater Fund long-term debt</b>	<b>\$ 1,260,242</b>	<b>\$ 258,701</b>	<b>\$ (256,742)</b>	<b>\$ 1,262,201</b>	<b>\$ 96,154</b>
<b>Transit Fund</b>					
Compensated absences	\$ 143,821	\$ 82,370	\$ (68,387)	\$ 157,804	\$ 45,763
Net pension liability (LGERS)	285,620	-	(2,619)	283,001	
Net OPEB liability	221,082	-	(6,017)	215,065	
<b>Stormwater Fund long-term debt</b>	<b>\$ 650,523</b>	<b>\$ 82,370</b>	<b>\$ (77,023)</b>	<b>\$ 655,870</b>	<b>\$ 45,763</b>
<b>Nonmajor Enterprise Funds and Internal Service Fund</b>					
Installment notes	\$ 2,891,100	\$ -	\$ (240,350)	\$ 2,650,750	\$ 251,850
Plus premium on LOBs	263,931	-	(27,781)	236,150	
Compensated absences	2,017,570	823,981	(940,096)	1,901,455	551,422
Leases	344,006	-	(114,803)	229,203	113,041
Net pension liability (LGERS)	6,558,502	32,150	-	6,590,652	
Net OPEB liability	1,870,223	-	(140,125)	1,730,098	
<b>Nonmajor Enterprise Funds long-term debt</b>	<b>\$ 13,945,332</b>	<b>\$ 856,131</b>	<b>\$ (1,463,155)</b>	<b>\$ 13,338,308</b>	<b>\$ 916,313</b>
<b>Business-type activities long-term debt</b>	<b>\$ 84,990,904</b>	<b>\$ 2,716,518</b>	<b>\$ (7,765,005)</b>	<b>\$ 79,947,764</b>	<b>\$ 5,961,910</b>



## 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.

	<u>Page</u>
<b>Financial Trends</b>	
These tables contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	164
<b>Revenue Capacity</b>	
These tables contain information to help the reader assess the factors affecting the city's ability to generate its electric revenues and property taxes.	169
<b>Debt Capacity</b>	
These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	176
<b>Demographic and Economic Information</b>	
These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	181
<b>Operating Information</b>	
These tables contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	183

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

**CITY OF CONCORD, NORTH CAROLINA**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

**Table 1**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 299,048,429	\$ 312,710,029	\$ 317,112,060	\$ 316,363,203	\$ 326,124,878	\$ 397,805,262	\$ 445,135,068	\$ 449,044,564	\$ 530,190,284	\$ 613,295,266
Restricted	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865	45,564,434	54,119,927	74,905,021	52,477,005	27,396,758
Unrestricted	76,521,941	77,341,541	66,036,514	72,235,591	58,705,356	59,065,397	51,789,348	88,920,534	59,759,456	70,545,833
Total governmental activities net position	\$ 392,271,004	\$ 410,541,469	\$ 407,307,337	\$ 410,898,753	\$ 422,250,099	\$ 502,435,093	\$ 551,044,343	\$ 612,870,119	\$ 642,426,745	\$ 711,237,857
Business-type activities										
Net investment in capital assets	\$ 297,636,341	\$ 309,519,783	\$ 323,941,763	\$ 331,877,156	\$ 352,506,369	\$ 375,836,060	\$ 407,277,620	\$ 450,770,411	\$ 471,756,434	\$ 482,681,474
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	164,225,843	169,450,247	163,072,895	200,109,606	224,584,405	242,670,598	212,562,231	218,425,895	251,429,073	276,085,456
Total business-type activities net position	\$ 461,862,184	\$ 478,970,030	\$ 487,014,658	\$ 531,986,762	\$ 577,090,774	\$ 618,506,658	\$ 619,839,851	\$ 669,196,306	\$ 723,185,507	\$ 758,766,930
Primary government										
Net investment in capital assets	\$ 596,684,770	\$ 622,229,812	\$ 641,053,823	\$ 648,240,359	\$ 678,631,247	\$ 773,641,322	\$ 852,412,688	\$ 899,814,975	\$ 1,001,946,718	\$ 1,095,976,740
Restricted	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865	45,564,434	54,119,927	74,905,021	52,477,005	27,396,758
Unrestricted	240,747,784	246,791,788	229,109,409	272,345,197	283,289,761	301,735,995	264,351,579	307,346,429	311,188,529	346,631,289
Total primary government activities net position	\$ 854,133,188	\$ 889,511,499	\$ 894,321,995	\$ 942,885,515	\$ 999,340,873	\$ 1,120,941,751	\$ 1,170,884,194	\$ 1,282,066,425	\$ 1,365,612,252	\$ 1,470,004,787

**CITY OF CONCORD, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

**Table 2**  
**Page 1 of 2**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,051,753	\$ 5,621,893	\$ 6,538,526	\$ 5,848,332	\$ 5,868,190	\$ 8,042,489	\$ 7,917,494	\$ 12,889,305	\$ 20,829,311	\$ 13,402,218
Public safety	37,306,072	41,296,415	43,288,505	47,728,011	52,387,556	56,804,303	58,198,076	63,869,676	68,408,428	77,037,749
Public works	29,415,487	25,685,453	26,745,618	27,955,340	27,392,943	31,745,286	34,148,019	41,732,671	40,755,514	42,200,724
Cultural & recreational	4,691,129	5,221,006	5,417,520	5,972,501	6,996,264	7,070,517	8,423,646	8,718,316	10,566,625	11,880,683
Planning & community development	3,320,039	3,092,715	3,982,622	6,687,301	4,699,130	5,302,309	6,222,328	5,306,325	12,649,835	16,250,697
Administration	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335	998,347	1,260,141	4,224,535	5,078,069
Housing assistance Payments	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648	4,705,017	4,784,111	5,299,540	5,391,320	5,386,152
Rehabilitation	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061	2,055,926	2,234,832	1,419,432	1,223,755
Interest on long-term debt	1,262,457	1,194,385	1,063,021	928,032	795,074	637,687	678,918	603,439	1,361,593	2,757,446
Total governmental activities expenses	87,961,496	88,099,316	93,399,691	102,028,661	105,714,211	117,570,004	123,426,865	141,914,245	165,606,593	175,217,493
Business-type activities:										
Electric	67,070,451	82,797,485	82,169,016	65,164,522	60,279,345	67,259,271	91,574,771	90,244,107	73,923,371	85,592,888
Water	15,925,133	19,183,773	20,409,056	20,557,651	23,020,997	24,664,076	24,966,749	27,850,467	31,275,010	36,223,251
Wastewater	15,533,505	15,298,717	15,655,669	17,186,283	16,920,469	17,311,640	17,366,214	20,100,600	21,508,306	26,481,321
Regional airport	9,190,615	10,184,555	12,391,145	13,275,915	12,947,994	12,833,374	17,551,407	19,902,319	21,803,171	20,743,633
Stormwater	4,000,529	4,088,479	4,221,722	4,367,557	4,627,974	4,652,635	4,748,889	6,614,189	6,618,896	7,306,243
Transit	4,055,449	4,544,317	4,985,271	5,492,434	5,568,618	5,906,182	5,733,094	5,964,316	7,361,318	8,504,853
Other non major business-type	3,910,277	3,809,762	3,690,794	3,833,186	4,216,847	4,328,721	4,601,205	5,457,366	5,568,365	5,757,689
Total business-type activities expenses	119,685,959	139,907,088	143,522,673	129,877,548	127,582,244	136,955,899	166,542,329	176,133,364	168,058,437	190,609,878
Total primary government expenses	\$ 207,647,455	\$ 228,006,404	\$ 236,922,364	\$ 231,906,209	\$ 233,296,455	\$ 254,525,903	\$ 289,969,194	\$ 318,047,609	\$ 333,665,030	\$ 365,827,371
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 979,503	\$ 956,394	\$ 1,086,129	\$ 933,132	\$ 1,973,303	\$ 2,366,866	\$ 2,747,245	\$ 2,453,971	\$ 2,319,668	\$ 2,289,392
Public safety	1,346,713	1,187,729	1,274,871	1,283,251	1,303,487	1,544,532	1,586,622	1,824,791	1,850,868	2,079,963
Public works	381,028	858,487	1,039,712	802,667	697,172	1,132,855	3,960,973	3,695,681	3,937,608	4,251,479
Cultural and recreational	326,091	322,636	347,960	354,241	191,815	220,670	419,672	494,837	512,536	571,850
Planning and community development	2,040,391	1,918,761	2,143,720	1,897,724	2,688,528	3,056,647	107,861	244,125	223,591	136,506
Housing assistance	749,463	483,440	726,065	871,616	800,095	765,881	649,977	314,764	268,895	177,327
Rehabilitation	582,108	76,887	549,008	103,720	247,918	114,495	91,847	129,487	245,681	287,681
Operating grants and contributions	7,174,344	8,119,897	8,574,090	8,672,753	9,256,751	10,364,942	12,327,509	26,666,209	20,909,790	24,479,837
Capital grants and contributions	11,034,946	23,173,930	12,866,794	5,889,267	16,263,751	79,993,284	46,271,355	56,717,868	33,865,896	70,318,667
Total government activities program revenues	24,614,587	37,098,161	28,608,349	20,808,371	33,422,820	99,560,172	68,163,061	92,541,733	64,134,533	104,592,702

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

**Table 2**  
**Page 2 of 2**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-type activities:										
Charges for services										
Electric	\$ 82,086,937	\$ 84,473,951	\$ 84,346,203	\$ 85,831,592	\$ 83,249,849	\$ 87,893,010	\$ 86,847,414	\$ 108,896,096	\$ 106,936,520	\$ 105,177,277
Water	22,941,925	24,731,261	25,524,337	26,550,358	28,046,163	28,219,279	29,633,487	29,434,776	31,206,520	31,383,906
Wastewater	17,651,022	17,166,503	18,014,586	18,610,383	19,109,299	19,833,528	20,642,104	20,220,958	21,118,736	22,828,810
Regional airport	7,663,481	8,584,741	9,891,669	10,642,458	9,010,320	9,528,683	14,595,561	15,112,385	14,771,255	15,904,552
Stormwater	3,965,529	4,035,706	4,968,205	5,078,414	5,143,952	5,284,293	5,412,501	5,523,166	5,623,485	5,906,071
Transit	288,531	374,923	301,339	323,693	299,012	2,032	270,447	219,582	228,454	236,571
Other non major business-type	2,014,849	2,186,668	2,244,921	2,258,902	2,539,150	3,295,362	3,386,261	3,641,015	4,255,528	4,414,765
Operating grants and contributions	2,084,934	3,173,637	2,870,627	5,983,066	4,634,731	4,256,267	6,194,809	15,133,971	6,259,022	8,754,664
Capital grants and contributions	13,936,032	9,330,447	9,487,054	11,513,458	13,761,672	17,702,259	13,048,417	22,844,344	22,153,307	17,952,492
Total business-type activities program revenues	152,633,240	154,057,837	157,648,941	166,792,324	165,794,148	176,014,713	180,031,001	221,026,293	212,552,827	212,559,108
Total primary government program revenue	\$ 177,247,827	\$ 191,155,998	\$ 186,257,290	\$ 187,600,695	\$ 199,216,968	\$ 275,574,885	\$ 248,194,062	\$ 285,160,826	\$ 276,687,360	\$ 317,151,810
Net (Expenses)/Revenue										
Governmental activities	\$ (63,346,909)	\$ (51,001,155)	\$ (64,791,342)	\$ (81,220,290)	\$ (72,291,391)	\$ (18,009,832)	\$ (55,263,804)	\$ (101,472,060)	\$ (101,472,060)	\$ (70,624,791)
Business-type activities	32,947,281	14,150,749	14,126,268	36,914,776	38,211,904	39,058,814	13,488,672	52,967,856	44,494,390	21,949,230
Total primary government net expense	\$ (30,399,628)	\$ (36,850,406)	\$ (50,665,074)	\$ (44,305,514)	\$ (34,079,487)	\$ 21,048,982	\$ (41,775,132)	\$ (48,504,204)	\$ (56,977,670)	\$ (48,675,561)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Ad Valorem taxes	\$ 47,573,304	\$ 50,896,652	\$ 54,088,843	\$ 55,717,789	\$ 56,769,474	\$ 68,983,413	\$ 71,237,932	\$ 74,645,935	\$ 77,999,164	\$ 100,590,696
Other taxes	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783	22,777,368	26,899,548	29,025,343	29,382,011	31,564,759
Operating grants and contributions	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053	5,157,517	5,707,828	6,353,443	6,781,553	7,535,091
Investment earnings	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044	(6,419,857)	1,263,931	10,686,171	10,776,399
Miscellaneous gain (loss)	1,097,241	1,197,470	1,521,687	1,149,484	1,552,665	2,285,967	2,055,778	1,905,707	3,231,882	5,916,848
Transfers	(2,130,710)	(1,572,258)	(2,011,132)	(2,124,549)	(1,893,657)	(1,254,483)	4,391,825	(1,996,071)	2,947,905	(2,295,108)
Total governmental activities	68,864,270	73,584,436	78,042,790	84,811,706	83,642,737	98,194,826	103,873,054	111,198,288	131,028,686	154,088,685
Business-type activities										
Investment earnings	1,521,922	828,996	1,018,510	5,151,281	4,929,023	518,768	(8,212,466)	1,611,934	11,583,969	14,394,342
Miscellaneous	717,903	555,843	1,561,492	781,498	69,428	583,819	448,812	855,521	858,747	1,198,203
Transfers	2,130,710	1,572,258	2,011,132	2,124,549	1,893,657	1,254,483	(4,391,825)	1,996,071	(2,947,905)	2,295,108
Total business-type activities	4,370,535	2,957,097	4,591,134	8,057,328	6,892,108	2,357,070	(12,155,479)	4,463,526	9,494,811	17,887,653
Total primary government	\$ 73,234,805	\$ 76,541,533	\$ 82,633,924	\$ 92,869,034	\$ 90,534,845	\$ 100,551,896	\$ 91,717,575	\$ 115,661,814	\$ 140,523,497	\$ 171,976,338
<b>Change in Net Position</b>										
Governmental activities	\$ 5,517,361	\$ 22,583,281	\$ 13,251,448	\$ 3,591,416	\$ 11,351,346	\$ 80,184,994	\$ 48,609,250	\$ 9,726,228	\$ 29,556,626	\$ 83,463,894
Business-type activities	37,317,816	17,107,846	18,717,402	44,972,104	45,104,012	41,415,884	1,333,193	57,431,382	53,989,201	39,836,883
Total primary government	\$ 42,835,177	\$ 39,691,127	\$ 31,968,850	\$ 48,563,520	\$ 56,455,358	\$ 121,600,878	\$ 49,942,443	\$ 67,157,610	\$ 83,545,827	\$ 123,300,777

**CITY OF CONCORD, NORTH CAROLINA**  
**FUND BALANCES, GOVERNMENTAL FUNDS,**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 3**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 174,692	\$ 231,111	\$ 160,215	\$ 137,814	\$ 148,394	\$ 221,584	\$ 241,969	\$ 228,254	\$ 318,693	\$ 390,649
Restricted	16,012,423	18,619,318	22,741,178	21,044,719	22,213,888	29,360,299	26,656,386	22,197,962	31,604,943	26,086,158
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	52,968,474	46,910,753	48,122,752	53,901,650	55,215,807	54,743,932	62,388,124	70,071,831	54,141,763	74,202,397
Total General Fund	\$ 69,155,589	\$ 65,761,182	\$ 71,024,145	\$ 75,084,183	\$ 77,578,089	\$ 84,325,815	\$ 89,286,479	\$ 92,498,047	\$ 86,065,399	\$ 100,679,204
All Other Governmental funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346	\$ 2,258	\$ 448	\$ 6,643	\$ 7,597
Restricted	513,519	1,639,470	1,257,370	1,117,010	15,205,977	16,204,135	27,463,541	24,187,351	20,872,062	50,572,777
Committed	26,658,640	35,587,791	37,647,614	32,583,208	34,239,194	32,404,494	42,120,081	52,400,342	109,642,411	72,005,468
Assigned	14,795,995	18,580,293	21,870,916	28,992,222	14,372,001	21,233,737	-	-	-	-
Unassigned	(127,780)	(236,053)	(56,534)	(760,463)	(177,820)	(274,657)	(2,487,710)	(131,366)	(3,350,399)	(70)
Total all other governmental funds	\$ 41,840,374	\$ 55,571,501	\$ 60,719,366	\$ 61,931,977	\$ 63,639,352	\$ 69,568,055	\$ 67,098,170	\$ 76,456,775	\$ 127,170,717	\$ 122,585,772

**CITY OF CONCORD, NORTH CAROLINA**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Table 4**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Taxes	\$ 48,134,096	\$ 51,179,474	\$ 54,835,072	\$ 55,441,784	\$ 56,988,936	\$ 69,025,459	\$ 71,409,573	\$ 74,657,174	\$ 77,944,721	\$ 100,404,324
Other taxes	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783	22,777,368	26,899,548	29,025,343	29,382,011	31,564,759
Unrestricted intergovernmental revenues	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053	5,157,517	5,707,828	6,353,443	6,781,553	7,520,568
Restricted Intergovernmental revenues	8,079,968	9,792,222	9,296,854	9,877,589	13,003,537	12,476,101	13,746,459	28,397,106	22,545,130	26,315,238
Licenses, fees, and permits	1,289,489	1,169,815	1,385,999	1,142,845	2,174,220	2,587,922	2,972,892	2,658,210	2,506,004	2,548,624
Investment earnings	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044	(6,419,857)	1,263,931	8,787,903	8,850,194
Investment earnings restricted	32,037	49,118	58,934	81,536	113,633	69,654	12,274	24,961	1,961,380	2,048,850
Program income	1,712,599	1,474,389	2,371,806	1,830,997	1,806,288	2,380,555	1,703,516	1,128,057	1,278,270	1,050,421
Other revenues	3,797,617	3,651,331	3,927,847	3,646,729	4,074,034	4,492,510	5,910,175	5,887,172	7,637,447	10,398,295
Total revenues	85,370,241	90,378,921	96,319,904	102,090,462	105,374,903	119,212,130	121,942,408	149,395,397	158,824,419	190,701,273
<b>Expenditures</b>										
General government	4,420,117	4,735,511	5,872,583	5,059,155	4,920,914	7,076,063	7,303,411	11,845,884	19,226,409	11,084,419
Public safety	34,797,980	37,606,924	39,654,458	43,902,224	46,857,572	50,004,123	54,151,171	56,941,639	61,345,887	71,599,774
Public works	10,956,118	11,120,147	12,447,406	13,795,997	13,454,267	18,198,580	20,272,067	22,412,485	19,594,479	21,066,607
Cultural and recreational	4,325,132	4,719,578	4,885,244	5,398,744	6,130,192	6,183,507	7,596,989	7,576,326	9,309,674	9,476,710
Planning and community development	3,270,248	2,995,872	3,918,391	6,511,658	4,464,497	5,317,003	5,977,747	5,146,308	12,489,893	16,264,852
Administration	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335	998,347	1,260,140	4,224,535	5,078,069
Housing assistance payments	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648	4,705,017	4,784,111	5,299,540	5,391,320	5,386,152
Rehabilitation	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061	2,055,926	2,234,832	1,419,432	1,223,755
Capital outlay	10,698,997	7,291,213	7,350,932	9,777,426	12,392,727	14,739,195	18,198,952	19,388,790	26,302,668	42,498,504
Debt service										
Principal	2,510,447	2,639,222	5,355,079	2,628,105	4,349,184	2,410,733	2,256,972	2,283,877	2,303,727	4,965,032
Interest	1,408,299	1,194,385	1,063,021	928,031	79,182	637,687	782,330	706,852	1,619,409	3,101,049
Total expenditures	79,301,897	78,290,301	86,910,993	94,910,484	100,223,589	112,534,304	124,378,023	135,096,673	163,227,433	191,744,923
Excess of revenues over (under) expenditures	6,068,344	12,088,620	9,408,911	7,179,978	5,151,314	6,677,826	(2,435,615)	14,298,724	(4,403,014)	(1,043,650)
<b>Other Financing Sources (Uses)</b>										
Sale of capital assets	-	-	295,328	217,636	1,232,682	1,053,086	373,280	255,834	271,831	141,502
Issuance of debt	-	-	2,724,477	-	-	6,200,000	-	-	45,705,702	12,863,560
Subscription liabilities issued	-	-	-	-	-	-	-	11,685	28,869	92,555
Lease liabilities issued	-	-	-	-	-	-	161,289	-	-	-
Issuance of refunding bonds	-	-	-	-	437,038	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-	(726,512)	-	-	-	-	-
Transfers in	20,886,597	22,401,709	17,815,721	15,290,722	16,030,021	28,678,592	36,799,183	55,594,177	38,332,736	26,619,942
Transfers out	(23,017,307)	(24,153,609)	(19,833,609)	(17,415,271)	(17,923,678)	(29,933,075)	(32,407,358)	(57,590,247)	(35,384,830)	(28,915,049)
Total Other Financing Sources (Uses)	(2,130,710)	(1,751,900)	1,001,917	(1,906,913)	(950,449)	5,998,603	4,926,394	(1,728,551)	48,954,308	10,802,510
Net change in fund balances	\$ 3,937,634	\$ 10,336,720	\$ 10,410,828	\$ 5,273,065	\$ 4,200,865	\$ 12,676,429	\$ 2,490,779	\$ 12,570,173	\$ 44,551,294	\$ 9,758,860
Debt service as a percentage of non capital expenditures	5.71%	5.40%	8.07%	4.18%	5.04%	3.12%	2.86%	2.61%	2.86%	5.40%

**CITY OF CONCORD, NORTH CAROLINA**  
**NUMBER OF ELECTRIC CUSTOMERS BY TYPE,**  
**Last Ten Fiscal Years**

**Table 5**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Total</b>
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
2023	28,839	4,713	63	33,615
2024	29,288	4,338	61	33,687
2025	30,029	4,347	60	34,436

Source: City of Concord Finance and Electric Departments

**CITY OF CONCORD, NORTH CAROLINA**  
**ELECTRIC RATES**  
**Last Ten Fiscal Years**

**Table 6**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Residential Customers</b>										
Basic charges	\$ 9.46	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 15.00
Energy Charges per kWh (July - October)										
First 350	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.100894
Over 350	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.092851	0.092851	0.100894
Energy Charges per kWh (November - June)										
First 350	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.100894
Over 350	0.082582	0.088476	0.088476	0.088476	0.088476	0.088476	0.088476	0.084751	0.084751	0.095243
<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	38.00
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	8.65
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.114193	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344	0.111132
Next 87,000	0.068575	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726	0.065514
Over 90,000	0.066266	0.072417	0.072417	0.072417	0.072417	0.072417	0.072417	0.072417	0.072417	0.063205
Next 275 kWh per kW billing demand per month										
First 6,000	0.065456	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607	0.062395
Next 134,000	0.058177	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328	0.055116
Over 140,000	0.055867	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018	0.052806
All over 400 kWh per kW billing demand	0.054712	0.060813	0.060863	0.060863	0.060813	0.060863	0.060863	0.060863	0.060863	0.055228
<b>Industrial Customers</b>										
Basic Facilities Charge	18.54	19.30	19.30	19.30	19.30	19.30	19.30	19.30	18.20	135.00
Demand Charge per kW (over 30 kW of billing demand)	3.62	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.77	8.40
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.107612	0.115251	0.115251	0.115251	0.115251	0.115251	0.115251	0.115251	0.117112	0.111316
Next 87,000	0.063924	0.070911	0.070911	0.070911	0.070911	0.070911	0.070911	0.070911	0.072846	0.066976
Over 90,000	0.061714	0.069151	0.069151	0.069151	0.069151	0.069151	0.069151	0.069151	0.070607	0.065216
Next 275 kWh per kW billing demand per month										
First 140,000	0.053967	0.060471	0.060471	0.060471	0.060471	0.060471	0.060471	0.060471	0.069821	0.056536
Over 140,000	0.051755	0.058651	0.058651	0.058651	0.058651	0.058651	0.058651	0.058651	0.060517	0.054716
All over 400 kWh per kW billing demand	0.050648	0.056751	0.056751	0.056751	0.056751	0.056751	0.056751	0.056751	0.059395	0.052816

Source: City of Concord Finance and Electric Departments



**CITY OF CONCORD, NORTH CAROLINA**  
**TEN LARGEST ELECTRIC CUSTOMERS,**  
**Current Year and Nine Years Ago**

**Table 7**

Customer	2025				2016			
	Electric Revenue	Rank	Percentage of Total Electric Revenue		Electric Revenue	Rank	Percentage of Total Electric Revenue	
Celgard LLC	3,417,613	1	3.11	%	1,516,582	5	1.85	%
City of Concord	2,839,850	2	2.59		1,402,472	7	1.71	
Cabarrus County Schools	2,365,964	3	2.15		1,542,528	3	1.88	
WSACC	1,729,837	4	1.57		1,843,241	2	2.25	
Concord Mills LLC	1,551,142	5	1.41					
Perdue Farms	1,536,744	6	1.40		1,531,709	4	1.87	
Eli Lilly and Company	1,476,236	7	1.34		2,208,174	1	2.69	
S&D Coffee	1,335,882	8	1.22					
DNP IMS America Corporation	1,325,026	9	1.21		1,383,475	8	1.69	
Gilbane Building Company	1,278,957	10	1.16					
Legrand		-	-		1,475,957	6	1.80	
Great Wolf of the Carolinas LLC	-	-	-		754,214	10	0.92	
Cabarrus Plastics Mfg	-		-		1,077,759	9	1.31	
Total	<u>\$ 18,857,251</u>		<u>17.17</u>	<u>%</u>	<u>\$ 14,736,111</u>		<u>17.97</u>	<u>%</u>

Source: City of Concord Finance and Electric Departments

**CITY OF CONCORD, NORTH CAROLINA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

**Table 8**

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)				
2016	4,595,764,139	2,474,039,979	759,436,323	1,033,191,542	124,486,420	8,986,918,403	0.48
2017	6,068,241,265	1,642,104,405	767,219,663	1,035,500,636	153,919,497	9,666,985,465	0.48
2018	6,301,664,105	1,775,705,266	814,494,754	1,149,787,848	159,207,805	10,200,859,777	0.48
2019	5,493,955,055	2,711,577,147	989,371,655	1,097,323,976	135,500,000	10,427,727,833	0.48
2020	6,153,546,284	2,351,819,173	1,008,466,150	1,167,510,435	142,374,829	10,823,716,872	0.48
2021	6,840,413,756	3,861,504,684	1,208,953,502	1,232,702,466	139,849,637	13,283,424,045	0.48
2022	7,129,953,621	3,793,047,513	1,273,293,120	1,241,066,504	137,480,048	13,574,840,807	0.48
2023	7,354,068,620	3,862,489,110	1,356,649,007	1,407,585,175	144,933,733	14,125,725,645	0.48
2024	7,569,323,294	3,982,552,452	1,467,256,167	1,574,347,747	149,638,308	14,743,117,968	0.48
2025 (4)	20,211,584,648	5,748,099,518	2,322,925,204	2,012,834,358	168,873,078	30,464,316,806	0.42

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, 2024
- (3) Per \$100 of value
- (4) Revaluation in tax year 2024

**CITY OF CONCORD, NORTH CAROLINA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES,**  
**Last Ten Fiscal Years**  
**(rate per \$100 of assessed value)**

**Table 9**

Fiscal Year	City of Concord			Overlapping Rates	
	General Fund Basic Rate	Municipal Service District Basic Rate	Total Weighted Average Rate (1)	Cabarrus County	Combined Tax Rate
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
2023	0.48	0.23	0.4788	0.74	1.22
2024	0.48	0.23	0.4788	0.74	1.22
2025	0.42	0.16	0.3850	0.58	0.96

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.

**CITY OF CONCORD, NORTH CAROLINA**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Year and Nine Years Ago**

**Table 10**

Taxpayer	2025				2016			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	
Eli Lilly and Company	\$ 653,002,707	1	2.91	%				
HMS Holdings LLC	359,106,494	2	1.60					
Mall at Concord Mills LP	266,049,328	3	1.19	\$	512,465,432	1	5.30	%
Charlotte Motor Speedway LLC	241,371,211	4	1.08		249,414,503	2	2.58	
WMCI Charlotte VI LLC	216,182,810	5	0.96					
Great Wolf Lodge	200,085,201	6	0.89		96,461,210	4	1.00	
The Silverman Group	188,467,450	7	0.84					
Celgard LLC	154,983,114	8	0.69		197,740,761	3	2.05	
Exeter	135,422,580	9	0.60					
Yamasa Co Ltd	127,413,460	10	0.57					
Bootsmead Leaseco LLC					75,644,284	5	0.78	
JQH-Concord Development LLC					66,260,300	6	0.69	
Windstream Concord Telephone					53,574,926	7	0.55	
Alevo Energy Inc					53,173,948	8	0.55	
HSREI LLC a NC LLC					50,838,310	9	0.53	
S&D Coffee Company					45,842,477	10	0.47	
Total	<u>\$ 2,542,084,355</u>		<u>11.34</u>	<u>%</u>	<u>\$ 1,401,416,151</u>		<u>14.50</u>	<u>%</u>

Source: Cabarrus County Tax Office

CITY OF CONCORD, NORTH CAROLINA  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years

Table 11

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
2016	2015	43,794,974	43,379,086	99.1%	415,888	43,794,974	100.0%
2017	2016	47,953,016	47,389,747	98.8%	563,269	47,953,016	100.0%
2018	2017	53,695,713	53,071,029	98.8%	331,522	53,402,551	99.5%
2019	2018	55,614,536	54,719,919	98.4%	379,869	55,099,788	99.1%
2020	2019	57,232,612	56,597,931	98.9%	438,802	57,036,733	99.7%
2021	2020	68,850,679	68,324,465	99.2%	335,349	68,659,814	99.7%
2022	2021	71,230,275	70,869,972	99.5%	294,464	71,164,436	99.9%
2023	2022	74,481,026	74,033,727	99.4%	263,628	74,297,355	99.8%
2024	2023	77,837,176	77,445,929	99.5%	261,529	77,707,458	99.8%
2025	2024	100,388,895	99,838,366	99.5%		99,838,366	99.5%

**CITY OF CONCORD, NORTH CAROLINA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE,**  
**Last Ten Fiscal Years**  
**(dollars in thousands, except per capita)**

**Table 12**

<b>Governmental activities</b>							
<b>Fiscal Year</b>	<b>General</b>						
	<b>Installment Purchase</b>	<b>Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Installment Notes</b>	<b>HUD Loan</b>	<b>Lease Liabilities</b>	<b>Subscription Liabilities</b>
2016	3,105	-	1,915	26,892	1,429	-	-
2017	2,835	-	1,597	24,950	1,320	-	-
2018	2,578	-	1,270	23,012	1,211	-	-
2019	2,280	-	1,006	21,055	1,102	-	-
2020	1,988	-	437	19,095	-	-	-
2021	7,902	-	294	17,113	-	-	-
2022	7,002	-	148	15,799	-	135	-
2023	6,109	-	-	14,453	-	108	6
2024	5,166	45,551	-	14,141	-	79	14
2025	4,286	43,266	-	24,862	-	47	76

<b>Business type activities</b>								
<b>Fiscal Year</b>	<b>Installment Purchase</b>	<b>Revenue Bonds</b>	<b>Installment Notes</b>	<b>Lease Liabilities</b>	<b>Subscription Liabilities</b>	<b>Total</b>	<b>Percentage</b>	<b>Per</b>
						<b>Primary Government</b>	<b>of Personal Income (1)</b>	<b>Capita (1)</b>
2016	11,994	71,221	12,302	-	-	126,219	1.39%	1,421
2017	11,042	63,400	10,923	-	-	113,436	1.19%	1,249
2018	10,098	55,357	9,525	-	-	100,423	0.98%	1,085
2019	9,089	49,571	8,101	-	-	88,281	0.79%	839
2020	8,988	39,556	6,650	-	-	80,503	0.65%	760
2021	7,886	35,457	5,201	-	-	71,628	0.55%	662
2022	6,056	31,230	4,890	125	-	62,977	0.45%	568
2023	5,044	26,868	4,565	442	3	101,873	0.69%	899
2024	3,938	48,475	3,155	344	149	128,598	0.81%	1,110
2025	3,150	45,350	2,887	229	115	124,268	0.78%	1,072

(1) See Table 17 for population and personal income data.

**CITY OF CONCORD, NORTH CAROLINA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING,**  
**Last Ten Fiscal Years**

**Table 13**

General Bonded Debt Outstanding				Percentage of	
Fiscal Year	Gross Bonded Debt	Debt Payable From Enterprise Revenue	Net Bonded Debt	Total Taxable Assessed Value (1)	Per Capita (2)
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	42,000,000	-	42,000,000	0.28%	370.47
2025	39,900,000	-	39,900,000	0.13%	344.32

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.

**CITY OF CONCORD, NORTH CAROLINA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of June 30, 2025**

**Table 14**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (3)</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
City of Concord (1)	\$ 74,017,194	100%	\$ 74,017,194
Cabarrus County (2)	808,087,058	50%	<u>404,043,529</u>
Total			<u><u>\$ 478,060,723</u></u>

(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.



## CITY OF CONCORD, NORTH CAROLINA

## LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(dollars in thousands, with the exception of the calculation for the current year)

Table 15

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 796,278	\$ 863,783	\$ 896,594	\$ 928,512	\$ 955,686	\$ 1,149,661	\$ 1,190,549	\$ 1,121,214	\$ 1,180,763	\$ 1,791,033
Total net debt applicable to limit	27,997	25,925	23,870	21,754	19,642	23,723	21,612	19,476	60,325	67,130
Legal debt margin	\$ 768,281	\$ 837,858	\$ 872,724	\$ 906,758	\$ 936,044	\$ 1,125,938	\$ 1,168,937	\$ 1,101,738	\$ 1,120,438	\$ 1,723,903
Total net debt applicable to the limit as a percentage of debt limit	4%	3%	3%	2%	2%	2%	2%	2%	5%	4%

**Legal Debt Margin Calculation for Fiscal Years**

Total assessed value	\$ 22,387,917,021
Debt limit (8% of assessed value)	1,791,033,362
Debt applicable to limit:	
General Obligation bonds	39,900,000
Installment purchase notes	7,435,797
Installment notes	25,595,000
Less: Amount of bonded debt incurred for Business-type purposes	(5,800,591)
Total net debt applicable to limit	67,130,206
Legal Debt Margin	\$ 1,723,903,156
Net debt as a % of assessed values	0.30%

**CITY OF CONCORD, NORTH CAROLINA**  
**PLEDGED-REVENUE COVERAGE,**  
**Last Ten Fiscal Years**  
**(dollars in thousands)**

**Table 16**

<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>	
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
2023	39,825	22,315	17,510	1,812	590	7.29
2024	42,964	26,361	16,603	1,353	628	8.38
2025	45,264	29,336	15,928	1,965	1,552	4.53

<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>	
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
2023	25,291	16,030	9,261	1,136	121	7.37
2024	27,291	18,459	8,832	135	108	36.35
2025	30,746	22,282	8,464	141	101	34.98

<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>	
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)
2023	113,850	86,412	27,438	1,112	352	18.74
2024	113,704	72,181	41,523	587	321	45.73
2025	111,268	82,060	29,208	613	293	32.24

**CITY OF CONCORD, NORTH CAROLINA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar Years**

**Table 17**

<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>
2016	87,452	8,579,840	41,823	17,380	4.5%
2017	88,815	9,063,243	42,966	17,392	4.2%
2018	90,827	9,561,175	44,269	17,553	3.6%
2019	92,567	10,209,177	46,115	17,685	3.8%
2020	105,240	11,232,581	49,435	18,010	7.5%
2021	105,936	12,327,508	53,184	16,288	4.9%
2022	108,229	12,984,263	55,039	17,776	3.3%
2023	110,886	13,847,471	57,694	17,531	3.4%
2024 (5)	113,371	14,829,719	60,416	17,491	3.5%
2025 (5)	115,882	15,881,641	63,267	17,403	3.5%

(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 the past 8 years.

**CITY OF CONCORD, NORTH CAROLINA**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

**Table 18**

Employer	2025			2016		
	Employees in City	Rank	Percentage of Total City Employment	Employees in County	Rank	Percentage of Total City Employment
Atrium Health	4,462	1	7.94 %	4,500	1	11.73 %
Cabarrus County Schools	1,880	2	3.35	3,800	2	9.90
Cabarrus County Government	1,532	3	2.73	950	3	2.48
Walmart Associates Inc	1,342	4	2.39	-		-
City of Concord	1,242	5	2.21	901	4	2.35
S&D Coffee and Tea	1,010	6	1.80	800	6	2.09
Rousch Fenway Racing	840	7	1.50	-		-
Great Wolf Lodge of the Carolinas	503	8	0.90	-		-
Sysco	502	9	0.89	510	10	1.33
Amazon	462	10	0.82	-		-
Connexions	-		-	900	5	2.35
Concord Mills Mall	-		-	-		-
North Carolina Government	-		-	770	8	2.01
Kannapolis City Schools	-		-	750	9	1.95
Shoe Show	-		-	800	7	2.09
	<u>13,775</u>		<u>26.96 %</u>	<u>14,681</u>		<u>38.28 %</u>

Source: City of Concord Planning & Neighborhood Development

**CITY OF CONCORD, NORTH CAROLINA**  
**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM,**  
**Last Ten Fiscal Years**

**Table 19**  
**Page 1 of 2**

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<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	6.50	6.50	6.50	7.00	9.00	9.00	9.00	9.50	8.50
Human Resources	10.00	11.00	12.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00
Finance	13.00	13.00	13.00	13.00	14.00	15.00	15.00	15.00	15.00	15.00
Tax	4.00	3.50	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
Legal	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Information Technology	-	-	-	-	-	-	-	-	16.00	18.00
Public Safety										
Police	191.00	200.00	204.00	206.00	209.00	217.00	226.00	227.00	227.00	229.00
Code Enforcement	7.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Communications	22.00	23.50	25.50	25.50	25.50	25.50	25.50	25.50	26.50	26.50
Fiber Network Management							1.00	1.00	1.00	1.00
Radio Shop	3.00	3.50	4.10	4.10	4.50	4.50	5.50	5.50	5.50	5.50
Fire & Life Safety										
Operations	181.00	187.00	194.00	203.00	217.00	238.00	239.80	257.90	272.80	272.80
Prevention	9.00	9.50	10.50	10.50	10.20	10.20	10.20	10.20	12.20	12.50
Training	4.00	4.00	4.00	4.00	4.00	4.00	5.00	6.00	6.00	6.00
Emergency Management	1.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works										
Street & Traffic	28.00	30.00	34.00	34.50	35.50	36.00	36.00	36.00	36.00	36.00
Traffic Services	6.00	6.00	6.00	6.00	7.00	8.00	8.00	8.00	9.00	9.00
Traffic Signals	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Solid Waste & Recycling	32.00	31.50	32.50	34.50	36.00	36.50	40.60	60.60	62.10	62.10
Cemeteries	8.00	8.00	8.00	8.00	9.00	9.00	9.10	9.00	9.00	9.00
Fleet Services	13.00	14.00	14.00	14.00	14.00	14.00	15.00	15.00	15.00	15.00
Planning & Community Development										
Business & Neighborhood Services	14.00	16.00	17.00	18.00	18.00	19.00	19.00	19.00	18.00	18.00
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Culture & Recreation										
Parks and Recreation	17.00	17.00	29.93	31.50	35.00	36.00	36.50	37.50	39.00	39.00
<b>Total FTE General Fund</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>	<b>779.20</b>	<b>816.60</b>	<b>820.90</b>

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES**  
**BY FUNCTION/PROGRAM,**  
**Last Ten Fiscal Years**

**Table 19**  
**Page 2 of 2**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Other Funds</b>										
Home Consortium Fund	1.00	0.80	0.80	0.80	0.80	1.00	0.70	0.70	1.00	1.60
CDBG	1.00	1.20	1.20	1.20	1.20	1.00	1.30	1.30	1.00	1.00
Municipal Service District/Downtown Development	-	-	-	-	-	2.00	2.00	2.00	2.00	2.00
Stormwater	22.00	21.00	21.09	20.58	20.58	20.26	21.60	21.59	21.26	21.59
Electric										
Electric Administration	3.00	3.00	3.00	3.00	3.00	3.00	4.00	5.00	5.00	5.00
Powerlines Maintenance	17.00	17.00	18.00	18.00	18.00	18.00	19.00	19.00	19.00	20.00
Tree Trimming	7.00	7.00	7.00	8.00	8.00	10.00	10.00	10.00	10.00	10.00
Electric Construction	33.00	33.00	35.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00
Peak Shaving	-	-	-	-	-	-	-	-	-	-
Electric Engineering	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Utility Locate Services	5.00	5.00	5.00	5.00	5.00	5.00	3.00	3.00	3.00	3.00
Water Resources										
Hillgrove Water Treatment Plant	15.00	15.00	14.50	14.50	14.50	15.50	15.50	15.50	15.50	15.50
Coddle Creek Water Treatment Plant	15.00	15.00	15.50	16.50	16.50	15.50	15.50	15.50	15.50	15.50
Waterlines Operations & Maintenance	36.00	37.00	35.60	35.09	36.09	37.76	40.10	41.10	42.93	41.10
Public Transit										
Rider Transit System	4.00	5.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Wastewater Resources	29.00	30.00	31.31	31.83	32.16	31.48	31.81	31.81	32.98	32.81
Internal Services										
Utility Collections	4.00	4.00	5.00	5.00	5.00	3.75	3.75	3.80	3.80	3.80
Data Services	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-	-
Billing	10.00	10.00	11.25	14.25	16.25	16.25	16.25	16.25	16.25	16.25
Customer Service	26.00	26.00	27.00	25.00	25.00	25.00	25.00	24.00	-	-
Engineering	23.00	24.00	26.00	26.00	26.00	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	-	-	-	-	-	-	-	-	24.00	24.00
Buildings & Grounds	38.00	39.00	44.60	48.50	49.50	52.50	57.50	59.50	59.50	59.50
Aviation	34.00	40.00	41.50	43.50	45.50	45.50	47.50	51.50	51.50	52.50
Public Housing	14.00	14.00	13.00	14.00	14.00	13.00	13.00	13.00	14.00	14.00
<b>Total FTE Other Funds</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>419.05</b>	<b>422.72</b>	<b>423.65</b>
<b>Total</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>	<b>1,198.25</b>	<b>1,239.32</b>	<b>1,244.55</b>

Source: City of Concord Budget Department

**CITY OF CONCORD, NORTH CAROLINA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**

**Table 20**  
**Page 1 of 2**

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Physical arrests	4,486	4,207	4,655	4,445	3,407	3,646	2,277	2,635	3,008	2,957
Parking violations	2,671	2,764	2,922	2,399	1,824	1,616	2,142	2,161	2,274	856
Traffic violations	10,699	12,335	12,748	9,795	7,615	6,799	7,604	8,316	9,204	9,643
Communications										
Calls received	102,526	106,933	100,286	98,013	98,522	97,091	103,597	107,237	106,020	110,442
Calls Dispatched						125,206	157,064	158,288	151,746	130,586
Fire										
Emergency responses	10,616	11,561	12,078	12,335	12,154	13,610	15,609	16,312	16,621	16,915
Fires extinguished	261	270	269	205	264	230	286	226	286	230
Inspections	7,128	826	7,533	7,433	5,772	4,486	6,979	3,815	2,740	3,741
Education classes conducted (4)	384	826	632	218	140	157	172	269	232	230
Number of people reached by educators (4)	28,361	25,633	41,081	125,286	104,561	104,561	541,406	524,310	1,548,509	1,921,758
Emergency Management										
Exercise/Drill	0	9	11	6	4	7	4	4	7	5
Hazmat	0	14	44	29	5	10	11	10	5	4
Risk Assessment	0	105	145	113	49	58	60	58	75	69
Special Event	0	106	12	13	7	7	15	7	18	17
Planning	0	14	34	20	8	18	17	14	29	18
UAS (Drone)	0	0	6	20	24	14	46	66	160	151
Certified UAS Pilots	0	0	0	11	10	10	11	10	13	12
Education classes conducted (4)	0	26	11	11	9	4	13	12	3	8
Customer Care Center										
Calls answered	121,843	129,263	120,517	186,840	43,101	94,834	180,269	173,934	87,173	86,679
WebChat	-	-	-	-	-	-	-	-	5,164	3,505
Solid Waste & Recycling										
Refuse collected (tons per day)	96	94	100	127	131	140	140	131	150	139
Recyclables collected (tons per day)	23	23	21	17	24	21	20	17	22	25
Other Public Works										
Street resurfacing (miles) (5)	18	9	24	12	0	18	27	32	11	8
Potholes repaired	92	112	101	162	176	179	103	95	95	163
NCDOT signalized street lights	115	113	119	123	119	146	145	160	170	162
NCDOT road (Non Interstate)	92	92	92	92	93	93	93	92	92	92
Economic Development										
Single family residential	661	637	931	803	968	834	597	349	460	363
Single family attached in units	2	6	74	5	52	59	112	168	272	217
Two, three, or four family residential in units	0	2	6	0	0	341	3	81	7	4
Multi-family residential in units	264	264	89	80	132	442	355	216	60	428
Commercial building permits issued	82	27	58	52	57	134	153	144	91	107
Parks and recreation										
% Cost recovery Adult programs	105	107	120	113	130	130	107	105	112	128
Youth participation	14,793	18,432	29,867	27,631	41,306	3,307	18,471	24,200	3,090	5,609
Rec center attendance	87,165	79,302	140,000	222,447	158,937	40,235	118,351	114,366	137,956	159,607

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM,**  
**Last Ten Fiscal Years**

**Table 20**  
**Page 2 of 2**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Stormwater										
Accounts	31,978	32,643	33,462	33,891	35,539	36,459	37,284	38,818	38,629	38,789
Electric										
Accounts	29,371	30,074	31,031	31,604	32,368	32,714	33,039	33,289	33,425	34,243
Average megawatt hours daily use (2)	2,427	2,498	2,439	1,992	2,536	2,346	2,432	2,440	2,436	2,566
Substations	15	15	15	15	15	16	16	16	18	20
Water										
Accounts	37,088	38,961	40,050	41,303	42,874	43,953	44,890	43,685	44,409	47,460
Water Main Breaks	25	18	75	49	57	45	57	54	66	57
Average daily consumption (mgd)	9	11	12	13	13	13	13	14	15	15
Peak daily consumption (mgd)	14	14	15	17	17	18	17	17	20	18
Transit										
Average daily use	1,188	1,157	1,129	1,193	1,033	897	858	873	984	1,169
Days of operation	359	357	359	359	359	359	356	359	359	359
Wastewater										
Accounts	34,029	34,878	35,807	36,900	38,309	39,314	40,160	40,747	41,467	42,063
Average daily treatment (thousands of gallons)	8,870	9,211	8,387	10,695	8,585	9,090	8,566	8,698	9,264	11,006
Golf Course										
Total Green Fee Rounds (3)	28,998	32,034	32,982	31,241	36,768	46,164	44,712	43,029	47,341	47,772
Cart Fee Rounds	23,534	27,406	27,470	26,242	29,643	36,786	43,758	42,050	33,647	31,426
Tournaments hosted	68	64	60	53	27	17	43	61	60	68
Aviation										
Avgas (annual gallons)	168,627	189,923	222,290	232,064	239,909	251,147	283,883	318,548	345,135	332,330
Jeta (annual gallons)	2,355,783	2,760,003	2,722,010	2,843,033	2,648,943	2,507,492	3,056,970	2,607,249	2,734,783	3,191,517
Operations = take off & landing (1)	57,736	67,223	77,646	84,629	70,546	73,593	87,203	87,486	79,090	74,068
Total enplanements	63,316	106,718	128,250	159,361	139,549	100,879	142,540	115,337	115,600	159,029
Tax Base listings										
T Hanger	67	67	67	67	67	67	67	67	67	67
HIC	41	58	58	58	51	39	39	36	33	30
Tiedown	27	31	54	54	47	66	78	75	70	64
Corporate	4	3	4	4	21	6	6	7	7	10
Ground	11	11	11	7	8	9	9	8	8	8
Office	26	26	26	26	29	28	29	29	29	31
Public Housing										
Units in use	174	174	174	174	174	174	174	174	174	174
Housing Choice Vouchers	541	541	541	541	553	553	553	550	569	557

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 2022

(5) For 2020, resurfacing contract in process at the end of the fiscal year, will report next year.



**CITY OF CONCORD, NORTH CAROLINA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS,**  
**Last Ten Fiscal Years**

**Table 21**  
**Page 1 of 2**

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	159	169	172	166	166	160	194	194	187	198
Fire										
Stations	11	11	11	11	11	11	12	12	12	12
Fire Units	14	16	16	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Engine, Ladder, Rescue, Crash Fire Rescue	0	0	0	23	25	23	24	24	24	24
Support vehicles	0	0	0	12	15	12	13	13	14	14
Emergency Management										
Drone	0	0	0	0	1	2	2	2	2	3
EM Units	0	2	2	1	1	1	1	1	1	1
Mobile Command Unit	0	1	1	1	1	1	1	1	1	1
Solid Waste & Recycling										
Refuse collection trucks	29	29	31	32	31	31	34	50	49	49
Other Public Works										
Paved streets (miles)	343	348	354	354	356	372	379	385	388	393
Signalized Street	16	17	18	18	18	18	18	18	19	19
Control Beacons	6	6	6	7	6	5	5	5	6	6
Guardrail	5	5	5	5	5	5	5	5	5	5
Curb and Gutter	462	472	548	548	558	562	605	638	645	562
Sidewalk	245	254	254	258	261	261	280	300	310	326
School Zone Flashers	22	22	22	22	23	23	22	22	22	22
Facilities (City owned):										
Parks (developed acreage)	157	157	157	157	157	235	235	235	471	471
Parks (undeveloped acreage)	69	69	69	69	109	149	149	149	97	97
Playgrounds	13	14	14	13	13	14	13	13	13	14
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Basketball courts	9	9	9	5	9	8	5	5	5	5
Tennis courts	14	16	14	16	14	14	14	14	14	14
Pickleball courts	0	0	2	2	2	8	8	2	6	4
Playing fields	23	23	23	23	23	24	34	39	39	39
Swimming pool	1	1	1	1	1	1	1	1	1	1
Green Way	7	7	8	8	12	10	12	12	17	17
Walking Trails	4	4	4	4	3	6	6	6	5	5
Stormwater										
Storm Sewers (miles)	264	267	280	294	302	344	344	265	281	286

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS,**  
**Last Ten Fiscal Years**

**Table 21**  
**Page 2 of 2**

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Electric										
Substations	15	15	15	15	15	16	16	16	18	20
Water										
Water Mains (miles)	709	717	725	744	752	754	762	772	780	785
Fire hydrants	4,772	4,820	4,946	5,014	5,085	5,125	5,202	5,268	5,341	5,356
Storage capacity (millions of gallons)	16	16	16	16	16	16.75	16.75	16.75	16.75	16.75
Transit										
Transit Center	1	1	1	1	1	1	1	1	1	1
Buses, Vans. & LTVs	12	12	12	12	17	17	18	19	19	19
Wastewater										
Sanitary sewers (miles)	544	563	583	583	592	592	591	598	606.6	607.39
Treatment capacity (thousands of gallons)	3,237,594	3,362,198	3,061,566	3,903,644	3,913,000	3,913,000	3,913,000	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	2	2	2	2	2	2	2	2
T Hangars	67	67	67	67	67	67	67	67	67	67
Corporate Hangar	3	3	4	4	5	6	6	6	6	6
Private Hangar	9	9	8	7	6	6	6	7	7	7
Hangar in Common	7	7	7	8	8	7	7	7	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  
City of 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2025. 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 and WeBuild Concord were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the City of Concord ABC Board or WeBuild Concord or that are reported on separately by those auditors who audited the financial statements of 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'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City'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  
December 12, 2025

# 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  
City of Concord, North Carolina

### **Report on Compliance for Each Major Federal Program**

#### ***Qualified and Unmodified Opinions***

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, 2025. 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.

#### ***Qualified Opinion on the Housing Voucher Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, 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 the Housing Voucher Cluster for the year ended June 30, 2025.

#### ***Unmodified Opinion on Each of the Other Major Federal Programs***

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 its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2025.

#### ***Basis for Qualified and Unmodified Opinions***

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 qualified and unmodified opinions 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.

#### *Matter Giving Rise to Qualified Opinion on the Housing Voucher Cluster*

As described in the accompanying Schedule of Findings and Questioned Costs, the City of Concord did not comply with requirements regarding AL# 14.871 Housing Voucher Cluster as described in Finding 2025-002 for Special Tests and Provisions.

Compliance with such requirements is necessary, in our opinion, for the City of Concord to comply with the requirements applicable to that program.

#### *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. Noncompliance 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 judgement 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.

### **Other Matters**

The results of our auditing procedures disclosed an other instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2025-003. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Concord's response to the noncompliance finding identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City of Concord's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2025-001, 2025-002, and 2025-003 to be material weaknesses.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Concord's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. The City of Concord's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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  
December 12, 2025



# 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  
City of 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, 2025. 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 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, 2025.

#### ***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 judgement 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 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 state 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 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 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  
December 12, 2025

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**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? None reported

Non-compliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? Yes
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified for all federal programs except for the Housing Voucher Cluster, which is qualified

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

Identification of major federal programs:

<b><u>Program Name</u></b>	<b><u>Assistance Listing #</u></b>
Housing Voucher Cluster	14.871
Public Housing Operating Fund	14.850
Federal Transit Cluster	20.507, 20.526
Airport Improvement Program	20.106
Outdoor Recreation Acquisition, Development and Planning Grant	15.916

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? No

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**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**

Motorsport Industry Support Program  
State Aid to Airports

Auditee qualified as state low-risk auditee?	No
--	----

**2. Financial Statement Findings**

None reported.

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**3. Federal Award Findings and Questioned Costs**

**Finding: 2025-001**

**U.S. Department of Housing & Urban Development**

Program Name: Housing Voucher Cluster

AL Number: 14.871

**Material Weakness, Eligibility**

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that applicants have all required documentation in their file. In accordance with 24 CFR Part 5 Subpart F, the City must maintain documentation to support tenant eligibility.

**Condition:** The City did not follow procedures to ensure the proper eligibility determinations were made and documented.

**Context:** Of the 6,168 housing assistance payments during the current year valued at \$5,286,995, we examined 60 (valued at \$54,964) and determined that 6 (10% valued at \$5,441) applicants did not have properly calculated resources. Upon further review and recalculation, the six applicants were deemed eligible.

**Effect:** Participants could receive benefits for which they are not eligible.

**Cause:** Weakness in implementation of controls over eligibility procedures

**Questioned Cost:** None. This finding represents an internal control issue; therefore, questioned costs are not applicable.

**Recommendation:** Tenant files should be reviewed to verify that calculations are accurate, and all required documentation has been obtained before approving benefits.

**Views of Responsible Officials and Planned Corrective Actions:** The City agrees with this finding. Please refer to the Corrective Action Plan section of this report.

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**3. Federal Award Findings and Questioned Costs (continued)**

**Finding: 2025-002**

**U.S. Department of Housing & Urban Development**

Program Name: Housing Voucher Cluster

AL Number: 14.871

**Material Non-Compliance**

**Material Weakness, Special Tests and Provisions**

**Criteria:** In accordance with 24 CFR sections 982.158(d) and 982.404, units under housing assistance payment (HAP) contract that fail to meet Housing Quality Standards (HQS), the Public Housing Authority (PHA) must require the owner to correct any life threatening HQS deficiencies within 24 hours after the inspections and all other HQS deficiencies within 30 calendar days or within a specified PHA-approved extension. If the owner does not correct the cited HQS deficiencies within the specified correction period, the PHA must stop HAPs beginning no later than the first of the month following the specified correction period or must terminate the HAP contract.

**Condition:** The City did not follow procedures to ensure that the HQS were corrected or subsequent procedures to stop HAP were not enforced.

**Context:** Of the 293 failed inspections during the current year, we examined 60 and determined that 20 (34% valued at \$66,952) failed inspections were not corrected or the HAP were not stopped timely.

**Effect:** Owner could receive benefits for which they are not eligible

**Cause:** Lack of proper internal control over HQS enforcement

**Identification of a Repeat Finding:** This is modified and a repeat of Finding 2024-002 from the immediate previous audit.

**Questioned Cost:** In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. The sample results identified \$66,952 in known questioned costs.

**Recommendation:** Management should implement controls to ensure that HQS enforcement procedures are followed timely.

**Views of Responsible Officials and Planned Corrective Actions:** The City agrees with this finding. Please refer to the Corrective Action Plan section of this report.

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**3. Federal Award Findings and Questioned Costs (continued)**

**Finding: 2025-003**

**U.S. Department of Housing & Urban Development**

Program Name: Public Housing Operating Fund

AL Number: 14.850

**Non-Material Non-Compliance**

**Material Weakness, Eligibility, Special Tests and Provisions**

**Criteria:** In accordance with 2 CFR 200, management should have an adequate system of internal control procedures in place to ensure that applicants have all required documentation in their file. In accordance with 24 CFR Part 5 Subpart F, the City must maintain documentation to support tenant eligibility.

In accordance with 24 CFR sections 960.202 through 960.208, the City must establish, adopt, and follow policies for admission of tenants as it relates to the Public Housing waiting list. All families admitted to the program must be selected from the waiting list.

**Condition:** The City did not follow procedures to ensure the proper eligibility determinations were made and documented.

**Context:** Of the 163 applicants during the current year valued at \$518,453, we examined 33 (valued at \$100,361) and determined that 2 (7% valued at \$16,692) applicants were not supported with case documentation to confirm eligibility.

Of the 33 applicants we examined, we determined that 1 (3%) applicant did not have documentation to confirm they were selected from the waiting list. Upon further review, the applicant is deemed eligible.

**Effect:** Participants could receive benefits for which they are not eligible

**Cause:** Weakness in implementation of controls over eligibility procedures

**Identification of a Repeat Finding:** This is modified and a repeat of Finding 2024-003 from the immediate previous audit.

**Questioned Cost:** In accordance with 2 CFR 200, auditors are required to report known questioned costs when likely questioned costs are greater than \$25,000. The sample results identified \$16,692 in known questioned costs.

**Recommendation:** Tenant files should be reviewed to verify that calculations are accurate, and all required documentation has been obtained before approving benefits.

**Views of Responsible Officials and Planned Corrective Actions:** The City agrees with this finding. Please refer to the Corrective Action Plan section of this report.



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**4. State Award Findings and Questioned Costs**

None reported.



**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2025**

**Finding: 2025-001**

**U.S. Department of Housing & Urban Development**

**Program Name:** Housing Voucher Cluster

**Name of Contact Person:** Margarethea Sheller, Housing Manager  
Mary Powell-Carr, Concord Housing Director

**Corrective Action:** The Public Housing Authority (PHA) will strengthen eligibility determination procedures for the Housing Choice Voucher Program by implementing the following measures:

1. **Policy Reinforcement:** Review and update, if necessary, the Administrative Plan to explicitly outline required eligibility documentation and verification steps.
2. **Staff Training:** Conduct training sessions for HCV Specialists on verifying income, assets, and household composition. Staff to begin using HUD's CPD calculator to calculate income.
3. **Quality Control Review:** Implement a quarterly supervisory review, by the Housing Manager, of a random 10% sample of tenant files to ensure accuracy in income calculation and documentation.
4. **File Checklist:** Implement file checklists in each file to ensure all items are collected correctly and available for compliance review.
5. **Software Updates:** Review and select new software to assist with income item collection. Also implement the use of DocuSign to obtain signatures.

**Proposed Completion Date:** June 30, 2026

**Finding: 2025-002**

**U.S. Department of Housing & Urban Development**

**Program Name:** Housing Voucher Cluster

**Name of Contact Person:** Dino Miller, Housing Inspections Coordinator  
Mary Powell-Carr, Housing Director

**Corrective Action:** Ensure compliance with Housing Quality Standards (HQS) and enforce owner accountability:

1. **Staff Training:** Retrain inspection and program staff on HQS enforcement protocols under 24 CFR §982.404(a)(3), as well as Admin Plan specific timeframes and escalation procedures when HQS deficiencies are not corrected within the required 24-hour (life-threatening) or 30-day (non-life-threatening) periods.
2. **Monitoring:** Establish a monthly compliance report that is presented by the Inspections Coordinator reviewed by management to ensure HAP payments are stopped timely for noncompliant units. Work to move all reporting to electronic files which will provide time and date stamps.

3. **Landlord Communication:** Issue updated landlord written notices outlining enforcement expectations and consequences for noncompliance. Make the Admin Plan publicly accessible to allow tenants and landlords to reference specific timeframes based on deficiencies.
4. **Begin a Landlord Training:** Staff to work to create a yearly or bi-yearly landlord training to review issues, expectations, processes, and timeframe associated with HCV program. Also gives landlord's the opportunity to provide feedback for staff which may help address shortfalls.

**Proposed Completion Date:** June 30, 2026

**Finding:** 2025-003

**U.S. Department of Housing & Urban Development**

**Program Name:** Public Housing Operating Fund

**Name of Contact Person:** Margarethea Sheller, Housing Manager  
Mary Powell-Carr, Concord Housing Director

**Corrective Action:** Address weaknesses in eligibility verification and waiting list management:

1. **Policy Review:** Review and verify that the Admissions and Continued Occupancy Policy (ACOP) clearly states the requirement that all admissions originate from the approved waiting list and what documentation is required to be in the participate file as waitlist verification
2. **Staff Training:** Provide refresher training for Public Housing staff on eligibility verification and waiting list procedures. Require dual staff sign-off on all new admissions to confirm eligibility and waiting list documentation before lease execution.
3. **Waiting List Audit:** Conduct a semi-annual audit of waiting list transactions to ensure documentation accuracy and selection order compliance.
4. **Software Updates:** Review and select new software to assist with income item collection. Software should allow residents to upload and store documentation. This will allow greater transparency as the residents and staff will view the same information. In addition, all information would be date and time stamped to ensure tasks were completed in a timely manner.

**Proposed Completion Date:** June 30, 2026

## **CITY OF CONCORD, NORTH CAROLINA**

### **SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2025**

**Finding:** 2024-001  
**Status:** Corrected

**Finding:** 2024-002  
**Status:** Modified and repeated as 2025-002

**Finding:** 2024-003  
**Status:** Modified and repeated as 2025-003

**Finding:** 2024-004  
**Status:** Corrected

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing 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>Federal Financial Assistance</b>						
U.S. Department of Energy						
Energy Efficiency and Conservation Block Grant Program	81.128	DE-SE0000773	\$ -	\$ 150,822	\$ -	\$ 398
Total U.S. Department of Energy			-	150,822	-	398
U.S. Department of Homeland Security:						
Passed through North Carolina Department of Public Safety:						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-4827-NC	-	366,272	-	-
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			-	366,272	-	-
State and Local Cybersecurity Grant Program	97.137	EMW-2022-CY-00006	-	68,821	3,048	-
State and Local Cybersecurity Grant Program	97.137	EMW-2023-CY-00066	-	62,180	7,454	-
Total State and Local Cybersecurity Grant Program			-	131,001	10,502	-
Total U.S. Department of Homeland Security			-	497,273	10,502	-
U.S. Department of Housing and Urban Development:						
Direct Programs:						
Community Development Block Grant Cluster Entitlement/Special Purpose Grants						
Community Development Block Grant/Entitlement	14.218	B-20-MC-37-0012	-	6,863	-	-
Community Development Block Grant/Entitlement	14.218	B-21-MC-27-0012	-	15,843	-	-
Community Development Block Grant/Entitlement	14.218	B-22-MC-27-0012	-	90,616	-	-
Community Development Block Grant/Entitlement	14.218	B-23-MC-27-0012	1,193	43,495	-	-
Community Development Block Grant/Entitlement	14.218	B-24-MC-27-0012	73,304	177,773	-	5,579
Total Community Development Block Grant Cluster Entitlement/Special Purpose Grants			74,497	334,590	-	5,579
Home Investment Partnerships Program - Program Income	14.239	M-17-DC-37-0209	32,296	94,979	-	-
Home Investment Partnerships Program - Program Income	14.239	M-18-DC-37-0209	-	158,542	-	-
Home Investment Partnerships Program - Program Income	14.239	M-19-DC-37-0209	60,308	102,362	-	-
Home Investment Partnerships Program - Program Income	14.239	M-20-DC-37-0209	195,072	224,112	-	-
Home Investment Partnerships Program - Program Income	14.239	M-21-DC-37-0209	65,838	80,613	-	-
Home Investment Partnerships Program - Program Income	14.239	M-22-DC-37-0209	156,927	158,132	-	12,488
Home Investment Partnerships Program - Program Income	14.239	M-23-DC-37-0209	4,553	19,143	-	160,761
Home Investment Partnerships Program - Program Income	14.239	M-24-DC-37-0209	-	14,232	-	-
COVID-19 Home Investment Partnerships Program - American Rescue Plan	14.239	M-21-DP-37-0209	-	121,337	-	-
			514,994	973,452	-	173,249
Economic Development Initiative - Community Project Funding and Miscellaneous Grants	14.251	B-24-CP-NC-1312	-	14,524	-	-
Public Housing Operating Fund	14.850	A-4309	-	1,101,448	-	906,561
Public Housing Capital Fund	14.872	NC19P00850119	-	22,476	-	-
Public Housing Capital Fund	14.872	NC19P00850121	-	4,336	-	-
Public Housing Capital Fund	14.872	NC19P00850122	-	34,347	-	-
Public Housing Capital Fund	14.872	NC19P00850123	-	364,630	-	-
Public Housing Capital Fund	14.872	NC19P00850124	-	27,875	-	-
			-	453,664	-	-

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**  
**Year Ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing 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>
U.S. Department of Housing and Urban Development, continued:						
Family Self-Sufficiency Program	14.896	FSS23NC5547	-	25,286	-	-
Family Self-Sufficiency Program	14.896	FSS23NC554701	-	34,733	-	-
			-	60,019	-	-
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871		-	5,518,871	-	234,389
Section 8 Housing Choice Vouchers	14.871		-	271,582	-	-
Total Housing Voucher Cluster			-	5,790,453	-	234,389
Total U.S. Department of Housing and Urban Development			589,491	8,728,150	-	1,319,778
U.S. Department of the Interior:						
Passed through North Carolina Department of Natural and Cultural Resources:						
Outdoor Recreation Acquisition, Development and Planning	15.916	37-01061	-	257,914	-	257,914
Total U.S. Department of the Interior			-	257,914	-	257,914
U.S. Department of Justice:						
Bulletproof Vest Partnership Program	16.607		-	1,526	-	1,699
Bulletproof Vest Partnership Program	16.607		-	3,306	-	5,797
Public Safety Partnership and Community Policing Grants	16.710	2020UMX0524	-	16,184	-	10,180
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-23-GG-02543-PPSE	-	46,740	-	-
Congressionally Recommended Awards	16.753	15PBIA-24-GG-00317-BRND	-	49,819	-	-
Equitable Sharing Program	16.922		-	10,000	-	-
			-	127,575	-	17,676
Total U.S. Department of Justice			-	127,575	-	17,676
U.S. Department of Transportation						
Federal Transit Cluster						
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-90-X587-00	-	10,880	-	2,720
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-2022-049-00	-	529,658	-	107,414
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-2024-052-00	-	18,300	-	18,301
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	N/A	-	4,024,135	-	1,721,431
Buses and Bus Facilities Formula , Competitive and Low or No Emissions Programs & Discretionary Programs (Bus Program)	20.526	NC-2019-049-00	-	130,894	-	32,724
Buses and Bus Facilities Formula , Competitive and Low or No Emissions Programs & Discretionary Programs (Bus Program)	20.526	NC-2020-048-00	-	51,848	-	12,962
Buses and Bus Facilities Formula , Competitive and Low or No Emissions Programs & Discretionary Programs (Bus Program)	20.526	NC-2022-049-00	-	28,384	-	5,009
Buses and Bus Facilities Formula , Competitive and Low or No Emissions Programs & Discretionary Programs (Bus Program)	20.526	N/A	-	239,588	-	59,896
Total Federal Transit Cluster			-	5,033,687	-	1,960,457
Transit Services Programs Cluster						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2020-062-00	12,888	14,319	-	3,222
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2022-044-00	22,543	25,048	-	5,636
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2024-048-00	163,604	181,782	-	71,081
Total Transit Services Programs Cluster			199,035	221,149	-	79,939

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**  
**Year Ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing 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>
U.S. Department of Transportation, continued:						
Federal Aviation Administration						
Airport Improvement Program; COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs						
Airport Improvement Program	20.106	3-37-0015-015-2022	-	175,061	-	19,451
Airport Improvement Program	20.106	3-37-0015-015-2023	-	7,459	-	-
Airport Improvement Program	20.106	3-37-0015-018-2024	-	1,016,574	-	363,844
			-	1,199,094	-	383,295
Passed through North Carolina Department of Transportation:						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.7.24.6	-	94,782	11,847	11,851
Total Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research			-	94,782	11,847	11,851
Highway Planning, Research and Construction Cluster						
Highway Planning and Construction	20.205	43713.1.9	-	29,851	-	7,463
Highway Planning and Construction	20.205	49345.1.1	-	26,853	-	6,713
Highway Planning and Construction	20.205	50853.1.3	40,360	326,303	-	82,072
Highway Planning and Construction	20.205	50902.1.2	8,900	8,900	-	-
Total Highway Planning, Research and Construction Cluster			49,260	391,907	-	96,248
Highway Safety Cluster						
State and Community Highway Safety	20.600	22024.6.18	-	5,860	-	-
State and Community Highway Safety	20.600	22025.6.56	-	22,066	-	-
Total Highway Safety Cluster			-	27,926	-	-
Total U.S. Department of Transportation			248,295	6,968,545	11,847	2,531,790
<b>Total federal awards</b>				<b>837,786</b>	<b>16,730,279</b>	<b>22,349</b>
<b>State Financial Assistance:</b>						
Department of Transportation:						
Powell Bill	N/A	32570	-	-	2,666,675	-
State Maintenance Assistance for Urban and Small Urban Program	N/A	36230.7.24.6	-	-	299,281	-
			-	-	2,965,956	-
State Aid to Airports:						
Airport Improvements and Debt Service	N/A	36244.41.8.1	-	-	452,040	-
Airport Improvements and Debt Service	N/A	36244.41.9.1	-	-	123,401	8,122
Airport Improvements and Debt Service	N/A	36244.41.10.1	-	-	359,536	-
Airport Improvements and Debt Service	N/A	36244.10.2	-	-	1,800	1,800
Airport Improvements and Debt Service	N/A	36244.41.11.1	-	-	485,075	-
			-	-	1,421,852	9,922
Department of Insurance:						
Summer Camp Grant	N/A		-	-	1,256	-
Department of Commerce:						
Motorsport Industry Support Program	N/A		10,169,588	-	10,169,588	-

(Continued)

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**  
**Year Ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing 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>
Department of Environmental Quality: Solid Waste Management Outreach Grant Program	N/A	CW37948	-	-	11,234	2,247
Office of State Budget and Management Regional Economic Development Reserve	N/A	12222	-	-	972,512	-
Department of Natural and Cultural Resources: Parks and Recreation Trust Fund	N/A	2022-964	-	-	56,700	56,700
Youth Outdoor Engagement Commission: Youth Sports Grant Program	N/A		-	-	5,000	432
<b>Total state awards</b>			<b>10,169,588</b>	<b>-</b>	<b>15,604,098</b>	<b>69,301</b>
<b>Total federal and state awards</b>			<b>\$ 11,007,374</b>	<b>\$ 16,730,279</b>	<b>\$ 15,626,447</b>	<b>\$ 4,196,857</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, 2025**

(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 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:

Funds Approved  
Funds Expended  
Excess of Funds Approved

Funds Advanced:  
HUD Grants  
Funds Expended  
Excess of Funds Advanced

Funds Approved  
Funds Expended  
Excess of Funds Approved

Funds Advanced:  
HUD Grants  
Funds Expended  
Excess of Funds Advanced

NC19E00850119	NC19E00850219	NC19E00850319
\$ 11,310	\$ 97,676	\$ 135,919
11,306	13,416	-
\$ 4	\$ 84,260	\$ 135,919
\$ 11,310	\$ 97,676	\$ 135,919
11,306	13,416	-
\$ 4	\$ 84,260	\$ 135,919
NC19P00850119	NC19P00850120	NC19P00850121
\$ 332,281	\$ 356,970	\$ 379,392
332,281	356,970	379,392
\$ -	\$ -	\$ -
\$ 332,281	\$ 356,970	\$ 379,392
332,281	356,970	379,392
\$ -	\$ -	\$ -

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.

(4) Cluster of Programs

The Highway Planning, Research and Construction Cluster is clustered by the State of North Carolina and is treated separately for state audit requirement purposes.