



City of Concord, North Carolina
Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2020



2020

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CITY OF CONCORD, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020

Prepared by:
Finance Department

City of Concord, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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October 23, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the City of Concord, North Carolina, for the fiscal year ended June 30, 2020, 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 2020.

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, 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, 2020, 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, 2020, 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 special emphasis on internal controls and legal requirements involving the administration of

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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 63,433 square miles with an estimated population of 94,453 as of July 1, 2019 per the N.C. Office of State Budget and Maintenance. The City adjoins the City of Charlotte, North Carolina, and is one of seven 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.

North Carolina General Statutes require formal budgetary accounting for all funds. The departments of the City are required to submit request 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 2020 was 12.3%, which is an increase from a rate of 4.0% in June of 2019. The state's unemployment rate for June of 2020 was 7.6%. (Bureau of Labor Statistics)

The economy continues to recover from the effects of the global coronavirus pandemic (COVID-19). Concord's population growth averages around 2% per year. The restrictions placed on the City's businesses, due to the COVID-19, have loosened and business activity has resumed. The sales tax revenues continue to recover and construction continues to be strong in the Charlotte region. Water and wastewater utility revenue remains steady with small growths in consumption. Electric utility revenue did decline this year which was a result of large commercial usage declining during the COVID-19 closures.

The North Carolina Fiscal Research Division reports that the response to COVID-19 has dramatically affected the economy. Public health measures undertaken in response to COVID-19 resulted in shuttered businesses and the temporary or permanent loss of hundreds of thousands of jobs. Due to the unprecedented nature of the ongoing public health crisis, the revenue forecast was produced with great uncertainty. The revenue outlook does assume that the economy will begin to recover in the third quarter (July-September), as consumers begin to spend and business owners hire back former employees.

Some forecasters expect consumers to adapt quickly while others expect a slower correction in consumer habits. It does appear that the economy is recovering and that growth has begun to occur in North Carolina and here in the City of Concord. The housing market is still strong and development continues to occur at a steady pace.

The City's economy has benefitted from the City's proximity to Charlotte, ongoing improvements to major interstate highways, the City's partnership with the State to improve other major thoroughfares within the City and the available land zoned for business development located within the City. This has led to increased economic growth and diversification over the past 20 years. Principal products manufactured in the City now include coffee, electrical wiring devices and accessories, foods, motorsports equipment, plastics, printing and publishing, concrete products, lumber and wood, specialized colorings, fabricated metal and machinery products, mobile and modular home components, corrugated packaging and textiles. The distribution, warehousing and shipping industry is a growing sector of the City's economy. This industry benefits from proximity to Charlotte (a regional trucking and manufacturing center with a major commercial international airport, including major freight operations). The most recent investment can be partially traced to the many major transportation projects in Concord that are just completed, currently underway or that will begin in 2020. 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 currently in progress. This project will include 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, it provides enhanced access to approximately 3000 acres of property zoned for business development in the geographic middle of the City, including the former Philip Morris site. The northeastern part of Charlotte's Interstate 485 Outerbelt is now completed. This provides easy access to the western side of Concord and will spur even more industrial and commercial development in that area. The City is partnering 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 and has added a new aquarium to its offerings. Charlotte Motor Speedway, the ZMax Dragway and NASCAR team race shops bring in hundreds of thousands of people that use lodging and restaurants and shop. This has also led to the development of other facilities such as the Embassy Suites Resort/Concord Convention Center, the Great Wolf Lodge and many other limited service hotels.

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

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

The City is engaged in short-range and long-range planning to provide the necessary infrastructure to accommodate the City's future growth. The City, other local governments, and local business leaders cooperate in economic recruiting and development efforts. The Cabarrus Economic Development Commission, which operates with a full-time staff, serves as the

primary recruiting and marketing entity for economic development. Due to the availability of sites within commercial and industrial parks with all municipal services available located near major highways and interstates, the City is experiencing continued economic development activity.

LONG TERM FINANCIAL PLANNING

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

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

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

The public process is complete to determine what the City's downtown streetscape will look like in the future. Staff presented the options to Council and implementation of their approved plan "a new Union StreetScape" will continue in the fiscal year ending 2021 budget year. Development (new and infill) continues to be strong in Downtown Concord. New businesses and restaurants continue to fill spots as soon as they are vacated. The City has worked with Cabarrus County and Lansing Melbourne to develop 30 Market Street (current surface lot and former Police Department), 26 Union Street (former City Hall), and the Cabarrus County parking deck "wrap". It is anticipated these projects will move forward in the coming year resulting in 292 housing units with 170 of these being affordable/workforce units. The value of these projects is estimated to be \$50M once completed.

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

The City is partnering with the land owners to run sewer to the project now called The Grounds (former Phillip Morris site). This project, once complete, will open the way for job-producing development. The former Philip Morris property remains one of the most unique properties in the Charlotte region. The existing building and the additional undeveloped acreage on and off

the site mean Concord has over 3,000 acres of property zoned for business near the geographic center of the City when combined with other properties along George Liles Parkway.

Concord entered into a 20-year agreement with NTE effective January 1, 2019 to purchase power. The contract also provides for access to power produced from other types of generation if it is more cost effective to buy on the market. Though early in the contract, NTE's performance has been exceptional. The cost of purchasing power has continued to drop resulting in a savings to the City. These saving has allowed the City to include projects to address the growth in the City. Retrofitting existing stations, planning to build additional new stations, and constructing an Electric Operations Center are included in the City's capital improvement plan. These investments in the City's electric system will continue our pursuit for reliable public power now and into the future.

Allegiant Travel Company has announced plans to establish a base of operations at Concord-Padgett Regional Airport. The Las Vegas-based company will invest \$50 million to establish the new base in Concord, creating at least 66 high-wage jobs and housing two airbus aircraft. Due to the COVID-19 crisis, this project has been placed on a temporary hold, but the City still expects this project to begin in the current year.

Citizen surveys continue to ask for transportation improvements in the City. The City Council has allocated a total of 2.5¢ of the tax rate be allocated to transportation projects in the City. Staff continue to work closely with NC DOT on projects in the City to reduce traffic and congestion concerns. The City maintains over 261 miles of sidewalk and over 356 miles of roads. Major projects in this proposal include a road expansion at the Brown Operation Center and upfitting the former Cabarrus County Facility for City operations.

Federal funding remains the core of the Rider public transit system. As the lead agency, Concord is the responsible party for Federal transit funds for not only Rider but also for Cabarrus County transit, Rowan County transit, and Salisbury transit. The Public Transit Master Plan was completed this past year and shared with Cabarrus County and its municipal elected/appointed officials as well as the Charlotte Area Transit System (CATS). The Plan details a variety of suggestions for enhancing the current systems (Rider and the County) internally (consolidation) and externally (continued partnership with CATS). Transit staff along with County transit staff will be working together in the coming years to determine which of the recommendations we can feasibly accomplish in the near future.

The permanent Fire Station #10 is nearing completion. Construction of Fire Station #12 is included in the fiscal year ending 2021 budget. In addition, Fire, Police, and Communications are exploring property options for a joint training facility, which would be constructed and operated by the City.

The Recreation Master Plan update has been completed and it contains many recommendations addressing future recreational needs. Implementation of this plan will continue to be a priority for the City. Hector H. Henry, II Greenway: Riverwalk Phase is anticipated to be complete in the summer of 2020, and the Dorton Park Master Plan is also under development. The Connectivity Study has been completed and adopted by City Council. It continues to drive additional park and recreational opportunities and guide the City in connecting neighborhoods, communities, schools, and other life centers across Concord. The City is focused on site control for the eventual building of greenways and other pedestrian-friendly trails throughout the City. This effort is greater, of course, than what can be

accomplished in the coming year and will continue into the future. Land has been purchased for the construction of a much-needed park in the northwest section of the City. Plans and final design of this park will occur in fiscal year ending 2021. 1¢ of the City's tax rate is dedicated to future recreational needs.

For FY 2020-21, the Concord property tax rate continues to be among the lowest third of full-service North Carolina municipalities with populations greater than 35,000. The tax rate remains at \$.48 per \$100 of valuation.

CASH MANAGEMENT POLICIES AND PRACTICES

The City maintains a cash and investment pool that is used by all funds, except those restricted by statute or other legal reasons. This pool is used to facilitate disbursement and investment and to maximize investment income. North Carolina statute G.S. 159-30(c) authorizes the City to invest in U.S. Government Agency Securities, U.S. Treasury obligations, commercial paper, bankers' acceptances, certificates of deposits and the North Carolina Capital Management Trust (NCCMT), a SEC-registered mutual fund. The maturities of investments vary. Investment earnings include unrealized gains and losses from the implementation of the Governmental Accounting Standards Board ("GASB") Statement 31, which require certain investments to be recorded at market 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, 2020, the City's cash resources were invested as follows:

U.S. Government agencies	75.8%
Commercial Paper	15.6%
NCCMT	7.1%
All other	<u>1.5%</u>
Total	<u>100.0%</u>

The average yield on investments at June 30, 2020 is estimated at 2.2% as compared to 1.4% 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, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 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 140 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 (note 9 & 10).

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 comprehensive annual financial report for the fiscal year ended June 30, 2019. 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 comprehensive annual financial report, whose contents conform to program standards. The comprehensive annual 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 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, Jessica Jones, 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, 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



Pam Hinson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Concord
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF CONCORD, NORTH CAROLINA
CITY GOVERNING BODY AND OFFICIALS

Members of the Governing Body
City Council

William C. "Bill" Dusch Mayor

John Sweat, Jr. Mayor Pro Tempore

Terry Crawford
Andy Langford
W. Brian King
JC McKenzie
Jennifer Parsley
Ella Mae Small

Lloyd Wm. Payne, Jr. City Manager

Pam T. Hinson Finance Director

VaLerie Kolczynski City Attorney

Kim Deason City Clerk



CITIZENS OF CONCORD


**REPRESENTED
BY
MAYOR
AND
CITY COUNCIL**




CITY ATTORNEY
VaLerie Kolczynski
704-920-5115




CITY MANAGER
Lloyd Payne
704-920-5215




**ASSISTANT
CITY MANAGER**
Joshua Smith
704-920-5215



**ASSISTANT
CITY MANAGER**
LeDerick Blackburn
704-920-5215




AVIATION
Dirk Vanderleest
704-920-5912




COMMUNICATIONS
Bethany Ledwell
704-920-5590




CITY CLERK
Kim Deason
704-920-5205




PUBLIC AFFAIRS
Peter Franzese
704-920-5210




**BUILDINGS AND
GROUNDS**
Susan Sessler
704-920-5380



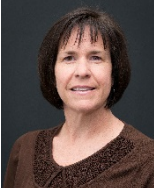
ELECTRIC SYSTEMS
Bob Pate
704-920-5301




**EMERGENCY
MANGEMENT**
Ian Crane
704-920-5211




FIRE
Jake Williams
704-920-5516



FINANCE
Pam Hinson
704-920-5220




**DATA SERVICES
(Contract)**
Charlie Bridges
704-920-5293




ENGINEERING
Sue Hyde
704-920-5401



FLEET SERVICES
Daniel Nuckolls
704-920-5431



HOUSING
Angela Graham
704-920-6100




**PARKS AND
RECREATION**
Bob Dowless
704-920-5610



HUMAN RESOURCES
Chantel Thompson
704-920-5102




**ROCKY RIVER
GOLF CLUB
(Contract)**
704-455-1200



RIDER TRANSIT
L.J. Weslowski
704-920-5878




**SOLID WASTE AND
RECYCLING**
Robin Barham
704-920-5351




POLICE
Gary Gacek
704-920-5007



**PLANNING AND
NEIGH. DEV.**
Steve Osborne
704-920-5132



TRANSPORTATION
Phillip Graham
704-920-5362



WATER RESOURCES
Jeff Corley
704-920-5342

Since 1965, the City of Concord has operated according to the Council-Manager form of government, where a professional City Manager serves at the pleasure of the City Council as chief executive of the organization. The City Manager is responsible for all City personnel, with the exception of the City Attorney, who is also appointed by the City Council. The City Manager provides functional supervision for the Legal Department.

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
Concord, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Concord ABC Board which represents 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those financial 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. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, Firefighters and Rescue Squad Workers' Pension Schedules, and the Local Government 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, 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 the 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 and Other 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 introductory information, combining and individual fund financial statements, budgetary schedules, ad valorem tax schedules, other schedules, supplemental financial data schedules (Section 8 housing programs), and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, ad valorem tax schedules, other schedules, supplemental financial data schedules (Section 8 housing programs), and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such 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, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, ad valorem tax schedules, other schedules, supplemental financial data schedules (Section 8 housing programs), and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020 on our consideration of the City of Concord's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Concord's internal control over financial reporting or on compliance. That report is an integral part of an audit prepared in accordance with *Government Auditing Standards* in considering the City of Concord's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 23, 2020

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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, 2020. 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 \$999,340,873 (*net position*). Of this amount, \$283,289,761 (*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 \$56,455,358, 6 percent. The majority of this growth is attributable to an increase in cash and investments and a decrease in long-term debt.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$141,217,441 an increase of \$4,200,865 in comparison with the prior year, a 3% increase. Approximately 39 percent of this total amount or \$55,037,987 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 \$55,215,807 or 58.9 percent of total general fund expenditures and transfers.
- The City holds the following current underlying bond rating:

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

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 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 35 through 37 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 eleven 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 and the general fund capital reserve, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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

The City of Concord adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues,

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 55 through 87 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 88 through 95 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 99 through 112 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 147 through 148.

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 \$999,340,873 as of June 30, 2020.

By far the largest portion of the City's net position (68 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	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$146,933,840	\$152,337,412	\$228,596,152	\$254,388,076	\$375,529,992	\$406,725,488
Capital assets	339,843,222	346,852,890	395,626,038	404,986,546	735,469,260	751,839,436
Total Assets	<u>486,777,062</u>	<u>499,190,302</u>	<u>624,222,190</u>	<u>659,374,622</u>	<u>1,110,999,252</u>	<u>1,158,564,924</u>
Deferred outflows of resources	<u>11,144,660</u>	<u>10,548,046</u>	<u>8,790,344</u>	<u>7,820,529</u>	<u>19,935,004</u>	<u>18,368,575</u>
Long-term liabilities outstanding	68,685,893	64,872,885	78,912,279	64,750,661	147,598,172	129,623,546
Other liabilities	14,143,079	15,442,486	19,946,103	21,304,806	34,089,182	36,747,292
Total liabilities	<u>82,828,972</u>	<u>80,315,371</u>	<u>98,858,382</u>	<u>86,055,467</u>	<u>181,687,354</u>	<u>166,370,838</u>
Deferred inflows of resources	<u>4,193,997</u>	<u>7,172,878</u>	<u>2,167,390</u>	<u>4,048,910</u>	<u>6,361,387</u>	<u>11,221,788</u>
Net position:						
Net investment in capital assets	316,363,203	326,124,878	331,877,156	352,506,369	648,240,359	678,631,247
Restricted	22,299,959	37,419,865	-	-	22,299,959	37,419,865
Unrestricted	72,235,591	58,705,356	200,109,606	224,584,405	272,345,197	283,289,761
Total net position	<u>\$410,898,753</u>	<u>\$422,250,099</u>	<u>\$531,986,762</u>	<u>\$577,090,774</u>	<u>\$942,885,515</u>	<u>\$999,340,873</u>

An additional portion of the City's net position (4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$283,289,761, 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 \$11,351,346 in net position reported in connection with the City of Concord's governmental type activities and an increase of \$45,104,012 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 \$45,104,012, 8%. The increase in current assets is a result of growth in cash and investments. Revenues exceeding expenses contribute to the growth in cash for business-type activities and the net increase in net position.

City of Concord's Changes in Net Position

Table 2

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues:						
Program revenues:						
Charges for services	\$6,246,351	\$7,902,318	\$149,295,800	\$147,397,745	\$155,542,151	\$155,300,063
Operating grants/ contributions	8,672,753	9,256,751	5,983,066	4,634,731	14,655,819	13,891,482
Capital grants/contributions	5,889,267	16,263,751	11,513,458	13,761,672	17,402,725	30,025,423
General revenues:						
Ad valorem taxes	55,717,789	56,769,474	-	-	55,717,789	56,769,474
Other taxes	20,168,719	18,919,783	-	-	20,168,719	18,919,783
Grants and contributions not restricted to specific programs	5,415,685	5,300,053	-	-	5,415,685	5,300,053
Investment earnings	4,484,578	2,994,419	5,151,281	4,929,023	9,635,859	7,923,442
Miscellaneous/Gain(loss) capital asset sales	1,149,484	1,552,665	781,498	69,428	1,930,982	1,622,093
Total revenues	107,744,626	118,959,214	172,725,103	170,792,599	280,469,729	289,751,813
Expenses:						
General government	5,848,332	5,868,190	-	-	5,848,332	5,868,190
Public safety	47,728,011	52,387,556	-	-	47,728,011	52,387,556
Public works	27,955,340	27,392,943	-	-	27,955,340	27,392,943
Cultural & recreational Planning & community development	5,972,501	6,996,264	-	-	5,972,501	6,996,264
Administration	6,687,301	4,699,130	-	-	6,687,301	4,699,130
Housing assistance payments	1,001,208	2,018,740	-	-	1,001,208	2,018,740
Rehabilitation	4,527,057	4,480,648	-	-	4,527,057	4,480,648
Interest on long term debt	1,380,879	1,075,666	-	-	1,380,879	1,075,666
Electric	928,032	795,074	-	-	928,032	795,074
Water	-	-	65,164,522	60,279,345	65,164,522	60,279,345
Wastewater	-	-	20,557,651	23,020,997	20,557,651	23,020,997
Regional airport	-	-	17,186,283	16,920,469	17,186,283	16,920,469
Stormwater	-	-	13,275,915	12,947,994	13,275,915	12,947,994
Other nonmajor business-type activities	-	-	4,367,557	4,627,974	4,367,557	4,627,974
Total expenses	102,028,661	105,714,211	129,877,548	127,582,244	231,906,209	233,296,455
Increase in net position before transfers	5,715,965	13,245,003	42,847,555	43,210,355	48,563,520	56,455,358
Transfers	(2,124,549)	(1,893,657)	2,124,549	1,893,657	-	-
Increase in net position	3,591,416	11,351,346	44,972,104	45,104,012	48,563,520	56,455,358
Net position, July 1	407,307,337	410,898,753	487,014,658	531,986,762	894,321,995	942,885,515
Net position, June 30	\$410,898,753	\$422,250,099	\$531,986,762	\$577,090,774	\$942,885,515	\$999,340,873

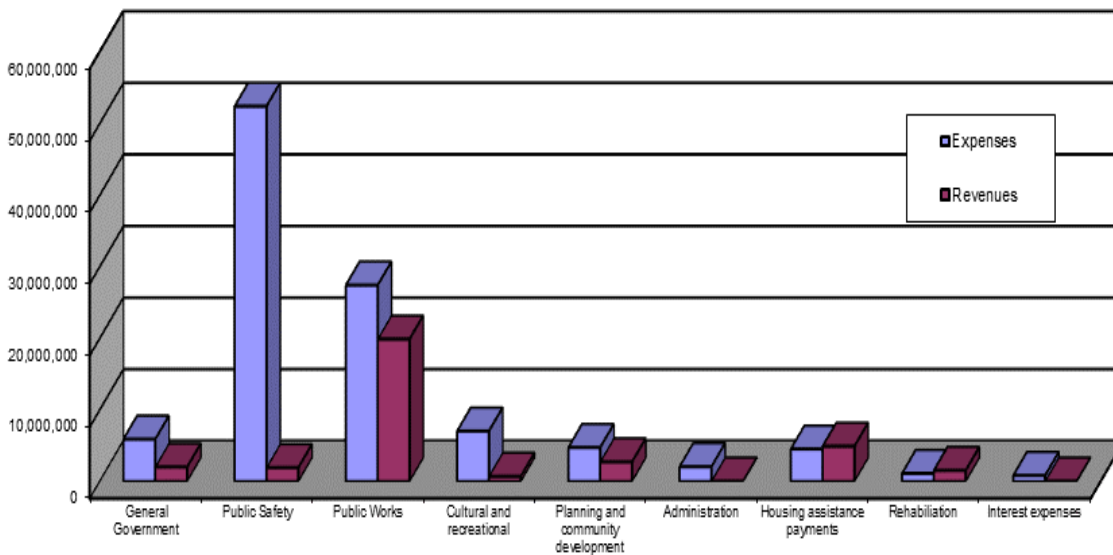
Governmental Activities

In fiscal year 2020, the net position of governmental activities increased by \$11,351,346, or more than 2%. Revenues increased by more than 10% as a result of an increase in capital grants and contributions when compared to the prior year. Expenses and transfers were less than total sources which resulted in an increase in net position of \$11,351,346. Table 2 above,

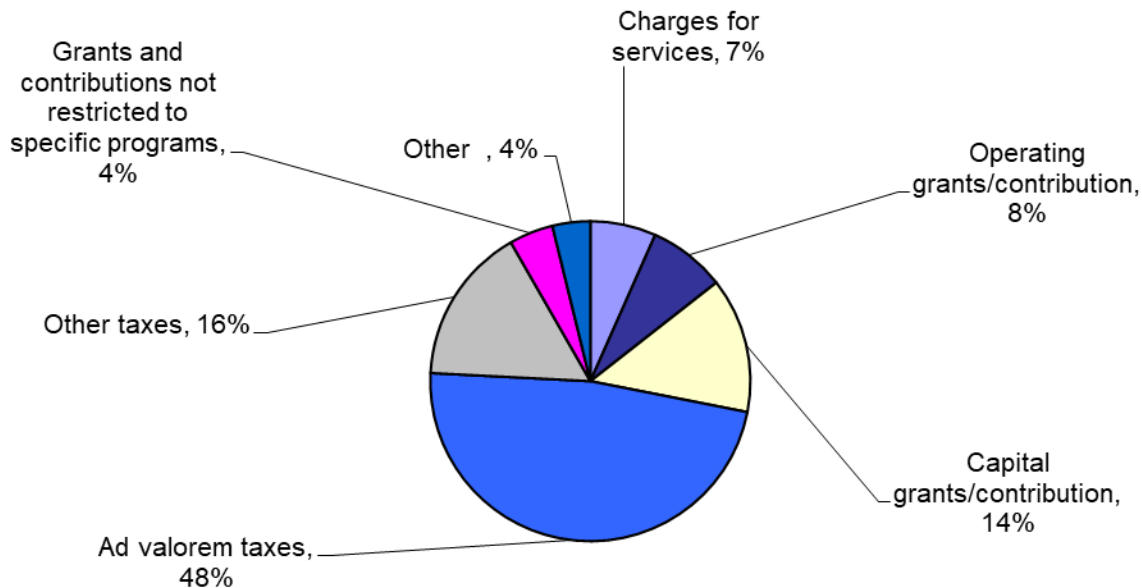
illustrates key elements of the changes in the governmental activities net position. Listed below are a few points highlighting significant changes in net position.

- Ad valorem taxes increased by \$1,051,685 (2.0%) during the year. The City continues to see a steady growth in assessed values.
- Capital grants/contributions increased \$10,374,484 million due to an increase in contributions for capital related to infrastructure.
- Investment earnings decreased \$1,490,159 as the rates continue to be low.
- Other taxes decreased 6%, \$1,248,936 as sales tax revenues declined as a result of the COVID-19 effects on the economy.
- The total governmental activities increase in expenses was 4%. The City continues to operate as conservatively as possible while maintaining existing services. The increases are related to personnel costs, including 15 new firefighters to staff fire station 11.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net position by \$45,104,012 (8%).

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

- Charges for services for business-type activities decreased by 1%, \$1,898,055.
 - Usage increased over 2.6% for wastewater customers; the City experienced a 2% growth in customers. The wastewater division's charges for service also increased 2%, due to the increase in customers and an increase in development related wastewater fees. Line service charges to developers depend on the timing of development. Wastewater operating revenue exceeded operating expenses by more than \$4.9 million in FY2020. There were no rate increases.
 - Water charges for service increased over 5.6% which was the result of customer growth (2%) in the system, as well as an increase in usage of 4% due to more customers spending time at home during COVID-19. The City sells water to the City of Harrisburg through a retail contract. Harrisburg usage increased 7% this fiscal year. 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 FY2020, water operating income exceeded operating expenses by \$5.8 million.
 - Aviation charges for service decreased 15.3% when compared to the previous year. The Concord-Padgett Regional Airport (CPRA) continued to be one of the busiest general aviation airports in North Carolina during the first half of fiscal year ending 2020. The airport was nearly shut down during COVID-19 with no revenue being generated from flights or fuel sales. Operations continue to be slow with a gradual recovery expected as flights have begun to resume. Fiscal year ending 2020 resulted in a net operating loss of \$22,647. For the future, the airport continues to recover with slow growth in commercial flights by Allegiant.

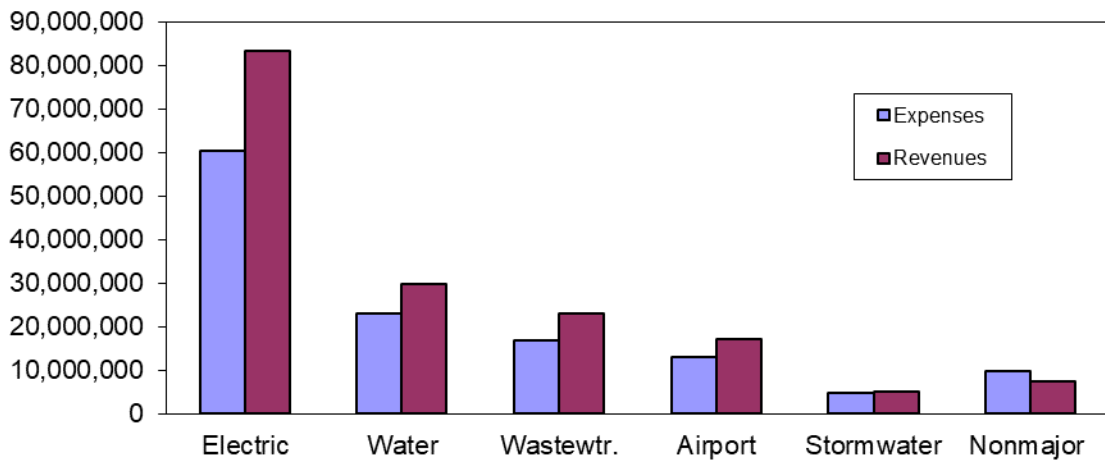
For the fiscal year ending 2020, takeoffs and landings were down 16% and the commercial flight customers decreased 12% when compared to last fiscal year.

- Stormwater charges for service increased 1.2% when compared to last year's collections. This increase is a result of normal growth in the City's customer base. The Stormwater program has operated for eleven full years, and the billing has been fully implemented for customers. Stormwater infrastructure needs were recently approved by City Council and an internal review of the system resulted in fee increases in FY2018, there were no fee increases in the current fiscal year. Operating revenues exceeded operating expenditures by \$1.8 million.
 - Electric charges decreased 3.0 % in fiscal year 2020. Although the system did experience customer growth, electric revenue was affected by COVID-19. Many large commercial users reduced hours or shut down their facilities. These shutdowns impacted usage from major City users. Although the City did experience a reduction in revenues, purchased power also declined. Net operating income for the electric system was \$28.5 million at year end. Duke Energy Corporation has been the main supplier for City power for many years. On January 1, 2019 Concord entered into a contract with NTE, the builder and operator of a natural gas fired plant in Kings Mountain. Under the terms of the agreement, the City of Concord is provided with electric generation services by NTE using a portion of the capacity and energy generated by the facility for an initial term of 20 years. This allowed Concord to utilize this source when the Duke contract ended in December of 2018. The NTE contract also provides for access to power produced from other types of generation if it is more cost effective to buy on the market. The City has saved approximately \$12 million when the NTE purchased power is compared to the previous Duke contract. On average, purchase power costs have declined in excess of 30% since the City entered the new contract with NTE.
- Expenses, before transfers, decreased 2% when compared to the prior year. The City is experiencing a strong increase in development which places more demands on our utility budgets. Although the City experienced a total decrease in operating expenses, this was due to the new purchase power contract for electric which was detailed above. The water utility operating costs increased due to the increased residential demand as more customers were home full time during the COVID-19 period. The City continues to focus on ensuring that operating costs do not outpace the City's revenue sources.
 - Electric operating expenses decreased by 7%. As detailed in the revenue section above, the City continued the contract with Duke Energy through December 31, 2018. The purchase power true up continues to reduce costs of purchasing power from Duke Energy. The cost savings the City experienced when the new contract with NTE started in January of 2019 has resulted in a material savings in the purchase power expense for the City. COVID-19 resulted in a reduction in the amount of purchased power the City needed, as many commercial accounts were not active during the last quarter of the year. Electric continues to be a part of the Smart Community project to implement smart meters throughout the service area. This electric portion of this project nears completion.
 - Water operating costs increased 12%, as this department was impacted by system growth and also increased usage as more customers were at home full time during the COVID-19 period. The water department is also implementing the Smart Community project and it is estimated to be around 50% complete. The project required additional contract labor as well as purchases of materials and technology to support the project.
 - Stormwater operating expenses increased 6% which reflects normal system growth expenses and an additional Compliance Inspector was hired.

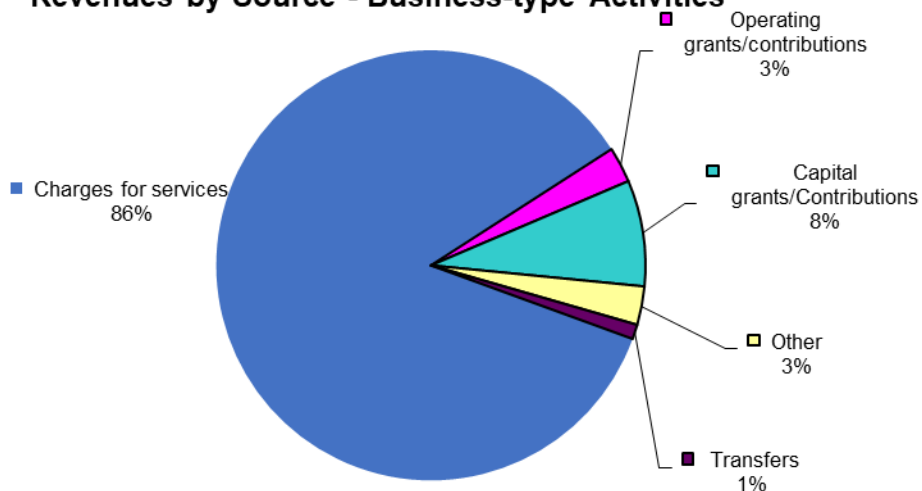
- Wastewater operating expenses decreased 2% as there was less demand on the system during COVID-19.
- The airport operating expenses decreased 2%; the majority of this decrease was associated with the reduction of flights and fuel sales due to COVID-19. With the elimination of flights, operating costs declined.

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

Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Concord's governmental funds reported combined ending fund balances of \$141,217,441, an increase of over 3% in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 39% (\$55,037,987) 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 and prepaids (\$148,394), 2) restricted for streets, public safety and state statute stabilization (\$37,419,865), 3) committed for future capital, planning & community development (\$34,239,194), and 4) assigned for specific purposes in other governmental funds (\$14,372,001).

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 \$55,215,807 while total fund balance for the general fund was \$77,578,089; representing an increase of \$2,493,906. The City continues to fund the capital reserve fund for major projects. The allocation for fiscal year 2020 was \$4,350,000. 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 58.9% of total general fund expenditures and transfers out, while total fund balance represents 82.7% 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 \$14,660,922. Transfers to other funds increased by \$3,872,659 when compared to the prior year. The majority of the total transfers, \$13,723,589, are for capital projects and debt service. Total departmental expenditure budgets were under projections by 11.2% (\$10,029,471). Vehicle license rate increased from \$15 to \$30 in the current year which resulted in an additional \$1,027,930 in revenues. Ad Valorem collections increased \$1,538,641 (2.7%) when compared to the prior year.

Other governmental and general fund capital reserve fund balances increased \$1,706,959 due to transfers to the reserve funds to complete future capital projects.

Proprietary Funds

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

Unrestricted net position of the electric fund, the water fund, the wastewater fund, the regional airport fund, and the stormwater fund at the end of the year were \$119,095,280, \$63,051,175, \$29,826,719, \$5,161,811 and \$13,142,316 respectively. The unrestricted net position of all other enterprise funds was (\$1,337,177). The total growth in net position for the proprietary funds was \$45,104,012. Factors affecting the growth are addressed in more detail in the discussion of the City of Concord's business-type activities which begin on page 24 of this document.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increase in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased revenues and expenditures and other financing sources and uses by \$6,097,789, or more than 6%. This is a significant budgetary variance between original and final amended budget for the City. The major adjustment to the budget related to a non-operating one-time transfer for planned future projects in the amount of \$4,350,000. At year-end, *actual* operating revenues exceeded *final amended revenue budget* numbers by 4%. *Actual* operating expenditures were less than *final budgetary* figures by 11%, resulting in excess of revenues over expenditures (before other financing sources/uses) of \$14,660,922.

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, 2020, totals \$751,839,436 (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 2% (2% increase for governmental activities and 2% increase for business-type activities).

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

- Construction of electric substations, system additions, Smart Grid system costs and enhancements/improvements to the electric transmission lines in the amount of \$8,235,663.
- Streets infrastructure and improvements totaling \$15,600,341.
- Park land, improvements and greenway construction totaling \$2,670,924.
- Fire Station construction \$2,251,680.
- Purchase of vehicles and equipment for general fund totaling \$3,443,686.
- The extension of the distribution and transmission lines for the City's water system, Smart Grid system costs and upgrades/improvements to the system in the amount of \$7,582,537.
- Upgrades/improvements to the wastewater system in the amount of \$3,803,422.
- Strengthening improvements to the airport runway and apron in the amount of \$6,115,815.

Additional information on the City of Concord's capital assets can be found in Note 5 of the Basic Financial Statements located on page 65.

Capital Assets

Table 3

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land	\$ 54,709,365	\$ 17,845,921	\$ 40,881,488	\$ 41,286,334	\$ 95,590,853	\$ 59,132,255
Construction in progress	12,881,849	19,674,739	29,997,836	44,885,347	42,879,685	64,560,086
Buildings and systems	66,483,986	65,865,788	79,483,458	79,958,595	145,967,444	145,824,383
Improvements other than buildings	7,694,133	7,754,838	499,448,305	509,603,096	507,142,438	517,357,934
Machinery and equipment	38,017,569	40,082,781	38,019,223	39,307,003	76,036,792	79,389,784
Infrastructure	615,246,286	666,641,492	-	-	615,246,286	666,641,492
Sub-total	795,033,188	817,865,559	687,830,310	715,040,375	1,482,863,498	1,532,905,934
Less Accum. Depreciation	(455,189,966)	(471,012,669)	(292,204,272)	(310,053,829)	(747,394,238)	(781,066,498)
Total	\$ 339,843,222	\$ 346,852,890	\$ 395,626,038	\$ 404,986,546	\$ 735,469,260	\$ 751,839,436

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of \$70,638,079 (principal). Of this amount, \$0 comprises debt backed by the full faith and credit of the City and \$35,782,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has \$23,880,000 and \$10,976,079 outstanding in installment notes and purchases, respectively. The City paid off the Section 108 loan guarantee which had an outstanding balance of \$1,102,000 at June 30, 2019.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Installment purchases	\$ 2,280,128	\$ 1,987,976	\$ 9,088,555	\$ 8,988,103	\$ 11,368,683	\$ 10,976,079
Revenue Bonds	994,174	437,038	44,890,825	35,344,962	45,884,999	35,782,000
Installment notes	19,474,225	17,654,050	7,565,775	6,225,950	27,040,000	23,880,000
Loan Payable	1,102,000	-	-	-	1,102,000	-
Total long-term debt	\$ 23,850,527	\$ 20,079,064	\$ 61,545,155	\$ 50,559,015	\$ 85,395,682	\$ 70,638,079

In the current fiscal year, the City of Concord's total debt decreased by \$14,757,603 (17 percent). In December 2019, the City issued \$6,572,000 of Utilities Systems current refunding bonds and retired the outstanding balance of the Series 2009B Utilities Systems revenue bonds. The current refunding reduced total debt service payments over the following three years by \$5,347,782 and resulted in an economic gain of \$683,461. The City also entered into an installment agreement for an airport hangar in the amount of \$910,000. There is more information available in Note 7 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 .17%. The legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is \$936,043,702. The current debt limitation for the City of Concord is \$955,685,728, 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 7 on pages 67 through 72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- On March 11, 2020, the World Health Organization declared a global pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which continues to negatively impact most, if not all, areas of the world, including the United States. The COVID-19 outbreak is altering the behavior of businesses and people in a manner that is having negative effects on global and local economies, including the City of Concord, North Carolina. Many states, including North Carolina, declared a state of emergency and issued "shelter-in-place" orders designed to reduce physical human interactions to slow the spread of the virus.

On March 10, 2020, North Carolina Governor Roy Cooper issued an executive order declaring a state of emergency in the State in order to coordinate emergency response and to implement protective actions to prevent the spread of COVID-19. During this fiscal year, Governor Cooper issued many additional executive orders which related school closings for K-12 public schools statewide, regulated mass gatherings, closed specific types of businesses and directed people to stay at home except for specific activities that were exempt. As the state began to see the decline in COVID-19 spread, the Governor began to gradually ease restrictions in phases. The City is currently still under the orders of Phase 3 which is set to expire on October 23, 2020. Many businesses are open again.

On March 31, 2020, Governor Cooper issued an executive order suspending utility disconnections for non-payment, allowing reconnection and waiving certain fees. A utility provider shall not bill or collect any fee, charge, penalty, or interest for a late or otherwise untimely payment that becomes due from the date of the executive order. Customers shall be provided the opportunity to make reasonable payment arrangements to pay off at least a six-month period any arrearages accumulated during the effective period. On May 30, 2020 this order was extended and expired on July 29, 2020.

The City applied for benefits under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act where appropriate. The City was awarded \$193,479 from the U.S Department of Housing and Urban Development to assist low- and moderate-income persons. \$4,152,244 was awarded from the Federal Transit Authority for operating transit services. The Federal Aviation Authority awarded \$2,149,846 for operations at the City's airport. The City's public safety department was awarded \$35,000 to fund the purchase of protective gear and cleaning supplies and \$400,000 from the Community Block Grant program was distributed to not for profit organizations in the City. The City was also the recipient of \$1,252,112 through the CARES Act to cover costs associated with the pandemic.

COVID-19's effects on the City's financial results for fiscal year ending 2020 are not material due to early action by the City of Concord's City Council. In early April, City Council approved adjustments to budget projections to ensure departments were under budget at year end and that any loss of revenue could be absorbed by the reductions in the total expenditures for the City. The loss of revenues related to the following areas: sales tax revenue of \$1 million due to the effects of COVID on the economy; recreation fees declined \$150K as programs were canceled and facilities remained closed; and electric revenue declined of \$2.3 million as commercial users reduced operations and

temporarily closed facilities. Although, electric utility revenues were down, so was the City's purchase power expenditures so there was no material affects to the electric fund at year end. These revenue reductions were absorbed by operational expenditure cuts and the City will not use reserves to offset the loss of revenue.

The fiscal year ending 2021 budget was prepared with the knowledge that COVID-19 would continue to affect the City's economy. The continued spread of the virus will produce a slow recovery in the City and North Carolina. The City Manager presented the worse-case revenue projections, related to COVID-19, to City Council at the budget fiscal year ending 2022 planning session. City Council made the decision to continue providing services at the same level as in prior years and to contribute to the economic recovery in the City by moving forward with capital projects that will be funded with City reserves as needed. The City was fortunate to have reserves set aside for specific upcoming projects and large capital outlay that was outlined in the City's Capital Improvement Plan. CARES funding has replaced revenue losses for the aviation fund as well as the transit fund. The general fund projections include reductions in sales tax revenues (\$1 million), with estimated total revenue loss in the amount of \$3 million dollars. The City Manager will continue to closely monitor revenues and will make adjustment recommendations to the City Council if necessary.

- The unemployment rate for Cabarrus County at June of 2020 was 12.3%, which is a large increase from a rate of 4.0% in June of 2019. The state's unemployment rate for June of 2020 was 7.6%. The large increase is due to COVID-19 related business closures.
- Concord's certified population has increased from 79,066 in 2010 to an estimated 94,453 as of July 1, 2019 (per NC Office of State Budget & Management), which represents a growth rate of 19%. The City experienced a 2% growth in current year population when compared to the certified population estimate as of July 1, 2018. Concord's most recent estimated population is 94,130 according the United States census estimates, the 2020 census is currently underway. Concord is the 10th largest city in North Carolina.
- The City's Planning & Community Development Department continues to focus on economic development within the City. This position provides a direct resource for the Cabarrus County Economic Development Commission staff and a liaison for any business seeking to locate or expand in Concord. Job creation and expansion of the tax base has to be a priority.
- Before the unprecedented COVID-19 pandemic, the City of Concord was extremely fortunate to have a flourishing economy over several consecutive years. Although we are currently experiencing an economy in crisis, our City continues to look to the future as we position ourselves to be part of North Carolina's efforts to lead the anticipated economic recovery after this health crisis is under control. Staff are working hard each day to develop and redevelop our City into a continued desirable place for businesses and our citizens. We value our partnership with Cabarrus County and Cabarrus Economic Development Corporation as we work closely together to attract and retain quality, high-paying jobs for our residents.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2021. The amount of unassigned fund balance in the general fund is \$55,215,807 as of July 1, 2020. Concord has no appropriation from fund balance for the 2021 fiscal year.

The tax base used in the fiscal year 2021 budget preparation represents an estimated 18% increase in real property values from fiscal year 2020 projections. The increase is a result of continued development and growth in the city and the results of a revaluation in Cabarrus County. One cent on the City's tax rate produces \$1,351,665 in revenue, after the City's estimated collection rate is applied. This rate compares favorably to past City tax rates and remains one of the lowest in the state among medium to large size cities. The fiscal year 2021 budget does not change the tax rate of \$0.4800 per \$100 property evaluation, the revenue neutral tax rate is calculated at \$0.4165.

The public process is complete to determine what the City's downtown streetscape will look like in the future. Staff presented the options to Council and implementation of the approved plan "a new Union Streetscape" will continue in the proposed budget year. Development (new and infill) continues to be strong in Downtown Concord. New businesses and restaurants continue to fill spots as soon as they are vacated. The City has worked hard with Cabarrus County and Lansing Melbourne to develop 30 Market Street (current surface lot and former Police Department), 26 Union Street (former City Hall), and the Cabarrus County parking deck "wrap". It is anticipated these projects will move forward in the coming year resulting in 292 housing units with 170 of these being affordable/workforce units. The value of these projects is estimated to be \$50 million once completed.

Funding is proposed to continue for the implementation of the City's Water, Wastewater, and Stormwater Master Plans. The proposed CIP 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. System development fees will be used in water and wastewater to pay for some of the capital expenses proposed in this budget. The wastewater fund will begin a major project, the City will be partnering with the land owners to run sewer to the project now called The Grounds (former Phillip Morris site). The Grounds project, once complete, will open the way for job-producing development.

Concord entered into a 20-year agreement with NTE effective January 1, 2019 to purchase power. The contract also provides for access to power produced from other types of generation if it is more cost effective to buy on the market. Though early in the contract, NTE's performance has been exceptional. The City's cost of purchasing power has continued to drop resulting in a savings to the City.

Citizen surveys continue to reflect their desire for transportation improvements in the City. Next year's budget includes an additional 0.5¢ of the tax rate be allocated to transportation projects, which brings the total allocation of property tax allocated to transportation improvements at 2.5¢ (once fully funded). Staff continue to work closely with NC DOT on projects in our City to reduce traffic and congestion concerns. The City maintains over 261 miles of sidewalk and over 356 miles of roads.

Allegiant Travel Company has announced plans to establish a base of operations at Concord-Padgett Regional Airport. The Las Vegas-based company will invest \$50 million to establish the new base in Concord, creating at least 66 high-wage jobs and housing two airbus aircraft. Due to the COVID-19 crisis, this project has been placed on a temporary hold, but the City still expects this project to begin in the upcoming budget year.

Construction of Fire Station #12 is included in next year's budget. In addition, Fire, Police, and Communications are exploring property options for a joint training facility, which would be constructed and operated by the City with the possibility of relocating our current Communications Department (currently housed in Fire Station #3) to said facility.

Affordable housing is an area that needs greater emphasis in the City of Concord and was specifically mentioned in the City's Strategic Plan. In FY 2020, the Concord Family Enrichment Association (CFEA) was formed. This non-profit will allow the City to pursue funding opportunities that are not possible under the City's existing Housing Department. An affordable housing study conducted in FY 20 showed a sizable deficit in the number of affordable units within the City. To address this need, the upcoming budget includes a 1¢ allocation of the tax rate be set aside to fund the building of new affordable housing units and/or the renovation of dilapidated housing for affordable housing purposes.

Hector H. Henry, II Greenway: Riverwalk Phase is anticipated to be complete in the summer of 2020, and the Dorton Park Master Plan is also under development. The Connectivity Study has been completed and adopted by City Council. This study continues to drive additional park and recreational opportunities and guides the City in how to connect neighborhoods, communities, schools, and other life centers across the City. In the coming year, the City will be focused on site control for the eventual building of greenways and other pedestrian-friendly trails throughout the City. Land has been purchased for the construction of a much-needed park in the northwest section of the City. Plans and final design of this park will occur in the upcoming budget. Due to the increased funding needs, 1¢ of the City's tax rate is now dedicated to future recreational needs.

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 current website will be overhauled in the upcoming budget year, to make it more user-friendly and easier to navigate. The City expects the update to be complete early in the budget year 2021.

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 2021. Below is a list of personnel decisions over the past years as well as the 2020/21 adoption.

FY11/12: Across the board 1.5% or \$600 (whichever was larger) salary increase effective December 2011

FY12/13: \$400/\$500/\$600 lump-sum payments based on merit.

FY13/14: 2% salary adjustment effective July 1, 2013 for those with current evaluation ratings of at least meets expectations. Merit adjustments were also available on the evaluation date from 1% to 3% based on evaluation ratings.

FY14/15: Adjustments applied from the salary study.

FY15/16: Merit adjustments were available on the evaluation date from 1% to 3% based on evaluation ratings.

FY16/17: Merit adjustments were available on the evaluation date from 3% to 4% based on evaluation ratings.

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

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

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

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

It is clear that many employers in the public and private sectors are enhancing their compensation offers as competition for the workforce continues to grow. The City is seeing other employers begin to rapidly ramp up hiring experienced personnel to meet the expanding workload. Fiscal year 2021 includes money which will fund a comprehensive classification and pay study which will be implemented in phases over the next 4 years. The City wants to ensure that Concord is capturing the new reality in attracting and retaining good employees.

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, 2020

Exhibit A

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash and investments	\$ 91,470,007	\$ 226,336,419	\$ 317,806,426	\$ 5,452,520
Receivables, net	12,773,445	22,383,243	35,156,688	-
Internal balances	3,907,061	(3,907,061)	-	-
Inventories	108,326	5,334,793	5,443,119	2,394,253
Prepaid expenses	40,068	43,199	83,267	50,559
Restricted assets - cash and investments	44,038,505	4,197,483	48,235,988	-
Capital assets:				
Non-depreciable	37,520,660	86,171,681	123,692,341	1,354,940
Depreciable, net	309,332,230	318,814,865	628,147,095	5,121,367
Total assets	499,190,302	659,374,622	1,158,564,924	14,373,639
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan (LGRS)	8,140,120	4,819,791	12,959,911	214,233
Pension plan (LEOSSA)	1,157,864	-	1,157,864	-
OPEB deferrals	1,073,023	635,340	1,708,363	-
Deferred charge on refunding	177,039	2,365,398	2,542,437	-
Total deferred outflows of resources	10,548,046	7,820,529	18,368,575	214,233
LIABILITIES				
Accounts payable and accrued liabilities	6,411,985	10,333,263	16,745,248	1,908,433
Accrued interest payable	-	135,957	135,957	-
Unearned revenues	4,643	-	4,643	-
Deposits payable from restricted assets	3,874,565	3,348,308	7,222,873	-
Non-current liabilities:				
Due within one year:				
Long-term debt	4,865,458	6,385,658	11,251,116	-
Installment purchases	285,835	1,101,620	1,387,455	-
Due in more than one year:				
Net pension liability (LGRS)	13,555,954	8,026,523	21,582,477	277,189
Total pension liability (LEOSSA)	7,492,727	-	7,492,727	-
Net OPEB liability	23,268,346	7,251,439	30,519,785	67,826
Long-term debt	18,853,717	41,586,216	60,439,933	-
Long-term installment purchases	1,702,141	7,886,483	9,588,624	-
Total liabilities	80,315,371	86,055,467	166,370,838	2,253,448
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals (LGRS)	136,085	80,577	216,662	279
Pension deferrals (LEOSSA)	286,573	-	286,573	-
OPEB deferrals	6,702,097	3,968,333	10,670,430	28,722
Prepaid taxes	48,123	-	48,123	-
Total deferred inflows of resources	7,172,878	4,048,910	11,221,788	29,001
NET POSITION				
Net investment in capital assets	326,124,878	352,506,369	678,631,247	6,476,307
Restricted for:				
Streets	5,652,790	-	5,652,790	-
Stabilization by State Statute	31,495,014	-	31,495,014	-
Other	272,061	-	272,061	1,860,614
Unrestricted	58,705,356	224,584,405	283,289,761	3,968,502
Total net position	\$ 422,250,099	\$ 577,090,774	\$ 999,340,873	\$ 12,305,423

See Notes to Financial Statements.

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CITY OF CONCORD, NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Primary Government:								
Governmental activities:								
General government	\$ 5,868,190	\$ 1,973,303	\$ -	\$ -	\$ (3,894,887)	\$ -	\$ (3,894,887)	\$ -
Public safety	52,387,556	1,303,487	580,874	-	(50,503,195)	-	(50,503,195)	-
Public works	27,392,943	697,172	3,294,893	15,850,753	(7,550,125)	-	(7,550,125)	-
Cultural and recreational	6,996,264	191,815	63,913	412,998	(6,327,538)	-	(6,327,538)	-
Planning and community development	4,699,130	2,688,528	-	-	(2,010,602)	-	(2,010,602)	-
Administration	2,018,740	-	-	-	(2,018,740)	-	(2,018,740)	-
Housing assistance payments	4,480,648	800,095	4,072,510	-	391,957	-	391,957	-
Rehabilitation	1,075,666	247,918	1,244,561	-	416,813	-	416,813	-
Interest expense	795,074	-	-	-	(795,074)	-	(795,074)	-
Total governmental activities	105,714,211	7,902,318	9,256,751	16,263,751	(72,291,391)	-	(72,291,391)	-
Business-type activities:								
Electric	60,279,345	83,249,849	-	-	-	22,970,504	22,970,504	-
Water	23,020,997	28,046,163	-	1,819,020	-	6,844,186	6,844,186	-
Wastewater	16,920,469	19,109,299	-	3,803,422	-	5,992,252	5,992,252	-
Regional airport	12,947,994	9,010,320	-	8,139,230	-	4,201,556	4,201,556	-
Stormwater	4,627,974	5,143,952	-	-	-	515,978	515,978	-
Golf course	1,905,463	2,044,548	-	-	-	139,085	139,085	-
Housing	2,311,384	494,602	1,371,091	-	-	(445,691)	(445,691)	-
Transit	5,568,618	299,012	3,263,640	-	-	(2,005,966)	(2,005,966)	-
Total business-type activities	127,582,244	147,397,745	4,634,731	13,761,672	-	38,211,904	38,211,904	-
Total primary government	\$ 233,296,455	\$ 155,300,063	\$ 13,891,482	\$ 30,025,423	(72,291,391)	38,211,904	(34,079,487)	-
Component unit - City of Concord, ABC Board	\$ 17,192,546	\$ 19,332,547	\$ -	\$ -	-	-	-	2,140,001
General revenues:								
Taxes:								
Ad valorem					56,769,474	-	56,769,474	-
Local government sales tax					18,919,783	-	18,919,783	-
Grants and contributions not restricted to specific programs:								
Intergovernmental					5,300,053	-	5,300,053	-
Investment earnings					2,994,419	4,929,023	7,923,442	-
Gain on sale of capital assets					393,119	(152,751)	240,368	-
Miscellaneous					1,159,546	222,179	1,381,725	749
Total general revenues not including transfers					85,536,394	4,998,451	90,534,845	749
Transfers					(1,893,657)	1,893,657	-	-
Total general revenues and transfers					83,642,737	6,892,108	90,534,845	749
Change in net position					11,351,346	45,104,012	56,455,358	2,140,750
Net position - beginning					410,898,753	531,986,762	942,885,515	10,164,673
Net position - ending					\$ 422,250,099	\$ 577,090,774	\$ 999,340,873	\$ 12,305,423

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2020

Exhibit C

	Major Funds		Other	Total
	General Fund	General Fund Capital Reserve	Governmental Funds	Governmental Funds
ASSETS				
Cash and investments	\$ 61,886,285	\$ -	\$ 29,583,722	\$ 91,470,007
Receivables:				
Ad valorem taxes, net	1,141,114	-	4,497	1,145,611
Due from other governmental agencies	1,037,403	-	216,505	1,253,908
Sales tax refunds	3,366,866	-	-	3,366,866
Interest	275,436	123,502	72,379	471,317
Due from other funds	3,973,016	-	-	3,973,016
Other, net	5,599,577	-	936,166	6,535,743
Inventories	108,326	-	-	108,326
Prepaid items	40,068	-	-	40,068
Restricted assets - cash and investments	9,532,069	33,891,310	615,126	44,038,505
Total assets	\$ 86,960,160	\$ 34,014,812	\$ 31,428,395	\$ 152,403,367
LIABILITIES				
Accounts payable and accrued liabilities	\$ 4,313,736	\$ -	\$ 1,733,293	\$ 6,047,029
Due to other funds	-	-	65,955	65,955
Unearned revenues	4,643	-	-	4,643
Deposits payable from restricted assets	3,874,565	-	-	3,874,565
Total liabilities	8,192,944	-	1,799,248	9,992,192
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	1,141,114	-	4,497	1,145,611
Prepaid taxes	48,013	-	110	48,123
Total deferred inflows of resources	1,189,127	-	4,607	1,193,734
FUND BALANCES (DEFICITS)				
Non Spendable				
Inventories	108,326	-	-	108,326
Prepays	40,068	-	-	40,068
Restricted				
Stabilization by State Statute	16,289,037	123,502	15,082,475	31,495,014
Transportation	5,652,790	-	-	5,652,790
Public safety	272,061	-	-	272,061
Committed				
Future capital purchases	-	33,891,310	-	33,891,310
Planning and community development	-	-	347,884	347,884
Assigned				
Future capital purchases	-	-	14,372,001	14,372,001
Unassigned	55,215,807	-	(177,820)	55,037,987
Total fund balances	77,578,089	34,014,812	29,624,540	141,217,441
Total liabilities, deferred inflows of resources and fund balances	\$ 86,960,160	\$ 34,014,812	\$ 31,428,395	\$ 152,403,367

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
June 30, 2020

Exhibit D

Fund balances - total governmental funds		\$ 141,217,441
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	\$ 817,865,559	
Less accumulated depreciation	<u>471,012,669</u>	346,852,890
Deferred outflows of resources related to pensions (LGERS) are not reported in the governmental funds		8,140,120
Deferred outflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		1,157,864
Deferred outflows of resources related to OPEB are not reported in the governmental funds		1,073,023
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	(18,091,088)	
Governmental installment purchases	(1,987,976)	
Total pension liability (LEOSSA)	(7,492,727)	
Net pension liability (LGERS)	(13,555,954)	
Net OPEB liability	(23,268,346)	
Accrued vacation payable	<u>(4,186,982)</u>	(68,583,073)
Deferred charge on refunding	524,448	
Less accumulated amortization	<u>347,409</u>	177,039
Bond premium	(2,361,222)	
Less accumulated amortization	<u>(920,117)</u>	(1,441,105)
Deferred inflows of resources related to pensions (LGERS) are not reported in the governmental funds		(136,085)
Deferred inflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		(286,573)
Deferred inflows of resources related to OPEB are not reported in the governmental funds		(6,702,097)
Costs of health claims not accrued in the governmental fund statements		(283,901)
Costs of workers' compensation claims reserves not accrued in the governmental fund statements		(81,055)
Earned revenues considered deferred inflows of resources in fund statements		<u>1,145,611</u>
Net position of governmental activities		<u>\$ 422,250,099</u>

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
Year Ended June 30, 2020

Exhibit E

	Major Funds		Other	Total
	General Fund	General Fund Capital Reserve	Governmental Funds	Governmental Funds
Revenues				
Ad valorem taxes	\$ 56,891,579	\$ -	\$ 97,357	\$ 56,988,936
Other taxes	18,919,783	-	-	18,919,783
Unrestricted intergovernmental revenues	5,300,053	-	-	5,300,053
Restricted intergovernmental revenues	4,833,369	-	8,170,168	13,003,537
Licenses and permits	2,174,220	-	-	2,174,220
Investment earnings	1,756,530	797,897	439,992	2,994,419
Investment earnings, restricted	113,633	-	-	113,633
Program income	-	-	1,806,288	1,806,288
Other revenues	4,028,898	-	45,136	4,074,034
Total revenues	94,018,065	797,897	10,558,941	105,374,903
Expenditures				
Current:				
General government	4,917,356	-	-	4,917,356
Public safety	46,857,572	-	-	46,857,572
Public works	13,454,267	-	-	13,454,267
Cultural and recreational	6,130,192	-	-	6,130,192
Planning and community development	4,367,118	-	97,379	4,464,497
Administration	-	-	2,018,740	2,018,740
Housing assistance payments	-	-	4,480,648	4,480,648
Rehabilitation	-	-	1,075,666	1,075,666
Capital outlay	2,994,744	-	9,397,983	12,392,727
Cost of issuance	3,558	-	-	3,558
Debt service	632,336	-	3,796,030	4,428,366
Total expenditures	79,357,143	-	20,866,446	100,223,589
Excess (deficiency) of revenues over (under) expenditures	14,660,922	797,897	(10,307,505)	5,151,314
Other Financing Sources (Uses)				
Refunding bonds issued	437,038	-	-	437,038
Payment to refunded bond escrow agent	(726,512)	-	-	(726,512)
Proceeds from sale of capital assets	1,232,682	-	-	1,232,682
Transfers from other funds	613,365	4,350,000	11,066,656	16,030,021
Transfers to other funds	(13,723,589)	(3,819,644)	(380,445)	(17,923,678)
Total other financing sources (uses)	(12,167,016)	530,356	10,686,211	(950,449)
Net change in fund balances	2,493,906	1,328,253	378,706	4,200,865
Fund Balances				
Beginning	75,084,183	32,686,559	29,245,834	137,016,576
Ending	\$ 77,578,089	\$ 34,014,812	\$ 29,624,540	\$ 141,217,441

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Exhibit F

Net change in fund balances - total governmental funds \$ 4,200,865

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

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

Expenditures for capital assets	\$ 12,392,727	
Capital contributions	13,410,654	
Current year's depreciation	<u>(17,954,150)</u>	7,849,231

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.

Principal payments		4,208,501
Premium		140,683

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	(40,756)	
Change in law enforcement officers special separation allowance and related deferred inflows and deferred outflows	(73,046)	
Change in OPEB liability and related deferred inflows and deferred outflows	(299,370)	
Change in pension liability (LGERS) and related deferred inflows and deferred outflows	(2,817,013)	
Change in long-term compensated absences	<u>(518,266)</u>	(3,748,451)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		(219,462)
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Costs of health claims paid in the governmental fund statements		101,927
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Costs of workers' compensation claims not accrued in the governmental fund statements		94,653
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Refunding bonds issued		(437,038)
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Basis of property disposed of during the year		<u>(839,563)</u>
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Change in net position of governmental activities		<u>\$ 11,351,346</u>
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See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2020

Exhibit G
Page 1 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes:				
Current year	\$ 54,977,901	\$ 55,170,601	\$ 56,500,952	\$ 1,330,351
Prior years	623,000	623,000	254,249	(368,751)
Penalties and interest	320,000	320,000	136,378	(183,622)
	<u>55,920,901</u>	<u>56,113,601</u>	<u>56,891,579</u>	<u>777,978</u>
Other taxes:				
Local government sales tax	20,207,404	17,714,704	18,919,783	1,205,079
Unrestricted intergovernmental revenues:				
Officers' fees	40,000	30,000	28,075	(1,925)
Utilities sales tax	4,919,945	4,873,838	4,873,838	-
Beer and wine tax	390,000	398,140	398,140	-
	<u>5,349,945</u>	<u>5,301,978</u>	<u>5,300,053</u>	<u>(1,925)</u>
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,337,805	2,337,805	2,351,334	13,529
Cabarrus County schools	997,130	1,008,922	1,009,022	100
Transportation (federal, state and local)	329,373	329,373	387,024	57,651
On-behalf of payments - Fire and Rescue	-	-	48,187	48,187
Other restricted intergovernmental revenues	468,072	599,951	1,037,802	437,851
	<u>4,132,380</u>	<u>4,276,051</u>	<u>4,833,369</u>	<u>557,318</u>
Licenses and permits:				
Vehicle licenses	1,805,000	1,351,522	1,628,787	277,265
Zoning permits	210,000	210,000	311,870	101,870
Fire permits and inspections	213,000	213,000	200,917	(12,083)
Business registration fee	-	-	4,744	4,744
Other	13,000	13,000	27,902	14,902
	<u>2,241,000</u>	<u>1,787,522</u>	<u>2,174,220</u>	<u>386,698</u>
Investment earnings	1,100,000	1,120,349	1,756,530	636,181
Investment earnings restricted	70,000	70,000	113,633	43,633
	<u>1,170,000</u>	<u>1,190,349</u>	<u>1,870,163</u>	<u>679,814</u>
Other general revenues:				
Public safety	68,550	68,550	93,548	24,998
Environmental protection	2,596,385	2,442,399	2,627,425	185,026
Miscellaneous	756,980	925,967	1,116,110	190,143
Recreational	312,100	188,405	191,815	3,410
	<u>3,734,015</u>	<u>3,625,321</u>	<u>4,028,898</u>	<u>403,577</u>
Total revenues	<u>92,755,645</u>	<u>90,009,526</u>	<u>94,018,065</u>	<u>4,008,539</u>

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2020

Exhibit G
Page 2 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits	\$ 174,475	\$ 174,475	\$ 174,791	\$ (316)
Professional services	178,000	293,000	61,813	231,187
Operating expenditures	150,609	170,127	151,719	18,408
Governing body cost allocations	(281,773)	(281,773)	(338,454)	56,681
	<u>221,311</u>	<u>355,829</u>	<u>49,869</u>	<u>305,960</u>
City Manager's Office:				
Salaries and employee benefits	815,127	880,127	895,943	(15,816)
Professional services	195,317	202,955	175,728	27,227
Operating expenditures	170,596	146,851	139,550	7,301
Administrative cost allocations	(609,375)	(609,375)	(736,793)	127,418
	<u>571,665</u>	<u>620,558</u>	<u>474,428</u>	<u>146,130</u>
Public Service Administration department:				
Salaries and employee benefits	158,433	166,433	167,714	(1,281)
Professional services	2,492	8,184	4,803	3,381
Operating expenditures	359,045	340,920	409,483	(68,563)
Capital outlay	197,000	197,000	-	197,000
Debt service	307,566	308,401	295,171	13,230
Cost of issuance	-	4,709	3,558	1,151
Administrative cost allocations	(1,119,529)	(1,119,529)	(1,155,156)	35,627
	<u>(94,993)</u>	<u>(93,882)</u>	<u>(274,427)</u>	<u>180,545</u>
Finance department:				
Salaries and employee benefits	1,222,636	1,282,636	1,262,229	20,407
Professional services	57,955	81,663	81,080	583
Operating expenditures	113,694	96,560	90,271	6,289
Capital outlay	60,538	41,458	41,457	1
Finance cost allocations	(857,718)	(857,718)	(919,260)	61,542
	<u>597,105</u>	<u>644,599</u>	<u>555,777</u>	<u>88,822</u>
Tax department:				
Salaries and employee benefits	56,668	56,668	59,476	(2,808)
Professional services	3,200	3,200	450	2,750
Operating expenditures	207,766	317,881	283,229	34,652
Capital outlay	-	-	15,058	(15,058)
Cost allocations	7,137	7,137	6,579	558
	<u>274,771</u>	<u>384,886</u>	<u>364,792</u>	<u>20,094</u>

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2020

Exhibit G
Page 3 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal department:				
Salaries and employee benefits	\$ 637,875	\$ 662,875	\$ 679,000	\$ (16,125)
Professional services	75,000	60,000	48,394	11,606
Operating expenditures	75,565	45,826	28,060	17,766
Cost allocations	(484,134)	(484,134)	(479,772)	(4,362)
	<u>304,306</u>	<u>284,567</u>	<u>275,682</u>	<u>8,885</u>
Human resources:				
Salaries and employee benefits	1,128,513	1,128,513	1,102,918	25,595
Professional services	302,050	302,650	228,541	74,109
Operating expenditures	146,721	115,884	91,707	24,177
Human resources cost allocations	(888,319)	(888,319)	(865,083)	(23,236)
	<u>688,965</u>	<u>658,728</u>	<u>558,083</u>	<u>100,645</u>
Wellness center:				
Professional services	368,346	368,346	326,787	41,559
Operating expenditures	20,291	19,991	14,245	5,746
Wellness center cost allocations	(163,108)	(163,108)	(126,864)	(36,244)
	<u>225,529</u>	<u>225,229</u>	<u>214,168</u>	<u>11,061</u>
Nondepartmental:				
Professional services	35,847	29,847	23,328	6,519
Operating expenditures	2,384,180	1,506,849	1,487,539	19,310
Outside agencies	12,000	24,250	11,240	13,010
Capital outlay	55,000	55,000	23,156	31,844
Cost allocations	1,531,583	1,531,583	1,532,121	(538)
	<u>4,018,610</u>	<u>3,147,529</u>	<u>3,077,384</u>	<u>70,145</u>
Total general government	6,807,269	6,228,043	5,295,756	932,287
Public safety:				
Police department:				
Salaries and employee benefits	16,449,604	16,980,578	17,069,870	(89,292)
Professional services	307,075	307,075	286,177	20,898
Operating expenditures	3,965,568	3,392,836	3,470,697	(77,861)
Capital outlay	1,047,639	1,197,708	997,368	200,340
Cost allocations	940,921	940,921	889,191	51,730
	<u>22,710,807</u>	<u>22,819,118</u>	<u>22,713,303</u>	<u>105,815</u>
Communications:				
Salaries and employee benefits	1,534,368	1,534,368	1,552,188	(17,820)
Professional services	6,127	6,127	5,746	381
Operating expenditures	150,396	137,469	112,359	25,110
Capital outlay	91,173	82,460	80,786	1,674
Cost allocations	165,335	165,335	155,477	9,858
	<u>1,947,399</u>	<u>1,925,759</u>	<u>1,906,556</u>	<u>19,203</u>

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2020

Exhibit G
Page 4 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire department:				
Salaries and employee benefits	\$ 17,211,256	\$ 17,238,830	\$ 17,295,120	\$ (56,290)
Professional services	264,793	246,793	177,260	69,533
Operating expenditures	3,455,032	3,088,556	2,895,410	193,146
Capital outlay	1,350,744	928,783	752,460	176,323
Debt service	337,166	337,166	337,165	1
Cost allocations	1,184,869	1,184,869	1,127,377	57,492
	<u>23,803,860</u>	<u>23,024,997</u>	<u>22,584,792</u>	<u>440,205</u>
Code enforcement:				
Salaries and employee benefits	699,998	699,998	672,234	27,764
Professional services	1,914	1,914	1,914	-
Operating expenditures	315,351	332,401	279,043	53,358
Capital outlay	81,577	26,024	26,024	-
	<u>1,098,840</u>	<u>1,060,337</u>	<u>979,215</u>	<u>81,122</u>
Emergency management:				
Salaries and employee benefits	108,714	133,714	129,916	3,798
Professional services	6,331	6,331	6,202	129
Operating expenditures	70,497	77,405	71,722	5,683
Cost allocations	7,137	7,137	6,579	558
	<u>192,679</u>	<u>224,587</u>	<u>214,419</u>	<u>10,168</u>
Radio shop:				
Salaries and employee benefits	286,659	304,659	309,388	(4,729)
Professional services	3,190	3,190	3,180	10
Operating expenditures	552,533	520,072	340,522	179,550
	<u>842,382</u>	<u>827,921</u>	<u>653,090</u>	<u>174,831</u>
Total public safety	<u>50,595,967</u>	<u>49,882,719</u>	<u>49,051,375</u>	<u>831,344</u>
Public works:				
Traffic services:				
Salaries and employee benefits	393,182	402,298	400,979	1,319
Professional services	4,851	2,028	2,028	-
Operating expenditures	264,665	186,845	156,959	29,886
Capital outlay	36,000	19,775	19,775	-
Cost allocations	17,673	17,673	16,290	1,383
	<u>716,371</u>	<u>628,619</u>	<u>596,031</u>	<u>32,588</u>

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2020

Exhibit G
Page 5 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation signal:				
Salaries and employee benefits	\$ 526,793	\$ 526,793	\$ 505,195	\$ 21,598
Professional services	30,851	30,851	27,797	3,054
Operating expenditures	401,888	401,034	340,501	60,533
Capital outlay	220,000	188,049	-	188,049
Cost allocations	21,071	21,071	19,422	1,649
	<u>1,200,603</u>	<u>1,167,798</u>	<u>892,915</u>	<u>274,883</u>
Transportation:				
Salaries and employee benefits	2,347,323	2,347,323	2,167,542	179,781
Professional services	43,463	43,463	31,140	12,323
Operating expenditures	4,841,669	6,978,036	921,078	6,056,958
Capital outlay	442,200	412,900	407,809	5,091
Cost allocations	472,824	472,824	453,027	19,797
	<u>8,147,479</u>	<u>10,254,546</u>	<u>3,980,596</u>	<u>6,273,950</u>
Fleet services:				
Salaries and employee benefits	1,044,634	1,122,634	1,084,614	38,020
Professional services	515	515	425	90
Operating expenditures	2,428,400	2,271,762	2,003,465	268,297
Cost allocations	(3,468,743)	(3,468,743)	(2,909,207)	(559,536)
	<u>4,806</u>	<u>(73,832)</u>	<u>179,297</u>	<u>(253,129)</u>
Solid waste and recycling:				
Salaries and employee benefits	2,232,731	2,323,731	2,243,257	80,474
Professional services	79,381	79,381	50,672	28,709
Operating expenditures	5,198,976	5,328,885	5,186,778	142,107
Capital outlay	295,000	275,542	275,541	1
Cost allocations	181,157	181,157	175,468	5,689
	<u>7,987,245</u>	<u>8,188,696</u>	<u>7,931,716</u>	<u>256,980</u>
Cemetery:				
Salaries and employee benefits	500,509	500,509	412,886	87,623
Professional services	35,641	45,591	25,051	20,540
Operating expenditures	164,457	165,007	116,031	48,976
Capital outlay	101,938	92,670	85,590	7,080
Cost allocations	24,810	24,810	22,869	1,941
	<u>827,355</u>	<u>828,587</u>	<u>662,427</u>	<u>166,160</u>
Total public works	<u>18,883,859</u>	<u>20,994,414</u>	<u>14,242,982</u>	<u>6,751,432</u>

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2020

Exhibit G
Page 6 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	\$ 2,199,483	\$ 2,039,483	\$ 1,806,818	\$ 232,665
Professional services	591,200	446,200	321,598	124,602
Operating expenditures	2,192,275	2,270,909	1,833,783	437,126
Capital outlay	738,746	498,961	269,720	229,241
Cost allocations	2,175,258	2,175,258	2,167,993	7,265
Total cultural and recreational	7,896,962	7,430,811	6,399,912	1,030,899
Planning and community development				
Planning department:				
Salaries and employee benefits	1,603,203	1,719,203	1,665,656	53,547
Professional services	858,846	593,846	528,119	65,727
Operating expenditures	700,186	771,156	634,648	136,508
Incentive grants	808,210	808,210	655,396	152,814
Cost allocations	915,043	915,043	883,299	31,744
Total planning and community development	4,885,488	4,807,458	4,367,118	440,340
Total expenditures	89,069,545	89,343,445	79,357,143	9,986,302
Excess of revenues over expenditures	3,686,100	666,081	14,660,922	13,994,841
Other Financing Sources (Uses)				
Fund balance appropriated	5,061,116	12,579,888	-	12,579,888
Refunding bonds issued	-	437,038	437,038	-
Payment to refunded bond escrow agent	-	(726,512)	(726,512)	-
Sale of capital assets	-	848,951	1,232,682	(383,731)
Transfers from other funds	613,365	652,512	613,365	39,147
Transfers to other funds	(9,360,581)	(14,457,958)	(13,723,589)	(734,369)
Total other financing uses	(3,686,100)	(666,081)	(12,167,016)	11,500,935
Net change in fund balance	\$ -	\$ -	2,493,906	\$ 2,493,906
Fund Balance				
Beginning			75,084,183	
Ending			<u>\$ 77,578,089</u>	

See Notes to Financial Statements.

**CITY OF CONCORD, NORTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2020**

Exhibit H

	Major Enterprise Funds						Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund				
ASSETS									
Current Assets									
Cash and investments	\$ 108,993,623	\$ 61,964,862	\$ 30,054,146	\$ 6,874,057	\$ 13,474,918	\$ 2,006,945	\$ 223,368,551	\$ 2,967,868	
Receivables:									
Accounts receivable, net	10,988,560	3,297,994	2,322,397	2,267,171	583,117	455,555	19,914,794	-	
Due from other governmental agencies	-	-	-	-	-	1,795,512	1,795,512	-	
Interest	357,801	149,932	83,498	26,723	36,781	7,249	661,984	-	
Other receivables	-	-	-	-	-	-	-	10,953	
Inventories and prepaid expenses	4,414,494	774,492	21,913	28,020	18,036	107,243	5,364,198	13,794	
Total current assets	124,754,478	66,187,280	32,481,954	9,195,971	14,112,852	4,372,504	251,105,039	2,992,615	
Noncurrent Assets									
Restricted assets - cash and investments	2,618,387	1,046,169	97,529	111,117	-	41,414	3,914,616	282,867	
Capital assets	158,629,191	177,794,114	138,156,628	130,871,529	65,903,490	32,191,232	703,546,184	11,494,191	
Less accumulated depreciation	(91,125,996)	(80,007,299)	(58,028,598)	(38,133,013)	(23,560,704)	(14,437,311)	(305,292,921)	(4,760,908)	
Total noncurrent assets	70,121,582	98,832,984	80,225,559	92,849,633	42,342,786	17,795,335	402,167,879	7,016,150	
Total assets	194,876,060	165,020,264	112,707,513	102,045,604	56,455,638	22,167,839	653,272,918	10,008,765	
DEFERRED OUTFLOWS OF RESOURCES									
Pension deferrals (LGRS)	981,065	820,362	395,277	540,428	255,311	254,015	3,246,458	1,573,333	
OPEB deferrals	129,323	108,139	52,105	71,239	33,655	33,484	427,945	207,395	
Deferred charge on refunding	795,547	1,304,900	243,889	9,453	-	11,609	2,365,398	-	
Total deferred outflows of resources	1,905,935	2,233,401	691,271	621,120	288,966	299,108	6,039,801	1,780,728	
LIABILITIES									
Current Liabilities									
Accounts payable and accrued expenses	4,271,339	2,280,733	892,609	1,603,774	177,478	633,855	9,859,788	473,475	
Current portion of long-term debt	1,397,637	1,865,728	1,174,345	1,399,433	58,221	977,563	6,872,927	614,351	
Accrued interest	36,722	63,839	14,885	620	-	2,097	118,163	17,794	
Due to other funds	-	-	-	-	-	3,907,061	3,907,061	-	
Total current liabilities	5,705,698	4,210,300	2,081,839	3,003,827	235,699	5,520,576	20,757,939	1,105,620	
Noncurrent Liabilities									
Net pension liability (LGRS)	1,633,793	1,366,171	658,266	899,989	425,175	423,016	5,406,410	2,620,113	
Net OPEB liability	(383,812)	(320,941)	1,147,609	1,525,260	357,995	727,093	3,053,204	4,198,235	
Long-term debt due after one year	11,365,686	19,544,419	5,138,688	7,949,468	26,158	64,765	44,089,184	5,383,515	
Deposits	2,467,921	727,632	225	111,116	-	41,414	3,348,308	-	
Total noncurrent liabilities	15,083,588	21,317,281	6,944,788	10,485,833	809,328	1,256,288	55,897,106	12,201,863	
Total liabilities	20,789,286	25,527,581	9,026,627	13,489,660	1,045,027	6,776,864	76,655,045	13,307,483	
DEFERRED INFLOWS OF RESOURCES									
Pension deferrals (LGRS)	16,402	13,715	6,608	9,035	4,268	4,246	54,274	26,303	
OPEB deferrals	807,752	675,438	325,448	444,957	210,207	209,141	2,672,943	1,295,390	
Total deferred inflows of resources	824,154	689,153	332,056	453,992	214,475	213,387	2,727,217	1,321,693	
NET POSITION									
Net investment in capital assets	56,073,275	77,985,756	74,213,382	83,561,261	42,342,786	16,813,873	350,990,333	1,516,036	
Unrestricted	119,095,280	63,051,175	29,826,719	5,161,811	13,142,316	(1,337,177)	228,940,124	(4,355,719)	
Total net position	\$ 175,168,555	\$ 141,036,931	\$ 104,040,101	\$ 88,723,072	\$ 55,485,102	\$ 15,476,696	\$ 579,930,457	\$ (2,839,683)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(2,839,683)		
Net position of business-type activities							\$ 577,090,774		

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2020

Exhibit I

	Major Enterprise Funds						Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Nonmajor Enterprise Funds		
Operating Revenues								
Charges for services	\$ 82,313,202	\$ 24,996,311	\$ 17,434,846	\$ 8,916,145	\$ 5,111,574	\$ 2,145,653	\$ 140,917,731	\$ 14,818,389
Other operating revenues	936,647	3,049,852	1,674,453	94,175	32,378	692,509	6,480,014	-
Total operating revenue	83,249,849	28,046,163	19,109,299	9,010,320	5,143,952	2,838,162	147,397,745	14,818,389
Operating Expenses								
General and administrative	3,616,323	-	-	-	-	1,762,685	5,379,008	8,887,065
Professional services	-	-	-	-	-	4,349,071	4,349,071	1,932,686
Water plant and lakes	-	9,428,872	-	-	-	-	9,428,872	-
Water line operation and maintenance	-	8,354,894	-	-	-	-	8,354,894	-
Wastewater line and plant	-	-	12,878,742	-	-	-	12,878,742	-
Purchased power	39,403,663	-	-	-	-	-	39,403,663	-
Power line and plant	11,892,193	-	-	-	-	-	11,892,193	-
Airport operation and maintenance	-	-	-	9,247,590	-	-	9,247,590	-
Stormwater operation and maintenance	-	-	-	-	2,797,814	-	2,797,814	-
Utilities	-	-	-	-	-	241,639	241,639	-
Housing maintenance and repairs	-	-	-	-	-	360,666	360,666	-
Operating supplies	-	-	-	-	-	486,972	486,972	-
Other operating costs	-	-	-	-	-	860,405	860,405	3,095,991
Depreciation and amortization	4,854,371	4,389,554	3,746,067	3,442,440	1,830,160	1,674,424	19,937,016	534,604
Total operating expenses	59,766,550	22,173,320	16,624,809	12,690,030	4,627,974	9,735,862	125,618,545	14,450,346
Operating income (loss)	23,483,299	5,872,843	2,484,490	(3,679,710)	515,978	(6,897,700)	21,779,200	368,043
Nonoperating Revenues (Expenses)								
Operating subsidy	-	-	-	-	-	4,634,731	4,634,731	-
Interest earned on investments	2,642,605	1,119,597	715,807	156,839	250,179	43,996	4,929,023	1,379
Interest expense	(512,795)	(847,677)	(295,660)	(257,964)	-	(49,603)	(1,963,699)	(225,295)
Gain (loss) on sale of capital assets	626,014	(98,456)	7,269	(720,543)	26,278	6,687	(152,751)	-
Other	-	-	-	-	-	78,052	78,052	-
Total nonoperating revenues (expenses)	2,755,824	173,464	427,416	(821,668)	276,457	4,713,863	7,525,356	(223,916)
Income (loss) before capital contributions and transfers	26,239,123	6,046,307	2,911,906	(4,501,378)	792,435	(2,183,837)	29,304,556	144,127
Capital contributions	-	1,819,020	3,803,422	8,139,230	-	-	13,761,672	-
Transfers in	-	-	-	678,089	-	1,921,989	2,600,078	-
Transfers out	(640,191)	(30,933)	(13,077)	(14,472)	(5,200)	(2,548)	(706,421)	-
Transfers in (out)	(640,191)	(30,933)	(13,077)	663,617	(5,200)	1,919,441	1,893,657	-
Change in net position	25,598,932	7,834,394	6,702,251	4,301,469	787,235	(264,396)	44,959,885	144,127
Net Position								
Beginning, previously reported	149,569,623	133,202,537	97,337,850	84,421,603	54,697,867	15,741,092		(2,983,810)
Ending	\$ 175,168,555	\$ 141,036,931	\$ 104,040,101	\$ 88,723,072	\$ 55,485,102	\$ 15,476,696		\$ (2,839,683)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							144,127	
Change in net position of business-type activities							\$ 45,104,012	

See Notes to Financial Statements.

**CITY OF CONCORD, NORTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2020**

	Major Enterprise Funds						Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Nonmajor Enterprise Funds		
Cash Flows From Operating Activities								
Receipts from customers	\$ 92,089,861	\$ 28,292,815	\$ 19,112,648	\$ 11,786,081	\$ 5,053,735	\$ 2,164,449	\$ 158,499,589	\$ 14,807,436
Payments to employees	(7,020,859)	(4,561,395)	(2,130,961)	(2,823,916)	(1,444,344)	(1,010,599)	(18,992,074)	(8,145,788)
Payments to suppliers	(48,543,571)	(14,291,496)	(10,400,231)	(4,968,857)	(1,745,583)	(6,878,481)	(86,828,219)	(4,986,703)
Net cash provided by (used in) operating activities	36,525,431	9,439,924	6,581,456	3,993,308	1,863,808	(5,724,631)	52,679,296	1,674,945
Cash Flows From Noncapital Financing Activities								
Due to (from) other funds	-	-	-	-	-	1,253,344	1,253,344	-
Transfers in	-	-	-	678,089	-	1,921,989	2,600,078	-
Transfers out	(640,191)	(30,933)	(13,077)	(14,472)	(5,200)	(2,548)	(706,421)	-
Operating grants received	-	-	-	-	-	4,634,731	4,634,731	-
Net cash provided by (used in) noncapital financing activities	(640,191)	(30,933)	(13,077)	663,617	(5,200)	7,807,516	7,781,732	-
Cash Flows from Capital and Related Financing Activities								
Financing proceeds	1,628,542	1,536,534	2,969,887	910,000	-	-	7,044,963	-
Principal payment on long-term debt	(4,191,052)	(4,622,640)	(6,867,134)	(1,198,552)	-	(895,000)	(17,774,378)	(256,725)
Interest paid	(526,736)	(863,539)	(318,182)	(258,591)	-	(51,393)	(2,018,441)	(226,366)
Acquisition and construction of capital assets	(7,400,015)	(7,635,731)	(424,674)	(7,959,722)	(1,150,066)	(238,477)	(24,808,685)	(610,169)
Capital contributions - federal grant	-	-	-	8,139,230	-	-	8,139,230	-
Proceeds from the sale of capital assets	626,014	53,281	56,936	51,840	26,278	6,687	821,036	-
Net cash provided by (used in) capital and related financing activities	(9,863,247)	(11,532,095)	(4,583,167)	(315,795)	(1,123,788)	(1,178,183)	(28,596,275)	(1,093,260)
Cash Flows From Investing Activities								
Earnings on investments	2,614,452	1,159,700	730,334	162,219	260,342	41,287	4,968,334	1,379
Net cash provided by (used in) investing activities	2,614,452	1,159,700	730,334	162,219	260,342	41,287	4,968,334	1,379
Net increase (decrease) in cash and cash equivalents	28,636,445	(963,404)	2,715,546	4,503,349	995,162	945,989	36,833,087	583,064
Cash and cash equivalents:								
Beginning	82,975,565	63,974,435	27,436,129	2,481,825	12,479,756	1,102,370	190,450,080	2,667,671
Ending	\$ 111,612,010	\$ 63,011,031	\$ 30,151,675	\$ 6,985,174	\$ 13,474,918	\$ 2,048,359	\$ 227,283,167	\$ 3,250,735

Noncash investing, capital and financing activ

The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of \$5,622,442 representing donated capital assets.

Continued

CITY OF CONCORD, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2020

Exhibit J
Page 2 of 2

	Major Enterprise Funds						Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund				
Operating income (loss)	\$ 23,483,299	\$ 5,872,843	\$ 2,484,490	\$ (3,679,710)	\$ 515,978	\$ (6,897,700)	\$ 21,779,200	\$ 368,043	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation and amortization	4,854,371	4,389,554	3,746,067	3,442,440	1,830,160	1,674,424	19,937,016	534,604	
Other income	-	-	-	-	-	78,052	78,052	-	
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:									
(Increase) decrease in:									
Accounts receivable	8,631,323	188,470	4,324	2,770,213	(90,217)	187,907	11,692,020	(10,953)	
Due from other governmental agencies	-	-	-	-	-	(941,974)	(941,974)	-	
Inventories and prepaid expenses	(368,718)	(70,920)	6,643	8,136	(939)	14,371	(411,427)	3,906	
Deferred outflows of resources for pensions (LGERS)	96,825	110,346	49,154	48,299	43,381	23,034	371,039	153,889	
Deferred outflows of resources for OPEB	18,967	19,902	9,037	9,755	7,437	4,631	69,729	30,226	
Increase (decrease) in:									
Accounts payable and accrued expenses	(448,203)	1,576,166	171,089	1,200,301	(15,750)	32,219	2,515,822	88,097	
Vacation accrual	53,839	37,642	20,251	31,733	(7,898)	25,057	160,624	73,484	
Net pension liability (LGERS)	265,719	184,902	94,187	152,768	46,070	71,383	815,029	427,898	
Net OPEB liability	(657,728)	(3,238,896)	(154,641)	(211,426)	(557,763)	(99,376)	(4,919,830)	(615,519)	
Deferred inflows of resources for pensions (LGERS)	(17,902)	(15,904)	(7,536)	(9,701)	(5,238)	(4,571)	(60,852)	(28,666)	
Deferred inflows of resources for OPEB	404,950	327,637	159,366	224,952	98,587	105,610	1,321,102	649,936	
Deposits	208,689	58,182	(975)	5,548	-	2,302	273,746	-	
Net cash provided by (used in) operating activities	\$ 36,525,431	\$ 9,439,924	\$ 6,581,456	\$ 3,993,308	\$ 1,863,808	\$ (5,724,631)	\$ 52,679,296	\$ 1,674,945	

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2020**

Exhibit K

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	<u>\$ 9,664,716</u>	<u>\$ 4,901,366</u>
Total assets	<u><u>\$ 9,664,716</u></u>	<u><u>\$ 4,901,366</u></u>
 LIABILITIES		
Agency payable	<u>\$ -</u>	<u>\$ 4,901,366</u>
 NET POSITION		
Net position restricted for postemployment benefits other than pensions	<u><u>\$ 9,664,716</u></u>	<u><u>\$ -</u></u>

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2020

Exhibit L

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	\$ 4,899,718
Member contributions	417,263
	<u>5,316,981</u>
Investment income (loss)	406,183
Total additions	<u>5,723,164</u>
Deductions:	
Benefits	<u>1,567,231</u>
Change in net position	4,155,933
Net position restricted for postemployment benefits other than pensions	
Beginning of year	5,508,783
End of year	<u>\$ 9,664,716</u>

See Notes to Financial Statements

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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 unit, are in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting policies:

A. Reporting Entity

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

BLENDED COMPONENT UNIT – FIRST CONCORD CORPORATION

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

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

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds even though they are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of fees intended to recover the cost of connecting new customers or reconnecting current customers to the water and wastewater systems. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The government reports the following major proprietary funds:

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

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

Additionally, the government reports the following fund types:

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

Pension Trust Fund: The City maintains a Pension Trust Fund – the Other Postemployment Benefit Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Other Postemployment Benefit Fund accounts for the City's contributions for healthcare coverage provided to qualified retirees.

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for the activities of the Employee's Self Funded insurance funds in which the City holds these funds on behalf of other entities.

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as receivable in these financial statements and are offset by deferred inflows of resources.

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

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Housing Assistance Fund, the Market Rate Units Fund, the Municipal Service District Fund, the Additional Vehicle Tax Fund, the Electric Operating Fund, the Water Operating Fund, the Wastewater Operating Fund, the Stormwater Operating Fund, the Golf Course Operating Fund, the Regional Airport Operating Fund, the Housing Department Operating Fund, and the Internal Service Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Fund, the Home Fund, the Section 108 Loan/BEDI Grant Fund, the Parks Capital Project Fund, the Transportation Capital Project Fund, the General Fund Capital Project Fund, the General Capital Reserve Project Fund, the Fire and Life Safety Capital Project Fund, the Electric Projects Capital Project Fund, the Water Projects Capital Project Fund, the Wastewater Projects Capital Project Fund, the Airport Capital Project Fund, the Stormwater Capital Project Fund, the Transit Fund, the Utility Capital Reserve Project Fund, the Golf Capital Project Fund, the Housing Capital Project Fund, and First Concord Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting.

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

State law (G.S. 159-30(c)) authorizes the City and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain nonguaranteed federal agencies; certain high quality issues of commercial paper and banker's acceptances; and the North Carolina Capital Management Trust (NCCMT).

The City's investments with a maturity of more than one year at acquisition and non-money market investments are reported at cost or amortized cost, which approximates their fair value as determined by quoted market prices. The NCCMT Government Portfolio, a SEC-registered 2a-7 money market mutual fund, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with maturity of less than 6 months. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

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

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs – other than quoted prices – included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2020 of 1.3 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 7.97 years at June 30, 2020. The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2020 the fair value of the funds was \$23.107392 per share. Fair value of this BlackRock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

CASH AND CASH EQUIVALENTS

The City maintains a cash and investment pool that is used by all funds, except First Concord Corporation, to facilitate disbursement and investment and to maximize investment income. Each fund type's portion of these pools is displayed on the combined balance sheet as "Cash and investments". Interest earned is distributed to the various funds based on the proportionate share of investments. Since the cash management pools operate as demand deposit accounts, amounts invested in the pool by the proprietary fund types are considered cash and cash equivalents for the purpose of the statement of cash flows with respect to those funds.

RESTRICTED ASSETS

The unexpended bond proceeds for the 2014 limited obligation bonds and 2019 revenue 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 bonds were 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. 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.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

<u>City of Concord Restricted Cash:</u>	
Governmental Activities	
General Fund	
Streets	\$ 5,652,790
Customer deposits	3,874,565
Debt service, extension, and replacement	4,714
Other governmental funds	
Unexpended bond proceeds	615,118
Debt service, extension, and replacement	8
Future capital projects	33,891,310
Total governmental activities	<u>\$ 44,038,505</u>
Business-type Activities	
Electric Fund	
Customer deposits	\$ 2,467,921
Unexpended bond proceeds	17,567
Debt service, extension, and replacement	132,899
Water Fund	
Customer deposits	727,632
Unexpended bond proceeds	16,574
Debt service, extension, and replacement	301,963
Wastewater Fund	
Customer deposits	225
Unexpended bond proceeds	32,035
Debt service, extension, and replacement	65,269
Regional Airport Fund	
Customer deposits	111,116
Debt service, extension, and replacement	1
Nonmajor enterprise funds	
Customer deposits	41,414
Internal Service Fund	
Debt service, extension, and replacement	2
Unexpended bond proceeds	282,865
Total business-type activities	<u>\$ 4,197,483</u>
Total Restricted Cash	<u>\$ 48,235,988</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 1st, the beginning of the fiscal year. The taxes are due September 1st (Lien Date); however, interest does not accrue until the following January 6th, and property becomes subject to lien. Liens are published the following May. The taxes levied are based on the assessed values as of January 1st.

ALLOWANCES FOR DOUBTFUL ACCOUNTS

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

INVENTORIES AND PREPAID ITEMS

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

CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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 position 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 2020 fiscal year and an unamortized loss on a bond defeasance for refunding bonds. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, 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 vacation pay have been determined based on the annualized vacation taken in the first quarter of the current fiscal year. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For the governmental activities, compensated absences are generally liquidated by the general fund.

Both the City and the ABC Board's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

SELF-INSURANCE

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

NET POSITION AND FUND BALANCES

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through State statute.

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year end balance of ending inventories, which are not spendable resources.

Prepays – portion of fund balance that is not an available resource because it represents the year end balance of prepaid expenses, which are not spendable resources.

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 Streets – 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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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

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

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

The City of Concord has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the City.

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

DEFINED BENEFIT PENSION AND OPEB PLANS

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

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

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) and additions to/deductions from FRSWPF's fiduciary net position have been determined on the same basis as they are reported by FRSWPF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

USE OF ESTIMATES

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

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 \$1,145,611 adjustment reflected on the reconciliation represents these ad valorem taxes outstanding at year end.

The governmental funds reconciliation of the statement of revenues, expenditures and changes in fund balance to the statement of activities includes revenues in the amount of \$219,462 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, 2020 and June 30, 2019.

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 and the ABC Board’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 or the ABC Board’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 and the ABC Board, 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 or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City or the ABC Board 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 and the ABC Board 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, 2020, the City’s deposits had a carrying amount of \$20,446,071 and a bank balance of \$20,784,275. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$19,534,275 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of \$8,200 at June 30, 2020.

At June 30, 2020, the carrying amount of deposits for the ABC Board was \$5,452,520 and the bank balance was \$5,545,820. All of the bank balances were covered by federal depository insurance or collateralized deposits.

At June 30, 2020, the City’s investment balances were as follows:

	Valuation		Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years	More than 3 Years
	Measurement Method	Reported Value				
U. S. Government agencies	Fair Value Level 1	\$ 269,845,290	\$20,112,046	\$ 25,082,875	\$ 98,945,694	\$125,704,675
Commercial paper	Cost	55,555,458	45,596,567	9,958,891	-	-
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level 1	14,438,070	14,438,070	N/A	N/A	N/A
North Carolina Capital Management Trust – Term Portfolio	Fair Value Level 1	10,650,691	10,650,691	N/A	N/A	N/A
Total		<u>\$ 350,489,509</u>	<u>\$90,797,374</u>	<u>\$ 35,041,766</u>	<u>\$ 98,945,694</u>	<u>\$125,704,675</u>

* 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, 2020, the City's investments in commercial paper consisted of ten 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 as of June 30, 2020. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The City's investments in US Government Agencies (FHLMC, Federal Home Loan Bank, Federal Farm Credit, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk – As noted above under Interest Rate Risk, the City's investment policy limits the amount the City may invest in any one issuer. More than 5 percent of the City's investments are in the Federal Farm Credit, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, and FNMA Discount Notes. These investments are 22%, 21%, 18%, and 16% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2020, the City's Health Care Plan had \$9,664,716 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the City's OPEB Fund was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 14.83%, the State Treasurer's Bond Index Fund (BIF) 66.93%, and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 18.24% (the equities were split with 57.49% in domestic securities and 42.51% in international securities).

Interest Rate Risk – The City does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2020. The State Treasurer's BIF is unrated and had a weighted average maturity of 7.97 years at June 30, 2020.

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, 2020, the ABC Board did not have any investments.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 4. Receivables and Allowances for Doubtful Amounts

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

	Governmental Activities	Business-type Activities
Accounts receivable, net	\$ -	\$ 19,914,794
Ad valorem taxes, net	1,145,611	-
Due from other governmental agencies	1,253,908	1,795,512
Sales tax refunds	3,366,866	-
Interest	471,317	661,984
Other, net	6,535,743	10,953
	<u>\$ 12,773,445</u>	<u>\$ 22,383,243</u>

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

Governmental Activities, allowance for doubtful ad valorem taxes	<u>\$ 381,870</u>
Governmental Activities, allowance for doubtful other receivables	<u>\$ 111</u>
Business-type Activities, allowance for doubtful accounts receivable	<u>\$ 207,588</u>

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 54,709,365	\$ 1,960,204	\$ 723,748	\$ (38,099,900)	\$ 17,845,921
Construction in progress	12,881,849	8,168,412	1,375,522	-	19,674,739
Total capital assets, not being depreciated	<u>67,591,214</u>	<u>10,128,616</u>	<u>2,099,270</u>	<u>(38,099,900)</u>	<u>37,520,660</u>
Capital assets, being depreciated:					
Buildings	66,483,986	149,627	767,825	-	65,865,788
Improvements other than buildings	7,694,133	60,705	-	-	7,754,838
Machinery and equipment	38,017,569	3,544,649	1,395,119	(84,318)	40,082,781
Infrastructure	615,246,286	13,295,306	-	38,099,900	666,641,492
Total capital assets, being depreciated	<u>727,441,974</u>	<u>17,050,287</u>	<u>2,162,944</u>	<u>38,015,582</u>	<u>780,344,899</u>
Accumulated depreciation:					
Buildings	30,442,945	2,326,433	679,327	-	32,090,051
Improvements other than buildings	2,921,332	393,819	-	-	3,315,151
Machinery and equipment	27,178,991	2,941,784	1,367,802	(84,318)	28,668,655
Infrastructure	394,646,698	12,292,114	-	-	406,938,812
Total accumulated depreciation	<u>455,189,966</u>	<u>17,954,150</u>	<u>2,047,129</u>	<u>(84,318)</u>	<u>471,012,669</u>
Total capital assets, being depreciated, net	<u>272,252,008</u>	<u>\$ (903,863)</u>	<u>\$ 115,815</u>	<u>\$ 38,099,900</u>	<u>309,332,230</u>
Governmental activities capital assets, net	<u>\$ 339,843,222</u>				<u>\$ 346,852,890</u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 40,881,488	\$ 1,328,966	\$ 924,120	\$ -	\$ 41,286,334
Construction in progress	29,997,836	18,244,621	3,357,110	-	44,885,347
Total capital assets, not being depreciated	70,879,324	19,573,587	4,281,230	-	86,171,681
Capital assets, being depreciated:					
Buildings	79,483,458	876,589	401,452	-	79,958,595
Improvements other than buildings	499,448,305	10,154,791	-	-	509,603,096
Machinery and equipment	38,019,223	3,793,439	2,589,977	84,318	39,307,003
Total capital assets, being depreciated	616,950,986	14,824,819	2,991,429	84,318	628,868,694
Accumulated depreciation:					
Buildings	32,023,868	2,775,645	401,452	-	34,398,061
Improvements other than buildings	233,739,472	13,934,626	-	-	247,674,098
Machinery and equipment	26,440,932	3,996,730	2,540,310	84,318	27,981,670
Total accumulated depreciation	292,204,272	20,707,001	2,941,762	84,318	310,053,829
Total capital assets, being depreciated, net	324,746,714	\$ (5,882,182)	\$ 49,667	\$ -	318,814,865
Business-type activities capital assets, net	<u>\$ 395,626,038</u>				<u>\$ 404,986,546</u>

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

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

Governmental activities:	
General government	\$ 642,355
Public safety	3,059,900
Public works	13,437,858
Culture and recreational	757,564
Planning and community development	56,473
Total depreciation expense – governmental activities	<u>\$ 17,954,150</u>
Business-type activities:	
Electric	\$ 4,903,086
Water	4,470,566
Wastewater	3,771,243
Regional airport	3,445,041
Stormwater	1,830,160
Other nonmajor business-type activities	1,724,521
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	562,384
Total depreciation expense – business-type activities	<u>\$ 20,707,001</u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

Activity for the ABC Board for the year ended June 30, 2020, was as follows:

	July 1, 2019	Increases	Decreases	June 30, 2020
Component unit:				
Capital assets not being depreciated:				
Land	\$ 1,327,154	\$ -	\$ -	\$ 1,327,154
Construction in progress	-	27,786	-	27,786
Total capital assets not being depreciated	1,327,154	-	-	1,354,940
Capital assets, being depreciated:				
Buildings	4,807,162	-	-	4,807,162
Improvements other than buildings	735,294	33,670	-	768,964
Machinery and equipment	605,727	103,235	-	708,962
Total capital assets, being depreciated	6,148,183	136,905	-	6,285,088
Accumulated depreciation	931,136	232,585	-	1,163,721
Total capital assets, being depreciated, net	5,217,047	\$ (95,680)	\$ -	5,121,367
Component unit capital assets, net	<u>\$ 6,544,201</u>			<u>\$ 6,476,307</u>

Note 6. 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	\$ 3,585,791	\$ 8,526,067
Accrued payroll and payroll related liabilities	2,393,823	1,103,547
Accrued sales tax payable	3,094	350,327
Other accrued liabilities	429,277	353,322
	<u>\$ 6,411,985</u>	<u>\$ 10,333,263</u>

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

Note 7. Long-Term Debt

Direct placement installment purchases: The City has various direct placement installment purchase contracts to finance equipment additions throughout the City's departments and funds. These contracts range between 9 years and 23 years in duration, depending upon the assets acquired. Interest rates range between 2.04% and 5.01%. The debt is collateralized by the assets acquired and serviced by the funds holding such debt.

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

	Governmental Activities	Business-type Activities
Capital Asset		
Machinery and equipment	\$ 5,352,617	\$ 17,877,220
Less accumulated depreciation	1,784,206	3,670,750
	<u>\$ 3,568,411</u>	<u>\$ 14,206,470</u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Direct placement installment purchases payable at June 30, 2020 are comprised of the following individual issues:

Governmental activities:

\$2,724,477, contract to refinance installment agreement in fiscal year 2018 due in annual installments of \$120,842 to \$297,960 through November 2027; interest 2.04% , to be paid from General Fund	\$ 1,987,976
	\$ 1,987,976

Business-type activities:

\$4,500,000, contract for construction of aviation hangar in fiscal year 2004 due in annual installments of \$225,000 through November 2027; interest 5.01% , payable from Regional Airport Fund	\$ 993,750
\$5,759,000, contract for construction of a parking deck in fiscal year 2016 due in annual installments of \$350,000 to \$478,000 through May 2030; interest 2.42% , payable from Regional Airport Fund	4,305,000
\$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	2,779,353
\$910,000, contract for purchase of aviation hangar in fiscal year 2020 due in annual installments of \$91,000 through October 2029; interest 2.63% , payable from Regional Airport Fund	910,000
	\$ 8,988,103

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
2021	\$ 285,835	\$ 39,086	\$ 1,101,620	\$ 226,183
2022	279,770	33,286	1,102,142	195,067
2023	273,457	27,611	1,103,315	163,908
2024	267,080	22,066	1,103,400	132,689
2025	260,382	16,652	972,785	103,079
2026-2030	621,452	18,839	3,604,841	224,470
	\$ 1,987,976	\$ 157,540	\$ 8,988,103	\$ 1,045,396

Direct placement revenue bonds: The City issued bonds where the City pledges income derived from the Enterprise Fund acquiring or constructing assets with the proceeds to pay debt service. Portions of the Revenue Bonds were used to construct governmental activity assets and will be repaid by governmental revenue sources. Direct placement revenue bonds outstanding at June 30, 2020 are as follows:

Governmental activities:

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

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Business-type activities:

\$6,134,962 (of \$6,572,000 issue), Utilities Systems Refunding Revenue Bonds Series 2019 due in annual installments of \$2,010,759 to \$2,078,905 through December 2022; interest 1.67%	\$ 6,134,962
\$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%.	10,870,000
\$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%.	18,340,000
	<u>\$ 35,344,962</u>

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 143,241	\$ 6,102	\$ 3,795,759	\$ 1,329,130
2022	145,702	3,690	3,925,299	1,207,029
2023	148,095	1,237	4,058,904	1,075,575
2024	-	-	2,075,000	962,431
2025	-	-	2,165,000	868,356
2026-2030	-	-	10,765,000	3,025,266
2031-2035	-	-	6,960,000	1,189,325
2036	-	-	1,600,000	32,000
	<u>\$ 437,038</u>	<u>\$ 11,029</u>	<u>\$ 35,344,962</u>	<u>\$ 9,689,112</u>

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

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

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

The debt service coverage ratio calculation for the year ended June 30, 2020, is as follows:

Net Income (GAAP Basis)	\$ 40,135,577
Add: Depreciation/Amortization Expense	12,989,992
Interest Expense	1,656,132
Income available for debt service	<u>54,781,701</u>
Debt service, principal and interest paid (Revenue bond only)	\$ 17,336,958
Debt service coverage ratio	316%

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay \$43,292,000 in electric, water, and wastewater system direct placement revenue bonds issued in 2012 through 2019. Proceeds from the bonds provided financing for various projects related to the electric, water, and wastewater systems. The bonds are payable solely from electric, water, and wastewater customer net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 13 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 \$45,482,141. Principal and interest paid for the current year and total customer net revenues were \$17,336,958 and \$130,405,311, 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, 2020 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, 2020 was \$566,325.

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, 2020 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, 2020 was \$1,844,796.

Current Refunding Bonds: In December 2019, the City issued \$6,572,000 of Utilities Systems current refunding bonds and retired the outstanding balance of the Series 2009B Utilities Systems Revenue Bonds. The current refunding reduced total debt service payments over the following three years by \$5,347,782 and resulted in an economic gain of \$683,461. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$93,526) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2020 was \$75,340.

Direct placement loan and installment notes: Direct placement loan and installment notes payable at June 30, 2020 are comprised of the following individual issues:

Governmental activities:

\$7,203,000 (of \$9,235,000 issue), 2010 Limited Obligation Bonds due in annual installments of \$39,000 to \$776,100 through June 1, 2021, plus interest due semiannually at 2.5% to 4% financed through First Concord Corporation, to be paid from General Fund.	\$ 659,100
\$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.	16,994,950
	\$ 17,654,050

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Business-type activities:

\$2,031,700 (of \$9,235,000 issue), 2010 Limited Obligation Bonds due in annual installments of \$11,000 to \$218,900 through June 1, 2021, plus interest due semiannually at 2.5% to 4% financed through First Concord Corporation, to be paid from Regional Airport Fund.	\$ 185,900
\$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.	5,125,050
\$5,280,000, 2014B Limited Obligation Bonds due in annual installments of \$50,000 to \$915,000 through June 1, 2021, plus interest due semiannually at 0.6% to 2.75% financed through First Concord Corporation, to be paid from Golf Course Fund.	915,000
	\$ 6,225,950

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
2021	\$ 1,833,200	\$ 748,867	\$ 1,371,800	\$ 246,128
2022	1,211,500	663,798	283,500	199,984
2023	1,242,325	603,222	297,675	185,809
2024	1,276,575	541,106	313,425	170,925
2025	1,305,825	477,277	329,175	155,254
2026-2030	6,934,925	1,535,485	1,860,075	557,980
2031-2034	3,849,700	354,875	1,770,300	163,187
	\$ 17,654,050	\$ 4,924,630	\$ 6,225,950	\$ 1,679,267

Advance Refunding Bonds: In October 2010, the City issued \$9,235,000 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 2001 Certificates of Participation. The refunding debt was issued at a net interest cost of 2.68%. 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, 2020 is \$0. This refunding was undertaken to reduce total debt service payments over the following 10 years by \$888,249 and resulted in an economic gain of \$779,763. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$378,135) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2020 was \$42,970.

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, 2020 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, 2020 was \$163,686.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

A summary of changes in long-term debt follows:

	July 1, 2019	Additions	Reductions	June 30, 2020
Governmental activities:				
Direct placement installment purchases	\$ 2,280,128	\$ -	\$ 292,152	\$ 1,987,976
Less current maturities				285,835
Long-term direct placement installment purchases				<u>\$ 1,702,141</u>
Bond payables:				
Direct placement installment notes	\$ 19,474,225	\$ -	\$ 1,820,175	\$ 17,654,050
Plus premium on limited obligation bonds	1,580,553	-	139,448	1,441,105
Direct placement revenue bonds	994,174	437,038	994,174	437,038
Plus premium on revenue bonds	11,856	-	11,856	-
Total bond payable	<u>\$ 22,060,808</u>	<u>\$ 437,038</u>	<u>\$ 2,965,653</u>	19,532,193
HUD loan	<u>\$ 1,102,000</u>	<u>\$ -</u>	<u>\$ 1,102,000</u>	-
Compensated absences	<u>\$ 3,668,716</u>	<u>\$ 2,699,424</u>	<u>\$ 2,181,158</u>	4,186,982
Total pension liability (LEOSSA)	<u>\$ 6,757,824</u>	<u>\$ 734,903</u>	<u>\$ -</u>	7,492,727
Net OPEB liability	<u>\$ 26,452,923</u>	<u>\$ -</u>	<u>\$ 3,184,577</u>	23,268,346
Net pension liability (LGERS)	<u>\$ 11,530,647</u>	<u>\$ 2,025,307</u>	<u>\$ -</u>	13,555,954
Less current maturities:				
Direct placement installment notes				1,833,200
Direct placement revenue bonds				143,241
Compensated absences				2,889,017
Long-term debt				<u>\$ 63,170,744</u>

	July 1, 2019	Additions	Reductions	June 30, 2020
Business-type activities:				
Direct placement Installment purchases	\$ 9,088,555	\$ 910,000	\$ 1,010,452	\$ 8,988,103
Less current maturities				1,101,620
Long-term direct placement installment purchases				<u>\$ 7,886,483</u>
Bond payables:				
Direct placement installment notes	\$ 7,565,775	\$ -	\$ 1,339,825	\$ 6,225,950
Plus premium on limited obligation bonds	535,684	-	111,261	424,423
Direct placement revenue bonds	44,890,825	6,134,963	15,680,826	35,344,962
Plus premium on revenue bonds	4,680,233	-	469,054	4,211,179
Total bond payable	<u>\$ 57,672,517</u>	<u>\$ 6,134,963</u>	<u>\$ 17,600,966</u>	46,206,514
Compensated absences	<u>\$ 1,531,252</u>	<u>\$ 1,618,833</u>	<u>\$ 1,384,725</u>	1,765,360
Net OPEB liability	<u>\$ 12,786,788</u>	<u>\$ -</u>	<u>\$ 5,535,349</u>	7,251,439
Net pension liability (LGERS)	<u>\$ 6,783,596</u>	<u>\$ 1,242,927</u>	<u>\$ -</u>	8,026,523
Less current maturities:				
Direct placement installment notes				1,371,800
Direct placement revenue bonds				3,795,759
Compensated absences				1,218,099
Long-term debt				<u>\$ 56,864,178</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, 2020 was \$936,043,702.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2020 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 65,955
General Fund	Nonmajor enterprise funds	3,907,061
		<u>\$ 3,973,016</u>

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

A schedule of interfund transfers at June 30, 2020 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	\$ 613,365
From the General Fund to the General Fund Capital Projects Fund for various capital projects	3,908,681
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	2,181,654
From the General Fund to the Section 108 Loan/Bedi Grant Fund to payoff the Section 108 loan	1,149,677
From the General Fund to the Home Special Revenue Fund to provide required grant matching funds	47,938
From the General Fund to the Transit Fund for current operating needs	725,276
From the General Fund to the Golf Course Fund for current operating needs	682,274
From the General Fund to the Regional Airport Fund for current operating needs	678,089
From the General Fund to the General Fund Capital Reserve Fund for future capital projects	4,350,000
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 Additional Vehicle Tax Fund to the Transit Fund to move portion of license fee required to be transferred to the Transit Fund	349,439
From the General Fund Capital Reserve Fund to the Fire and Life Safety Capital Projects Fund for various fire department capital projects	1,350,000
From the General Fund Capital Reserve Fund to the Parks Capital Project Fund for various park capital projects	1,795,000
From the General Fund Capital Reserve Fund to the General Fund Capital Project Fund for various capital projects	509,644
From the General Fund Capital Reserve Fund to the Golf Fund for various capital projects	165,000
From the Electric Fund to the General Fund Capital Project Fund for various capital projects	26,826
From the Water Fund to the General Fund Capital Project Fund for various capital projects	30,933
From the Wastewater Fund to the General Fund Capital Project Fund for various capital projects	13,077
From the Regional Airport Fund to the General Fund Capital Project Fund for various capital projects	14,472
From the Stormwater Fund to the General Fund Capital Project Fund for various capital projects	5,200
From the Transit Fund to the General Fund Capital Project Fund for various capital projects	2,548
	<u>\$ 18,630,099</u>

NOTES TO FINANCIAL STATEMENTS

Note 9. 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

(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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% 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 \$5,138,261 for the year ended June 30, 2020. Contributions to the pension plan from the ABC Board were \$95,074 for the year ended June 30, 2020.

(4) Refunds of contributions:

City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

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

At June 30, 2020, the City reported a liability of \$21,582,477 for its proportionate share of the net pension liability. At June 30, 2020, the ABC Board reported a liability of \$277,189 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the City's proportion was 0.79030%, which was an increase of 0.01831% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the City recognized pension expense of \$9,633,608. At June 30, 2020, 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	\$ 3,695,467	\$ -
Changes of assumptions	3,517,586	-
Net difference between projected and actual earnings on pension plan investments	526,426	-
Changes in proportion and differences between City contributions and proportionate share of contributions	82,171	216,662
City contributions subsequent to the measurement date	5,138,261	-
Total	<u>\$ 12,959,911</u>	<u>\$ 216,662</u>

\$5,138,261 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 3,741,589
2022	1,151,373
2023	2,093,504
2024	618,522
2025	-
Thereafter	-
	<u>\$ 7,604,988</u>

(6) Actuarial assumptions:

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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 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.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

(7) Discount rate:

The discount rate used to measure the total pension liability was 7.00%. 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 7.00 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 (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 49,363,071	\$ 21,582,477	\$ (1,508,825)

(9) Pension plan fiduciary net position:

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

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

B. Law Enforcement Officers' Special Separation Allowance:

(1) Plan description:

The City of Concord administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	28
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	169
Total	<u>197</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, 2018 valuation. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 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 RP-2015 Mortality tables.

(4) Contributions:

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City paid \$581,557 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, 2020, the City reported a total pension liability of \$7,492,727. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the City recognized pension expense of \$639,762.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 489,643	\$ 56,695
Changes of assumptions and other inputs	387,674	229,878
City benefit payments subsequent to the measurement date	280,547	-
Total	<u>\$ 1,157,864</u>	<u>\$ 286,573</u>

\$280,547 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 125,289
2022	125,289
2023	142,897
2024	86,509
2025	110,760
Thereafter	-
	<u>\$ 590,744</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 3.26 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 (2.26 percent) or one percentage point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
City's proportionate share of the total pension liability (asset)	\$ 8,118,519	\$ 7,492,727	\$ 6,920,717

(7) Schedule of changes in total pension liability:

Beginning balance	\$ 6,757,824
Service Cost	278,050
Interest on the total pension liability	235,400
Change in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	579,473
Changes of assumptions or other inputs	223,537
Benefit payments	(581,557)
Other changes	-
Ending balance of the total pension liability	<u>\$ 7,492,727</u>

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study for the five year period ending December 31, 2014.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

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	\$ 9,633,608	\$ 639,762	\$ 10,273,370
Pension Liability	21,582,477	7,492,727	29,075,204
Proportionate share of the net pension liability	0.79030%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	3,695,467	489,643	4,185,110
Changes of assumptions	3,517,586	387,674	3,905,260
Net difference between projected and actual earnings on plan investments	526,426	-	526,426
Changes in proportion and differences between contributions and proportionate share of contributions	82,171	-	82,171
Benefit payments and administrative costs paid subsequent to the measurement date	5,138,261	280,547	5,418,808
Deferred Inflows of Resources			
Differences between expected and actual experience	-	56,695	56,695
Changes of assumptions	-	229,878	229,878
Changes in proportion and differences between contributions and proportionate share of contributions	216,662	-	216,662

D. Supplemental Retirement Income Plan for Law Enforcement Officers

(1) Plan description:

The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, 2020 were \$730,939, which consisted of \$523,992 from the City and \$206,947 from the law enforcement officers. No amounts were forfeited.

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

(1) Plan description:

The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all active full-time employees of the City that are non-law enforcement officers. Article G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

(2) Funding policy:

The City of Concord's policy is to contribute an amount equal to 3.5% of each employee's salary, and all amounts contributed are vested immediately. The city's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$2,583,036, which consisted of \$1,606,719 from the City and \$976,317 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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.

(2) Benefits provided:

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

(3) Contributions:

Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ended June 30, 2020, the State contributed \$18,302,000 to the plan. The City of Concord's proportionate share of the State's contribution is \$46,169.

(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, 2020, the City reported no liability for its proportionate share of the net pension liability, 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 \$91,528. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020 and at June 30, 2019 was 0%.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

For the year ended June 30, 2020, the City recognized pension expense of \$48,187 and revenue of \$48,187 for support provided by the State. At June 30, 2020, 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 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 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(8) Pension plan fiduciary net position:

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

Note 10. 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, 2020 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, 2018, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	140
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	955
Total	<u><u>1,095</u></u>

(3) Benefits provided:

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

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

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

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

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

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

(4) Contributions:

The City Council establishes the contribution requirements of plan members which may be amended by Council. The City Council establishes rates as part of the annual budget process. Plan members contribute to the plan based on coverage level elected as well as years of creditable service. Plan member rates ranged from \$144 to \$15,712. 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 \$3,485 to \$16,594 per retiree. The City Council may amend the benefit provisions.

Per a City resolution, the City is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City Council. For the current year, the City contributed \$5,185,637. The Fund is accounted for as a trust fund.

(5) Investments:

The Health Care Plan does not have a formal policy in regard to the allocation of invested assets. It is the informal policy of the City to pursue an investment strategy that reduces risk through the diversification of the portfolio across distinct asset classes. Investments are valued at fair value. The following was the City's target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 and June 30, 2020:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	2020	2019	2020	2019
STIF	15%	15%	0.83%	0.83%
Equity Index	18%	18%	0.99%	0.99%
Bond Index	67%	67%	3.69%	3.69%
Total	100%	100%		

For the year ended June 30, 2020, the annual money weighted rate of return on investments, net of investment expense, was 6.72 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

(6) Net OPEB liability of the City:

The components of the net OPEB liability of the County at June 30, 2020 were as follows:

Total OPEB Liability	\$ 40,184,501
Plan fiduciary net position	<u>9,664,716</u>
City's net OPEB liability	<u>\$ 30,519,785</u>
Plan fiduciary net position as a percentage of the total OPEB liability	24.05%

(7) Actuarial assumptions:

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 to 7.75 percent, including inflation
Investment rate of return	5.50 percent, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates	7.25 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2028

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

The total OPEB liabilities were rolled forward to June 30, 2019 and June 30, 2020 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, 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, 2018 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2018 valuation.

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

(8) Discount rate:

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 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 projections years, total payroll was assumed to increase annually at a rate of 3.50 percent.
- 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, 2020, 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	\$34,470,501	\$30,519,785	\$27,008,984

(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	\$25,781,861	\$30,519,785	\$36,149,749

NOTES TO FINANCIAL STATEMENTS

Note 10. 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, 2020, the city reported a net OPEB liability of \$30,519,785. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2020, 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, 2019	\$ 44,748,494	\$ 5,508,783	\$ 39,239,711
Changes for the year			
Service cost	1,936,062	-	1,936,062
Interest	1,721,864	-	1,721,864
Difference between expected and actual experience	(278,653)	-	(278,653)
Changes of assumptions	(6,507,379)	-	(6,507,379)
Contributions	-	5,185,637	(5,185,637)
Net investment income	-	406,183	(406,183)
Benefit payments	(1,435,887)	(1,435,887)	-
Net changes	(4,563,993)	4,155,933	(8,719,926)
Balances at June 30, 2020	\$ 40,184,501	\$ 9,664,716	\$ 30,519,785

(12) Changes of assumptions:

Changes of assumptions and other inputs reflect a change in the discount rate and change in medical trend.

For the year ended June 30, 2020, the City recognized OPEB expense of \$2,020,651. At June 30, 2020, 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	\$ -	\$ 4,064,998
Changes of assumptions or other inputs	1,680,752	6,605,432
Net difference between projected and actual earnings on plan investments	27,611	-
Total	\$ 1,708,363	\$ 10,670,430

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:	
2021	\$ (1,232,554)
2022	(1,232,556)
2023	(1,250,271)
2024	(1,248,056)
2025	(1,247,762)
Thereafter	(2,750,868)
	\$ (8,962,067)

NOTES TO FINANCIAL STATEMENTS

Note 11. 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 12. 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	\$ 5,138,261
Benefit payments made for LEOSSA	280,547
Differences between expected and actual experience (LGERS)	3,695,467
Differences between expected and actual experience (LEOSSA)	489,643
Changes of assumptions (LGERS)	3,517,586
Changes of assumptions (LEOSSA)	387,674
Changes of assumptions (OPEB)	1,680,752
Net difference between projected and actual earnings on pension plan investments (LGERS)	526,426
Net difference between projected and actual earnings on plan investments (OPEB)	27,611
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	82,171
Charge on refunding	2,542,437
	\$ 18,368,575

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

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid taxes	\$ 48,123	\$ 48,123
Taxes Receivable, less penalties	-	1,145,611
Differences between expected and actual experience (LGERS)	-	-
Differences between expected and actual experience (LEOSSA)	56,695	-
Changes in proportion and difference between City contributions and proportionate share of contributions (LGERS)	216,662	-
Changes of assumptions (LEOSSA)	229,878	-
Differences between expected and actual experience (OPEB)	4,064,998	-
Changes of assumptions (OPEB)	6,605,432	-
Difference between projected and actual investment earnings (OPEB)	-	-
	\$ 11,221,788	\$ 1,193,734

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 13. Commitments and Contingencies

The City had commitments on contracts of approximately \$14 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, 2020, 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, 2020. 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 14. 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	\$ 77,578,089
Less:	
Inventories	108,326
Prepays	40,068
Stabilization by State Statute	16,289,037
Streets – Powell Bill	5,652,790
Public Safety	<u>272,061</u>
Remaining Fund Balance	<u>\$ 55,215,807</u>

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

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2020 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental activities:	
General Fund	\$ 2,036,739
Nonmajor Funds	13,857,425
Total governmental activities	<u>\$ 15,894,164</u>
Business-type activities:	
Electric Fund	\$ 2,744,077
Water Fund	6,523,675
Wastewater Fund	1,170,359
Regional Airport Fund	4,849,360
Stormwater Fund	1,127,774
Nonmajor Funds	937,678
Total business-type activities	<u>\$ 17,352,923</u>

Note 15. 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.

NOTES TO FINANCIAL STATEMENTS

Note 15. Risk Management (Continued)

The City obtains general liability coverage of \$1 million per occurrence, with a \$2 million aggregate limit. The City obtains public official liability coverage of \$1 million per occurrence, with a \$3 million aggregate limit. The City obtains law enforcement liability coverage of \$1 million per occurrence, with a \$3 million aggregate limit. The City obtains employment practices liability of \$1 million per occurrence, with a \$3 million aggregate limit. The City also obtains auto liability coverage of \$1 million for combined single limit. The City obtains umbrella for liability of \$4 million per occurrence, with a \$4 million aggregate limit. Building and personal property is insured through blanket coverage up to \$48,504,873. The housing units are covered per the scheduled values and are not covered within the blanket limit. Inland Marine scheduled equipment is insured to \$3,409,668, unscheduled equipment is insured to \$250,000. Miscellaneous property is covered up to \$4,700,360. Employee health coverage is self-insured through Blue Cross Blue Shield of North Carolina unless specified. The City is exposed to various risks of loss related to injuries to employees. The City has self-insured retention of \$1,000,000 per occurrence on workers' compensation claims.

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

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

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

Note 16. Jointly Governed Organization

The City is a member of the Water and Sewer Authority of Cabarrus County ("WSACC"). WSACC was organized by the governing bodies of the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mount Pleasant, and the County of Cabarrus in order to operate and maintain a regional interceptor wastewater system and regional wastewater treatment plant. WSACC is a public corporation of the State of North Carolina under Section 162A-3 of the North Carolina Water and Wastewater Authority Act. WSACC is a jointly governed organization governed by a board appointed by the organizing bodies as follows: two members by the Cabarrus County Board of Commissioners, two members by the City of Concord City Council, two members by the City of Kannapolis City Council, one member by the Town of Harrisburg Town Council, one member by the Town of Mount Pleasant Board of Commissioners, and one member by the Cabarrus County Board of Commissioners upon advice from the other political jurisdictions. The City of Concord paid WSACC approximately \$7.3 million for wastewater treatment and raw water charges during the year ended June 30, 2020.

Note 17. Stewardship, Compliance and Accountability

Deficit Fund Balance/Net Position

North Carolina General Statutes prohibits the City from having a deficit fund balance/net position in any fund. The Internal Service Fund had a deficit fund balance/net position in the amount of \$2,839,683, respectively. The deficit balance in net position for the Internal Service Fund resulted in an excess of expenses over charges to departments in prior years. This deficit will be reduced in future years as funds in excess of expenditures are transferred into the fund.

Note 18. Subsequent Events

In March 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19), a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact City revenues. At the current time, we are unable to quantify the potential effects of this pandemic.

A lawsuit related to unauthorized collection of certain fees is pending. At the time of report release, it is the opinion of the Attorney that an unfavorable opinion is reasonably possible potentially exceeding \$8,000,000.

Management has evaluated subsequent events through October 23, 2020, the date the financial statements were available to be issued.

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

Exhibit M

	2020	2019	2018	2017
Beginning balance	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329	\$ 6,881,079
Service Cost	278,050	279,117	235,882	255,254
Interest on the total pension liability	235,400	217,292	250,341	237,293
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	579,473	(85,995)	20,366	-
Changes of assumptions and other inputs	223,537	(264,446)	409,492	(158,844)
Benefit payments	(581,557)	(528,943)	(521,611)	(468,453)
Other changes	-	-	-	-
Ending balance of the total pension liability	<u>\$ 7,492,727</u>	<u>\$ 6,757,824</u>	<u>\$ 7,140,799</u>	<u>\$ 6,746,329</u>

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

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

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

	2020	2019	2018	2017
Total pension liability	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329
Covered payroll	9,731,892	8,995,596	8,776,412	8,918,792
Total pension liability as a percentage of covered payroll	76.99%	75.12%	81.36%	75.64%

Notes to the schedules:

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

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

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

Exhibit O

	2020	2019	2018	2017
Total OPEB Liability				
Service cost at end of year	\$ 1,936,062	\$ 1,974,188	\$ 2,042,623	\$ 2,212,156
Interest on the Total OPEB Liability	1,721,864	1,746,485	1,572,140	1,347,782
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(278,653)	(4,943,630)	(19,092)	-
Changes of assumptions or other inputs	(6,507,379)	2,183,220	(1,287,975)	(2,588,027)
Benefit payments	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
Net change in Total OPEB Liability	(4,563,993)	(1,007,786)	894,753	(802,452)
Total OPEB Liability - beginning	44,748,494	45,756,280	44,861,527	45,663,979
Total OPEB Liability - ending	\$ 40,184,501	\$ 44,748,494	\$ 45,756,280	\$ 44,861,527
Plan Fiduciary Net Position				
Contributions - employer	\$ 5,185,637	\$ 4,968,049	\$ 2,512,943	\$ 1,874,363
Contributions - non-employer	-	-	-	-
Contributions - active member	-	-	-	-
Net investment income	406,183	218,453	6,375	29,405
Benefit payments	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
Administrative expense	-	-	-	-
Other	-	-	-	-
Net change in Plan Fiduciary Net Position	4,155,933	3,218,453	1,106,375	129,405
Plan Fiduciary Net Position - beginning	5,508,783	2,290,330	1,183,955	1,054,550
Plan Fiduciary Net Position - ending	\$ 9,664,716	\$ 5,508,783	\$ 2,290,330	\$ 1,183,955
Net OPEB Liability - ending	\$ 30,519,785	\$ 39,239,711	\$ 43,465,950	\$ 43,677,572
Plan fiduciary net position as a percentage of the total OPEB liability	24.05%	12.31%	5.01%	2.64%
Covered payroll	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170
Net OPEB liability as a percentage of covered payroll	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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 3,574,034	\$ 3,356,018	\$ 3,356,018	\$ 2,741,358	\$ 2,809,363
Contributions in relation to the Actuarially Determined Contribution	5,185,637	4,968,049	2,512,943	1,874,363	2,063,924
Contribution deficiency (excess)	<u>\$ (1,611,603)</u>	<u>\$ (1,612,031)</u>	<u>\$ 843,075</u>	<u>\$ 866,995</u>	<u>\$ 745,439</u>
Covered payroll	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170	\$ 42,290,170
Contributions as a percentage of covered payroll	10.91%	10.45%	5.94%	4.43%	4.88%

Notes to Schedule:

Valuation date:
June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	28 years
Asset valuation method	Market value
Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases	3.50% to 7.75%, including wage inflation
Investment rate of return	5.50%, net of OPEB plan investment expense, including price inflation
Healthcare cost trends	7.25% initial, decreasing to an ultimate rate of 4.75% by 2028

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

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

Exhibit Q

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual rate of return, net of investment expense	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 Seven Fiscal Years *

Exhibit R

Local Government Employees' Retirement System

	2020	2019	2018	2017	2016	2015	2014
Concord's proportion of the net pension liability (asset) (%)	0.79030%	0.77199%	0.76685%	0.76650%	0.79314%	0.74554%	0.79080%
Concord's proportion of the net pension liability (asset) (\$)	\$21,582,477	\$18,314,243	\$11,715,344	\$16,267,697	\$ 3,559,574	\$ (4,396,795)	\$ 9,532,177
Concord's covered payroll during the measurement period	\$51,963,152	\$47,797,392	\$46,456,219	\$44,675,120	\$43,605,721	\$42,959,454	\$42,130,059
Concord's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.53%	38.32%	25.22%	36.41%	8.16%	(10.23%)	22.63%
Plan fiduciary net position as a percentage of the total pension liability	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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

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

Exhibit S

Local Government Employees' Retirement System

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

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

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

Exhibit T

Firefighters' and Rescue Squad Workers' Pension

	2020	2019	2018	2017	2016	2015
Concord's proportion of the net pension liability (%)	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 associated with City of Concord	91,528	113,784	109,722	90,853	76,707	66,847
Total	\$ 91,528	\$ 113,784	\$ 109,722	\$ 90,853	\$ 76,707	\$ 66,847
Concord's covered payroll during the measurement period	\$ 11,584,123	\$ 10,566,344	\$ 9,640,787	\$ 8,955,485	\$ 8,635,910	\$ 8,620,178
Concord's proportionate share of the net pension liability as a percentage of its covered payroll	0.79%	1.08%	1.14%	1.01%	0.89%	0.78%
Plan fiduciary net position as a percentage of the total pension liability	92.43%	89.69%	89.35%	84.94%	91.40%	93.42%

* The amounts presented are for the prior fiscal year.

Note: This information was not available prior to FY15. This will become a 10 year schedule.

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Section 108 Loan/BEDI Grant Fund - This fund is used to account for funds received from a Section 108 loan and Brownfield Economic Development Initiative grant.

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

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

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

Capital Project Funds

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

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

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

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

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**CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2020**

Statement 1

	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
ASSETS			
Cash and investments	\$ 488,472	\$ 29,095,250	\$ 29,583,722
Receivables:			
Ad valorem taxes, net	4,497	-	4,497
Due from other governmental agencies	216,505	-	216,505
Interest	2,139	70,240	72,379
Other, net	66,193	869,973	936,166
Restricted assets - cash and investments	-	615,126	615,126
Total assets	\$ 777,806	\$ 30,650,589	\$ 31,428,395
LIABILITIES			
Accounts payable and accrued liabilities	\$ 228,436	\$ 1,504,857	\$ 1,733,293
Due to other funds	65,955	-	65,955
Total liabilities	294,391	1,504,857	1,799,248
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	4,497	-	4,497
Prepaid taxes	110	-	110
Total deferred inflows of resources	4,607	-	4,607
FUND BALANCES (DEFICITS)			
Restricted			
Stabilization by State Statute	308,744	14,773,731	15,082,475
Committed			
Planning and community development	347,884	-	347,884
Assigned			
Future capital purchases	-	14,372,001	14,372,001
Unassigned	(177,820)	-	(177,820)
Total fund balance (deficit)	478,808	29,145,732	29,624,540
Total liabilities, deferred inflows of resources, and fund balances	\$ 777,806	\$ 30,650,589	\$ 31,428,395

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CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2020

Statement 2

	Housing Assistance	Market Rate Units	Community Development	Section 108 Loan/BEDI Grant	Home	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
ASSETS								
Cash and investments	\$ 112,611	\$ 94,667	\$ -	\$ -	\$ 281,194	\$ -	\$ -	\$ 488,472
Receivables:								
Ad valorem taxes, net	-	-	-	-	-	4,497	-	4,497
Due from other governmental agencies	-	-	104,630	-	111,830	45	-	216,505
Interest	410	342	-	-	1,025	-	362	2,139
Other, net	66,030	163	-	-	-	-	-	66,193
Total assets	\$ 179,051	\$ 95,172	\$ 104,630	\$ -	\$ 394,049	\$ 4,542	\$ 362	\$ 777,806
LIABILITIES								
Accounts payable and accrued liabilities	\$ 161,366	\$ 3,450	\$ 39,043	\$ -	\$ 24,527	\$ 50	\$ -	\$ 228,436
Due to other funds	-	-	65,587	-	-	6	362	65,955
Total liabilities	161,366	3,450	104,630	-	24,527	56	362	294,391
DEFERRED INFLOWS OF RESOURCES								
Property taxes receivable	-	-	-	-	-	4,497	-	4,497
Prepaid taxes	-	-	-	-	-	110	-	110
Total deferred inflows of resources	-	-	-	-	-	4,607	-	4,607
FUND BALANCES (DEFICITS)								
Restricted								
Stabilization by State Statute	66,440	505	128,537	-	112,855	45	362	308,744
Committed								
Planning and community development	-	91,217	-	-	256,667	-	-	347,884
Unassigned	(48,755)	-	(128,537)	-	-	(166)	(362)	(177,820)
Total fund balances (deficit)	17,685	91,722	-	-	369,522	(121)	-	478,808
Total liabilities, deferred inflows of resources, and fund balances	\$ 179,051	\$ 95,172	\$ 104,630	\$ -	\$ 394,049	\$ 4,542	\$ 362	\$ 777,806

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2020

Statement 3

ASSETS	Parks	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Capital Projects Funds
Cash and investments	\$ 3,410,136	\$ 19,308,862	\$ 1,530,349	\$ 4,845,903	\$ 29,095,250
Receivables:					
Interest	-	70,240	-	-	70,240
Other, net	-	869,973	-	-	869,973
Restricted assets - cash and investments	-	-	615,126	-	615,126
Total assets	\$ 3,410,136	\$ 20,249,075	\$ 2,145,475	\$ 4,845,903	\$ 30,650,589
LIABILITIES					
Accounts payable and accrued liabilities	\$ 403,026	\$ 698,127	\$ 101,567	\$ 302,137	\$ 1,504,857
Total liabilities	403,026	698,127	101,567	302,137	1,504,857
FUND BALANCES					
Restricted					
Stabilization by State Statute	1,212,440	10,132,651	905,528	2,523,112	14,773,731
Assigned					
Future capital purchases	1,794,670	9,418,297	1,138,380	2,020,654	14,372,001
Total fund balances	3,007,110	19,550,948	2,043,908	4,543,766	29,145,732
Total liabilities and fund balances	\$ 3,410,136	\$ 20,249,075	\$ 2,145,475	\$ 4,845,903	\$ 30,650,589

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2020

Statement 4

	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
Revenues			
Ad valorem taxes	\$ 97,357	\$ -	\$ 97,357
Restricted intergovernmental revenues	5,317,071	2,853,097	8,170,168
Investment earnings	4,425	435,567	439,992
Program income	1,457,704	348,584	1,806,288
Other revenues	2,652	42,484	45,136
Total revenues	6,879,209	3,679,732	10,558,941
Expenditures			
Current:			
Planning and community development	97,379	-	97,379
Administration	607,542	1,411,198	2,018,740
Housing assistance payments	4,480,648	-	4,480,648
Rehabilitation	1,075,666	-	1,075,666
Capital outlay	-	9,397,983	9,397,983
Debt service	1,149,677	2,646,353	3,796,030
Total expenditures	7,410,912	13,455,534	20,866,446
Excess (deficiency) of revenues over (under) expenditures	(531,703)	(9,775,802)	(10,307,505)
Other Financing Sources (Uses)			
Transfers from other funds	1,228,621	9,838,035	11,066,656
Transfers to other funds	(380,445)	-	(380,445)
Total other financing sources (uses)	848,176	9,838,035	10,686,211
Net change in fund balances	316,473	62,233	378,706
Fund Balances (Deficit)			
Beginning	162,335	29,083,499	29,245,834
Ending	\$ 478,808	\$ 29,145,732	\$ 29,624,540

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CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2020

Statement 5

	Housing Assistance	Market Rate Units	Community Development	Section 108 Loan/BEDI Grant	Home	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
Revenues								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 97,357	\$ -	\$ 97,357
Restricted intergovernmental revenues	4,072,510	-	407,714	-	836,847	-	-	5,317,071
Investment earnings	3,574	-	-	-	-	-	851	4,425
Program income	800,095	61,103	33,837	-	214,081	-	348,588	1,457,704
Other revenues	4	2,648	-	-	-	-	-	2,652
Total revenue	4,876,183	63,751	441,551	-	1,050,928	97,357	349,439	6,879,209
Expenditures								
Current:								
Planning and community development	-	-	-	-	-	97,379	-	97,379
Administration	371,692	818	82,034	-	152,998	-	-	607,542
Housing assistance payments	4,480,648	-	-	-	-	-	-	4,480,648
Rehabilitation	-	-	359,517	-	716,149	-	-	1,075,666
Debt service	-	-	-	1,149,677	-	-	-	1,149,677
Total expenditures	4,852,340	818	441,551	1,149,677	869,147	97,379	-	7,410,912
Excess (deficiency) of revenues over (under) expenditures	23,843	62,933	-	(1,149,677)	181,781	(22)	349,439	(531,703)
Other Financing Sources (Uses)								
Transfers from other funds	-	-	-	1,149,677	78,944	-	-	1,228,621
Transfers to other funds	-	(31,006)	-	-	-	-	(349,439)	(380,445)
Total other financing sources (uses)	-	(31,006)	-	1,149,677	78,944	-	(349,439)	848,176
Net change in fund balances	23,843	31,927	-	-	260,725	(22)	-	316,473
Fund Balances (Deficit)								
Beginning	(6,158)	59,795	-	-	108,797	(99)	-	162,335
Ending	\$ 17,685	\$ 91,722	\$ -	\$ -	\$ 369,522	\$ (121)	\$ -	\$ 478,808

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2020

Statement 6

	Parks	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Capital Projects Funds
Revenues					
Restricted intergovernmental revenues	\$ 234,077	\$ 2,619,020	\$ -	\$ -	\$ 2,853,097
Program income	-	348,584	-	-	348,584
Other revenues	1,700	-	40,784	-	42,484
Investment earnings	-	432,565	3,002	-	435,567
Total revenues	235,777	3,400,169	43,786	-	3,679,732
Expenditures					
Administration	39,312	302,252	978,519	91,115	1,411,198
Debt service	-	-	2,646,353	-	2,646,353
Capital outlay	3,490,511	3,026,085	221,878	2,659,509	9,397,983
Total expenditures	3,529,823	3,328,337	3,846,750	2,750,624	13,455,534
Excess (deficiency) of revenues over expenditures	(3,294,046)	71,832	(3,802,964)	(2,750,624)	(9,775,802)
Other Financing Sources (Uses)					
Transfers in	1,795,000	2,181,654	4,511,381	1,350,000	9,838,035
Total other financing sources (uses)	1,795,000	2,181,654	4,511,381	1,350,000	9,838,035
Net change in fund balances	(1,499,046)	2,253,486	708,417	(1,400,624)	62,233
Fund Balances (Deficit)					
Beginning	4,506,156	17,297,462	1,335,491	5,944,390	29,083,499
Ending	\$ 3,007,110	\$ 19,550,948	\$ 2,043,908	\$ 4,543,766	\$ 29,145,732

Nonmajor Enterprise Funds

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

The following funds have been established as Enterprise Funds:

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

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

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

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CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

Statement 7

ASSETS	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Current Assets				
Cash and investments	\$ 470,564	\$ 1,536,381	\$ -	\$ 2,006,945
Receivables:				
Accounts receivable, net	-	13,461	442,094	455,555
Due from other governments	-	43,377	1,752,135	1,795,512
Interest	-	7,249	-	7,249
Inventories and prepaid expenses	96,475	-	10,768	107,243
Total current assets	567,039	1,600,468	2,204,997	4,372,504
Noncurrent assets:				
Restricted assets - cash and investments	-	41,414	-	41,414
Capital assets	10,217,268	9,785,345	12,188,619	32,191,232
Less accumulated depreciation	(504,445)	(6,661,485)	(7,271,381)	(14,437,311)
Total noncurrent assets	9,712,823	3,165,274	4,917,238	17,795,335
Total assets	10,279,862	4,765,742	7,122,235	22,167,839
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	-	173,663	80,352	254,015
OPEB deferrals	-	22,892	10,592	33,484
Deferred charge on refunding	11,609	-	-	11,609
Total deferred outflows of resources	11,609	196,555	90,944	299,108
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	156,722	150,875	326,258	633,855
Current portion of long-term debt	915,000	42,486	20,077	977,563
Accrued interest	2,097	-	-	2,097
Due to other funds	-	440,603	3,466,458	3,907,061
Total current liabilities	1,073,819	633,964	3,812,793	5,520,576
Noncurrent liabilities				
Net pension liability	-	289,205	133,811	423,016
Net OPEB liability	-	540,993	186,100	727,093
Long-term debt due after one year	36,657	19,088	9,020	64,765
Deposits	-	41,414	-	41,414
Total noncurrent liabilities	36,657	890,700	328,931	1,256,288
Total liabilities	1,110,476	1,524,664	4,141,724	6,776,864
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	-	2,903	1,343	4,246
OPEB deferrals	-	142,984	66,157	209,141
Total deferred inflows of resources	-	145,887	67,500	213,387
NET POSITION				
Net investment in capital assets	8,772,775	3,123,860	4,917,238	16,813,873
Unrestricted	408,220	167,886	(1,913,283)	(1,337,177)
Total net position	\$ 9,180,995	\$ 3,291,746	\$ 3,003,955	\$ 15,476,696

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
Year Ended June 30, 2020

Statement 8

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	\$ 1,352,039	\$ 494,602	\$ 299,012	\$ 2,145,653
Other operating revenues	692,509	-	-	692,509
Total operating revenue	2,044,548	494,602	299,012	2,838,162
Operating Expenses				
General and administrative	-	1,177,258	585,427	1,762,685
Professional services	960,756	-	3,388,315	4,349,071
Utilities	-	241,639	-	241,639
Maintenance and repairs	-	360,666	-	360,666
Operating supplies	-	-	486,972	486,972
Other operating costs	860,483	-	(78)	860,405
Depreciation and amortization	39,371	527,071	1,107,982	1,674,424
Total operating expenses	1,860,610	2,306,634	5,568,618	9,735,862
Operating income (loss)	183,938	(1,812,032)	(5,269,606)	(6,897,700)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,371,091	3,263,640	4,634,731
Interest earned on investments	-	43,996	-	43,996
Interest expense	(44,853)	(4,750)	-	(49,603)
Gain (loss) on sale of capital assets	6,687	-	-	6,687
Other	-	78,052	-	78,052
Total nonoperating revenues (expenses)	(38,166)	1,488,389	3,263,640	4,713,863
Income (loss) before transfers	145,772	(323,643)	(2,005,966)	(2,183,837)
Transfers In (Out)				
Transfers Out	-	-	(2,548)	(2,548)
Transfers In	847,274	-	1,074,715	1,921,989
Transfers in (out)	847,274	-	1,072,167	1,919,441
Change in net position	993,046	(323,643)	(933,799)	(264,396)
Net Position				
Beginning	8,187,949	3,615,389	3,937,754	15,741,092
Ending	\$ 9,180,995	\$ 3,291,746	\$ 3,003,955	\$ 15,476,696

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2020

Statement 9
Page 1 of 2

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers	\$ 2,381,969	\$ 547,151	\$ (764,671)	\$ 2,164,449
Payments to employees	-	(523,519)	(487,080)	(1,010,599)
Payments to suppliers	(1,795,392)	(1,186,292)	(3,896,797)	(6,878,481)
Net cash provided by (used in) operating activities	586,577	(1,162,660)	(5,148,548)	(5,724,631)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	-	440,603	812,741	1,253,344
Transfers in	847,274	-	1,074,715	1,921,989
Transfers out	-	-	(2,548)	(2,548)
Operating grants received	-	1,371,091	3,263,640	4,634,731
Net cash provided by noncapital financing activities	847,274	1,811,694	5,148,548	7,807,516
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(895,000)	-	-	(895,000)
Interest paid	(46,643)	(4,750)	-	(51,393)
Acquisition and construction of capital assets	(175,558)	(62,919)	-	(238,477)
Proceeds from the sale of capital assets	6,687	-	-	6,687
Net cash provided by (used in) capital and related financing activities	(1,110,514)	(67,669)	-	(1,178,183)
Cash Flows Provided by Investing Activities				
Earnings on investments	-	41,287	-	41,287
Net increase (decrease) in cash and cash equivalents	323,337	622,652	-	945,989
Cash and cash equivalents:				
Beginning	147,227	955,143	-	1,102,370
Ending	\$ 470,564	\$ 1,577,795	\$ -	\$ 2,048,359

Continued

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2020

Statement 9
Page 2 of 2

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	\$ 183,938	\$ (1,812,032)	\$ (5,269,606)	\$ (6,897,700)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	39,371	527,071	1,107,982	1,674,424
Other income	-	78,052	-	78,052
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
(Increase) decrease in:				
Accounts receivable	337,421	(5,001)	(144,513)	187,907
Due from other governmental agencies	-	(22,804)	(919,170)	(941,974)
Inventories and prepaid expenses	5,002	1,241	8,128	14,371
Deferred outflows of resources for pensions	-	11,037	11,997	23,034
Deferred outflows of resources for OPEB	-	2,518	2,113	4,631
Increase (decrease) in:				
Accounts payable and accrued expenses	20,845	(16,973)	28,347	32,219
Vacation accrual	-	14,099	10,958	25,057
Net pension liability	-	54,783	16,600	71,383
OPEB liability	-	(67,941)	(31,435)	(99,376)
Deferred inflows of resources for pensions	-	(2,975)	(1,596)	(4,571)
Deferred inflows of resources for OPEB	-	73,963	31,647	105,610
Deposits	-	2,302	-	2,302
Net cash provided by (used in) operating activities	\$ 586,577	\$ (1,162,660)	\$ (5,148,548)	\$ (5,724,631)

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

CITY OF CONCORD, NORTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
June 30, 2020

Statement 10

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government							
Administration	\$ 2,917,337	\$ 18,751,130	\$ 423,688	\$ 1,207,022	\$ 1,574,920	\$ 47,491	\$ 24,921,588
Finance	-	-	-	391,741	-	-	391,741
Tax office	-	-	-	79,152	-	15,058	94,210
Human resources	-	421,736	-	76,900	-	-	498,636
Total general government	2,917,337	19,172,866	423,688	1,754,815	1,574,920	62,549	25,906,175
Public Safety							
Communications	-	-	-	1,662,304	-	6,800	1,669,104
Police	-	14,586,391	24,000	8,956,049	-	-	23,566,440
Fire	2,306,087	17,595,069	441,098	15,810,668	-	3,109,010	39,261,932
Total public safety	2,306,087	32,181,460	465,098	26,429,021	-	3,115,810	64,497,476
Public Works							
Streets	2,920,645	661,459	76,177	5,543,665	657,381,218	13,033,379	679,616,543
Sanitation	-	3,719,898	206,147	3,818,728	-	-	7,744,773
Cemeteries	-	-	191,523	375,089	168,239	64,326	799,177
Transportation	50,987	-	-	-	6,843,848	-	6,894,835
Fleet Services	-	702,705	-	595,705	-	-	1,298,410
Total public works	2,971,632	5,084,062	473,847	10,333,187	664,393,305	13,097,705	696,353,738
Cultural and Recreational							
Parks and recreation	9,213,313	9,119,705	5,941,304	1,402,573	-	3,352,187	29,029,082
Planning and Community Development							
Planning and zoning	437,552	307,695	450,901	163,185	673,267	46,488	2,079,088
Total capital assets	\$ 17,845,921	\$ 65,865,788	\$ 7,754,838	\$ 40,082,781	\$ 666,641,492	\$ 19,674,739	\$ 817,865,559

CITY OF CONCORD, NORTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
June 30, 2020

Statement 11

Function/Activity	June 30, 2019	Additions	Retirements/ Transfers	June 30, 2020
General Government				
Administration	\$ 25,894,263	\$ 180,521	\$ 1,153,196	\$ 24,921,588
Finance	350,284	66,579	25,122	391,741
Tax office	79,152	15,058	-	94,210
Human resources	528,182	-	29,546	498,636
Total general government	26,851,881	262,158	1,207,864	25,906,175
Public Safety				
Communications	1,588,318	80,786	-	1,669,104
Police	23,033,063	1,023,392	490,015	23,566,440
Fire	36,397,971	4,574,106	1,710,145	39,261,932
Total public safety	61,019,352	5,678,284	2,200,160	64,497,476
Public Works				
Streets	663,214,486	16,698,578	296,521	679,616,543
Sanitation	7,627,300	275,541	158,068	7,744,773
Cemeteries	649,261	149,916	-	799,177
Transportation	6,894,835	-	-	6,894,835
Fleet services	1,620,500	-	322,090	1,298,410
Total public works	680,006,382	17,124,035	776,679	696,353,738
Cultural and Recreational				
Parks and recreation	25,093,523	4,067,938	132,379	29,029,082
Planning and Community Development				
Planning and zoning	2,062,050	46,488	29,450	2,079,088
Total capital assets	\$ 795,033,188	\$ 27,178,903	\$ 4,346,532	\$ 817,865,559

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Supplemental Information

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

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CITY OF CONCORD, NORTH CAROLINA
GENERAL CAPITAL RESERVE PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020

Statement 12

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment Earnings	\$ 1,168,055	\$ 1,376,101	\$ 797,897	\$ 2,173,998
Expenditures				
Capital outlay	33,008,868	-	-	-
Total expenditures	33,008,868	-	-	-
Excess (deficiency) of revenues over expenditures	(31,840,813)	1,376,101	797,897	2,173,998
Other Financing Sources (Uses)				
Transfers In	35,660,457	31,310,458	4,350,000	35,660,458
Transfers Out	(3,819,644)	-	(3,819,644)	(3,819,644)
Total other financing sources (uses)	31,840,813	31,310,458	530,356	31,840,814
Excess of revenues and other financing sources (uses) over expenditures	\$ -	\$ 32,686,559	1,328,253	\$ 34,014,812
Fund Balance				
Beginning			<u>32,686,559</u>	
Ending			<u>\$ 34,014,812</u>	

CITY OF CONCORD, NORTH CAROLINA
HOUSING ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2020

Statement 13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Restricted intergovernmental revenues	\$ 4,117,800	\$ 4,222,774	\$ 4,072,510	\$ (150,264)
Investment earnings	500	500	3,574	3,074
Program income	830,929	830,929	800,095	(30,834)
Other income (loss)	500	500	4	(496)
Total revenues	4,949,729	5,054,703	4,876,183	(178,520)
Expenditures				
Administration	374,997	374,997	371,692	3,305
Housing assistance payments	4,574,732	4,679,706	4,480,648	199,058
Total expenditures	4,949,729	5,054,703	4,852,340	202,363
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	23,843	\$ 23,843
Fund Balance				
Beginning			<u>(6,158)</u>	
Ending			<u>\$ 17,685</u>	

CITY OF CONCORD, NORTH CAROLINA
MARKET RATE UNITS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2020

Statement 14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Program income	\$ 63,567	\$ 63,567	\$ 61,103	\$ (2,464)
Other income	-	-	2,648	2,648
Total revenues	63,567	63,567	63,751	184
Expenditures				
Administration	32,561	32,561	818	31,743
Total expenditures	32,561	32,561	818	31,743
Excess (deficiency) of revenues over expenditures	31,006	31,006	62,933	31,927
Other Financing Sources (Uses)				
Transfers out	(31,006)	(31,006)	(31,006)	-
Total other financing uses	(31,006)	(31,006)	(31,006)	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	31,927	\$ 31,927
Fund Balance				
Beginning			59,795	
Ending			<u>\$ 91,722</u>	

CITY OF CONCORD, NORTH CAROLINA
COMMUNITY DEVELOPMENT GRANT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020

Statement 15

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	\$ 3,066,882	\$ 1,383,291	\$ 407,714	\$ 1,791,005
Program income	66,311	63,646	33,837	97,483
Total revenues	3,133,193	1,446,937	441,551	1,888,488
Expenditures				
Administration	481,494	357,475	82,034	439,509
Rehabilitation	2,579,187	1,016,950	359,517	1,376,467
Total expenditures	3,060,681	1,374,425	441,551	1,815,976
Excess (deficiency) of revenues over expenditures	72,512	72,512	-	72,512
Other Financing Sources (Uses)				
Transfers Out	(72,512)	(72,512)	-	(72,512)
Total other financing sources (uses)	(72,512)	(72,512)	-	(72,512)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -

CITY OF CONCORD, NORTH CAROLINA

Statement 16

SECTION 108 LOAN/BEDI GRANT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2020

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment earnings	\$ 16,429	\$ 16,429	\$ -	\$ 16,429
Restricted intergovernmental revenues	1,000,000	1,000,000	-	1,000,000
Other income	1,343,365	1,343,363	-	1,343,363
Total revenues	2,359,794	2,359,792	-	2,359,792
Expenditures				
Rehabilitation	2,676,880	2,676,879	-	2,676,879
Debt service	2,879,103	1,729,425	1,149,677	2,879,102
Total expenditures	5,555,983	4,406,304	1,149,677	5,555,981
Excess (deficiency) of revenues over expenditures	(3,196,189)	(2,046,512)	(1,149,677)	(3,196,189)
Other Financing Sources (Uses)				
Debt issued	1,974,000	1,974,000	-	1,974,000
Transfers In	1,471,785	322,108	1,149,677	1,471,785
Transfers Out	(249,596)	(249,596)	-	(249,596)
Total other financing sources (uses)	3,196,189	2,046,512	1,149,677	3,196,189
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ -	\$ -	-	\$ -
Fund Balance				
Beginning			-	
Ending			\$ -	

CITY OF CONCORD, NORTH CAROLINA
HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020

Statement 17

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	\$ 5,305,151	\$ 1,448,480	\$ 836,847	\$ 2,285,327
Program income	881,351	642,990	214,081	857,071
Total revenues	6,186,502	2,091,470	1,050,928	3,142,398
Expenditures				
Administration	556,378	307,995	152,998	460,993
Rehabilitation	5,965,779	1,931,390	716,149	2,647,539
Total expenditures	6,522,157	2,239,385	869,147	3,108,532
Excess (deficiency) of revenues over expenditures	(335,655)	(147,915)	181,781	33,866
Other Financing Sources				
Transfers In	335,655	256,712	78,944	335,656
Total other financing sources	335,655	256,712	78,944	335,656
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 108,797	260,725	\$ 369,522
Fund Balance				
Beginning			108,797	
Ending			\$ 369,522	

**CITY OF CONCORD, NORTH CAROLINA
MUNICIPAL SERVICE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2020**

Statement 18

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 96,930	\$ 97,904	\$ 97,357	\$ (547)
Expenditures				
Community development	96,930	97,904	97,379	525
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(22)</u>	<u>\$ (22)</u>
Fund Balance				
Beginning			<u>(99)</u>	
Ending			<u>\$ (121)</u>	

CITY OF CONCORD, NORTH CAROLINA
ADDITIONAL VEHICLE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2020

Statement 19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Program income	\$ 390,000	\$ 390,000	\$ 348,588	\$ (41,412)
Investment earnings	-	-	851	851
Total revenues	390,000	390,000	349,439	(40,561)
Other Financing Uses				
Transfers out	(390,000)	(390,000)	(349,439)	40,561
Total other financing uses	(390,000)	(390,000)	(349,439)	40,561
Total of revenues and other financing uses	\$ -	\$ -	-	\$ -
Fund Balance				
Beginning			-	
Ending			<u>\$ -</u>	

CITY OF CONCORD, NORTH CAROLINA
PARKS AND RECREATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020

Statement 20

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Contributions	\$ 94,251	\$ 92,551	\$ 1,700	\$ 94,251
Restricted intergovernmental revenues	470,000	120,000	234,077	354,077
Total operating revenues	564,251	212,551	235,777	448,328
Operating Expenditures				
Northwest Park	1,492,681	6,639	1,403,630	1,410,269
McEachern Greenway	2,189,347	1,616,099	20,241	1,636,340
HVAC Gymnasiums	740,350	-	513,939	513,939
P&R Connectivity Plan	350,000	-	-	-
Parking Improvements-Logan Multi Ctr	47,000	-	-	-
Stream Restoration - McGee Park	210,000	585	32,819	33,404
Coddle Creek Greenway	679,800	23,583	37,162	60,745
Open Air Learning Center	128,787	-	128,787	128,787
Hector Henry Greenway	2,972,832	511,034	1,393,245	1,904,279
Total operating expenditures	8,810,797	2,157,940	3,529,823	5,687,763
Deficiency of revenues over expenditures before transfers	(8,246,546)	(1,945,389)	(3,294,046)	(5,239,435)
Transfers In				
Transfers in	8,246,546	6,451,545	1,795,000	8,246,545
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 4,506,156	\$ (1,499,046)	\$ 3,007,110

CITY OF CONCORD, NORTH CAROLINA
TRANSPORTATION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020

Statement 21

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 9,281,292	\$ 3,116,111	\$ 2,619,020	\$ 5,735,131
Investment earnings	715,202	1,092,329	432,565	1,524,894
Program income	3,371,565	3,073,952	348,584	3,422,536
Total operating revenues	13,368,059	7,282,392	3,400,169	10,682,561
Operating Expenditures				
Poplar Tent/Hwy 29 CMAQ	3,721,758	2,163,468	869,783	3,033,251
Hwy 601/Hwy 3 CMAQ	1,531,405	1,291,832	19,951	1,311,783
Future Improvements	1,417,437	-	-	-
Derita Rd	6,117,319	2,114,401	570	2,114,971
Traffic Management Center	3,797,500	3,558,847	54,927	3,613,774
NE Subset Sidewalk Extension	905,916	270,770	570,040	840,810
Virginia St SE Segment Improvements	1,500,000	-	1,044,147	1,044,147
Brookwood Phase Design	6,114,243	491,494	-	491,494
US 29 Bridge 66 & 69	15,553	-	-	-
ITS Expansion	1,250,000	468,554	347,493	816,047
US29/Copperfield SW & Bike Pro	273,211	20,495	52,430	72,925
Concord Mills Blvd Flyover	2,043,330	-	-	-
Pedestrian Improvements-Sidewalks	500,000	-	-	-
Bruton Smith Pedestrian Improvements	1,200,000	-	-	-
Spring/Chestnut/Broad Improvements	700,000	3,210	2,226	5,436
US601/Flowes Store Improvements	2,361,469	-	11,396	11,396
Union St S Sidewalk Extension	920,780	267	2,025	2,292
Downtown Pedestrian Signal Upgrade	312,000	-	305	305
Rock Hill Church/Poplar Tent	250,000	-	250,000	250,000
Bruton Smith/Weddington Intersection	182,099	-	-	-
Downtown Signal Replacement	440,000	54,811	48,000	102,811
I-85 Branding	250,000	-	-	-
Streetscape	22,708	-	-	-
Infrastructure	353,978	177,774	55,044	232,818
Total operating expenditures	36,180,706	10,615,923	3,328,337	13,944,260
Excess (deficiency) of revenues over expenditures before transfers	(22,812,647)	(3,333,531)	71,832	(3,261,699)
Other Financing Sources				
Transfers In	22,812,647	20,630,993	2,181,654	22,812,647
Total other financing sources	22,812,647	20,630,993	2,181,654	22,812,647
Excess of revenues and transfers over expenditures	\$ -	\$ 17,297,462	\$ 2,253,486	\$ 19,550,948

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020

Statement 22

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 220,000	\$ 23,880	\$ -	\$ 23,880
Contributions	514,315	473,531	40,784	514,315
Total operating revenues	734,315	497,411	40,784	538,195
Expenditures				
Contract services	-	91,162	967,293	1,058,455
Capital outlay	4,261,171	68,729	221,878	290,607
Total expenditures	4,261,171	159,891	1,189,171	1,349,062
Excess (deficiency) of revenues over expenditures before transfers	(3,526,856)	337,520	(1,148,387)	(810,867)
Transfer In	3,526,856	1,668,857	1,858,000	3,526,857
Excess of revenues and transfers over expenditures	\$ -	\$ 2,006,377	\$ 709,613	\$ 2,715,990

Change in net position:

General Fund Capital Projects Fund	\$ 709,613
First Concord Capital Project Fund (Statement 41)	(1,196)
	<u>\$ 708,417</u>

CITY OF CONCORD, NORTH CAROLINA
FIRE AND LIFE SAFETY CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020

Statement 23

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Expenditures				
Operating supplies	\$ -	\$ -	\$ 91,115	\$ 91,115
Capital outlay	7,533,684	241,078	2,659,509	2,900,587
Total operating expenditures	7,533,684	241,078	2,750,624	2,991,702
Deficiency of revenues over expenditures before transfers	(7,533,684)	(241,078)	(2,750,624)	(2,991,702)
Transfer In	7,533,684	6,185,468	1,350,000	7,535,468
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 5,944,390	\$ (1,400,624)	\$ 4,543,766

CITY OF CONCORD, NORTH CAROLINA
ELECTRIC OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020

Statement 24

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Operating Revenues				
Charges for services	\$ 84,468,598	\$ 80,468,598	\$ 82,313,202	\$ 1,844,604
Other operating revenues	1,023,845	928,841	936,647	7,806
Total operating revenues	85,492,443	81,397,439	83,249,849	1,852,410
Operating Expenditures				
Administration	3,151,455	3,480,071	3,470,523	9,548
Purchased power	52,474,382	48,024,883	39,403,663	8,621,220
Power line and plant	14,301,522	14,673,431	11,863,616	2,809,815
Total operating expenditures	69,927,359	66,178,385	54,737,802	11,440,583
Nonoperating Revenues (Expenditures)				
Capital outlay	(4,660,109)	(5,214,009)	(4,915,597)	298,412
Interest earned on investments	750,000	825,827	1,940,126	1,114,299
Debt service payments	(2,056,758)	(2,059,869)	(1,996,632)	63,237
Appropriated Fund Balance	530,415	24,535,302	-	(24,535,302)
Gain on sale of capital assets	-	626,014	626,014	-
Refunding bonds issued	-	1,628,542	1,628,542	-
Payment to refunded bond escrow agent	-	(2,707,215)	(2,707,215)	-
Cost of issuance	-	(17,547)	(13,257)	4,290
Total nonoperating expenditures	(5,436,452)	17,617,045	(5,438,019)	(23,055,064)
Income before capital contributions and transfers	10,128,632	32,836,099	23,074,028	(9,762,071)
Transfers In (Out)				
Transfers out	(10,128,632)	(32,836,099)	(32,836,099)	-
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ -	(9,762,071)	\$ (9,762,071)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,854,371)	
Capital outlay			4,915,597	
Unfunded OPEB Expense			233,812	
Pension expense			(344,642)	
Health claims incurred but not reported			11,561	
Decrease to workers comp claims reserve			(33,274)	
Debt service			4,191,052	
Refunding bonds issued			(1,628,542)	
Change in net position			\$ (7,270,878)	
Change in net position:				
Electric Operating Fund			\$ (7,270,878)	
Electric Projects Capital Projects Fund (Statement 25)			12,876,589	
Utility Capital Reserve Project Fund (Statement 30)			19,993,221	
			\$ 25,598,932	

CITY OF CONCORD, NORTH CAROLINA
ELECTRIC PROJECTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 25

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 1,673,000	\$ 1,284,191	\$ -	\$ 1,284,191
Total operating revenues	<u>1,673,000</u>	<u>1,284,191</u>	<u>-</u>	<u>1,284,191</u>
Operating Expenditures				
Contract cost	-	1,709,798	28,577	1,738,375
Capital outlay	31,174,139	8,569,666	2,484,418	11,054,084
Total operating expenditures	<u>31,174,139</u>	<u>10,279,464</u>	<u>2,512,995</u>	<u>12,792,459</u>
Deficiency of revenues over expenditures before transfers	<u>(29,501,139)</u>	<u>(8,995,273)</u>	<u>(2,512,995)</u>	<u>(11,508,268)</u>
Transfer In	29,501,139	16,595,974	12,905,166	29,501,140
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 7,600,701</u>	<u>10,392,171</u>	<u>\$ 17,992,872</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>2,484,418</u>	
Change in net position			<u>\$ 12,876,589</u>	

CITY OF CONCORD, NORTH CAROLINA
WATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020

Statement 26

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 23,498,760	\$ 23,498,760	\$ 24,996,311	\$ 1,497,551
Other operating revenues	913,475	1,113,664	1,238,032	124,368
Total operating revenues	24,412,235	24,612,424	26,234,343	1,621,919
Operating Expenditures				
Repairs and maintenance	1,824,715	1,747,115	1,088,010	659,105
Water plants and lakes	8,987,956	9,244,374	8,541,900	702,474
Water line operation and maintenance	8,203,885	11,285,538	10,745,952	539,586
Total operating expenditures	19,016,556	22,277,027	20,375,862	1,901,165
Nonoperating Revenues (Expenditures)				
Interest earned on investments	500,000	571,543	1,097,018	525,475
Capital outlay	(1,021,033)	(931,477)	(366,320)	565,157
Debt service	(2,975,491)	(2,978,426)	(2,916,052)	62,374
Gain on sale of capital assets	-	52,772	(98,456)	(151,228)
Appropriated Fund Balance	292,727	4,176,360	-	(4,176,360)
Cost of issuance	-	(16,556)	(12,508)	4,048
Payment to refunded bond escrow agent	-	(2,554,265)	(2,554,265)	-
Refunding bonds issued	-	1,536,534	1,536,534	-
Total nonoperating expenditures	(3,203,797)	(143,515)	(3,314,049)	(3,170,534)
Income before capital contributions and transfers	2,191,882	2,191,882	2,544,432	352,550
Transfers In (Out)				
To Project Fund	(2,191,882)	(2,191,882)	(2,263,614)	(71,732)
Capital Contributions	-	-	1,819,020	1,819,020
Excess of revenues, capital contributions over expenditures	\$ -	\$ -	2,099,838	\$ 2,099,838
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,389,554)	
Unfunded OPEB Expense			2,891,357	
Pension expense			(279,343)	
Health claims incurred but not reported			10,915	
Increase to workers comp claims reserve			-	
Capital outlay			366,320	
Debt service			4,622,640	
Refunding bonds issued			(1,536,534)	
Change in net position			\$ 3,785,639	
Change in net position:				
Water Operating Fund			\$ 3,785,639	
Water Projects Capital Project Fund (Statement 27)			3,009,444	
Utility Capital Reserve Project Fund (Statement 30)			1,039,311	
			\$ 7,834,394	

CITY OF CONCORD, NORTH CAROLINA
WATER PROJECTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 27

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Other income	\$ 8,000,000	\$ 4,102,679	\$ 1,811,820	\$ 5,914,499
Total operating revenues	8,000,000	4,102,679	1,811,820	5,914,499
Operating Expenditures				
Contract cost	-	2,272,145	18,325	2,290,470
Capital outlay	39,422,942	6,028,258	7,269,411	13,297,669
Total operating expenditures	39,422,942	8,300,403	7,287,736	15,588,139
Deficiency of revenues over expenditures before transfers	(31,422,942)	(4,197,724)	(5,475,916)	(9,673,640)
Transfer In	31,422,942	30,206,992	1,215,949	31,422,941
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 26,009,268	(4,259,967)	\$ 21,749,301
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>7,269,411</u>	
Change in net position			<u>\$ 3,009,444</u>	

CITY OF CONCORD, NORTH CAROLINA
WASTEWATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020

Statement 28

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Operating Revenues				
Charges for services	\$ 17,340,000	\$ 16,600,000	\$ 17,434,846	\$ 834,846
Other operating revenues	208,000	188,433	196,857	8,424
Total operating revenues	17,548,000	16,788,433	17,631,703	843,270
Operating Expenditures				
Repairs and maintenance	585,938	565,073	293,543	271,530
Wastewater line and plant	12,972,837	12,716,131	12,406,543	309,588
Total operating expenditures	13,558,775	13,281,204	12,700,086	581,118
Nonoperating Revenues (Expenditures)				
Interest earned on investments	271,000	409,281	707,227	297,946
Capital outlay	(1,377,314)	(1,135,253)	(395,131)	740,122
Debt service	(2,332,536)	(2,338,209)	(2,225,786)	112,423
Gain (loss) on sale of capital assets	-	56,935	7,269	(49,666)
Appropriated Fund Balance	980,702	3,030,215	-	(3,030,215)
Refunding bonds issued	-	2,969,887	2,969,887	-
Payment to refunded bond escrow agent	-	(4,937,008)	(4,937,008)	-
Cost of issuance	-	(32,000)	(24,177)	7,823
Total nonoperating expenditures	(2,458,148)	(1,976,152)	(3,897,719)	(1,921,567)
Income before capital contributions and transfers in	1,531,077	1,531,077	1,033,898	(497,179)
Capital Contributions	-	-	3,803,422	3,803,422
Transfers In (Out)				
Transfers out	(1,531,077)	(1,531,077)	(399,422)	1,131,655
Excess of revenues and operating transfers over expenditures	\$ -	\$ -	4,437,898	\$ 4,437,898
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(3,746,067)	
Capital outlay			395,131	
Unfunded OPEB Expense			(13,763)	
Pension expense			(135,805)	
Health claims incurred but not reported			5,089	
Debt service			6,867,134	
Refunding bonds issued			(2,969,887)	
Change in net position			\$ 4,839,730	
Change in net position:				
Wastewater Operating Fund			\$ 4,839,730	
Wastewater Projects Capital Project Fund (Statement 29)			1,467,596	
Utility Capital Reserve Project Fund (Statement 30)			394,925	
			\$ 6,702,251	

CITY OF CONCORD, NORTH CAROLINA
WASTEWATER PROJECTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 29

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Other income	\$ 7,293,125	\$ 2,659,856	\$ 1,477,596	\$ 4,137,452
Total operating revenues	<u>7,293,125</u>	<u>2,659,856</u>	<u>1,477,596</u>	<u>4,137,452</u>
Operating Expenditures				
Contract cost	15,337	-	10,000	10,000
Capital outlay	10,587,756	-	29,543	29,543
Total operating expenditures	<u>10,603,093</u>	<u>-</u>	<u>39,543</u>	<u>39,543</u>
Excess (deficiency) of revenues over expenditures before transfers	<u>(3,309,968)</u>	<u>2,659,856</u>	<u>1,438,053</u>	<u>4,097,909</u>
Transfer In	3,309,968	3,309,968	-	3,309,968
Excess of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 5,969,824</u>	<u>1,438,053</u>	<u>\$ 7,407,877</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>29,543</u>	
Change in net position			<u>\$ 1,467,596</u>	

**CITY OF CONCORD, NORTH CAROLINA
UTILITY CAPITAL RESERVE PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2020**

Statement 30

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Investment earnings	\$ -	\$ -	\$ 733,638	\$ 733,638
Expenditures				
Capital outlay	33,114,910	-	-	-
Other Financing Sources (Uses)				
Transfers In	36,531,635	12,341,948	24,110,544	36,452,492
Transfers Out	(3,416,725)	-	(3,416,725)	(3,416,725)
Total other financing sources	33,114,910	12,341,948	20,693,819	33,035,767
Excess of revenue and other financing sources over expenditures	\$ -	\$ 12,341,948	21,427,457	\$ 33,769,405
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ 21,427,457	

The change in net position is allocated as follows:

Electric Operating Fund	19,993,221
Water Operating Fund	1,039,311
Wastewater Operating Fund	394,925
	\$ 21,427,457

**CITY OF CONCORD, NORTH CAROLINA
REGIONAL AIRPORT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020**

Statement 31

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 11,054,415	\$ 9,600,508	\$ 8,916,145	\$ (684,363)
Other operating revenues	155,785	87,002	94,175	7,173
Total operating revenues	11,210,200	9,687,510	9,010,320	(677,190)
Operating Expenditures				
Airport operation and maintenance	10,479,917	11,871,202	9,032,967	2,838,235
Total operating expenditures	10,479,917	11,871,202	9,032,967	2,838,235
Nonoperating Revenues (Expenditures)				
Interest earned on investments	100,000	59,595	156,838	97,243
Capital outlay	(1,209,651)	(1,104,891)	(967,318)	137,573
Debt service	(1,242,582)	(1,262,582)	(1,254,083)	8,499
Gain on sale of fixed assets	-	34,340	(295,884)	(330,224)
Appropriation to Fund Balance	214,939	1,397,700	-	(1,397,700)
Total nonoperating expenditures	(2,137,294)	(875,838)	(2,360,447)	(1,484,609)
Income (loss) before capital contributions and transfers	(1,407,011)	(3,059,530)	(2,383,094)	676,436
Capital Contributions	946,454	3,192,715	2,754,062	(438,653)
Transfers In (Out)				
Transfers in	678,089	678,089	678,089	-
Transfers out	(217,532)	(811,274)	(811,274)	-
Excess of revenues and operating transfers over expenditures	\$ -	\$ -	237,783	\$ 237,783
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(3,040,022)	
Capital outlay			967,318	
Unfunded OPEB Expense			(23,281)	
Pension expense			(191,366)	
Health claims incurred but not reported			6,154	
Increase to workers comp claims reserve			28,726	
Debt service			1,010,452	
Change in net position			\$ (1,004,236)	
Change in net position:				
Regional Airport Operating Fund			\$ (1,004,236)	
Airport Capital Project Fund (Statement 32)			5,944,054	
First Concord Capital Project Fund (Statement 41)			(638,349)	
			\$ 4,301,469	

CITY OF CONCORD, NORTH CAROLINA
AIRPORT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 32

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 25,315,462	\$ 14,973,110	\$ 5,385,168	\$ 20,358,278
Investment earnings	5,931	4,486	-	4,486
Total operating revenues	25,321,393	14,977,596	5,385,168	20,362,764
Operating Expenditures				
Contract services	-	21,950	-	21,950
Cost of issuance	34,856	-	34,856	34,856
Capital outlay	34,081,321	22,539,886	6,992,404	29,532,290
Total operating expenditures	34,116,177	22,561,836	7,027,260	29,589,096
Deficiency of revenues over expenditures before transfers	(8,794,784)	(7,584,240)	(1,642,092)	(9,226,332)
Other Financing Sources				
Notes issued	6,669,000	5,759,000	910,000	6,669,000
Transfer In	2,125,784	1,531,246	593,742	2,124,988
Total other financing sources	8,794,784	7,290,246	1,503,742	8,793,988
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ (293,994)	(138,350)	\$ (432,344)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Notes issued			(910,000)	
Capital outlay			6,992,404	
Change in net position			\$ 5,944,054	

CITY OF CONCORD, NORTH CAROLINA
STORMWATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020

Statement 33

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 5,131,540	\$ 4,946,900	\$ 5,111,574	\$ 164,674
Other operating revenues	28,800	27,790	32,378	4,588
Total operating revenues	5,160,340	4,974,690	5,143,952	169,262
Operating Expenditures				
Stormwater operation and maintenance	3,164,733	3,517,732	3,283,740	233,992
Total operating expenditures	3,164,733	3,517,732	3,283,740	233,992
Nonoperating Revenues (Expenditures)				
Capital outlay	(347,000)	(292,510)	(292,506)	4
Interest earned on investments	80,000	80,000	250,179	170,179
Gain on sale of capital assets	-	26,279	26,278	(1)
Appropriated Fund Balance	(787,407)	(141,304)	-	141,304
Total nonoperating expenditures	(1,054,407)	(327,535)	(16,049)	311,486
Income before capital contributions and transfers	941,200	1,129,423	1,844,163	714,740
Transfers Out				
To Project Fund	(941,200)	(1,129,423)	(1,129,423)	-
Excess of revenues over expenditures and transfers out	\$ -	\$ -	714,740	\$ 714,740
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(1,830,160)	
Unfunded OPEB Expense			451,737	
Pension expense			(84,215)	
Health claims incurred but not reported			3,781	
Capital outlay			292,506	
Change in net position			\$ (451,611)	
Change in net position:				
Stormwater Operating Fund			\$ (451,611)	
Stormwater Capital Project Fund (Statement 34)			1,238,846	
			\$ 787,235	

CITY OF CONCORD, NORTH CAROLINA
STORMWATER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 34

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 140,000	\$ 140,000	\$ -	\$ 140,000
Total operating revenues	140,000	140,000	-	140,000
Operating Expenditures				
Contract cost	-	38,857	(114,623)	(75,766)
Capital outlay	9,189,485	5,027,654	857,560	5,885,214
Total operating expenditures	9,189,485	5,066,511	742,937	5,809,448
Deficiency of revenues over expenditures before transfers	(9,049,485)	(4,926,511)	(742,937)	(5,669,448)
Transfer In	9,049,485	7,925,262	1,124,223	9,049,485
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 2,998,751	381,286	\$ 3,380,037
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			857,560	
Change in net position			\$ 1,238,846	

CITY OF CONCORD, NORTH CAROLINA
GOLF COURSE OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020

Statement 35

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 1,119,903	\$ 1,119,903	\$ 1,352,039	\$ 232,136
Other operating revenues	639,134	639,134	692,509	53,375
Total operating revenues	1,759,037	1,759,037	2,044,548	285,511
Operating Expenditures				
Professional services	930,186	930,186	920,824	9,362
Other operating costs	820,581	820,581	860,483	(39,902)
Total operating expenditures	1,750,767	1,750,767	1,781,307	(30,540)
Nonoperating Revenues (Expenditures)				
Gain on sale of capital assets	-	-	6,687	6,687
Capital outlay	(39,932)	(31,177)	(37,004)	(5,827)
Appropriated Fund Balance	(3,538)	(3,538)	-	3,538
Total nonoperating revenues	(43,470)	(34,715)	(30,317)	4,398
Income before transfers	(35,200)	(26,445)	232,924	259,369
Transfers in (out)				
Transfers in	976,843	976,843	717,474	(259,369)
Among golf course funds	(941,643)	(950,398)	(950,398)	-
Excess of revenues over expenditures and transfers in (out)	\$ -	\$ -	-	\$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			37,004	
Depreciation			(89,256)	
Change in net position			\$ (52,252)	
Change in net position:				
Golf Course Operating Fund			\$ (52,252)	
Golf Capital Project Fund (Statement 36)			98,623	
First Concord Capital Project Fund (Statement 41)			946,675	
			\$ 993,046	

CITY OF CONCORD, NORTH CAROLINA
GOLF CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 36

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Expenditures				
Contract services	\$ 82,700	\$ 42,750	\$ 39,932	\$ 82,682
Capital outlay	443,740	304,737	138,554	443,291
Total operating expenditures	526,440	347,487	178,486	525,973
Deficiency of revenues over expenditures before transfers	(526,440)	(347,487)	(178,486)	(525,973)
Transfer In	526,440	387,886	138,555	526,441
Excess of revenues and transfers over expenditures	\$ -	\$ 40,399	(39,931)	\$ 468
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			138,554	
Change in net position			\$ 98,623	

CITY OF CONCORD, NORTH CAROLINA
HOUSING DEPARTMENT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020

Statement 37

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 358,619	\$ 358,619	\$ 494,602	\$ 135,983
Total operating revenues	358,619	358,619	494,602	135,983
Operating Expenditures				
Administrative	640,501	1,047,847	696,703	351,144
Utilities	285,366	285,366	241,639	43,727
Housing maintenance and repairs	444,039	443,039	360,666	82,373
Total operating expenditures	1,369,906	1,776,252	1,299,008	477,244
Nonoperating Revenues (Expenditures)				
Operating subsidy	892,814	1,300,160	929,139	(371,021)
Interest earned on investments	2,000	2,000	43,996	41,996
Miscellaneous	116,223	116,223	78,052	(38,171)
Capital outlay	(410,685)	(510,685)	(62,919)	447,766
Debt service	(3,750)	-	(4,750)	(4,750)
Appropriated Fund Balance	39,685	39,685	-	(39,685)
Total nonoperating revenues	636,287	947,383	983,518	36,135
Income before transfers	(375,000)	(470,250)	179,112	649,362
Transfers in (out)				
Transfer out	-	(39,147)	-	39,147
Transfer in	375,000	509,397	34,397	(475,000)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	213,509	\$ 213,509
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			(8,540)	
Pension expense			(62,844)	
Health claims incurred but not reported			1,787	
Increase to workers comp claims reserve			(3,403)	
Capital outlay			62,919	
Depreciation			(527,071)	
Change in net position			\$ (323,643)	
Change in net position:				
Housing Department Operating Fund			\$ (323,643)	
Housing Capital Project Fund (Statement 38)			-	
			\$ (323,643)	

CITY OF CONCORD, NORTH CAROLINA
HOUSING CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 38

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Federal grants	\$ 1,279,388	\$ 241,710	\$ 441,952	\$ 683,662
Total revenues	<u>1,279,388</u>	<u>241,710</u>	<u>441,952</u>	<u>683,662</u>
Expenditures				
Administrative	1,196,145	192,864	407,555	600,419
Capital outlay	48,846	48,846	-	48,846
Total expenditures	<u>1,244,991</u>	<u>241,710</u>	<u>407,555</u>	<u>649,265</u>
Excess of revenues over expenditures	34,397	-	34,397	34,397
Other Financing Sources (Uses)				
Transfers out	(34,397)	-	(34,397)	(34,397)
Total other financing sources (uses)	<u>(34,397)</u>	<u>-</u>	<u>(34,397)</u>	<u>(34,397)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<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
TRANSIT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 39

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Charges for services	\$ 1,160,290	\$ 999,988	\$ 299,012	\$ 1,299,000
Total operating revenues	1,160,290	999,988	299,012	1,299,000
Operating Expenditures				
Administrative	1,857,938	1,297,616	557,221	1,854,837
Professional services	12,972,792	9,376,137	3,388,315	12,764,452
Operating supplies	3,690,595	1,206,964	486,972	1,693,936
Miscellaneous	-	6,489	(78)	6,411
Total operating expenditures	18,521,325	11,887,206	4,432,430	16,319,636
Nonoperating Revenues (Expenditures)				
Operating subsidy	14,959,298	7,376,966	3,263,640	10,640,606
Gain on sale of capital assets	15,577	25,336	-	25,336
Capital outlay	(1,922,590)	(1,782,678)	-	(1,782,678)
Excess (deficiency) of revenues over expenditures before transfers	(4,308,750)	(5,267,594)	(869,778)	(6,137,372)
Transfers in (out)				
Transfer out	(2,548)	-	(2,548)	(2,548)
Transfer in	4,311,298	3,373,687	1,074,715	4,448,402
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ (1,893,907)	202,389	\$ (1,691,518)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(1,107,982)	
Unfunded OPEB Expense			(2,324)	
Pension expense			(27,002)	
Health claims incurred but not reported			1,120	
Change in net position			\$ (933,799)	

CITY OF CONCORD, NORTH CAROLINA
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2020

Statement 40
Page 1 of 2

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	\$ 2,885,096	\$ 2,768,901	\$ 116,195
Professional services	73,272	70,028	3,244
Other expenses	1,141,463	983,251	158,212
Capital outlay	300,879	204,118	96,761
Building and grounds allocation	(4,400,710)	(4,240,833)	(159,877)
	-	(214,535)	214,535
Data Services			
Salaries and benefits	106,784	107,775	(991)
Professional services	1,680,068	1,657,958	22,110
Other expenses	1,178,478	1,067,491	110,987
Capital outlay	426,400	306,724	119,676
Data services allocation	(3,522,088)	(3,132,632)	(389,456)
	(130,358)	7,316	(137,674)
Engineering			
Salaries and benefits	2,196,817	2,150,713	46,104
Professional services	11,964	799	11,165
Other expenses	374,582	235,810	138,772
Capital outlay	56,423	52,149	4,274
Engineering allocation	(2,639,786)	(2,554,392)	(85,394)
	-	(114,921)	114,921
Billing			
Salaries and benefits	1,049,512	1,104,187	(54,675)
Professional services	2,449	99,580	(97,131)
Other expenses	500,001	456,941	43,060
Capital outlay	152,000	47,178	104,822
Billing allocation	(1,829,719)	(1,893,955)	64,236
	(125,757)	(186,069)	60,312
Customer Care			
Salaries and benefits	1,408,867	1,428,323	(19,456)
Professional services	36,055	18,752	17,303
Other expenses	245,702	191,243	54,459
Customer care allocation	(1,889,994)	(1,933,566)	43,572
	(199,370)	(295,248)	95,878

(Continued)

CITY OF CONCORD, NORTH CAROLINA
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2020

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Warehouse Operations			
Salaries and benefits	\$ 433,462	\$ 430,710	\$ 2,752
Professional services	4,554	3,230	1,324
Other expenses	109,934	74,278	35,656
Warehouse allocation	(547,950)	(548,275)	325
	<u>-</u>	<u>(40,057)</u>	<u>40,057</u>
Utilities Collection			
Salaries and benefits	292,489	295,519	(3,030)
Professional services	84,018	82,339	1,679
Other expenses	96,538	86,977	9,561
Utilities collection allocation	(500,650)	(514,736)	14,086
	<u>(27,605)</u>	<u>(49,901)</u>	<u>22,296</u>
Total operating expenditures	<u>(483,090)</u>	<u>(893,415)</u>	<u>410,325</u>
Transfers out	(483,090)	(483,090)	-
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>410,325</u>	<u>\$ 410,325</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		(419,557)	
Unfunded OPEB Expense		(64,643)	
Pension expense		(553,119)	
Increase to health claims incurred but not reported		18,481	
Decrease to workers comp claims reserve		(1,656)	
Capital outlay		610,169	
Change in net position		<u>\$ -</u>	
Change in net position:			
Internal Service Fund		\$ -	
First Concord Capital Project Fund (Statement 41)		144,127	
		<u>\$ 144,127</u>	

CITY OF CONCORD, NORTH CAROLINA
FIRST CONCORD CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2020

Statement 41

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Investment earnings	\$ 32,496	\$ 31,830	\$ 4,382	\$ 36,212
Gain on sale of capital assets	-	11,389	(424,659)	(413,270)
Total revenue	<u>32,496</u>	<u>43,219</u>	<u>(420,277)</u>	<u>(377,058)</u>
Expenditures				
Debt service	28,485,847	24,298,103	4,270,660	28,568,763
Cost of issuance	563,201	548,896	-	548,896
Contract services	-	26,065	11,226	37,291
Capital outlay:				
Market St lot redevelopment	1,358,176	-	-	-
Generator relocation	800,000	-	-	-
Total expenditures	<u>31,207,224</u>	<u>24,873,064</u>	<u>4,281,886</u>	<u>29,154,950</u>
Deficiency of revenues over expenditures	<u>(31,174,728)</u>	<u>(24,829,845)</u>	<u>(4,702,163)</u>	<u>(29,532,008)</u>
Other Financing Sources (Uses)				
Transfers in	30,487,520	26,191,814	4,281,174	30,472,988
Issuance of refunding bonds	9,235,000	9,235,000	-	9,235,000
Premium on refunding bonds	508,201	508,200	-	508,200
Payment to refunded bonds escrow agent	(9,180,000)	(9,180,000)	-	(9,180,000)
Issuance of bonds	124,007	124,007	-	124,007
Total other financing sources	<u>31,174,728</u>	<u>26,879,021</u>	<u>4,281,174</u>	<u>31,160,195</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 2,049,176</u>	<u>(420,989)</u>	<u>\$ 1,628,187</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Debt service principal payments			3,160,000	
Depreciation and amortization			(2,652,054)	
Change in net position			<u>\$ 86,957</u>	
The change in First Concord net position is allocated as follows:				
General Fund Capital Projects Fund			(1,196)	
Governmental activities			(364,300)	
Internal Service Fund			144,127	
Golf Course Fund			946,675	
Regional Airport Fund			(638,349)	
			<u>\$ 86,957</u>	

CITY OF CONCORD, NORTH CAROLINA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2020

Statement 42

	Balance July 1, 2019	Addition	Deduction	Balance June 30, 2020
Employee's Insurance Fund:				
Assets:				
Cash	\$ 4,012,968	\$ 11,042,128	\$ 10,153,730	\$ 4,901,366
Liabilities:				
Agency payable	\$ 4,012,968	\$ 10,883,828	\$ 9,995,430	\$ 4,901,366
Total agency funds:				
Assets:				
Cash	\$ 4,012,968	\$ 11,042,128	\$ 10,153,730	\$ 4,901,366
Liabilities:				
Agency payable	\$ 4,012,968	\$ 10,883,828	\$ 9,995,430	\$ 4,901,366

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 57,232,731	\$ 56,597,931	\$ 634,800
2018-2019	894,617	-	777,806	116,811
2017-2018	401,398	-	71,862	329,536
2016-2017	58,705	-	(12,522)	71,227
2015-2016	66,511	-	3,152	63,359
2014-2015	66,576	-	(610)	67,186
2013-2014	43,135	-	1,420	41,715
2012-2013	105,472	-	(5,640)	111,112
2011-2012	75,588	-	24,212	51,376
2010-2011	42,601	-	2,242	40,359
2009-2010	65,494	-	65,494	-
	<u>\$ 1,820,097</u>	<u>\$ 57,232,731</u>	<u>\$ 57,525,347</u>	<u>1,527,481</u>
Less allowance for uncollectible ad valorem taxes receivable				<u>381,870</u>
Ad valorem taxes receivable				<u><u>\$ 1,145,611</u></u>

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	\$ 56,755,201	\$ 97,132	
Releases of prior years' taxes	1,156	-	
Miscellaneous adjustment	581,897	-	
Taxes written off	89,939	22	
Total collections and credits	<u>\$ 57,428,193</u>	<u>\$ 97,154</u>	\$ 57,525,347
Interest billed and collected during the year			136,603
Releases of prior years' taxes			(1,156)
Miscellaneous adjustment			(581,897)
Taxes written off			(89,961)
Total Ad valorem taxes			<u><u>\$ 56,988,936</u></u>

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2020

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy	
				Property	Registered Motor Vehicles
Original levy:					
City wide	\$ 10,733,415,204	0.48	\$ 51,520,393	\$ 51,520,393	\$ -
Municipal Service District	41,450,357	0.23	95,336	95,336	-
Current year's rate, Motor vehicles	959,371,458	0.48	4,604,983	-	4,604,983
Discoveries/additional listings:					
Current year taxes, City wide	230,528,019	0.48	1,106,534	1,106,534	-
Current year taxes, MSD	2,181,652	0.23	5,018	5,018	-
Current year's rate, Motor vehicles	266,842	0.48	1,281	-	1,281
Abatements:					
Current year's rate, City wide	(20,858,275)	0.48	(100,120)	(100,120)	-
Current year's rate, MSD	(266,900)	0.23	(614)	(614)	-
Current year's rate, Motor vehicles	(16,760)	0.48	(80)	-	(80)
Total for year	\$ 11,946,071,597		57,232,731	52,626,547	4,606,184
Less uncollected tax at June 30, 2020			634,800	634,800	-
Current year's taxes collected			\$ 56,597,931	\$ 51,991,747	\$ 4,606,184
Current levy collection percentage			98.89%	98.79%	100.00%
Distribution of levy:					
General Fund			\$ 57,132,991		
Municipal Service District			99,740		
			\$ 57,232,731		

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2020

	Reported Value	Fair Value
Cash		
On hand	\$ 8,200	\$ 8,200
Demand deposits	19,946,071	19,946,071
Certificates of deposit	500,000	500,000
Total cash	20,454,271	20,454,271
Investments		
North Carolina Capital Management Trust	25,088,761	25,088,761
US Treasury	-	-
Federal Farm Credit	75,455,380	75,455,380
FNMA Discount Notes	56,233,761	56,233,761
Federal Home Loan	63,185,237	63,185,237
Federal Home Loan Mortgage Corporation	74,970,912	74,970,912
Commercial Paper	55,555,458	55,912,143
Total investments	350,489,509	350,846,194
Total cash and investments	\$ 370,943,780	\$ 371,300,465
Distribution by Fund		
General Fund:		
Unrestricted	\$ 61,886,285	
Restricted	9,532,069	\$ 71,418,354
Special Revenue Funds (Unrestricted):		
Housing Assistance Fund		112,611
Market Rate Units Fund		94,667
Community Development Fund		-
Section 108 Loan/BEDI Grant Fund		-
Home Fund		281,194
Municipal Service District		-
Capital Project Funds:		
Parks (Unrestricted)		3,410,136
Transportation (Unrestricted)		19,308,862
General Fund Capital Project Fund:		
Unrestricted	1,530,349	
Restricted	615,126	2,145,475
General Fund Capital Reserve Project Fund (Restricted)		33,891,310
Fire and Life Safety (Unrestricted)		4,845,903

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2020

Distribution by Fund (Continued)		
Enterprise Funds:		
Electric Fund:		
Unrestricted	\$ 108,993,623	
Restricted	<u>2,618,387</u>	\$ 111,612,010
Water Fund:		
Unrestricted	61,964,862	
Restricted	<u>1,046,169</u>	63,011,031
Wastewater Fund:		
Unrestricted	30,054,146	
Restricted	<u>97,529</u>	30,151,675
Regional Airport Fund:		
Unrestricted	6,874,057	
Restricted	<u>111,117</u>	6,985,174
Stormwater Fund (Unrestricted)		13,474,918
Golf Course Fund (Unrestricted)		470,564
Housing Department Fund:		
Unrestricted	1,536,381	
Restricted	<u>41,414</u>	1,577,795
Internal Service Fund:		
Unrestricted	2,967,868	
Restricted	<u>282,867</u>	3,250,735
Agency Fund		4,901,366
Total reported value		<u><u>\$ 370,943,780</u></u>

CITY OF CONCORD, NORTH CAROLINA
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
 Year Ended June 30, 2020

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Oppor. and Supportive Services 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Public Housing CARES 14.PHC	Housing Choice Vouchers CARES 14.HCC
Assets:								
Current Assets:								
Cash:								
111	Cash - unrestricted	\$ 1,493,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Cash - other restricted	65,401	-	52,058	-	-	-	51,834
114	Cash - tenant security deposits	41,414	-	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	-	-	8,212	-	-	-	-
100	Total cash	1,600,719	-	60,270	-	-	-	51,834
Accounts and notes receivable:								
121	Accounts receivable - PHA projects	-	-	37,958	-	-	-	-
122	Accounts receivable - HUD other projects	6,477	-	26,857	-	-	-	-
125	Accounts receivable - miscellaneous	316	-	208	-	-	-	-
126	Accounts receivable - tenants - dwelling units	14,070	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(5,787)	-	-	-	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-	-	-
128	Fraud recovery	6,483	-	1,169	-	-	-	-
128.1	Allowance for doubtful accounts - other	(1,621)	-	(292)	-	-	-	-
129	Accrued interest receivable	7,249	-	410	-	-	-	-
120	Total receivables	27,187	-	66,310	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
150	Total current assets	1,627,906	-	126,580	-	-	-	51,834
Noncurrent Assets:								
161	Land	577,382	-	-	-	-	-	-
162	Buildings	2,783,495	-	-	-	-	-	-
164	Furniture, equipment, machinery - administration	154,522	-	-	-	-	-	-
165	Leasehold improvements	25,391	-	-	-	-	-	-
166	Accumulated depreciation	(2,170,866)	-	-	-	-	-	-
167	Construction in progress	25,800	-	-	-	-	-	-
180	Total non-current assets	1,395,724	-	-	-	-	-	-
190	Total Assets	3,023,630	-	126,580	-	-	-	51,834
200	Deferred Outflow of Resources	196,556	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	\$ 3,220,186	\$ -	\$ 126,580	\$ -	\$ -	\$ -	\$ 51,834
Liabilities and Equity:								
Liabilities:								
Current Liabilities:								
312	Accounts payable (less than or equal to 90 days)	\$ 50,104	\$ -	\$ 24,132	\$ -	\$ -	\$ -	\$ -
321	Accrued wage/payroll taxes payable	17,749	-	12,180	-	-	-	-
322	Accrued compensated absences	41,905	-	4,722	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-
341	Tenant security deposits	41,414	-	-	-	-	-	-
342	Unearned revenue	-	-	-	-	-	-	51,834
343	Current portion of long-term debt - capital projects/mortgage rev bonds	34,741	-	-	-	-	-	-
345	Other current liabilities	-	-	8,212	-	-	-	-
346	Accrued liability - other	15,737	-	-	-	-	-	-
310	Total current liabilities	201,650	-	49,246	-	-	-	51,834

(Continued)

CITY OF CONCORD, NORTH CAROLINA
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
 Year Ended June 30, 2020

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Oppor. and Supportive Services 14.87	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Public Housing CARES 14.PHC	Housing Choice Vouchers CARES 14.HCC
Non-current Liabilities:								
351	Long-term debt, net of current - capital projects/mortgage revenue	\$ 405,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
353	Non-current liabilities - other	65,401	-	58,166	-	-	-	-
354	Accrued compensated absences - non current	18,827	-	2,121	-	-	-	-
357	Accrued pension and OPEB liabilities	830,199	-	-	-	-	-	-
350	Total non-current liabilities	1,320,289	-	60,287	-	-	-	-
300	Total liabilities	1,521,939	-	109,533	-	-	-	51,834
400	Deferred Inflow of Resources	145,887	-	-	-	-	-	-
Equity:								
Contributed Capital:								
508.1	Net investment in capital assets	1,369,924	-	-	-	-	-	-
511.1	Restricted net position	-	-	-	-	-	-	-
512.1	Unrestricted net position	182,436	-	17,047	-	-	-	-
513	Total equity	1,552,360	-	17,047	-	-	-	-
600	Total liabilities, deferred inflows of resources and equity	\$ 3,220,186	\$ -	\$ 126,580	\$ -	\$ -	\$ -	\$ 51,834
Revenues:								
70300	Net tenant rental revenue	\$ 494,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	78,052	-	-	-	-	-	-
70600	HUD PHA operating grants	785,042	26,380	4,058,140	407,555	48,005	6,477	14,240
70610	Capital grants	62,919	-	-	34,397	-	-	-
70800	Othr government grants	317	-	-	-	-	-	-
71100	Investment income - unrestricted	33,974	-	1,721	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-
71500	Other income	414	-	801,387	-	-	-	-
71600	Gain or loss on sale of capital assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	Total revenues	1,454,907	26,380	4,861,248	441,952	48,005	6,477	14,240
Expenses:								
Administrative:								
91100	Administrative salaries	238,599	-	198,223	-	-	-	-
91200	Auditing fees	1,671	-	2,327	-	-	-	-
91500	Employee benefit contributions	173,164	-	62,945	-	-	-	-
91600	Office expenses	36,302	1,783	31,768	-	-	4,215	-
91800	Travel	6,189	3,597	1,251	-	-	-	-
91900	Other	20,646	-	18,009	-	-	-	-
92100	Tenant services - salaries	33,214	-	-	-	33,031	-	-
92300	Tenant services - employee benefit contributions	14,468	-	-	-	13,588	-	-
92400	Tenant services - other	31,776	21,000	-	-	-	2,262	14,240
93100	Water	43,793	-	-	-	-	-	-
93200	Electricity	82,401	-	-	-	-	-	-
93300	Gas	60,151	-	-	-	-	-	-
93600	Sewer	44,723	-	-	-	-	-	-
93800	Other utility expense	10,570	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	65,158	-	27,466	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	107,374	-	-	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	597,938	-	-	-	-	-	-
94500	Ordinary maintenance and operations - employee benefit contributions	22,916	-	9,968	-	-	-	-

(Continued)

CITY OF CONCORD, NORTH CAROLINA
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
 Year Ended June 30, 2020

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Oppor. and Supportive Services 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872	Family Self Sufficiency 14.896	Public Housing CARES 14.PHC	Housing Choice Vouchers CARES 14.HCC
96100	Insurance premiums	\$ 19,310	\$ -	\$ 1,930	\$ -	\$ -	\$ -	\$ -
96200	Other general expense	34,681	-	7,293	-	-	-	-
96210	Compensated absences	21,225	-	9,124	-	1,386	-	-
96400	Bad debt - tenant rents	19,479	-	-	-	-	-	-
96600	Bad debt - other	-	-	1,259	-	-	-	-
96720	Interest on notes payable (short and long term)	4,750	-	-	-	-	-	-
96900	Total operating expenses	1,690,498	26,380	371,563	-	48,005	6,477	14,240
97000	Excess of operating revenues over expenditures	(235,591)	-	4,489,685	441,952	-	-	-
97100	Extraordinary maintenance	12,953	-	-	-	-	-	-
97300	Housing assistance payments	-	-	3,714,597	-	-	-	-
97350	HAP portability-in	-	-	751,812	-	-	-	-
97400	Depreciation expense	70,755	-	-	-	-	-	-
90000	Total expenses	1,774,206	26,380	4,837,972	-	48,005	6,477	14,240
10010	Operating transfer in	407,555	-	-	-	-	-	-
10020	Operating transfer out	-	-	-	(407,555)	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-
10000	Excess of revenue over expenses	88,256	-	23,276	34,397	-	-	-
11030	Beginning equity	1,429,657	-	(6,229)	-	-	-	-
11040	Prior period adjustments, equity transfers & correction of errors	34,447	-	-	(34,397)	-	-	-
	Ending equity	\$ 1,552,360	\$ -	\$ 17,047	\$ -	\$ -	\$ -	\$ -
Memo information:								
11170	Administrative fee equity	-	-	17,048	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-
11190	Unit months available	2,060	-	7,212	-	-	-	-
11210	Number of unit months leased	1,977	-	5,598	-	-	-	-
11270	Excess cash	1,219,981	-	-	-	-	-	-
11620	Building purchases	-	-	-	34,397	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-
11650	Leasehold improvement purchases	-	-	-	-	-	-	-

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS
June 30, 2020

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Electric Fund					
Capital assets, not being depreciated:					
Land	\$ 1,172,514	\$ 1,328,966	\$ -	\$ -	\$ 2,501,480
Construction in progress	9,804,212	4,028,102	3,357,110	-	10,475,204
Total capital assets, not being depreciated	10,976,726	5,357,068	3,357,110	-	12,976,684
Capital assets, being depreciated:					
Buildings	5,620,676	-	-	-	5,620,676
Improvements other than buildings	125,133,186	4,359,155	-	-	129,492,341
Machinery and equipment	11,257,710	1,040,902	1,759,122	-	10,539,490
Total capital assets, being depreciated	142,011,572	5,400,057	1,759,122	-	145,652,507
Accumulated depreciation:					
Buildings	2,832,339	136,113	-	-	2,968,452
Improvements other than buildings	76,970,914	3,630,661	-	-	80,601,575
Machinery and equipment	8,178,779	1,136,312	1,759,122	-	7,555,969
Total accumulated depreciation	87,982,032	4,903,086	1,759,122	-	91,125,996
Total capital assets, being depreciated, net	54,029,540	496,971	-	-	54,526,511
Electric Fund capital assets, net	\$ 65,006,266	\$ 5,854,039	\$ 3,357,110	\$ -	\$ 67,503,195
Water Fund					
Capital assets, not being depreciated:					
Land	\$ 1,083,514	\$ -	\$ 151,737	\$ -	\$ 931,777
Construction in progress	8,576,601	7,187,801	-	-	15,764,402
Total capital assets, not being depreciated	9,660,115	7,187,801	151,737	-	16,696,179
Capital assets, being depreciated:					
Buildings	15,259,995	-	-	-	15,259,995
Improvements other than buildings	140,081,918	1,853,660	-	-	141,935,578
Machinery and equipment	3,524,144	413,290	119,390	84,318	3,902,362
Total capital assets, being depreciated	158,866,057	2,266,950	119,390	84,318	161,097,935
Accumulated depreciation:					
Buildings	6,307,592	500,829	-	-	6,808,421
Improvements other than buildings	66,668,663	3,653,918	-	-	70,322,581
Machinery and equipment	2,595,550	315,819	119,390	84,318	2,876,297
Total accumulated depreciation	75,571,805	4,470,566	119,390	84,318	80,007,299
Total capital assets, being depreciated, net	83,294,252	(2,203,616)	-	-	81,090,636
Water Fund capital assets, net	\$ 92,954,367	\$ 4,984,185	\$ 151,737	\$ -	\$ 97,786,815

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2020

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Wastewater Fund					
Capital assets, not being depreciated:					
Land	\$ 1,065,402	\$ -	\$ -	\$ -	\$ 1,065,402
Construction in progress	-	29,543	-	-	29,543
Total capital assets, not being depreciated	1,065,402	29,543	-	-	1,094,945
Capital assets, being depreciated:					
Buildings	1,920,754	-	-	-	1,920,754
Improvements other than buildings	127,263,689	3,803,422	-	-	131,067,111
Machinery and equipment	3,883,282	395,131	204,595	-	4,073,818
Total capital assets, being depreciated	133,067,725	4,198,553	204,595	-	137,061,683
Accumulated depreciation:					
Buildings	870,510	47,608	-	-	918,118
Improvements other than buildings	51,362,303	3,296,207	-	-	54,658,510
Machinery and equipment	2,179,470	427,428	154,928	-	2,451,970
Total accumulated depreciation	54,412,283	3,771,243	154,928	-	58,028,598
Total capital assets, being depreciated, net	78,655,442	427,310	49,667	-	79,033,085
Wastewater Fund capital assets, net	\$ 79,720,844	\$ 456,853	\$ 49,667	\$ -	\$ 80,128,030
Regional Airport Fund					
Capital assets, not being depreciated:					
Land	\$ 26,236,458	\$ -	\$ 772,383	\$ -	\$ 25,464,075
Construction in progress	6,896,677	6,115,815	-	-	13,012,492
Total capital assets, not being depreciated	33,133,135	6,115,815	772,383	-	38,476,567
Capital assets, being depreciated:					
Buildings	39,160,803	876,589	-	-	40,037,392
Improvements other than buildings	48,185,574	-	-	-	48,185,574
Machinery and equipment	3,352,880	967,318	172,540	24,338	4,171,996
Total capital assets, being depreciated	90,699,257	1,843,907	172,540	24,338	92,394,962
Accumulated depreciation:					
Buildings	14,653,875	1,369,107	-	-	16,022,982
Improvements other than buildings	17,947,304	1,715,478	-	-	19,662,782
Machinery and equipment	2,234,995	360,456	172,540	24,338	2,447,249
Total accumulated depreciation	34,836,174	3,445,041	172,540	24,338	38,133,013
Total capital assets, being depreciated, net	55,863,083	(1,601,134)	-	-	54,261,949
Regional Airport Fund capital assets, net	\$ 88,996,218	\$ 4,514,681	\$ 772,383	\$ -	\$ 92,738,516

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2020

	July 1, 2019	Increases	Decreases	Transfers	June 30, 2020
Stormwater Fund					
Capital assets, not being depreciated:					
Land	\$ 114,282	\$ -	\$ -	\$ -	\$ 114,282
Construction in progress	4,720,346	857,560	-	-	5,577,906
Total capital assets, not being depreciated	4,834,628	857,560	-	-	5,692,188
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	57,551,664	-	-	-	57,551,664
Machinery and equipment	2,537,889	292,506	247,266	-	2,583,129
Total capital assets, being depreciated	60,166,062	292,506	247,266	-	60,211,302
Accumulated depreciation:					
Buildings	26,138	2,380	-	-	28,518
Improvements other than buildings	20,226,361	1,565,139	-	-	21,791,500
Machinery and equipment	1,725,311	262,641	247,266	-	1,740,686
Total accumulated depreciation	21,977,810	1,830,160	247,266	-	23,560,704
Total capital assets, being depreciated, net	38,188,252	(1,537,654)	-	-	36,650,598
Stormwater Fund capital assets, net	\$ 43,022,880	\$ (680,094)	\$ -	\$ -	\$ 42,342,786
Nonmajor Enterprise Funds and Internal Service Fund					
Capital assets, not being depreciated:					
Land	\$ 11,209,318	\$ -	\$ -	\$ -	\$ 11,209,318
Construction in progress	-	25,800	-	-	25,800
Total capital assets, not being depreciated	11,209,318	25,800	-	-	11,235,118
Capital assets, being depreciated:					
Buildings	17,444,721	-	401,452	-	17,043,269
Improvements other than buildings	1,232,274	138,554	-	-	1,370,828
Machinery and equipment	13,463,318	684,292	87,064	(24,338)	14,036,208
Total capital assets, being depreciated	32,140,313	822,846	488,516	(24,338)	32,450,305
Accumulated depreciation:					
Buildings	7,333,414	719,608	401,452	-	7,651,570
Improvements other than buildings	563,927	73,223	-	-	637,150
Machinery and equipment	9,526,827	1,494,074	87,064	(24,338)	10,909,499
Total accumulated depreciation	17,424,168	2,286,905	488,516	(24,338)	19,198,219
Total capital assets, being depreciated, net	14,716,145	(1,464,059)	-	-	13,252,086
Nonmajor Enterprise Funds capital assets, net	\$ 25,925,463	\$ (1,438,259)	\$ -	\$ -	\$ 24,487,204
Business-type activities capital assets, net	\$395,626,038	\$13,691,405	\$ 4,330,897	\$ -	\$404,986,546

SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT

June 30, 2020

	July 1, 2019	Increases	Decreases	June 30, 2020	Current Maturities
Electric Fund					
Revenue bonds	\$ 13,382,430	\$ 1,628,542	\$ 4,191,052	\$ 10,819,920	\$ 1,038,637
Plus premium on revenue bonds	1,564,693	-	141,579	1,423,114	-
Compensated absences	466,450	431,223	377,384	520,289	359,000
Net pension liability (LGERS)	1,368,074	265,719	-	1,633,793	-
Net OPEB liability	273,916	-	657,728	(383,812)	-
Electric Fund long-term debt	\$ 17,055,563	\$ 2,325,484	\$ 5,367,743	\$ 14,013,304	\$ 1,397,637
Water Fund					
Revenue bonds	\$ 21,903,099	\$ 1,536,534	\$ 4,622,640	\$ 18,816,993	\$ 1,667,275
Plus premium on revenue bonds	2,522,140	-	216,599	2,305,541	-
Compensated absences	249,971	319,056	281,414	287,613	198,453
Net pension liability (LGERS)	1,181,269	184,902	-	1,366,171	-
Net OPEB liability	2,917,955	-	3,238,896	(320,941)	-
Water Fund long-term debt	\$ 28,774,434	\$ 2,040,492	\$ 8,359,549	\$ 22,455,377	\$ 1,865,728
Wastewater Fund					
Revenue bonds	\$ 9,605,296	\$ 2,969,887	\$ 6,867,134	\$ 5,708,049	\$ 1,089,847
Plus premium on revenue bonds	593,400	-	110,876	482,524	-
Compensated absences	102,209	125,689	105,438	122,460	84,498
Net pension liability (LGERS)	564,079	94,187	-	658,266	-
Net OPEB liability	1,302,250	-	154,641	1,147,609	-
Wastewater Fund long-term debt	\$ 12,167,234	\$ 3,189,763	\$ 7,238,089	\$ 8,118,908	\$ 1,174,345
Regional Airport Fund					
Installment purchase	\$ 9,088,555	\$ 910,000	\$ 1,010,452	\$ 8,988,103	\$ 1,101,620
Installment notes	374,000	-	188,100	185,900	185,900
Plus premium on LOBs	22,869	-	10,164	12,705	-
Compensated absences	130,460	138,622	106,889	162,193	111,913
Net pension liability (LGERS)	747,221	152,768	-	899,989	-
Net OPEB liability	1,736,686	-	211,426	1,525,260	-
Regional Airport Fund long-term debt	\$ 12,099,791	\$ 1,201,390	\$ 1,527,031	\$ 11,774,150	\$ 1,399,433
Stormwater Fund					
Compensated absences	\$ 92,277	\$ 73,255	\$ 81,153	\$ 84,379	\$ 58,221
Net pension liability (LGERS)	379,105	46,070	-	425,175	-
Net OPEB liability	915,758	-	557,763	357,995	-
Stormwater Fund long-term debt	\$ 1,387,140	\$ 119,325	\$ 638,916	\$ 867,549	\$ 58,221
Nonmajor Enterprise Funds and Internal Service Fund					
Installment notes	\$ 7,191,775	\$ -	\$ 1,151,725	\$ 6,040,050	\$ 1,185,900
Plus premium on LOBs	512,815	-	101,097	411,718	-
Compensated absences	489,885	530,988	432,447	588,426	406,014
Net pension liability (LGERS)	2,543,848	499,281	-	3,043,129	-
Net OPEB liability	5,640,223	-	714,895	4,925,328	-
Nonmajor Enterprise Funds long-term debt	\$ 16,378,546	\$ 1,030,269	\$ 2,400,164	\$ 15,008,651	\$ 1,591,914
Business-type activities long-term debt	\$ 87,862,708	\$ 9,906,723	\$ 25,531,492	\$ 72,237,939	\$ 7,487,278

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Statistical Section

This part of the City of Concord's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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Financial Trends These tables contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	164
Revenue Capacity 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
Debt Capacity 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
Demographic and Economic Information 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
Operating Information 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 comprehensive annual financial reports for the relevant year.

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$280,799,254	\$268,758,293	\$260,979,309	\$279,817,761	\$303,629,133	\$299,048,429	\$312,710,029	\$317,112,060	\$316,363,203	\$326,124,878
Restricted	17,123,716	15,197,259	15,054,357	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865
Unrestricted	50,007,074	53,887,440	59,614,980	54,435,103	61,910,544	76,521,941	77,341,541	66,036,514	72,235,591	58,705,356
Total governmental activities net position	<u>\$347,930,044</u>	<u>\$337,842,992</u>	<u>\$335,648,646</u>	<u>\$356,229,851</u>	<u>\$386,753,643</u>	<u>\$392,271,004</u>	<u>\$410,541,469</u>	<u>\$407,307,337</u>	<u>\$410,898,753</u>	<u>\$422,250,099</u>
Business-type activities										
Net investment in capital assets	\$249,883,977	\$253,341,005	\$258,370,354	\$273,797,482	\$279,995,482	\$297,636,341	\$309,519,783	\$323,941,763	\$331,877,156	\$352,506,369
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	99,653,376	116,159,507	123,703,593	130,036,600	144,548,886	164,225,843	169,450,247	163,072,895	200,109,606	224,584,405
Total business-type activities net position	<u>\$349,537,353</u>	<u>\$369,500,512</u>	<u>\$382,073,947</u>	<u>\$403,834,082</u>	<u>\$424,544,368</u>	<u>\$461,862,184</u>	<u>\$478,970,030</u>	<u>\$487,014,658</u>	<u>\$531,986,762</u>	<u>\$577,090,774</u>
Primary government										
Net investment in capital assets	\$530,683,231	\$522,099,298	\$519,349,663	\$553,615,243	\$583,624,615	\$596,684,770	\$622,229,812	\$641,053,823	\$648,240,359	\$678,631,247
Restricted	17,123,716	15,197,259	15,054,357	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865
Unrestricted	149,660,450	170,046,947	183,318,573	184,471,703	206,459,430	240,747,784	246,791,788	229,109,409	272,345,197	283,289,761
Total primary government activities net position	<u>\$697,467,397</u>	<u>\$707,343,504</u>	<u>\$717,722,593</u>	<u>\$760,063,933</u>	<u>\$811,298,011</u>	<u>\$854,133,188</u>	<u>\$889,511,499</u>	<u>\$894,321,995</u>	<u>\$942,885,515</u>	<u>\$999,340,873</u>

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 4,439,667	\$ 4,996,198	\$ 4,494,000	\$ 5,195,490	\$ 4,691,595	\$ 5,051,753	\$ 5,621,893	\$ 6,538,526	\$ 5,848,332	\$ 5,868,190
Public safety	34,818,159	35,378,939	35,643,640	36,879,444	36,851,383	37,306,072	41,296,415	43,288,505	47,728,011	52,387,556
Public works	31,612,314	28,875,757	28,865,813	29,664,081	28,327,081	29,415,487	25,685,453	26,745,618	27,955,340	27,392,943
Cultural & recreational	4,233,575	4,299,687	4,771,467	4,685,065	4,662,500	4,691,129	5,221,006	5,417,520	5,972,501	6,996,264
Planning & community development	3,096,020	5,373,310	3,854,751	3,186,781	3,037,830	3,320,039	3,092,715	3,982,622	6,687,301	4,699,130
Administration	784,000	856,103	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740
Housing assistance Payments	3,344,522	3,698,736	4,258,426	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648
Rehabilitation	1,053,446	3,227,906	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666
Interest on long-term debt	1,508,832	1,005,570	1,032,636	1,002,581	1,435,986	1,262,457	1,194,385	1,063,021	928,032	795,074
Total governmental activities expenses	84,890,535	87,712,206	84,124,904	86,497,605	85,424,223	87,961,496	88,099,316	93,399,691	102,028,661	105,714,211
Business-type activities:										
Electric	69,740,487	66,381,454	74,356,658	75,116,682	70,822,661	67,070,451	82,797,485	82,169,016	65,164,522	60,279,345
Water	15,618,503	15,377,435	15,211,584	16,135,531	18,869,903	15,925,133	19,183,773	20,409,056	20,557,651	23,020,997
Wastewater	13,802,561	13,905,343	13,668,630	14,182,892	13,947,646	15,533,505	15,298,717	15,655,669	17,186,283	16,920,469
Regional airport	11,432,960	11,908,265	11,477,819	11,766,345	10,060,171	9,190,615	10,184,555	12,391,145	13,275,915	12,947,994
Stormwater	3,729,861	3,731,359	3,744,547	3,783,127	3,664,112	4,000,529	4,088,479	4,221,722	4,367,557	4,627,974
Other non major business-type	6,349,265	6,477,130	7,052,787	7,843,103	8,003,215	7,965,726	8,354,079	8,676,065	9,325,620	9,785,465
Total business-type activities expenses	120,673,637	117,780,986	125,512,025	128,827,680	125,367,708	119,685,959	139,907,088	143,522,673	129,877,548	127,582,244
Total primary government expenses	\$205,564,172	\$205,493,192	\$209,636,929	\$215,325,285	\$210,791,931	\$207,647,455	\$228,006,404	\$236,922,364	\$231,906,209	\$233,296,455
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,527,420	\$ 1,710,506	\$ 1,724,338	\$ 2,047,645	\$ 1,816,245	\$ 979,503	\$ 956,394	\$ 1,086,129	\$ 933,132	\$ 1,973,303
Public safety	622,544	749,902	612,622	834,822	1,394,849	1,346,713	1,187,729	1,274,871	1,283,251	1,303,487
Public works	-	-	335,140	651,378	391,750	381,028	858,487	1,039,712	802,667	697,172
Cultural and recreational	266,110	265,249	290,561	294,687	356,987	326,091	322,636	347,960	354,241	191,815
Planning and community development	2,025,498	2,063,363	1,936,408	1,908,627	2,090,776	2,040,391	1,918,761	2,143,720	1,897,724	2,688,528
Housing assistance	3,009	-	745,975	981,520	1,197,220	749,463	483,440	726,065	871,616	800,095
Rehabilitation	660,865	396,514	395,125	614,844	503,318	582,108	76,887	549,008	103,720	247,918
Operating grants and contributions	8,361,322	10,099,206	8,667,106	7,707,977	7,336,269	7,174,344	8,119,897	8,574,090	8,672,753	9,256,751
Capital grants and contributions	9,750,000	3,307,835	8,533,706	31,991,743	34,238,961	11,034,946	23,173,930	12,866,794	5,889,267	16,263,751
Total government activities program revenues	23,216,768	18,592,575	23,240,981	47,033,243	49,326,375	24,614,587	37,098,161	28,608,349	20,808,371	33,422,820

(Continued)

CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services										
Electric	\$ 74,971,026	\$ 78,948,101	\$ 81,194,498	\$ 80,753,191	\$ 81,118,401	\$ 82,086,937	\$ 84,473,951	\$ 84,346,203	\$ 85,831,592	\$ 83,249,849
Water	19,105,584	19,856,057	19,443,009	19,829,445	21,517,196	22,941,925	24,731,261	25,524,337	26,550,358	28,046,163
Wastewater	14,384,621	14,772,364	14,683,027	15,075,545	16,167,934	17,651,022	17,166,503	18,014,586	18,610,383	19,109,299
Regional airport	9,124,603	9,809,448	9,807,609	10,272,804	8,612,280	7,663,481	8,584,741	9,891,669	10,642,458	9,010,320
Stormwater	3,730,742	3,714,155	3,778,496	3,796,150	3,896,251	3,965,529	4,035,706	4,968,205	5,078,414	5,143,952
Other non major business-type	1,943,291	1,891,193	1,909,781	2,489,490	2,344,438	2,303,380	2,561,591	2,546,260	2,582,595	2,838,162
Operating grants and contributions	4,252,712	3,148,598	3,152,858	7,764,200	3,301,773	2,084,934	3,173,637	2,870,627	5,983,066	4,634,731
Capital grants and contributions	5,026,770	1,591,427	5,488,658	9,201,434	5,895,701	13,936,032	9,330,447	9,487,054	11,513,458	13,761,672
Total business-type activities program revenues	132,539,349	133,731,343	139,457,936	149,182,259	142,853,974	152,633,240	154,057,837	157,648,941	166,792,324	165,794,148
Total primary government program revenue	\$155,756,117	\$152,323,918	\$162,698,917	\$196,215,502	\$192,180,349	\$177,247,827	\$191,155,998	\$186,257,290	\$187,600,695	\$199,216,968
Net (Expenses)/Revenue										
Governmental activities	\$(61,673,767)	\$(69,119,631)	\$(60,883,923)	\$(39,464,362)	\$(36,097,848)	\$(63,346,909)	\$(51,001,155)	\$(64,791,342)	\$(81,220,290)	\$(72,291,391)
Business-type activities	11,865,712	15,950,357	13,945,911	20,354,579	17,486,266	32,947,281	14,150,749	14,126,268	36,914,776	38,211,904
Total primary government net expense	\$(49,808,055)	\$(53,169,274)	\$(46,938,012)	\$(19,109,783)	\$(18,611,582)	\$(30,399,628)	\$(36,850,406)	\$(50,665,074)	\$(44,305,514)	\$(34,079,487)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem taxes	\$ 44,236,917	\$ 43,163,621	\$ 43,549,135	\$ 46,423,570	\$ 46,125,496	\$ 47,573,304	\$ 50,896,652	\$ 54,088,843	\$ 55,717,789	\$ 56,769,474
Other taxes	12,226,782	13,366,521	14,046,489	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783
Operating grants and contributions	3,159,222	2,880,377	3,155,697	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053
Investment earnings	1,022,184	730,032	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419
Miscellaneous gain (loss)	936,229	876,108	926,090	996,503	954,545	1,097,241	1,197,470	1,521,687	1,149,484	1,552,665
Transfers	(1,655,480)	(1,984,080)	(2,429,308)	(1,713,823)	(1,949,854)	(2,130,710)	(1,572,258)	(2,011,132)	(2,124,549)	(1,893,657)
Total governmental activities	59,925,854	59,032,579	58,966,156	64,152,436	66,621,640	68,864,270	73,584,436	78,042,790	84,811,706	83,642,737
Business-type activities										
Investment earnings	1,396,578	1,206,493	(245,850)	1,669,623	1,001,886	1,521,922	828,996	1,018,510	5,151,281	4,929,023
Miscellaneous	417,059	402,869	494,871	468,406	272,280	717,903	555,843	1,561,492	781,498	69,428
Transfers	1,655,480	1,984,080	2,429,308	1,713,823	1,949,854	2,130,710	1,572,258	2,011,132	2,124,549	1,893,657
Total business-type activities	3,469,117	3,593,442	2,678,329	3,851,852	3,224,020	4,370,535	2,957,097	4,591,134	8,057,328	6,892,108
Total primary government	\$ 63,394,971	\$ 62,626,021	\$ 61,644,485	\$ 68,004,288	\$ 69,845,660	\$ 73,234,805	\$ 76,541,533	\$ 82,633,924	\$ 92,869,034	\$ 90,534,845
Change in Net Position										
Governmental activities	\$(1,747,913)	\$(10,087,052)	\$(1,917,767)	\$ 24,688,074	\$ 30,523,792	\$ 5,517,361	\$ 22,583,281	\$ 13,251,448	\$ 3,591,416	\$ 11,351,346
Business-type activities	15,334,829	19,543,799	16,624,240	24,206,431	20,710,286	37,317,816	17,107,846	18,717,402	44,972,104	45,104,012
Total primary government	\$ 13,586,916	\$ 9,456,747	\$ 14,706,473	\$ 48,894,505	\$ 51,234,078	\$ 42,835,177	\$ 39,691,127	\$ 31,968,850	\$ 48,563,520	\$ 56,455,358

**FUND BALANCES, GOVERNMENTAL FUNDS,
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2018	2019	2020
General Fund										
Nonspendable	\$ 109,186	\$ 91,095	\$ 69,260	\$ 178,322	\$ 166,024	\$ 174,692	\$ 231,111	\$ 160,215	\$ 137,814	\$ 148,394
Restricted	15,998,293	14,140,696	14,490,359	20,037,416	19,459,163	16,012,423	18,619,318	22,741,178	21,044,719	22,213,888
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	36,921,449	43,248,336	40,600,448	37,663,790	50,118,453	52,968,474	46,910,753	48,122,752	53,901,650	55,215,807
Total General Fund	\$53,028,928	\$57,480,127	\$55,160,067	\$57,879,528	\$69,743,640	\$69,155,589	\$65,761,182	\$71,024,145	\$75,084,183	\$77,578,089
All Other Governmental funds										
Restricted	\$ 1,016,237	\$ 965,468	\$ 494,738	\$ 1,761,249	\$ 1,588,779	\$ 513,519	\$ 1,639,470	\$ 1,257,370	\$ 1,117,010	\$15,205,977
Committed	17,156,767	13,452,847	16,733,371	20,189,379	17,164,075	26,658,640	35,587,791	37,647,614	32,583,208	34,239,194
Assigned	9,839,140	11,925,525	18,389,986	17,935,054	19,181,632	14,795,995	18,580,293	21,870,916	28,992,222	14,372,001
Unassigned	(4,767,945)	(4,072,385)	(3,983,924)	(3,968,089)	(619,797)	(127,780)	(236,053)	(56,534)	(760,463)	(177,820)
Total all other governmental funds	\$23,244,199	\$22,271,455	\$31,634,171	\$35,917,593	\$37,314,689	\$41,840,374	\$55,571,501	\$60,719,366	\$61,931,977	\$63,639,352

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 44,213,325	\$ 43,091,490	\$ 43,345,698	\$ 46,104,178	\$ 45,758,123	\$ 48,134,096	\$ 51,179,474	\$ 54,835,072	\$ 55,441,784	\$ 56,988,936
Other taxes	12,226,782	13,366,521	14,046,489	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783
Unrestricted intergovernmental revenues	3,159,222	2,880,377	3,155,697	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053
Restricted intergovernmental revenues	8,534,858	9,713,210	9,005,424	9,373,076	8,667,584	8,079,968	9,792,222	9,296,854	9,877,589	13,003,537
Licenses, fees, and permits	1,650,649	1,873,658	1,885,610	2,210,200	2,004,511	1,289,489	1,169,815	1,385,999	1,142,845	2,174,220
Investment earnings	1,022,184	730,032	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419
Investment earnings restricted	26,044	19,323	25,628	16,234	23,385	32,037	49,118	58,934	81,536	113,633
Program income	660,865	698,157	1,476,240	2,247,742	2,460,878	1,712,599	1,474,389	2,371,806	1,830,997	1,806,288
Other revenues	3,549,375	3,862,921	3,510,163	3,832,913	4,186,913	3,797,617	3,651,331	3,927,847	3,646,729	4,074,034
Total revenues	75,043,304	76,235,689	76,169,002	82,230,529	84,592,847	85,370,241	90,378,921	96,319,904	102,090,462	105,374,903
Expenditures										
General government	4,511,799	4,563,849	4,077,954	4,802,271	4,857,917	4,420,117	4,735,511	5,872,583	5,059,155	4,920,914
Public safety	30,708,135	31,353,312	31,688,874	32,950,943	34,244,381	34,797,980	37,606,924	39,654,458	43,902,224	46,857,572
Public works	12,807,858	10,215,647	10,493,535	11,854,052	10,463,847	10,956,118	11,120,147	12,447,406	13,795,997	13,454,267
Cultural and recreational	3,803,036	3,956,149	4,399,504	4,310,686	4,335,081	4,325,132	4,719,578	4,885,244	5,398,744	6,130,192
Planning and community development	3,005,580	5,312,219	3,792,770	3,124,932	3,007,670	3,270,248	2,995,872	3,918,391	6,511,658	4,464,497
Administration	784,000	856,103	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740
Housing assistance payments	3,344,522	3,698,736	4,258,426	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648
Rehabilitation	1,053,446	3,227,906	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666
Capital outlay	3,641,809	3,998,026	3,522,859	7,463,803	17,688,922	10,698,997	7,291,213	7,350,932	9,777,426	12,392,727
Debt service										
Interest	1,542,254	1,048,001	1,075,067	1,045,012	1,233,584	1,408,299	1,194,385	1,063,021	928,031	79,182
Principal	4,064,454	2,273,244	2,183,878	2,077,961	1,477,547	2,510,447	2,639,222	5,355,079	2,628,105	4,349,184
Total expenditures	69,266,893	70,503,192	66,697,038	73,513,823	83,726,797	79,301,897	78,290,301	86,910,993	94,910,484	100,223,589
Excess of revenues over (under) expenditures	5,776,411	5,732,497	9,471,964	8,716,706	866,050	6,068,344	12,088,620	9,408,911	7,179,978	5,151,314
Other Financing Sources (Uses)										
Sale of capital assets	-	-	-	-	-	-	-	295,328	217,636	1,232,682
Debt issued	-	-	-	-	15,208,806	-	-	2,724,477	-	-
Issuance of refunding bonds	7,203,300	-	-	-	8,895,000	-	-	-	-	437,038
Premium on refunding bonds	396,397	-	-	-	760,844	-	-	-	-	-
Payment to refunded bonds escrow agent	(7,400,939)	-	-	-	(10,519,638)	-	-	-	-	(726,512)
Transfers in	14,095,374	8,858,563	16,627,650	12,360,954	22,263,320	20,886,597	22,401,709	17,815,721	15,290,722	16,030,021
Transfers out	(15,780,456)	(11,112,605)	(19,056,958)	(14,074,777)	(24,213,174)	(23,017,307)	(24,153,609)	(19,833,609)	(17,415,271)	(17,923,678)
Total Other Financing Sources (Uses)	(1,486,324)	(2,254,042)	(2,429,308)	(1,713,823)	12,395,158	(2,130,710)	(1,751,900)	1,001,917	(1,906,913)	(950,449)
Net change in fund balances	\$ 4,290,087	\$ 3,478,455	\$ 7,042,656	\$ 7,002,883	\$ 13,261,208	\$ 3,937,634	\$ 10,336,720	\$ 10,410,828	\$ 5,273,065	\$ 4,200,865
Debt service as a percentage of non capital expenditures	10.04%	4.99%	5.16%	4.73%	4.11%	5.71%	5.40%	8.07%	4.18%	5.04%

**NUMBER OF ELECTRIC CUSTOMERS BY TYPE,
Last Ten Fiscal Years**

Fiscal Year	Residential	Commercial	Industrial	Total
2011	23,450	3,957	40	27,447
2012	23,502	4,107	46	27,655
2013	23,847	4,164	51	28,062
2014	24,327	4,197	52	28,576
2015	24,735	4,276	58	29,069
2016	25,008	4,306	57	29,371
2017	25,628	4,386	60	30,074
2018	26,482	4,488	61	31,031
2019	27,010	4,531	63	31,604
2020	27,673	4,631	64	32,368

Source: City of Concord Finance and Electric Departments

ELECTRIC RATES
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Residential Customers										
Basic charges	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65
Energy Charges per kWh (July - October)										
First 350	0.091331	0.091331	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.091331	0.091331	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476
Energy Charges per kWh (November - June)										
First 350	0.091331	0.091331	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.082582	0.082582	0.082582	0.082582	0.082582	0.088476	0.088476	0.088476	0.088476	0.088476
Commercial Customers										
Basic Facilities Charge	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20
Demand Charge per kW (over 30 kW of billing demand)	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77	3.77
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.114193	0.114193	0.114193	0.114193	0.114193	0.120344	0.120344	0.120344	0.120344	0.120344
Next 87,000	0.068575	0.068575	0.068575	0.068575	0.068575	0.074726	0.074726	0.074726	0.074726	0.074726
Over 90,000	0.066266	0.066266	0.066266	0.066266	0.066266	0.072417	0.072417	0.072417	0.072417	0.072417
Next 275 kWh per kW billing demand per month										
First 6,000	0.065456	0.065456	0.065456	0.065456	0.065456	0.071607	0.071607	0.071607	0.071607	0.071607
Next 134,000	0.058177	0.058177	0.058177	0.058177	0.058177	0.064328	0.064328	0.064328	0.064328	0.064328
Over 140,000	0.055867	0.055867	0.055867	0.055867	0.055867	0.062018	0.062018	0.062018	0.062018	0.062018
All over 400 kWh per kW billing demand	0.054712	0.054712	0.054712	0.054712	0.054712	0.060813	0.060863	0.060863	0.060813	0.060863
Industrial Customers										
Basic Facilities Charge	18.54	18.54	18.54	18.54	18.54	19.30	19.30	19.30	19.30	19.30
Demand Charge per kW (over 30 kW of billing demand)	3.62	3.62	3.62	3.62	3.62	3.80	3.80	3.80	3.80	3.80
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.107612	0.107612	0.107612	0.107612	0.107612	0.115251	0.0115251	0.115251	0.115251	0.115251
Next 87,000	0.063924	0.063924	0.063924	0.063924	0.063924	0.070911	0.070911	0.070911	0.070911	0.070911
Over 90,000	0.061714	0.061714	0.061714	0.061714	0.061714	0.069151	0.069151	0.069151	0.069151	0.069151
Next 275 kWh per kW billing demand per month										
First 140,000	0.053967	0.053967	0.053967	0.053967	0.053967	0.060471	0.060471	0.060471	0.060471	0.060471
Over 140,000	0.051755	0.051755	0.051755	0.051755	0.051755	0.058651	0.058651	0.058651	0.058651	0.058651
All over 400 kWh per kW billing demand	0.050648	0.050648	0.050648	0.050648	0.050648	0.056751	0.056751	0.056751	0.056751	0.056751

Source: City of Concord Finance and Electric Departments

**TEN LARGEST ELECTRIC CUSTOMERS,
Current Year and Nine Years Ago**

Customer	2020			2011		
	Electric Revenue	Rank	Percentage of Total Electric Revenue %	Electric Revenue	Rank	Percentage of Total Electric Revenue %
City of Concord	2,314,697	1	2.63 %	1,855,401	2	2.45 %
Celgard LLC	2,293,190	2	2.61	-	-	-
Cabarrus County Schools	1,583,082	3	1.80	1,432,416	5	1.92
Concord Mills LLC	1,427,060	4	1.62	1,950,746	1	2.57
Perdue Farms Inc	1,408,476	5	1.60	1,470,271	4	1.94
S&D Coffee	1,363,569	6	1.55	1,055,355	6	1.33
Water and Sewer Authority of Cabarrus County	1,337,796	7	1.52	-	-	-
Legrand	1,271,595	8	1.45	1,524,162	3	2.01
DNP IMP America Corporation	1,210,925	9	1.38	-	-	-
Wind Shear Inc	1,051,589	10	1.20	751,392	9	0.99
Rocky River Water Treatment Plant	-	-	-	1,013,005	7	1.34
Northeast Medical Center	-	-	-	828,380	8	1.09
Cabarrus Plastics Mfg	-	-	-	682,522	10	0.90
Total	\$ 15,261,979		17.36 %	\$ 12,563,650		16.54 %

Source: City of Concord Finance and Electric Departments

ASSESSSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Public Service Companies	Total Taxable Assessed Value	Direct Tax Rate (3)
	Residential Property (1)	Commercial Property (2)	Industrial Property (2)				
2010	5,487,235,382	2,815,229,000	1,203,378,000	950,770,388	102,087,173	10,558,699,943	0.4190
2011	5,533,750,240	2,523,536,878	1,212,065,051	871,682,129	117,277,340	10,258,311,638	0.4190
2012	5,034,683,767	2,335,914,165	851,422,138	771,628,872	119,353,563	9,113,002,505	0.4788
2013	5,381,821,598	2,325,550,728	847,644,748	988,004,711	130,283,114	9,673,304,899	0.4788
2014	5,488,950,807	2,438,815,784	748,623,832	978,492,143	124,486,420	9,779,368,986	0.4788
2015	5,562,324,699	2,474,039,979	759,436,323	1,033,191,542	124,486,420	9,953,478,963	0.4788
2016	7,198,546,266	1,642,104,405	767,219,663	1,035,500,636	153,919,497	10,797,290,467	0.4788
2017	7,308,226,072	1,775,705,266	814,494,754	1,149,787,848	159,207,805	11,207,421,745	0.4788
2018	6,672,628,388	2,711,577,147	989,371,655	1,097,323,976	135,500,000	11,606,401,166	0.4788
2019	7,275,901,010	2,351,819,173	1,008,466,150	1,167,510,435	142,374,829	11,946,071,597	0.4790

Source: Cabarrus County Tax Office

Note: The taxable assessed value approximates the actual value of taxable property.

- (1) Tax Exempt Property is subtracted from Residential and Personal Property
- (2) Commercial and Industrial Property estimates are as of January 1, 2018
- (3) Per \$100 of value

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

Fiscal Year	City of Concord			Total Weighted Average Rate (1)	Overlapping Rates	Combined Tax Rate
	General Fund Basic Rate	Municipal Service District Basic Rate	Cabarrus County			
2011	0.42	0.18	0.4190	0.63	1.05	
2012	0.42	0.18	0.4190	0.63	1.05	
2013	0.48	0.23	0.4788	0.70	1.18	
2014	0.48	0.23	0.4788	0.70	1.18	
2015	0.48	0.23	0.4788	0.71	1.19	
2016	0.48	0.23	0.4788	0.70	1.18	
2017	0.48	0.23	0.4788	0.70	1.18	
2018	0.48	0.23	0.4788	0.70	1.18	
2019	0.48	0.23	0.4788	0.72	1.20	
2020	0.48	0.23	0.4790	0.74	1.22	

Source: Cabarrus County Tax Office

(1) Total City tax rate is a weighted average of all types of City of Concord tax rates. Cabarrus County rate is a direct rate.

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Mall at Concord Mills LP	\$ 231,020,588	1	1.93 %	\$ 208,989,040	3	2.06 %
Charlotte Motor Speedway LLC	209,284,485	2	1.75	286,703,463	2	2.83
Celgard LLC	184,192,261	3	1.54	-	-	-
SL 1000 Derita Road LLC	109,497,800	4	0.92	-	-	-
GWR Carolinas Property Owner LLC	106,469,906	5	0.89	69,294,110	4	0.68
WMCI Charlotte VI LLC	101,646,310	6	0.85	-	-	-
Hendrick Automotive Group	99,942,839	7	0.84	43,749,998	7	0.43
HMS Holdings LP	87,615,029	8	0.73	-	-	-
Arabica LLC a NC LLC	80,694,791	9	0.68	-	-	-
Bootsmead Land LLC	76,108,720	10	0.64	-	-	-
Philip Morris	-	-	-	658,584,244	1	6.59
JQH-Concord Development LLC	-	-	-	56,832,500	5	0.56
PDG/Inland Concord Venture	-	-	-	48,764,450	6	0.48
HSREI LLC	-	-	-	35,892,410	8	0.35
Crescent Concord Venture I LLC	-	-	-	35,171,690	9	0.35
Inland Western Concord	-	-	-	35,098,870	10	0.35
Total	\$ 1,286,472,729		10.77 %	\$ 1,479,080,775		14.68 %

Source: Cabarrus County Tax Office

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	44,365,653	43,329,051	97.7%	996,243	44,325,294	99.9%
2012	43,076,823	42,056,886	97.6%	968,561	43,025,447	99.9%
2013	43,608,877	42,445,084	97.3%	1,052,681	43,497,765	99.7%
2014	46,548,215	45,126,093	96.9%	1,380,407	46,506,500	99.9%
2015	46,943,610	46,174,814	98.4%	701,610	46,876,424	99.9%
2016	47,667,548	46,909,735	98.4%	694,454	47,604,189	99.9%
2017	51,709,905	50,820,322	98.3%	818,356	51,638,678	99.9%
2018	53,695,713	53,071,029	98.8%	295,148	53,366,177	99.4%
2019	55,614,536	54,719,919	98.4%	777,806	55,497,725	99.8%
2020	57,232,731	56,597,931	98.9%	-	56,597,931	98.9%

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

Fiscal Year	Governmental activities					Business type activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Installment Purchase	Obligation Bonds	Revenue Bonds	Installment Notes	HUD Loan	Installment Purchase	Obligation Bonds	Revenue Bonds	Installment Notes			
2011	4,958	-	3,205	19,749	1,974	9,573	-	104,994	9,960	154,413	2.39%	1,942
2012	4,429	-	2,985	18,292	1,865	8,811	-	97,324	9,081	142,787	2.03%	1,776
2013	3,987	-	2,759	16,842	1,756	8,043	-	90,493	8,184	132,064	1.81%	1,621
2014	3,645	-	2,527	15,405	1,647	7,440	-	83,478	7,260	121,402	1.64%	1,458
2015	3,375	-	2,225	28,859	1,538	6,838	-	76,279	13,675	132,789	1.70%	1,554
2016	3,105	-	1,915	26,892	1,429	11,994	-	71,221	12,302	128,858	1.56%	1,473
2017	2,835	-	1,597	24,950	1,320	11,042	-	63,400	10,923	116,067	1.28%	1,307
2018	2,578	-	1,270	23,012	1,211	10,098	-	55,357	9,525	103,051	1.03%	1,135
2019	2,280	-	1,006	21,055	1,102	9,089	-	49,571	8,101	92,204	0.91%	996
2020	1,988	-	437	19,095	-	8,988	-	39,556	6,650	76,714	0.71%	812

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

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING,
Last Ten Fiscal Years**

General Bonded Debt Outstanding					
Fiscal Year	Gross Bonded Debt	Debt Payable From Enterprise Revenue	Net Bonded Debt	Percentage of Total Taxable Assessed Value (1)	Per Capita (2)
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 8 for property value data.

(2) Population data can be found in Table 17.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2020

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (3)	Estimated Share of Direct and Overlapping Debt
City of Concord (1)	\$ 21,520,169	100%	\$ 21,520,169
Cabarrus County (2)	371,647,074	50%	185,823,537
Total			\$ 207,343,706

(1) Includes total debt expected to be paid from governmental activities

(2) Source: Cabarrus County Finance Department

(3) The percentage used to calculate the overlapping debt for Cabarrus County is calculated based on the percentage of the County's Assessed Value that is within City limits.

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 779,768	\$ 820,665	\$ 729,040	\$ 773,864	\$ 782,350	\$ 796,278	\$ 863,783	\$ 896,594	\$ 928,512	\$ 955,686
Total net debt applicable to limit	24,337	22,387	20,532	18,788	30,096	27,997	25,925	23,870	21,754	19,642
Legal debt margin	\$ 755,431	\$ 798,278	\$ 708,508	\$ 755,076	\$ 752,254	\$ 768,281	\$ 837,858	\$ 872,724	\$ 906,758	\$ 936,044
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	3%	2%	4%	4%	3%	3%	2%	2%

Legal Debt Margin Calculation for Fiscal Years

Total assessed value	\$11,946,071,597
Debt limit (8% of assessed value)	<u>955,685,728</u>
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	10,976,079
Installment notes	23,880,000
Less: Amount of bonded debt incurred for Electric, Water and Wastewater purposes	<u>(15,214,053)</u>
Total net debt applicable to limit	<u>19,642,026</u>
Legal Debt Margin	<u>\$ 936,043,702</u>
Net debt as a % of assessed values	0.16%

**PLEDGED-REVENUE COVERAGE,
Last Ten Fiscal Years
(dollars in thousands)**

Water Revenue Bonds							
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	21,683	10,381	11,302	3,024	1,621	2.43	
2012	20,370	14,477	5,893	3,127	1,927	1.17	
2013	19,443	10,564	8,879	3,208	1,702	1.81	
2014	19,829	9,734	10,095	3,300	1,608	2.06	
2015	22,902	13,638	9,264	2,953	1,505	2.08	
2016	26,447	10,739	15,708	3,041	1,341	3.58	
2017	28,036	13,829	14,207	3,137	1,282	3.21	
2018	28,139	15,104	13,035	3,236	1,107	3.00	
2019	29,474	15,266	14,208	2,022	996	4.71	
2020	30,886	17,815	13,071	4,623	848	2.39	

Wastewater Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	16,515	10,260	6,255	1,350	909	2.77	
2012	15,219	9,984	5,235	1,374	953	2.25	
2013	14,683	8,965	5,718	1,409	910	2.47	
2014	15,076	3,169	11,907	1,446	867	5.15	
2015	19,704	10,144	9,560	2,000	804	3.41	
2016	21,140	11,666	9,474	2,052	720	3.42	
2017	21,246	11,406	9,840	2,111	665	3.54	
2018	22,710	11,702	11,008	2,169	570	4.02	
2019	24,204	13,116	11,088	1,857	485	4.73	
2020	23,636	12,892	10,744	6,867	295	1.50	

Electric Revenue Bonds							
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2011	75,516	65,646	9,870	1,958	893	3.46	
2012	79,450	63,939	15,511	1,900	1,203	5.00	
2013	81,195	72,348	8,847	1,953	1,110	2.89	
2014	80,753	69,825	10,928	2,009	1,050	3.57	
2015	81,533	66,407	15,126	1,986	983	5.09	
2016	82,754	62,489	20,265	2,043	865	6.97	
2017	84,851	78,082	6,769	2,110	833	2.30	
2018	85,756	77,413	8,343	2,175	711	2.89	
2019	88,530	60,431	28,099	1,453	636	13.45	
2020	86,519	55,552	30,967	4,191	513	6.58	

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2011	79,521	6,453,148	35,561	28,465	7.1%
2012	80,386	7,025,450	38,079	29,023	6.3%
2013	81,461	7,301,723	39,000	29,721	5.4%
2014	83,279	7,399,908	38,521	29,952	4.4%
2015	85,428	7,799,648	39,640	30,532	4.3%
2016	87,452	8,286,025	41,103	31,271	4.5%
2017	88,815	9,085,784	43,920	31,941	4.2%
2018 (5)	90,827	9,985,502	45,238	32,341	3.6%
2019 (5)	92,567	10,130,264	47,029	32,953	3.8%
2020 (5)	94,453	10,738,080	48,910	33,681	7.6%

(1) NC Office of State Budget and Management. 2017 is an estimate.

(2) Bureau of Economic Analysis. Information only available at the county level.

(3) N.C. Public Schools (Average Daily Membership)

(4) Based on annual average as published by N.C. Employment Security Commission - Labor Market Division

(5) Data not yet available for personal income. Estimated amounts based on average percentage increase from prior 9 years.

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Atrium Health	4,500	1	9.69 %	4,500	1	12.73 %
Cabarrus County Schools	4,000	2	8.62	3,800	2	10.75
Cabarrus County Government	1,324	3	2.85	975	3	2.76
City of Concord	1,119	4	2.41	936	4	2.65
S&D Coffee and Tea	1,100	5	2.37	-		-
Amazon	1,000	6	2.15	-		-
Speedway Motorsports, Inc	1,000	7	2.15	-		-
Kannapolis City Schools	925	8	1.99	750	7	2.12
Shoe Show	750	9	1.62	700	8	1.98
ACN	600	10	1.29	480	10	1.41
Hendrick Motorsports	-		-	500	9	1.41
Connexions	-		-	900	5	2.55
North Carolina Government	-		-	771	6	2.18
	<u>16,318</u>		<u>35.14 %</u>	<u>14,312</u>		<u>40.54 %</u>

Source: City of Concord Planning & Neighborhood Services

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

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
General Government										
Public Service Administration	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager's Office	6.00	5.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	7.00
Human Resources	8.00	9.00	10.00	10.00	10.00	10.00	11.00	12.00	13.00	13.00
Finance	13.35	14.00	14.00	14.00	13.25	13.00	13.00	13.00	13.00	14.00
Tax	4.50	4.50	4.50	4.50	4.50	4.00	3.50	0.75	0.75	0.75
Legal	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Safety										
Police	177.25	178.25	178.25	180.25	189.25	191.00	200.00	204.00	206.00	209.00
Code Enforcement	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	9.00	9.00
Communications	22.50	21.50	21.50	22.50	22.50	22.00	23.50	25.50	25.50	25.50
Radio Shop	4.50	3.50	3.50	2.50	3.50	3.00	3.50	4.10	4.10	4.50
Fire & Life Safety (Operations)	182.00	182.00	181.00	181.00	181.00	181.00	187.00	194.00	203.00	217.00
Fire & Life Safety (Prevention)	6.00	6.00	6.00	6.00	9.00	9.00	9.50	10.50	10.50	10.20
Fire & Life Safety (Training)	2.00	2.00	4.00	4.00	2.00	4.00	4.00	4.00	4.00	4.00
Emergency Mangement Coordinator	2.85	2.85	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00
Public Works										
Street & Traffic	27.00	27.00	27.00	27.00	27.00	28.00	30.00	34.00	34.50	35.50
Traffic Services	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	7.00
Traffic Signals	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Solid Waste & Recycling	33.00	32.00	32.00	32.00	32.00	32.00	31.50	32.50	34.50	36.00
Cemeteries	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00
Fleet Services	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00
Other Public Works										
Economic Development										
Business & Neighborhood Services	8.85	15.00	14.00	14.50	14.50	14.00	16.00	17.00	18.00	18.00
Economic Development	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Development Services	9.00	-	-	-	-	-	-	-	-	-
Culture & Recreation										
Parks and recreation	22.00	20.00	20.00	21.25	21.00	17.00	17.00	29.93	31.50	35.00
Total FTE General Fund	572.80	566.60	566.75	572.50	583.50	582.00	607.00	638.78	656.85	682.45

(Continued)

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Other Funds</i>										
Home Consortium Fund	1.30	0.90	0.90	1.00	0.90	1.00	0.80	0.80	0.80	0.80
CDBG	1.50	1.10	1.10	1.00	1.10	1.00	1.20	1.20	1.20	1.20
Stormwater	20.25	20.25	20.25	19.77	22.09	22.00	21.00	21.09	20.58	20.58
Electric										
Electric Administration	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Powerlines Maintenance	13.00	13.00	13.00	13.00	17.00	17.00	17.00	18.00	18.00	18.00
Tree Trimming	9.00	9.00	9.00	9.00	7.00	7.00	7.00	7.00	8.00	8.00
Electric Construction	34.00	34.00	34.00	34.00	33.00	33.00	33.00	35.00	37.00	37.00
Peak Shaving	2.00	2.00	2.00	2.00	-	-	-	-	-	-
Electric Engineering	5.00	5.00	5.00	5.00	5.00	7.00	8.00	8.00	8.00	8.00
Utility Locate Services	5.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Water Resources										
Hillgrove Water Treatment Plant	14.50	14.50	14.50	14.50	14.50	15.00	15.00	14.50	14.50	14.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.50	15.50	15.00	15.00	15.50	16.50	16.50
Waterlines Operations & Maintenance	34.75	34.75	34.75	34.24	34.59	36.00	37.00	35.60	35.09	36.09
Public Transit										
Rider Transit System	2.00	2.75	2.55	2.70	3.70	4.00	5.00	6.50	6.50	6.50
Wastewater Resources	30.00	30.00	30.00	30.00	30.32	29.00	30.00	31.31	31.83	31.80
Internal Services										
Utility Collections	4.50	4.50	4.50	4.50	4.50	4.00	4.00	5.00	5.00	5.00
Data Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Billing	11.00	11.00	11.00	10.00	10.00	10.00	10.00	11.25	14.25	16.25
Customer Service	16.00	16.00	15.50	15.50	25.00	26.00	26.00	27.00	25.00	25.00
Engineering	25.00	25.00	24.00	24.00	23.00	23.00	24.00	26.00	26.00	26.00
Purchasing	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Customer Care Center	7.65	8.15	8.50	9.50	-	-	-	-	-	-
Buildings & Grounds	38.50	39.50	39.00	39.50	40.65	38.00	39.00	44.60	48.50	49.50
Aviation	35.25	36.00	36.00	33.00	34.00	34.00	40.00	41.50	43.50	45.50
Public Housing	16.00	14.00	13.00	12.00	13.38	14.00	14.00	13.00	14.00	14.00
Total FTE Other Funds	352.70	350.90	348.05	343.71	351.23	352.00	363.00	378.85	390.25	396.22
Total	925.50	917.50	914.80	916.21	934.73	934.00	970.00	1,017.63	1,047.10	1,078.67

Source: City of Concord Budget Department

**OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Physical arrests	5,783	5,837	5,072	4,925	3,948	4,486	4,207	4,655	4,445	3,407
Parking violations	3,343	2,964	2,696	2,375	2,365	2,671	2,764	2,922	2,399	1,824
Traffic violations	13,561	9,878	9,422	8,135	9,209	10,699	12,335	12,748	9,795	7,615
Communications										
Calls received	107,341	100,197	108,843	109,382	100,830	102,526	106,933	100,286	98,013	98,522
Fire										
Emergency responses	7,920	8,856	9,077	9,246	10,008	10,616	11,561	12,078	12,335	12,154
Fires extinguished	402	315	293	192	245	261	270	269	205	264
Inspections	5,564	5,764	6,343	5,900	5,939	7,128	826	7,533	7,433	5,772
Education classes conducted (4)	575	446	681	739	334	384	826	632	218	140
Number of people reached by educators (4)	25,364	37,187	29,774	31,008	25,096	28,361	25,633	41,081	125,286	104,561
Emergency Management (7)										
Exercise/Drill	0	0	0	0	0	0	9	11	6	4
Hazmat	0	0	0	0	0	0	14	44	29	5
Risk Assessment	0	0	0	0	0	0	105	145	113	49
Special Event	0	0	0	0	0	0	106	12	13	7
Planning	0	0	0	0	0	0	14	34	20	8
UAS (Drone)	0	0	0	0	0	0	0	6	20	24
Certified UAS Pilots	0	0	0	0	0	0	0	0	11	10
Education classes conducted (4)	0	0	0	0	0	0	26	11	11	9
Customer Care Center										
Calls answered	153,158	206,144	191,689	116,672	112,652	121,843	129,263	120,517	186,840	43,101
Solid Waste & Recycling										
Refuse collected (tons per day)	92	89	86	90	94	96	94	100	127	131
Recyclables collected (tons per day)	14	22	22	22	21	23	23	21	17	24
Other Public Works										
Street resurfacing (miles) (5)	7	8	10	6	0	18	9	24	12	0
Potholes repaired	78	74	28	36	50	92	112	101	162	176
NCDOT signalized street lights	96	101	105	102	114	115	113	119	123	119
NCDOT road (Non Interstate)	89	90	90	90	90	92	92	92	92	93
Economic Development										
Single family residential	284	403	460	397	441	661	637	931	803	968
Single family attached in units	20	4	0	15	22	2	6	74	5	52
Two family residential in units	0	66	550	18	2	0	2	6	0	0
Multi-family residential in units	0	0	0	66	348	264	264	89	80	132
Commercial building permits issued	18	52	53	59	96	82	27	58	52	57
Parks and recreation										
% Cost recovery Adult programs	90	90	92	92	100	105	107	120	113	130
Youth participation	9,974	9,974	10,848	11,672	11,251	14,793	18,432	29,867	27,631	41,306
Rec center attendance (6)	93,846	93,846	79,014	81,093	85,663	87,165	79,302	140,000	222,447	158,937
Stormwater										
Accounts	29,292	29,683	30,168	30,701	31,285	31,978	32,643	33,462	33,891	33,891

(Continued)

**OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Electric										
Accounts	27,447	27,675	28,062	28,576	29,069	29,371	30,074	31,031	31,604	32,368
Average megawatt hours daily use (2)	2,401	2,332	2,318	2,282	2,358	2,427	2,498	2,439	1,992	2,536
Substations	14	15	15	15	15	15	15	15	15	15
Water										
Accounts	33,859	34,431	35,843	36,692	37,348	37,088	38,961	40,050	41,303	41,303
Water Main Breaks	43	33	2	13	21	25	18	75	49	57
Average daily consumption (mgd)	9	9	9	9	10	9	11	12	13	13
Peak daily consumption (mgd)	12	13	12	13	13	14	14	15	17	17
Transit										
Average daily use	1,252	1,451	1,411	1,345	1,316	1,188	1,157	1,129	1,193	1,033
Days of operation	307	310	306	346	359	359	357	359	359	359
Wastewater										
Accounts	30,972	31,569	31,939	32,745	33,307	34,029	34,878	35,807	36,900	36,900
Average daily treatment (thousands of gallons)	7,821	8,193	8,011	9,150	8,478	8,870	9,211	8,387	10,695	8,585
Golf Course										
Total Green Fee Rounds (3)	26,256	25,410	26,028	31,341	31,241	28,998	32,034	32,982	31,241	36,768
Cart Fee Rounds	23,488	22,183	20,237	23,553	23,462	23,534	27,406	27,470	26,242	29,643
Tournaments hosted	63	70	72	76	67	68	64	60	53	27
Aviation										
Avgas (annual gallons)	193,419	197,687	173,006	169,452	151,505	168,627	189,923	222,290	232,064	239,909
Jeta (annual gallons)	1,660,208	1,516,123	1,465,484	1,685,731	1,983,963	2,355,783	2,760,003	2,722,010	2,843,033	2,648,943
Operations = take off & landing (1)	61,553	60,612	59,179	59,010	54,200	57,736	67,223	77,646	84,629	70,546
Total enplanements	0	0	0	8,672	35,572	63,316	106,718	128,250	159,361	139,549
Tax Base listings										
T Hanger	67	67	67	67	67	67	67	67	67	67
HIC	41	46	46	45	45	41	58	58	58	51
Tiedown	32	30	30	25	25	27	31	54	54	47
Corporate	6	9	9	3	3	4	3	4	4	21
Ground	11	18	18	9	9	11	11	11	7	8
Office	34	35	35	27	27	26	26	26	26	29
Public Housing										
Units in use	174	174	174	174	174	174	174	174	174	174
Housing Choice Vouchers	541	541	541	534	541	541	541	541	541	553

Note: Information obtained from various departmental staff in the City of Concord.

- (1) Control tower hours of operation 0700-0000
- (2) From Annual EIA 861 which is based on calendar year information
- (3) Green Fee rounds have been converted to 18 hole rounds
- (4) Calculation method changed in 2015
- (5) For 2015 and 2020, resurfacing contract in process at the end of the fiscal year, will report next year.
- (6) Hartsell Recreation Center was closed for renovations
- (7) Emergency Management moved under City Manger's Office. Previously reported under Fire.

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS,
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	132	134	134	135	150	159	169	172	166	166
Fire										
Stations	10	10	10	10	10	11	11	11	11	11
Fire Units	14	14	14	14	14	14	16	16	N/A	N/A
Engine, Ladder, Rescue, Crash Fire Rescue	0	0	0	0	0	0	0	0	23	25
Support vehicles	0	0	0	0	0	0	0	0	12	15
Emergency Management (7)										
Drone	0	0	0	0	0	0	0	0	0	1
EM Units	0	0	0	0	0	0	2	2	1	1
Mobile Command Unit	0	0	0	0	0	0	1	1	1	1
Solid Waste & Recycling										
Refuse collection trucks	28	28	28	29	28	29	29	31	32	31
Other Public Works										
Paved streets (miles)	326	329	331	337	341	343	348	354	354	356
Signalized Street	14	15	15	15	15	16	17	18	18	18
Control Beacons	6	6	6	6	6	6	6	6	7	6
Guardrail	4	4	4	4	4	5	5	5	5	5
Curb and Gutter	421	423	427	440	452	462	472	548	548	558
Sidewalk	205	206	209	222	235	245	254	254	258	261
School Zone Flashers	19	21	22	22	22	22	22	22	22	23
Facilities (City owned):										
Parks (developed acreage)	101	101	101	101	157	157	157	157	157	157
Parks (undeveloped acreage)	N/A	N/A	N/A	N/A	N/A	69	69	69	69	109
Playgrounds	14	14	14	14	13	13	14	14	13	13
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Basketball courts (1)	11	11	11	11	11	9	9	9	5	9
Tennis courts	14	14	14	14	14	14	16	14	16	14
Pickleball courts	0	0	0	0	0	0	0	2	2	2
Playing fields (2)	28	28	28	28	28	23	23	23	23	23
Swimming pool	1	1	1	1	1	1	1	1	1	1
Green Way	5	5	5	5	7	7	7	8	8	12
Walking Trails	3	3	3	3	4	4	4	4	4	3
Stormwater										
Storm Sewers (miles)	254	256	263	275	263	264	267	280	294	302

(Continued)

CITY OF CONCORD, NORTH CAROLINA

Table 21
Page 2 of 2CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAMS,
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Electric										
Substations	14	15	15	15	15	15	15	15	15	15
Water										
Water Mains (miles)	680	681	683	691	692	709	717	725	744	752
Fire hydrants	3,898	4,633	4,642	4,697	4,737	4,772	4,820	4,946	5,014	5,085
Storage capacity (millions of gallons)	14	14	16	16	16	16	16	16	16	16
Transit										
Transit Center	1	1	1	1	1	1	1	1	1	1
Buses	12	12	12	12	12	12	12	12	12	17
Wastewater										
Sanitary sewers (miles)	530	530	530	539	540	544	563	583	583	592
Treatment capacity (thousands of gallons)	2,854,630	2,997,804	2,923,870	3,339,746	3,102,774	3,237,594	3,362,198	3,061,566	3,903,644	3,913,000
Golf Course	1	1	1	1	1	1	1	1	1	1
Aviation										
Terminal	1	1	1	1	1	1	1	2	2	2
T Hangars	67	67	66	67	67	67	67	67	67	67
Corporate Hangar	2	3	3	3	3	3	3	4	4	5
Private Hangar	9	9	9	9	9	9	9	8	7	6
Hanger in Common	8	7	7	7	7	7	7	7	8	8
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
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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2020, and the related notes to the financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 23, 2020. 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 report. The financial statements of the City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the City of Concord ABC Board.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Concord's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Concord's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Concord's internal control.

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

Our consideration of 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 may exist that have not been identified.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 23, 2020

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Compliance for Each Major Federal Program; 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
Concord, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the City of Concord, North Carolina's compliance with the types of compliance requirements described 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Concord's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Concord's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Concord's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Concord complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City of Concord is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Concord's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Concord's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 23, 2020

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Compliance for Each Major State Program; 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
Concord, North Carolina

Report on Compliance for Each Major State Program

We have audited the City of Concord, North Carolina's compliance with the types of compliance requirements described in 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, 2020. 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.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Concord's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Concord's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City of Concord's compliance.

Opinion on Each Major State Program

In our opinion, the City of Concord complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the City of Concord is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Concord's internal control over compliance with the requirements that could have a direct and material effect on each major state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Concord's 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 combination of deficiencies, in internal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 23, 2020

CITY OF CONCORD, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

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? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Federal Transit Cluster	20.507
Highway Planning, Research and Construction Cluster	20.205
Public Housing Capital Fund (CFP)	14.872

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

Auditee qualified as low-risk auditee? Yes

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2020

1. Summary of Auditor's Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? No
- Significant deficiency(s) identified? None reported

Type of auditor's report issued on compliance for major state programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major state programs:

Program Name

Powell Bill

2. Financial Statement Findings

None reported.

3. Federal Award Findings and Questioned Costs

None reported.

4. State Award Findings and Questioned Costs

None reported.

CITY OF CONCORD, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020**

None reported.

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
Federal Financial Assistance						
U.S. Department of Housing and Urban Development:						
Direct Programs:						
CDBG Entitlement Grants Cluster:						
Community Development Block Grant/Entitlement	14.218	B-15-MC-37-0012	\$ -	\$ 6,255	\$ -	\$ -
Community Development Block Grant/Entitlement	14.218	B-16-MC-37-0012	-	401	-	-
Community Development Block Grant/Entitlement	14.218	B-17-MC-37-0012	-	128,703	-	-
Community Development Block Grant/Entitlement	14.218	B-18-MC-37-0012	-	68,369	-	-
Community Development Block Grant/Entitlement	14.218	B-19-MC-37-0012	-	149,219	-	33,837
Community Development Block Grant/COVID-19	14.218	B-20-MW-37-0012	-	54,767	-	-
Total CDBG Entitlement Grants Cluster			-	407,714	-	33,837
Home Investment Partnerships Program - Program Income	14.239	M-15-DC-370209	49,973	49,973	-	-
Home Investment Partnerships Program - Program Income	14.239	M-16-DC-370209	221,918	222,166	-	-
Home Investment Partnerships Program - Program Income	14.239	M-17-DC-370209	258,805	286,552	-	9,360
Home Investment Partnerships Program - Program Income	14.239	M-18-DC-370209	140,985	235,474	-	21,075
Home Investment Partnerships Program - Program Income	14.239	M-19-DC-370209	9,713	43,462	-	1,085
			681,394	837,627	-	31,520
Public and Indian Housing: Operating subsidy	14.850	A-4309	-	848,374	-	503,370
COVID-19 Public and Indian Housing	14.850		-	6,477	-	-
			-	854,851	-	503,370
Resident Opportunity and Supportive Services - Service Coordinators	14.870	NC008RPS126A015	-	20,546	-	-
Resident Opportunity and Supportive Services - Service Coordinators	14.870	ROSS201468	-	5,833	-	-
			-	26,379	-	-
Public Housing Capital Fund	14.872	NC19P00850117	-	30,999	-	-
Public Housing Capital Fund	14.872	NC19P00850118	-	311,373	-	-
Public Housing Capital Fund	14.872	NC19P00850119	-	99,580	-	-
			-	441,952	-	-

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
Family Self-Sufficiency Grant	14.896	FSS18NC2204	\$ -	\$ 28,881	\$ -	\$ -
Family Self-Sufficiency Grant	14.896	FSS20NC3407	-	19,125	-	-
			-	48,006	-	-
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871	A-3344-V	-	4,058,144	-	779,827
COVID-19 Section 8 Housing Choice Vouchers	14.871		-	14,240	-	-
Total Housing Voucher Cluster			-	4,072,384	-	779,827
Total U.S. Department of Housing and Urban Development			681,394	6,688,913	-	1,348,554
U.S. Department of Homeland Security:						
SAFER Grant	97.083	EMW2016FH00423	-	88,531	-	164,415
U.S. Department of Justice:						
Equitable Sharing Program	16.922		-	13,468	-	-
U.S. Department of Treasury						
Equitable Sharing Program	21.016		-	33,310	-	-
U.S. Department of Transportation						
Federal Transit Cluster:						
Federal Transit Formula Grant	20.507	NC-90-X511-00	-	2,054,363	287,130	1,121,458
Total Federal Transit Cluster			-	2,054,363	287,130	1,121,458
Transit Services Program Cluster						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2016-45-00	21,330	23,701	-	21,330
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2017-27-00	6,313	7,014	-	1,578
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2018-72-00	102,691	102,691	-	25,673
Total Transit Services Program Cluster			130,334	133,406	-	48,581

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
Federal Aviation Administration						
Airport Improvement Program:						
Master Plan	20.106	3-37-0015-003-2017	\$ -	\$ 11,692	\$ -	\$ 1,299
Taxiway Strengthening	20.106	3-37-0015-006-2018	-	3,404,892	-	378,321
Aircraft Rescue & Fire Fighting Vehicle	20.106	3-37-0015-007-2019	-	589,019	-	65,647
Apron Strengthening	20.106	3-37-0015-008-2019	-	2,012,947	-	223,661
COVID-19 CARES Act Funding	20.106	3-37-0015-009-2020	-	2,149,846	-	-
			-	8,168,396	-	668,928
Passed through North Carolina Department of Transportation:						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.7.19.6	-	44,000	5,500	5,500
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	39225.1.3	-	325,999	-	81,500
			-	369,999	5,500	87,000
Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205	44018.2.1	-	859,092	-	-
Highway Planning and Construction	20.205	45845.3.1	-	198,300	-	49,575
Highway Planning and Construction	20.205	55059.1.1	-	275,606	-	68,902
Total Highway Planning and Construction Cluster			-	1,332,998	-	118,477
Total U.S. Department of Transportation			130,334	12,059,162	292,630	2,044,444
U.S. Department of Treasury						
Passed through NC Office of Management and Budget						
Passed through Cabarrus County						
COVID-19 Coronavirus Relief Fund	21.019		44,321	205,129	-	-
Total federal awards			856,049	19,088,513	292,630	3,557,413

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
State Financial Assistance:						
Department of Transportation:						
Powell Bill	N/A		-	-	983,947	-
Airport Improvement Program:						
Airport Improvements and Debt Service	N/A	36244.41.6.1	-	-	462,751	-
Department of Natural and Cultural Resources:						
Parks and Recreation Trust Fund	N/A	2019-885	-	-	234,077	234,077
Total state awards			-	-	1,680,775	234,077
Total federal and state awards			\$ 856,049	\$ 19,088,513	\$ 1,973,405	\$ 3,791,490

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, 2020

(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. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and The State Single Audit Implementation Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Indirect Cost Rate

City of Concord has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

(3) Federal Transit Cluster

Some expenses reported for the Federal Transit Cluster are in pre-award status.

(4) Coronavirus Relief Funds

City of Concord received \$1,252,112 of funding from the Coronavirus Relief Fund (21.019) from Cabarrus County. City of Concord has a plan to spend these funds approved by OSBM. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under the state statute, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.