

City of Concord, North Carolina
Annual Comprehensive Financial Report
for the Fiscal Year Ended
June 30, 2021



2021

CITY OF CONCORD, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021

Prepared by:
Finance Department

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October 25, 2021

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

The Annual Comprehensive Financial Report (ACFR) of the City of Concord, North Carolina, for the fiscal year ended June 30, 2021, 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 2021.

This report was prepared by the Finance Department of the City of Concord and consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Concord has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Concord's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Concord's financial statements have been audited by Martin Starnes & Associates CPAs, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Concord for the fiscal year ended June 30, 2021, 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, 2021, 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

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special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are contained in the compliance section of this report. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Concord's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY

The City of Concord is located in the north central portion of Cabarrus County, North Carolina (the "County"). The County is located in the east central part of the Charlotte-Gastonia-Concord MSA. The City, incorporated in 1796, is the County seat and covers an area of approximately 63,433 square miles with an estimated population of 105,240 as of July 1, 2020 per the N.C. Office of State Budget and Management. The City adjoins the City of Charlotte, North Carolina, and is one of six incorporated municipalities in Cabarrus County.

The City is governed by the council-manager form of government. The seven-member non-partisan City Council is elected at large from districts for four-year alternating terms. The Mayor is elected at large and also serves a four-year term. The Council members serve as the City's policy making body, adopting an annual balanced budget, establishing legislative direction for the City, and hiring a professional City Manager to serve as chief executive officer to direct the daily activities of the City's departments. The City Council makes extensive use of appointed boards and commissions in the development of policy decisions.

The City provides its citizens with a wide range of services that include public safety, solid waste and recycling, transportation, recreational activities, planning and community development services, and general administration. In addition, the City owns and operates electric, water, stormwater and wastewater utilities, a general aviation airport, and a municipal golf course. The Cities of Concord and Kannapolis have entered into a joint inter-local agreement that established a fixed route public transportation service, Concord/Kannapolis Area Transit System that began in April of 2004. The City has a Housing Department, which provides housing and housing assistance programs for low-income residents through funding from the Department of Housing and Urban Development. This report includes all of the City's activities related to those services, as well as activities of all component units of the City.

The City Council appoints members of the Alcoholic Beverage Control Board. The City receives a share of the profits but does not participate in managerial control of operations. This organization is included as a component unit in the financial statements under discrete presentation.

First Concord Corporation has been established as a nonprofit organization of the City. It has been specifically organized, and is operated exclusively, for the purpose of promoting the general welfare of the citizens of the City as a financing vehicle for the City. This Corporation is included as a blended component unit within the financial statements.

The Concord Family Enrichment Association (CFEA) is a nonprofit established by the City of Concord to develop and build affordable housing within Concord and surrounding areas. City Council appoints two members to the CFEA board, in addition to board seats reserved for the

leadership from the departments of Planning and Neighborhood Development and Housing. CFEA is included as a component unit in the financial statements under discrete presentation.

North Carolina General Statutes require formal budgetary accounting for all funds. The departments of the City are required to submit requests for appropriations to the City Manager in February each year. These requests are used as a starting point for developing a proposed budget. The City Manager presents the proposed budget no later than June 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30. Budgets are legally enacted by adoption by the governing board of an Annual Budget Ordinance or a Capital Project Ordinance. The Annual Budget Ordinance and Capital Project Ordinance may be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. Changes of functions and total budgets of any fund require approval of the governing board. The City Manager is authorized to reallocate departmental appropriations, as he considers necessary, and to affect interdepartmental transfers within a fund as long as it does not exceed 10% of the appropriated monies for the department whose allocation is reduced. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Capital Project Ordinance is used to establish a budget for a project that extends over more than one fiscal year. Capital Project's budget to actual comparisons for each governmental fund for which a capital project budget has been adopted is also included in this report.

Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end and will be carried forward with their budget appropriations to the subsequent year.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Concord operates.

LOCAL ECONOMY

The unemployment rate for Cabarrus County at June of 2021 was 4.4%, which is a decrease from a rate of 12.3% in June of 2020. The state's unemployment rate for June of 2021 was 4.9%. (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 pandemic 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 decrease slightly this year as a result of large commercial usage declining during the COVID-19 closures.

We, like most other local governments, adjusted our proposed FY 21 budget late in FY 20 and prior to adoption due to the revenue uncertainties caused by shuttered (and temporarily closed) businesses, private sector furloughs, and general uncertainty about individual spending habits. Travel came to a screeching halt, impacting our City due to the loss of tourism monies many of our businesses rely on to thrive.

We are cautiously optimistic as we enter FY 2021-2022. 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. Sales tax numbers during FY 2020-2021 exceeded our predictions as they did for the State of North Carolina. This was certainly a positive for most local governments. No COVID-19 impacts are anticipated in FY 2021-2022 as our overall economy has remained relatively strong. 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 2021. 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 nearing completion. This project includes significant improvements to the interchanges at Exits 58 (US29) and 60 (Copperfield/Dale Earnhardt). The George Liles Parkway extension is complete and links US 29 in Concord directly to I-85, providing enhanced access to approximately 3000 acres of property zoned for business development in the geographic middle of the City. The 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 continue recovering 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.

Construction will begin soon on the new Union StreetScape in Downtown Concord. 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". Demolition of the former Police Department and former City Hall buildings was completed in the spring of 2021. It is anticipated these projects will continue to 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. 66 Union Street, site of the original City Hall, is being redeveloped into commercial office space, with the City partnering with the developer to offer discounted office space rentals to local non-profits on the building's lower level.

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 around 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 resume at some point in the future.

Citizen surveys continue to state the need 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 279 miles of sidewalk and over 361 miles of roads. Major projects in the FY22 budget include road improvements at US 601/Flowers Store Road, engineering work for the intersection at Poplar Tent Rd/Harris Rd, and design/right-of-way acquisition for the Lincoln Street Bridge replacement.

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.

After some construction delays, permanent Fire Station #10 opened in April 2021. Construction of Fire Station #12 is expected to be completed in December 2021. In addition, Fire, Police, and Communications are exploring property options for a joint training facility.

The adopted Comprehensive Master Plan and Open Space Connectivity Plan continue to drive Parks and Recreation programming, greenway development, park development, and connectivity

to neighborhood parks and schools across the City. Staff continues to focus on site control for greenway development, improved connectivity and other pedestrian-friendly trails throughout the City through donation and dedication, with a goal of having 30 miles of greenways by the year 2030. In the coming year, staff will focus on the master plans for the Academy/Gibson area, Hartsell Park/Recreation Center Complex and the WW Flowe Complex. The completion of the YMCA connector greenway will add .5 miles to the existing trail within Dorton Park by Summer of 2022. Final design for renovations to Caldwell Park, based on the adopted master plan, will be completed by Summer 2022. Staff will begin the design of the Clarke Creek Greenway-Cox Mill Loop providing connectivity from the proposed Northwest Park to area schools and neighborhoods. By Spring 2022, the design of the Coddle Creek Greenway, connecting Dorton Park to the existing George Liles Parkway Greenway, will be completed. The City continues to utilize the 1¢ tax rate dedicated to parks and recreation to help accelerate connectivity and recreational needs across the City.

For FY 2021-22, 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, 2021, the City's cash resources were invested as follows:

U.S. Government agencies	80.3%
Commercial Paper	19.3%
NCCMT	<u>0.4%</u>
Total	<u>100.0%</u>

The average yield on investments at June 30, 2021 is estimated at 0.6% as compared to 0.1% 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, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 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 150 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 annual comprehensive financial report for the fiscal year ended June 30, 2020. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The annual comprehensive financial report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The City of Concord has received a Certificate of Achievement for the last thirty-two consecutive years.

The presentation of this report could not have been accomplished without the assistance and dedication of the entire staff of the Finance Department. Special thanks go to Deputy Finance Director, Kristin Roe, and the entire accounting staff for their contribution and preparation of this report. We also appreciate the cooperation and assistance of the other City departments, as well as the assistance of the City's independent auditor, Martin Starnes & Associates CPAs, P.A., in their preparation of this report. In addition, we express our appreciation to the Mayor and City Council for their continued support and leadership in conducting the financial activities of the City in a responsible and progressive manner.

Respectfully submitted,



Lloyd Wm. Payne, Jr.
City Manager



Jessica Jones
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Concord
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

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

Terry Crawford Mayor Pro Tempore

Andy Langford
W. Brian King
JC McKenzie
Jennifer P. Hubbard
Ella Mae Small
John Sweat, Jr.

Lloyd Wm. Payne, Jr. City Manager

Jessica Jones Finance Director

VaLerie Kolczynski City Attorney

Kim Deason City Clerk

Citizens of Concord
Represented by Mayor & Council





City Attorney
Valerie Kolczynski
704-920-5115


City Manager
Lloyd Payne
704-920-5215


City Clerk
Kim Deason
704-920-5205


Asst. City Manager
Joshua Smith
704-920-5215


Asst. City Manager
Pam Hinson
704-920-5215


Asst. City Manager
LeDerick Blackburn
704-920-5215


Aviation
Dirk Vanderleest
704-920-5912


Communications
Bethany Ledwell
704-920-5590


Finance
Jessica Jones
704-920-5222


Human Resources
Chantel Thompson
704-920-5101


Buildings & Grounds
Susan Sessler
704-920-5380



Electric Systems
Alex Burris
704-920-5335


Emergency Management
Ian Crane
704-920-5211


Fire
Jake Williams
704-920-5524


Planning & Neigh. Dev.
Steve Osborne
704-920-5132


Rider Transit
L.J. Weslowski
704-920-5878


Engineering
Sue Hyde
704-920-5401


Fleet Services
Daniel Nuckolls
704-920-5431


Housing
Angela Graham
704-920-6100


Parks & Recreation
Bob Dowless
704-920-5610


Public Affairs & Project Manager
Lindsay Manson
704-920-5210


Data Services (Contract)
Charlie Bridges
704-920-5290


Solid Waste & Recycling
Robin Barham
704-920-5351


Transportation
Phillip Graham
704-920-5338


Police
Gary Gacek
704-920-5007


Diversity, Equity, & Inclusion Coordinator
Emma Sellers
704-920-6206


Rocky River Golf Club (Contract)
704-455-1200


Water Resources
Jeff Corley
704-920-5372

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2021, 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 98 percent, 98 percent, and 99 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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 on 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of June 30, 2021, 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.

Change in Accounting Principle

As discussed in the notes to the financial statements, for fiscal year ended June 30, 2021, the City of Concord adopted new accounting guidance, Governmental Accounting Standards Board (GASB) No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 Employee 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 25, 2021 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 25, 2021

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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, 2021. We encourage readers to read the information presented here in conjunction with the transmittal letter at the front of this report and the City’s financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources for the City’s governmental and business type activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,120,941,751 (*net position*). Of this amount, \$301,735,995 (*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 \$121,600,878, 12 percent. The majority of this growth is attributable to an increase in cash and investments and an increase in capital assets.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$153,893,870 an increase of \$12,676,429 in comparison with the prior year, a 9% increase. Approximately 35 percent of this total amount or \$54,469,275 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 \$54,743,932 or 50.4 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+	AA-

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of the City.

BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of statements that present different views of the City.

The first two statements (Exhibit A & B) are the *Government-wide Financial Statements*. They provide both short and long-term information about the City's overall financial status, in a manner similar to a private-sector business.

The remaining statements (Exhibits C through L) are *Fund Financial Statements*. These statements focus on the activities of the individual parts of the City's government, reporting the City's operations in more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The governmental fund statements tell how general government services like public safety were financed in the short term as well as what remains for future spending. The proprietary fund statements offer short- and long-term financial information about the activities the government operates like businesses, such as the electric, water and wastewater systems. The fiduciary fund statement only reports assets and liabilities and is not reported on the government wide financial statement. Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. Following the notes is the section of *required supplemental information* and a section with combining statements that provide details on the City's non-major governmental funds and internal service fund, all of which are combined into one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes can also be found in this part of the statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by the private-sector companies. The two government-wide statements report the City's *net position* and how they have changed.

The *statement of net position* includes all of the City's assets, deferred inflows/outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public works, public safety, transportation, planning and community development and cultural and recreational. The business-type activities include electric, water, wastewater, aviation, transit, stormwater, public housing and municipal golf course operation.

The government-wide financial statements include not only the City of Concord itself (known as the primary government), but also a legally separate ABC Board, Concord Family Enrichment

Association 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 33 through 35 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 thirteen individual non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the General Capital Reserve Fund and the American Rescue Plan Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

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

Proprietary Funds

The City maintains two types of proprietary funds. Enterprise Funds are used to report the same functions as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater, stormwater, aviation, golf course, transit and public housing operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the functions of the City. The City of Concord uses an internal service fund to account for the financing of goods and services provided by the Utility Collections department, Customer Care department, Billing department, Engineering department, Purchasing department, 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 one fiduciary fund. Fiduciary Funds use accounting much like Proprietary fund types and are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Concord's programs. The Fiduciary Fund statements are located on pages 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 89 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 89 through 96 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 151 through 152.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources for the City exceeded liabilities and deferred inflows of resources by \$1,120,941,751 as of June 30, 2021.

By far the largest portion of the City's net position (69 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	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$152,337,412	\$180,499,697	\$254,388,076	\$271,594,339	\$406,725,488	\$452,094,036
Capital assets	346,852,890	422,370,001	404,986,546	422,087,773	751,839,436	844,457,774
Total Assets	499,190,302	602,869,698	659,374,622	693,682,112	1,158,564,924	1,296,551,810
Deferred outflows of resources	10,548,046	17,733,817	7,820,529	10,223,924	18,368,575	27,957,741
Long-term liabilities outstanding	64,872,885	80,601,266	64,750,661	59,668,126	129,623,546	140,269,392
Other liabilities	15,442,486	31,342,157	21,304,806	22,308,215	36,747,292	53,650,372
Total liabilities	80,315,371	111,943,423	86,055,467	81,976,341	166,370,838	193,919,764
Deferred inflows of resources	7,172,878	6,224,999	4,048,910	3,423,037	11,221,788	9,648,036
Net position:						
Net investment in capital assets	326,124,878	397,805,262	352,506,369	375,836,060	678,631,247	773,641,322
Restricted	37,419,865	45,564,434	-	-	37,419,865	45,564,434
Unrestricted	58,705,356	59,065,397	224,584,405	242,670,598	283,289,761	301,735,995
Total net position	\$422,250,099	\$502,435,093	\$577,090,774	\$618,506,658	\$999,340,873	\$1,120,941,751

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, \$301,735,995, 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 \$80,184,994 in net position reported in connection with the City of Concord's governmental type activities and an increase of \$41,415,884 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 \$41,415,884, 7%. 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

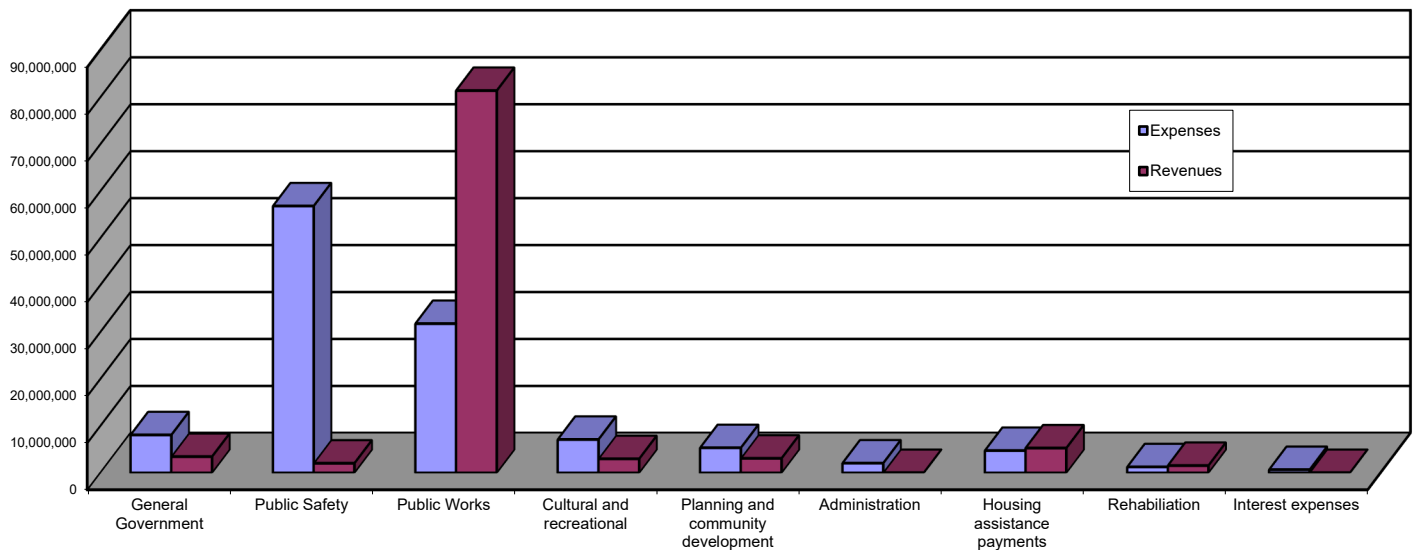
	Governmental Activites		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program revenues:						
Charges for services	\$7,902,318	\$9,201,946	\$147,397,745	\$154,056,187	\$155,300,063	\$163,258,133
Operating grants/ contributions	9,256,751	10,364,942	4,634,731	4,256,267	13,891,482	14,621,209
Capital grants/contributions	16,263,751	79,993,284	13,761,672	17,702,259	30,025,423	97,695,543
General revenues:						
Ad valorem taxes	56,769,474	68,983,413	-	-	56,769,474	68,983,413
Other taxes	18,919,783	22,777,368	-	-	18,919,783	22,777,368
Grants and contributions not restricted to specific programs	5,300,053	5,157,517	-	-	5,300,053	5,157,517
Investment earnings	2,994,419	245,044	4,929,023	518,768	7,923,442	763,812
Miscellaneous/Gain(loss) capital asset sales	1,552,665	2,285,967	69,428	583,819	1,622,093	2,869,786
Total revenues	<u>118,959,214</u>	<u>199,009,481</u>	<u>170,792,599</u>	<u>177,117,300</u>	<u>289,751,813</u>	<u>376,126,781</u>
Expenses:						
General government	5,868,190	8,042,489	-	-	5,868,190	8,042,489
Public safety	52,387,556	56,804,303	-	-	52,387,556	56,804,303
Public works	27,392,943	31,745,286	-	-	27,392,943	31,745,286
Cultural & recreational	6,996,264	7,070,517	-	-	6,996,264	7,070,517
Planning & community development	4,699,130	5,302,309	-	-	4,699,130	5,302,309
Administration	2,018,740	2,032,335	-	-	2,018,740	2,032,335
Housing assistance payments	4,480,648	4,705,017	-	-	4,480,648	4,705,017
Rehabilitation	1,075,666	1,230,061	-	-	1,075,666	1,230,061
Interest on long term debt	795,074	637,687	-	-	795,074	637,687
Electric	-	-	60,279,345	67,259,271	60,279,345	67,259,271
Water	-	-	23,020,997	24,664,076	23,020,997	24,664,076
Wastewater	-	-	16,920,469	17,311,640	16,920,469	17,311,640
Regional airport	-	-	12,947,994	12,833,374	12,947,994	12,833,374
Stormwater	-	-	4,627,974	4,652,635	4,627,974	4,652,635
Other nonmajor business-type activities	-	-	9,785,465	10,234,903	9,785,465	10,234,903
Total expenses	<u>105,714,211</u>	<u>117,570,004</u>	<u>127,582,244</u>	<u>136,955,899</u>	<u>233,296,455</u>	<u>254,525,903</u>
Increase in net position before transfers	13,245,003	81,439,477	43,210,355	40,161,401	56,455,358	121,600,878
Transfers	(1,893,657)	(1,254,483)	1,893,657	1,254,483	-	-
Increase in net position	<u>11,351,346</u>	<u>80,184,994</u>	<u>45,104,012</u>	<u>41,415,884</u>	<u>56,455,358</u>	<u>121,600,878</u>
Net position, July 1	410,898,753	422,250,099	531,986,762	577,090,774	942,885,515	999,340,873
Net position, June 30	<u>\$422,250,099</u>	<u>\$502,435,093</u>	<u>\$577,090,774</u>	<u>\$618,506,658</u>	<u>\$999,340,873</u>	<u>\$1,120,941,751</u>

Governmental Activities

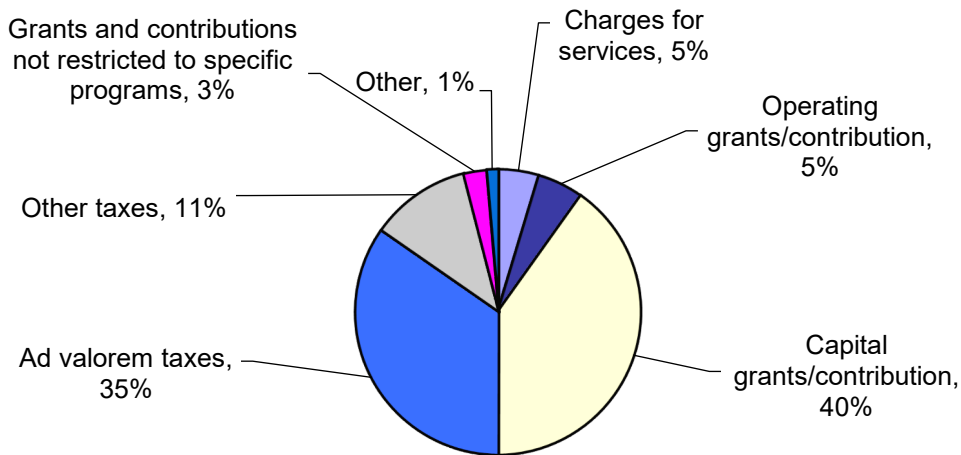
In fiscal year 2021, the net position of governmental activities increased by \$80,184,994, or about 19%. Revenues increased by more than 67% as a result of an increase in capital grants and contributions when compared to the prior year. Expenses and transfers were less than total sources which resulted in an increase in net position of \$80,184,994. 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 \$12,213,939 (22%) during the year. The City continues to see a steady growth in assessed values and had a revaluation during the current fiscal year.
- Capital grants/contributions increased \$63,729,533 due to an increase in contributions for capital related to infrastructure.
- Investment earnings decreased \$2,749,375 as the rates continue to be low.
- Other taxes increased 20%, \$3,857,585 as sales tax revenues recovered from COVID-19 effects on the economy.
- The total governmental activities increase in expenses was 11%. The City continues to operate as conservatively as possible while maintaining existing services. The increases are primarily related to personnel costs.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net position by \$41,415,884 (7%).

Key elements of the increase in business type activities, illustrated in table 2 located on page 25 are as follows:

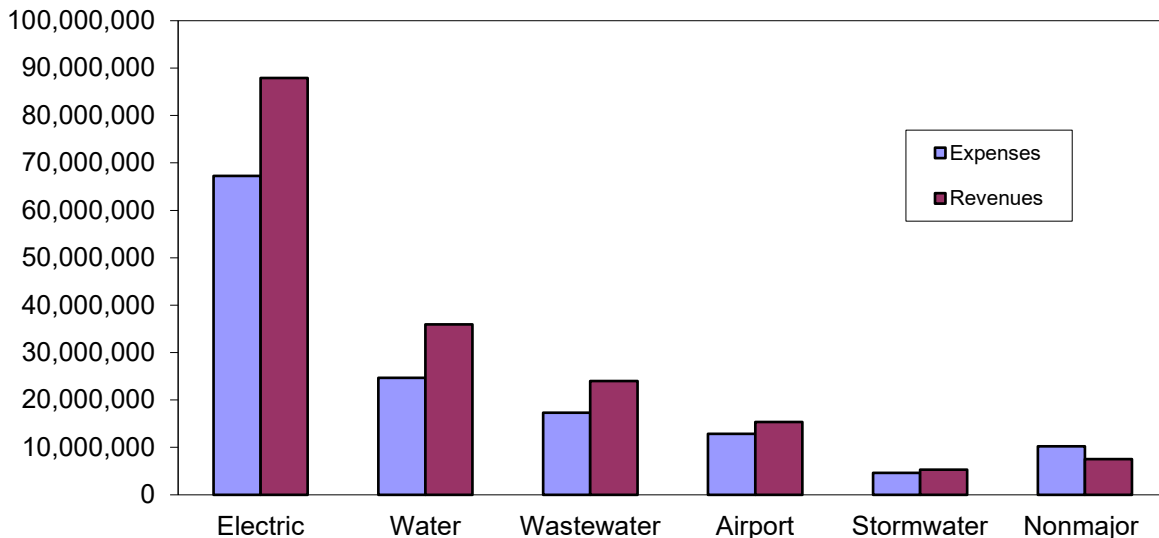
- Charges for services for business-type activities increased by 5%, \$6,658,442.
 - Usage increased over 2% for wastewater customers; the City experienced a 2% growth in customers. The wastewater division's charges for service also increased 3%, due to the increase in customers and an increase in development related wastewater fees. Line service charges to developers depend on the timing of development. Wastewater operating revenue exceeded operating expenses by more than \$3.9 million in FY2021. There were no rate increases.
 - Water charges for service increased over 1.4% which was the result of customer growth (2.5%) in the system, as well as an increase in usage of 0.4%. 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 FY2021, water operating income exceeded operating expenses by \$8.2 million.
 - Aviation charges for service increased 5.9% when compared to the previous year. The Concord-Padgett Regional Airport (CPRA) continued to experience reduced commercial flights due to the COVID-19 pandemic. Operations have begun to increase with a gradual recovery expected as flights continue to resume. Fiscal year ending 2021 resulted in net operating income of \$576,890. For the future, the airport continues to recover with slow growth in commercial flights by Allegiant. For the fiscal year ending 2021, takeoffs and landings were up 4% and the commercial flight customers decreased 27% when compared to last fiscal year.
 - Stormwater charges for service increased 3% 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 twelve 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 \$2.2 million.

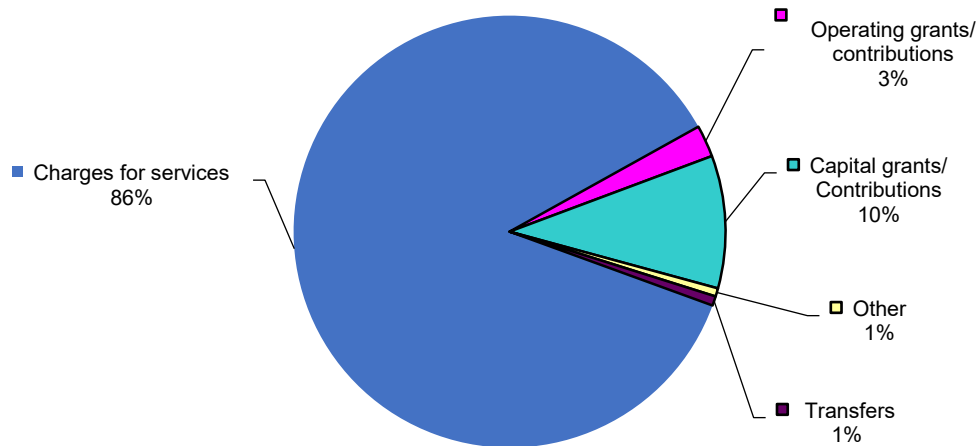
- Electric charges decreased 0.7 % in fiscal year 2021. Although the system did experience customer growth, electric revenue was affected by COVID-19. Many large commercial users reduced hours or shut down their facilities. These shutdowns impacted usage from major City users. Although the City did experience a reduction in revenues, purchased power also declined. Net operating income for the electric system was \$25 million at year end.
- Expenses, before transfers, increased 7% when compared to the prior year. The City is experiencing a strong increase in development which places more demands on our utility budgets. The City continues to focus on ensuring that operating costs do not outpace the City's revenue sources.
 - Electric operating expenses increased by 12%. 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 7%, 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. The project required additional contract labor as well as purchases of materials and technology to support the project.
 - Stormwater operating expenses increased 1% which reflects normal system growth expenses.
 - Wastewater operating expenses increased 2% which reflects normal system growth expenses.
 - The airport operating expenses decreased 1%; the majority of this decrease was associated with the reduction of flights and fuel sales due to COVID-19. With the reduced number 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 \$153,893,870, an increase of about 9% in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 35% (\$54,469,275) 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 (\$221,930), 2) restricted for streets, public safety and state statute stabilization (\$45,564,434), 3) committed for future capital, planning & community development (\$32,404,494), and 4) assigned for specific purposes in other governmental funds (\$21,233,737).

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 \$54,743,932 while total fund balance for the general fund was \$84,325,815; representing an increase of \$6,747,726. The City continues to fund the capital reserve fund for major projects. The allocation for fiscal year 2021 was \$7,000,000. 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 50.4% of total general fund expenditures and transfers out, while total fund balance represents 77.6% 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 \$19,027,618. Transfers to other funds increased by \$4,275,317 when compared to the prior year. The majority of the total transfers, \$17,998,906, are for capital projects and debt service.

Total departmental expenditure budgets were under projections by 14.2% (\$15,016,521). Ad Valorem collections increased \$12,213,939 (22%) when compared to the prior year.

Other governmental and general fund capital reserve fund balances increased \$5,928,703 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 \$132,500,863, \$61,518,081, \$34,627,236, \$6,840,905 and \$14,572,421 respectively. The unrestricted net position of all other enterprise funds was (\$2,945,410). The total growth in net position for the proprietary funds was \$41,415,884. 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 \$20,129,383, or more than 19%. 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 \$7,000,000. Since budget estimates were prepared conservatively, the increase is due in part to increases to revenues as actual amounts were received in excess of original estimates. At year-end, *actual* operating revenues exceeded *final amended revenue budget* numbers by 5.7%. *Actual* operating expenditures were less than *final budgetary* figures by 14%, resulting in excess of revenues over expenditures (before other financing sources/uses) of \$19,027,618.

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, 2021, totals \$844,457,774 (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 12% (22% increase for governmental activities and 4% 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 \$6,003,889.
- Land purchased for future electric operations center location totaling \$2,852,921

- Streets infrastructure and improvements totaling \$82,874,820.
- Park land purchase totaling \$2,209,150.
- Fire Station construction \$3,717,213.
- Purchase of vehicles and equipment for general fund totaling \$3,570,521.
- 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 \$15,674,646.
- Upgrades/improvements to the wastewater system in the amount of \$4,197,558.
- Strengthening improvements to the airport runway, taxiway, and apron in the amount of \$13,763,041.

Additional information on the City of Concord's capital assets can be found in Note 5 of the Basic Financial Statements located on pages 66 and 67.

Capital Assets
Table 3

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Land	\$ 17,845,921	\$ 20,285,803	\$ 41,286,334	\$ 44,139,255	\$ 59,132,255	\$ 64,425,058
Construction in progress	19,674,739	25,584,718	44,885,347	40,551,299	64,560,086	66,136,017
Buildings and systems	65,865,788	65,321,692	79,958,595	80,372,304	145,824,383	145,693,996
Improvements other than buildings	7,754,838	7,665,337	509,603,096	544,538,364	517,357,934	552,203,701
Machinery and equipment	40,082,781	42,428,362	39,307,003	40,617,888	79,389,784	83,046,250
Infrastructure	666,641,492	747,734,914	-	-	666,641,492	747,734,914
Sub-total	817,865,559	909,020,826	715,040,375	750,219,110	1,532,905,934	1,659,239,936
Less Accum. Depreciation	(471,012,669)	(486,650,825)	(310,053,829)	(328,131,337)	(781,066,498)	(814,782,162)
Total	\$ 346,852,890	\$ 422,370,001	\$ 404,986,546	\$ 422,087,773	\$ 751,839,436	\$ 844,457,774

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of \$68,306,624 (principal). Of this amount, \$0 comprises debt backed by the full faith and credit of the City and \$31,843,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has \$20,675,000 and \$15,788,624 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds
Table 4

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Installment purchases	\$ 1,987,976	\$ 7,902,141	\$ 8,988,103	\$ 7,886,483	\$ 10,976,079	\$ 15,788,624
Revenue Bonds	437,038	293,797	35,344,962	31,549,203	35,782,000	31,843,000
Installment notes	17,654,050	15,820,850	6,225,950	4,854,150	23,880,000	20,675,000
Total long-term debt	\$ 20,079,064	\$ 24,016,788	\$ 50,559,015	\$ 44,289,836	\$ 70,638,079	\$ 68,306,624

In the current fiscal year, the City of Concord's total debt decreased by \$2,331,455 (3 percent). The City entered into an installment agreement for a fire station in the amount of \$6,200,000

during this fiscal year. 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 0.17%. The legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is \$1,125,938,045. The current debt limitation for the City of Concord is \$1,149,661,036, 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

- The economy continues to recover from the effects of the global coronavirus pandemic (COVID-19). The restrictions placed on the City's businesses, due to the pandemic have loosened and business activity has resumed. The sales tax revenues continue to recover and construction continues to be strong in the Charlotte region.

The City, like most other local governments, adjusted our FY 21 budget late in FY 20 and prior to adoption due to the revenue uncertainties caused by shuttered (and temporarily closed) businesses, private sector furloughs, and general uncertainty about individual spending habits. Travel came to a screeching halt, impacting our City due to the loss of tourism monies many of our businesses rely on to thrive.

The City is cautiously optimistic as we enter FY 2021-2022. 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. Sales tax numbers during FY 2020-2021 exceeded our predictions as they did for the State of North Carolina. No COVID-19 impacts are anticipated in FY 2021-2022 as our overall economy has remained relatively strong. The housing market is still strong and development continues to occur at a steady pace.

- The unemployment rate for Cabarrus County at June of 2021 was 4.4%, which is a large decrease from a rate of 12.3% in June of 2020. The state's unemployment rate for June of 2021 was 4.9%.
- Concord's certified population has increased from 79,066 in 2010 to an estimated 105,240 as of July 1, 2019 (per NC Office of State Budget & Management), which represents a growth rate of 33%. The City experienced a 13% growth in current year population when compared to the certified population estimate as of July 1, 2019. Concord's most recent estimated population is 105,240 according the United States census estimates. 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 COVID-19, the economy in Concord was strong, and the City expects the economy to continue recovering 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.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2022. The amount of unassigned fund balance in the general fund is \$54,743,932 as of July 1, 2021. Concord has no appropriation from fund balance for the 2022 fiscal year.

The tax base used in the fiscal year 2022 budget preparation represents an estimated 4% increase in real property values from fiscal year 2021 projections. The increase is a result of continued development and growth in the city. One cent on the City's tax rate produces \$1,414,018 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 2022 budget does not change the tax rate of \$0.4800 per \$100 property evaluation.

Construction will begin soon on the new Union StreetScape in Downtown Concord. 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". Demolition of the former Police Department and former City Hall buildings was completed in the spring of 2021. It is anticipated these projects will continue to 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. 66 Union Street, site of the original City Hall, is being redeveloped into commercial office space, with the City partnering with the developer to offer discounted office space rentals to local non-profits on the building's lower level.

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 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 a total allocation of property tax allocated to transportation improvements at 2.5¢. Staff continue to work closely with NC DOT on projects in our City to reduce traffic and congestion concerns. The City maintains over 279 miles of sidewalk and over 361 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 resume at some point in the future.

Construction of Fire Station #12 is expected to be completed in December 2021. In addition, Fire, Police, and Communications are exploring property options for a joint training facility, which would be constructed and operated by the City.

Affordable housing is an area that needs greater emphasis in our City and is specifically called out in the City's Strategic Plan. An affordable housing study conducted in FY 20 showed a sizable deficit in the number of affordable units within the City. Later that year, 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. I am continuing to recommend that 1¢ 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.

The adopted Comprehensive Master Plan and Open Space Connectivity Plan continue to drive Parks and Recreation programming, greenway development, park development, and connectivity to neighborhood parks and schools across the City. Staff continues to focus on site control for greenway development, improved connectivity and other pedestrian-friendly trails throughout the City through donation and dedication, with a goal of having 30 miles of greenways by the year 2030. In the coming year, staff will focus on the master plans for the Academy/Gibson area, Hartsell Park/Recreation Center Complex and the WW Flowe Complex. The completion of the YMCA connector greenway will add .5 miles to the existing trail within Dorton Park by Summer of 2022. Final design for renovations to Caldwell Park, based on the adopted master plan, will be completed by Summer 2022. Staff will begin the design of the Clarke Creek Greenway-Cox Mill Loop providing connectivity from the proposed Northwest Park to area schools and neighborhoods. By Spring 2022, the design of the Coddle Creek Greenway, connecting Dorton Park to the existing George Liles Parkway Greenway, will be completed. The City continues to utilize the 1¢ tax rate dedicated to parks and recreation to help accelerate connectivity and recreational needs across the City.

Excellent customer service remains at the core of what the City's staff strive for on a daily basis. Citizen communications will continue to be varied and expansive. Direct mailings such as the "City Circular" newsletter, newspaper placements, the electronic newsletter, the City's website, news releases, television, radio and other outlets will continue. The City's website was overhauled in fiscal year 2021 to make it more user-friendly and easier to navigate.

The City continues to offer a salary plan that will encourage employees to stay and also aid in recruitment. As the City desires to remain competitive in employee recruitment and retention, merit pay continues to be included in the budget for 2022. Below is a list of personnel decisions over the past five years as well as the 2021/22 adoption.

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.

FY21/22: Merit adjustments are available on the evaluation date from 1% to 3% based on evaluation ratings, a 1.5% market adjustment will be provided to all employees effective July 12, 2021, and a 1.5% career development increase is available to all employees who complete their career development plan.

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 included money which funded 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, 2021

Exhibit A
Page 1 of 2

ASSETS	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Concord ABC Board	Concord Family Enrichment Assoc
Cash and investments	\$ 109,684,825	\$ 239,585,168	\$ 349,269,993	\$ 5,411,702	\$ 295,670
Receivables, net	14,471,126	25,378,272	39,849,398	-	-
Internal balances	5,332,807	(5,332,807)	-	-	-
Inventories	120,706	5,606,724	5,727,430	2,807,022	-
Prepaid expenses	101,224	33,111	134,335	53,621	-
Restricted assets - cash and investments	50,789,009	6,323,871	57,112,880	-	-
Capital assets:					
Non-depreciable	45,870,521	84,690,554	130,561,075	3,116,117	-
Depreciable, net	376,499,480	337,397,219	713,896,699	5,049,644	-
Total assets	602,869,698	693,682,112	1,296,551,810	16,438,106	295,670
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan (LGERS)	10,791,535	6,283,680	17,075,215	321,306	-
Pension plan (LEOSSA)	3,801,630	-	3,801,630	-	-
OPEB deferrals	3,011,073	1,753,282	4,764,355	-	-
Deferred charge on refunding	129,579	2,186,962	2,316,541	-	-
Total deferred outflows of resources	17,733,817	10,223,924	27,957,741	321,306	-
LIABILITIES					
Accounts payable and accrued liabilities	14,177,270	9,851,276	24,028,546	1,107,852	-
Accrued interest payable	-	150,291	150,291	-	-
Advance from grantors	8,183,836	2,272,943	10,456,779	-	-
Unearned revenues	6,482	-	6,482	-	-
Deposits payable from restricted assets	3,792,482	3,443,947	7,236,429	-	-
Non-current liabilities:					
Due within one year:					
Long-term debt	4,282,317	5,487,616	9,769,933	-	-
Installment purchases	899,770	1,102,142	2,001,912	-	-
Due in more than one year:					
Net pension liability (LGERS)	19,051,004	11,092,988	30,143,992	453,825	-
Total pension liability (LEOSSA)	10,975,270	-	10,975,270	-	-
Net OPEB liability	26,081,799	4,710,558	30,792,357	-	-

Continued

CITY OF CONCORD, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2021

Exhibit A
Page 2 of 2

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Concord ABC Board	Concord Family Enrichment Assoc
LIABILITIES cont.					
Long-term debt	\$ 17,490,822	\$ 37,080,239	\$ 54,571,061	-	-
Long-term installment purchases	7,002,371	6,784,341	13,786,712	-	-
Total liabilities	111,943,423	81,976,341	193,919,764	1,561,677	-
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals (LGERS)	51,169	29,796	80,965	-	-
Pension deferrals (LEOSSA)	201,045	-	201,045	-	-
OPEB deferrals	5,827,526	3,393,241	9,220,767	-	-
Prepaid taxes	145,259	-	145,259	-	-
Total deferred inflows of resources	6,224,999	3,423,037	9,648,036	-	-
NET POSITION					
Net investment in capital assets	397,805,262	375,836,060	773,641,322	8,165,761	-
Restricted for:					
Streets	2,666,251	-	2,666,251	-	-
Stabilization by State Statute	42,669,023	-	42,669,023	-	-
Other	229,160	-	229,160	2,309,271	-
Unrestricted	59,065,397	242,670,598	301,735,995	4,722,703	295,670
Total net position	\$ 502,435,093	\$ 618,506,658	\$ 1,120,941,751	\$ 15,197,735	\$ 295,670

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Concord ABC Board	Concord Family Enrichment Assoc
Primary Government:									
Governmental activities:									
General government	\$ 8,042,489	\$ 2,366,866	\$ 1,050,379	\$ -	\$ (4,625,244)	\$ -	\$ (4,625,244)		
Public safety	56,804,303	1,544,532	457,431	-	(54,802,340)	-	(54,802,340)		
Public works	31,745,286	1,132,855	2,977,291	77,272,021	49,636,881	-	49,636,881		
Cultural and recreational	7,070,517	220,670	5,000	2,721,263	(4,123,584)	-	(4,123,584)		
Planning and community development	5,302,309	3,056,647	-	-	(2,245,662)	-	(2,245,662)		
Administration	2,032,335	-	-	-	(2,032,335)	-	(2,032,335)		
Housing assistance payments	4,705,017	765,881	4,476,209	-	537,073	-	537,073		
Rehabilitation	1,230,061	114,495	1,398,632	-	283,066	-	283,066		
Interest expense	637,687	-	-	-	(637,687)	-	(637,687)		
Total governmental activities	117,570,004	9,201,946	10,364,942	79,993,284	(18,009,832)	-	(18,009,832)		
Business-type activities:									
Electric	67,259,271	87,893,010	-	-	-	20,633,739	20,633,739		
Water	24,664,076	28,219,279	-	7,702,450	-	11,257,653	11,257,653		
Wastewater	17,311,640	19,833,528	-	4,197,558	-	6,719,446	6,719,446		
Regional airport	12,833,374	9,528,683	-	5,802,251	-	2,497,560	2,497,560		
Stormwater	4,652,635	5,284,293	-	-	-	631,658	631,658		
Golf course	2,247,574	2,853,523	-	-	-	605,949	605,949		
Housing	2,081,147	441,839	1,232,206	-	-	(407,102)	(407,102)		
Transit	5,906,182	2,032	3,024,061	-	-	(2,880,089)	(2,880,089)		
Total business-type activities	136,955,899	154,056,187	4,256,267	17,702,259	-	39,058,814	39,058,814		
Total primary government	\$ 254,525,903	\$ 163,258,133	\$ 14,621,209	\$ 97,695,543	(18,009,832)	39,058,814	21,048,982		
Component units									
Concord ABC Board	\$ 19,839,262	\$ 22,734,842	\$ -	\$ -			\$ 2,895,580		
Concord Family Enrichment Assoc	9,330	-	305,000	-				295,670	
Total component units	\$ 19,848,592	\$ 22,734,842	\$ 305,000	\$ -			2,895,580	295,670	
General revenues:									
Taxes:									
Ad valorem					68,983,413	-	68,983,413	-	-
Local government sales tax					22,777,368	-	22,777,368	-	-
Grants and contributions not restricted to specific programs:									
Intergovernmental					5,157,517	-	5,157,517	-	-
Investment earnings					245,044	518,768	763,812	-	-
Gain (loss) on sale of capital assets					908,507	150,460	1,058,967	(5,608)	-
Miscellaneous					1,377,460	433,359	1,810,819	2,341	-
Total general revenues not including transfers					99,449,309	1,102,587	100,551,896	(3,267)	-
Transfers					(1,254,483)	1,254,483	-	-	-
Total general revenues and transfers					98,194,826	2,357,070	100,551,896	(3,267)	-
Change in net position					80,184,994	41,415,884	121,600,878	2,892,313	295,670
Net position - beginning					422,250,099	577,090,774	999,340,873	12,305,422	-
Net position - ending					\$ 502,435,093	\$ 618,506,658	\$ 1,120,941,751	\$ 15,197,735	\$ 295,670

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2021**

**Exhibit C
Page 1 of 2**

	Major Funds			Other	Total
	General Fund	General Fund Capital Reserve	American Rescue Plan	Governmental Funds	Governmental Funds
ASSETS					
Cash and investments	\$ 75,330,531	\$ -	\$ -	\$ 34,354,294	\$ 109,684,825
Receivables:					
Ad valorem taxes, net	1,100,161	-	-	3,404	1,103,565
Due from other governmental agencies	1,082,508	-	-	277,678	1,360,186
Sales tax refunds	3,806,207	-	-	-	3,806,207
Interest	139,411	52,693	-	39,283	231,387
Due from other funds	5,549,284	-	-	-	5,549,284
Other, net	6,738,369	-	-	1,231,412	7,969,781
Inventories	120,706	-	-	-	120,706
Prepaid items	100,878	-	-	346	101,224
Restricted assets - cash and investments	6,455,283	30,202,335	8,127,936	6,003,455	50,789,009
Total assets	\$ 100,423,338	\$ 30,255,028	\$ 8,127,936	\$ 41,909,872	\$ 180,716,174
LIABILITIES					
Accounts payable and accrued liabilities	\$ 11,056,735	\$ -	\$ -	\$ 2,317,468	\$ 13,374,203
Due to other funds	-	-	-	216,477	216,477
Advance from grantors	-	-	8,127,936	55,900	8,183,836
Unearned revenues	6,482	-	-	-	6,482
Deposits payable from restricted assets	3,789,032	-	-	3,450	3,792,482
Total liabilities	14,852,249	-	8,127,936	2,593,295	25,573,480
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	1,100,161	-	-	3,404	1,103,565
Prepaid taxes	145,113	-	-	146	145,259
Total deferred inflows of resources	1,245,274	-	-	3,550	1,248,824
FUND BALANCES (DEFICITS)					
Non Spendable					
Inventories	120,706	-	-	-	120,706
Prepays	100,878	-	-	346	101,224

Continued

**CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2021**

**Exhibit C
Page 2 of 2**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	General Fund Capital Reserve	American Rescue Plan		
Restricted					
Stabilization by State Statute	\$ 26,464,888	\$ 52,693	\$ -	\$ 16,151,442	\$ 42,669,023
Transportation	2,666,251	-	-	-	2,666,251
Public safety	229,160	-	-	-	229,160
Committed					
Future capital purchases	-	30,202,335	-	1,071,694	31,274,029
Planning and community development	-	-	-	1,120,982	1,120,982
Housing assistance	-	-	-	9,483	9,483
Assigned					
Future capital purchases	-	-	-	21,233,737	21,233,737
Unassigned	54,743,932	-	-	(274,657)	54,469,275
Total fund balances	84,325,815	30,255,028	-	39,313,027	153,893,870
Total liabilities, deferred inflows of resources and fund balances	\$ 100,423,338	\$ 30,255,028	\$ 8,127,936	\$ 41,909,872	\$ 180,716,174

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, 2021

Exhibit D

Fund balances - total governmental funds		\$ 153,893,870
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	\$ 909,020,826	
Less accumulated depreciation	<u>486,650,825</u>	422,370,001
Deferred outflows of resources related to pensions (LGERS) are not reported in the governmental funds		10,791,535
Deferred outflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		3,801,630
Deferred outflows of resources related to OPEB are not reported in the governmental funds		3,011,073
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	(16,114,647)	
Governmental installment purchases	(7,902,141)	
Total pension liability (LEOSSA)	(10,975,270)	
Net pension liability (LGERS)	(19,051,004)	
Net OPEB liability	(26,081,799)	
Accrued vacation payable	<u>(4,365,844)</u>	(84,490,705)
Deferred charge on refunding	524,448	
Less accumulated amortization	<u>394,869</u>	129,579
Bond premium	(2,361,222)	
Less accumulated amortization	<u>(1,068,574)</u>	(1,292,648)
Deferred inflows of resources related to pensions (LGERS) are not reported in the governmental funds		(51,169)
Deferred inflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		(201,045)
Deferred inflows of resources related to OPEB are not reported in the governmental funds		(5,827,526)
Costs of health claims not accrued in the governmental fund statements		(422,176)
Costs of workers' compensation claims reserves not accrued in the governmental fund statements		(380,891)
Earned revenues considered deferred inflows of resources in fund statements		<u>1,103,565</u>
Net position of governmental activities		<u><u>\$ 502,435,093</u></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, 2021**

**Exhibit E
Page 1 of 2**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	General Fund Capital Reserve	American Rescue Plan		
Revenues					
Ad valorem taxes	\$ 68,904,761	\$ -	\$ -	\$ 120,698	\$ 69,025,459
Other taxes	22,777,368	-	-	-	22,777,368
Unrestricted intergovernmental revenues	5,157,517	-	-	-	5,157,517
Restricted intergovernmental revenues	5,538,866	-	-	6,937,235	12,476,101
Licenses and permits	2,587,922	-	-	-	2,587,922
Investment earnings	144,361	49,851	-	50,832	245,044
Investment earnings, restricted	69,654	-	-	-	69,654
Program income	-	-	-	2,380,555	2,380,555
Other revenues	4,487,055	-	-	5,455	4,492,510
Total revenues	109,667,504	49,851	-	9,494,775	119,212,130
Expenditures					
Current:					
General government	7,024,413	-	-	-	7,024,413
Public safety	50,004,123	-	-	-	50,004,123
Public works	18,198,580	-	-	-	18,198,580
Cultural and recreational	6,183,507	-	-	-	6,183,507
Planning and community development	4,282,255	-	-	1,034,748	5,317,003
Administration	-	-	-	2,032,335	2,032,335
Housing assistance payments	-	-	-	4,705,017	4,705,017
Rehabilitation	-	-	-	1,230,061	1,230,061
Capital outlay	4,472,744	-	-	10,266,451	14,739,195
Cost of issuance	-	-	-	51,650	51,650
Debt service	474,264	-	-	2,574,156	3,048,420
Total expenditures	90,639,886	-	-	21,894,418	112,534,304
Excess (deficiency) of revenues over (under) expenditures	19,027,618	49,851	-	(12,399,643)	6,677,826

Continued

**CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
Year Ended June 30, 2021**

**Exhibit E
Page 2 of 2**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	General Fund Capital Reserve	American Rescue Plan		
Other Financing Sources (Uses)					
Issuance of debt	\$ -	\$ -	\$ -	\$ 6,200,000	\$ 6,200,000
Payment to refunded bond escrow agent	-	-	-	-	-
Proceeds from sale of capital assets	474,086	-	-	579,000	1,053,086
Transfers from other funds	5,244,928	7,000,000	-	16,433,664	28,678,592
Transfers to other funds	(17,998,906)	(10,809,635)	-	(1,124,534)	(29,933,075)
Total other financing sources (uses)	(12,279,892)	(3,809,635)	-	22,088,130	5,998,603
Net change in fund balances	6,747,726	(3,759,784)	-	9,688,487	12,676,429
Fund Balances					
Beginning	77,578,089	34,014,812	-	29,624,540	141,217,441
Ending	\$ 84,325,815	\$ 30,255,028	\$ -	\$ 39,313,027	\$ 153,893,870

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, 2021

Exhibit F

Net change in fund balances - total governmental funds \$ 12,676,429

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	\$ 14,739,195	
Capital contributions	78,930,890	
Current year's depreciation	<u>(18,008,398)</u>	75,661,687

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		2,262,276
Premium		148,457

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	(47,460)	
Change in law enforcement officers special separation allowance and related deferred inflows and deferred outflows	(753,249)	
Change in OPEB liability and related deferred inflows and deferred outflows	(831)	
Change in pension liability (LGERS) and related deferred inflows and deferred outflows	(2,758,718)	
Change in long-term compensated absences	<u>(178,862)</u>	(3,739,120)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		(42,046)
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Costs of health claims paid in the governmental fund statements		(138,274)
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Costs of workers' compensation claims not accrued in the governmental fund statements		(299,836)
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Issuance of debt		(6,200,000)
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Basis of property disposed of during the year		<u>(144,579)</u>
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Change in net position of governmental activities		<u>\$ 80,184,994</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, 2021

Exhibit G
Page 1 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes:				
Current year	\$ 63,403,876	\$ 66,403,876	\$ 68,205,814	\$ 1,801,938
Prior years	259,000	259,000	479,227	220,227
Penalties and interest	175,000	175,000	219,720	44,720
	<u>63,837,876</u>	<u>66,837,876</u>	<u>68,904,761</u>	<u>2,066,885</u>
Other taxes:				
Local government sales tax	18,042,860	19,960,707	22,777,368	2,816,661
Unrestricted intergovernmental revenues:				
Officers' fees	20,000	20,000	18,467	(1,533)
Utilities sales tax	4,760,783	4,760,783	4,740,386	(20,397)
Beer and wine tax	395,000	395,000	398,664	3,664
	<u>5,175,783</u>	<u>5,175,783</u>	<u>5,157,517</u>	<u>(18,266)</u>
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,398,361	2,398,361	2,295,162	(103,199)
Cabarrus County schools	1,083,022	1,083,022	1,123,419	40,397
Transportation (federal, state and local)	348,820	348,820	307,799	(41,021)
On-behalf of payments - Fire and Rescue	-	-	77,072	77,072
Other restricted intergovernmental revenues	370,000	1,521,977	1,735,414	213,437
	<u>4,200,203</u>	<u>5,352,180</u>	<u>5,538,866</u>	<u>186,686</u>
Licenses and permits:				
Vehicle licenses	1,624,500	1,624,500	1,965,717	341,217
Zoning permits	210,000	285,000	372,047	87,047
Fire permits and inspections	174,000	189,000	221,056	32,056
Business registration fee	-	-	7,718	7,718
Other	8,800	8,800	21,384	12,584
	<u>2,017,300</u>	<u>2,107,300</u>	<u>2,587,922</u>	<u>480,622</u>
Investment earnings	4,406	4,406	144,361	139,955
Investment earnings restricted	-	-	69,654	69,654
	<u>4,406</u>	<u>4,406</u>	<u>214,015</u>	<u>209,609</u>
Other general revenues:				
Public safety	68,550	138,550	200,057	61,507
Environmental protection	2,660,500	2,660,500	2,689,323	28,823
Miscellaneous	721,585	1,304,485	1,377,005	72,520
Recreational	194,968	223,768	220,670	(3,098)
	<u>3,645,603</u>	<u>4,327,303</u>	<u>4,487,055</u>	<u>159,752</u>
Total revenues	<u>96,924,031</u>	<u>103,765,555</u>	<u>109,667,504</u>	<u>5,901,949</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, 2021

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	\$ 183,307	\$ 183,307	\$ 186,018	\$ (2,711)
Professional services	290,000	290,000	227,399	62,601
Operating expenditures	229,168	229,168	166,752	62,416
Governing body cost allocations	(341,040)	(341,040)	(405,019)	63,979
	<u>361,435</u>	<u>361,435</u>	<u>175,150</u>	<u>186,285</u>
City Manager's Office:				
Salaries and employee benefits	1,084,592	1,084,592	1,012,549	72,043
Professional services	190,223	190,223	233,861	(43,638)
Operating expenditures	188,245	166,845	120,038	46,807
Administrative cost allocations	(736,075)	(716,978)	(854,566)	137,588
	<u>726,985</u>	<u>724,682</u>	<u>511,882</u>	<u>212,800</u>
Public Service Administration department:				
Salaries and employee benefits	172,095	172,095	181,668	(9,573)
Professional services	5,303	5,303	2,900	2,403
Operating expenditures	403,203	403,203	301,270	101,933
Capital outlay	-	-	-	-
Debt service	149,343	149,343	149,343	-
Cost of issuance	-	-	-	-
Administrative cost allocations	(557,051)	(557,051)	(366,066)	(190,985)
	<u>172,893</u>	<u>172,893</u>	<u>269,115</u>	<u>(96,222)</u>
Finance department:				
Salaries and employee benefits	1,360,787	1,360,787	1,242,470	118,317
Professional services	47,674	47,674	38,185	9,489
Operating expenditures	112,998	122,998	73,435	49,563
Capital outlay	38,000	28,000	21,030	6,970
Finance cost allocations	(997,265)	(997,265)	(894,519)	(102,746)
	<u>562,194</u>	<u>562,194</u>	<u>480,601</u>	<u>81,593</u>
Tax department:				
Salaries and employee benefits	88,346	88,346	91,464	(3,118)
Professional services	800	800	-	800
Operating expenditures	283,537	283,537	321,704	(38,167)
Capital outlay	5,150	5,150	3,450	1,700
Cost allocations	6,810	6,810	5,686	1,124
	<u>384,643</u>	<u>384,643</u>	<u>422,304</u>	<u>(37,661)</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, 2021

Exhibit G
Page 3 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal department:				
Salaries and employee benefits	\$ 689,543	\$ 689,543	\$ 721,762	\$ (32,219)
Professional services	75,000	75,000	21,661	53,339
Operating expenditures	58,739	58,739	23,461	35,278
Cost allocations	(540,310)	(540,310)	(509,147)	(31,163)
	282,972	282,972	257,737	25,235
Human resources:				
Salaries and employee benefits	1,219,165	1,219,165	1,108,886	110,279
Professional services	332,294	332,294	281,016	51,278
Operating expenditures	152,891	155,591	86,203	69,388
Human resources cost allocations	(1,052,132)	(1,052,132)	(923,291)	(128,841)
	652,218	654,918	552,814	102,104
Wellness center:				
Professional services	386,763	458,763	383,141	75,622
Operating expenditures	21,269	21,269	13,345	7,924
Wellness center cost allocations	(150,126)	(150,126)	(145,907)	(4,219)
	257,906	329,906	250,579	79,327
Nondepartmental:				
Professional services	29,037	103,417	53,306	50,111
Operating expenditures	1,941,627	2,972,924	2,328,937	643,987
Outside agencies	12,000	17,850	17,500	350
Capital outlay	96,000	196,000	55,293	140,707
Cost allocations	1,726,131	2,212,632	1,878,311	334,321
	3,804,795	5,502,823	4,333,347	1,169,476
Total general government	7,206,041	8,976,466	7,253,529	1,722,937
Public safety:				
Police department:				
Salaries and employee benefits	18,095,017	18,132,517	18,197,969	(65,452)
Professional services	312,942	312,942	288,544	24,398
Operating expenditures	3,899,242	4,023,442	3,833,146	190,296
Capital outlay	1,557,853	1,523,389	1,377,178	146,211
Cost allocations	1,033,400	1,115,586	936,369	179,217
	24,898,454	25,107,876	24,633,206	474,670
Communications:				
Salaries and employee benefits	1,656,891	1,656,891	1,657,531	(640)
Professional services	7,740	7,740	7,860	(120)
Operating expenditures	161,639	161,639	113,987	47,652
Capital outlay	18,334	18,334	18,334	-
Cost allocations	162,694	175,656	147,520	28,136
	2,007,298	2,020,260	1,945,232	75,028

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, 2021

Exhibit G
Page 4 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire department:				
Salaries and employee benefits	\$ 18,627,709	\$ 18,627,709	\$ 18,897,273	\$ (269,564)
Professional services	261,661	261,661	232,249	29,412
Operating expenditures	3,569,220	3,569,220	2,829,268	739,952
Capital outlay	2,316,663	2,316,663	1,647,337	669,326
Debt service	324,921	324,921	324,921	-
Cost allocations	1,263,856	1,417,317	1,195,238	222,079
	26,364,030	26,517,491	25,126,286	1,391,205
Code enforcement:				
Salaries and employee benefits	755,694	755,694	769,465	(13,771)
Professional services	1,980	1,980	1,964	16
Operating expenditures	250,790	250,790	131,064	119,726
Capital outlay	56,000	56,000	49,856	6,144
Cost allocations	287	287	289	(2)
	1,064,751	1,064,751	952,638	112,113
Emergency management:				
Salaries and employee benefits	115,118	115,118	122,104	(6,986)
Professional services	32,767	32,767	29,956	2,811
Operating expenditures	49,825	49,825	46,376	3,449
Cost allocations	3,405	3,405	2,843	562
	201,115	201,115	201,279	(164)
Radio shop:				
Salaries and employee benefits	337,181	337,181	327,580	9,601
Professional services	3,300	3,300	3,310	(10)
Operating expenditures	272,389	272,389	232,218	40,171
	612,870	612,870	563,108	49,762
Total public safety	55,148,518	55,524,363	53,421,749	2,102,614
Public works:				
Traffic services:				
Salaries and employee benefits	361,031	361,031	397,121	(36,090)
Professional services	4,880	4,880	873	4,007
Operating expenditures	208,951	228,951	156,413	72,538
Capital outlay	18,000	18,000	18,000	-
Cost allocations	17,026	17,026	14,217	2,809
	609,888	629,888	586,624	43,264

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, 2021

Exhibit G
Page 5 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation signal:				
Salaries and employee benefits	\$ 634,976	\$ 634,976	\$ 636,139	\$ (1,163)
Professional services	31,760	31,760	26,917	4,843
Operating expenditures	501,594	510,354	494,034	16,320
Capital outlay	218,049	218,049	224,209	(6,160)
Cost allocations	20,431	20,431	17,060	3,371
	<u>1,406,810</u>	<u>1,415,570</u>	<u>1,398,359</u>	<u>17,211</u>
Transportation:				
Salaries and employee benefits	2,497,702	2,497,702	2,461,437	36,265
Professional services	43,675	43,675	7,985	35,690
Operating expenditures	3,716,929	10,682,920	4,584,767	6,098,153
Capital outlay	693,200	693,200	678,618	14,582
Cost allocations	658,655	724,800	620,931	103,869
	<u>7,610,161</u>	<u>14,642,297</u>	<u>8,353,738</u>	<u>6,288,559</u>
Fleet services:				
Salaries and employee benefits	1,121,784	1,121,784	1,160,824	(39,040)
Professional services	440	440	436	4
Operating expenditures	2,454,596	2,501,510	2,249,133	252,377
Capital outlay	28,000	28,000	24,822	3,178
Cost allocations	(3,604,820)	(3,604,820)	(3,074,096)	(530,724)
	<u>-</u>	<u>46,914</u>	<u>361,119</u>	<u>(314,205)</u>
Solid waste and recycling:				
Salaries and employee benefits	2,500,159	2,500,159	2,395,308	104,851
Professional services	71,790	71,790	51,035	20,755
Operating expenditures	5,660,660	5,660,660	5,197,901	462,759
Capital outlay	238,000	558,000	227,203	330,797
Cost allocations	196,682	225,134	188,346	36,788
	<u>8,667,291</u>	<u>9,015,743</u>	<u>8,059,793</u>	<u>955,950</u>
Cemetery:				
Salaries and employee benefits	516,463	516,463	405,884	110,579
Professional services	55,706	55,706	50,066	5,640
Operating expenditures	169,267	169,267	135,946	33,321
Capital outlay	38,008	38,008	32,298	5,710
Cost allocations	23,836	23,836	19,903	3,933
	<u>803,280</u>	<u>803,280</u>	<u>644,097</u>	<u>159,183</u>
Total public works	<u>19,097,430</u>	<u>26,553,692</u>	<u>19,403,730</u>	<u>7,149,962</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, 2021

Exhibit G
Page 6 of 6

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	\$ 2,380,540	\$ 2,380,540	\$ 1,740,518	\$ 640,022
Professional services	697,308	697,308	243,424	453,884
Operating expenditures	2,710,805	2,710,805	1,498,537	1,212,268
Capital outlay	120,569	120,569	95,116	25,453
Cost allocations	2,500,173	3,175,475	2,701,028	474,447
Total cultural and recreational	8,409,395	9,084,697	6,278,623	2,806,074
Planning and community development:				
Planning department:				
Salaries and employee benefits	1,840,335	1,840,335	1,861,036	(20,701)
Professional services	520,689	520,689	437,657	83,032
Operating expenditures	746,395	677,395	278,035	399,360
Incentive grants	1,045,976	1,045,976	459,759	586,217
Cost allocations	1,192,214	1,432,794	1,245,768	187,026
Total planning and community development	5,345,609	5,517,189	4,282,255	1,234,934
Total expenditures	95,206,993	105,656,407	90,639,886	15,016,521
Excess of revenues over expenditures	1,717,038	(1,890,852)	19,027,618	20,918,470
Other Financing Sources (Uses)				
Fund balance appropriated	2,036,739	14,869,168	-	(14,869,168)
Sale of capital assets	-	455,430	474,086	18,656
Transfers from other funds	5,244,928	5,244,928	5,244,928	-
Transfers to other funds	(8,998,705)	(18,678,674)	(17,998,906)	679,768
Total other financing uses	(1,717,038)	1,890,852	(12,279,892)	(14,170,744)
Net change in fund balance	\$ -	\$ -	6,747,726	\$ 6,747,726
Fund Balance				
Beginning			77,578,089	
Ending			<u>\$ 84,325,815</u>	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2021

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	\$ 122,928,208	\$ 59,640,357	\$ 33,497,195	\$ 5,775,880	\$ 14,621,383	\$ 1,818,637	\$ 238,281,660	\$ 1,303,508	
Receivables:									
Accounts receivable, net	12,150,648	3,400,310	2,527,233	3,914,480	620,203	173,420	22,786,294	-	
Due from other governmental agencies	-	37,860	-	-	-	2,219,626	2,257,486	-	
Interest	181,502	70,454	43,103	15,030	18,022	6,381	334,492	-	
Other receivables	-	-	-	-	-	-	-	-	
Inventories and prepaid expenses	4,604,632	817,020	30,764	69,203	8,958	95,632	5,626,209	13,626	
Total current assets	139,864,990	63,966,001	36,098,295	9,774,593	15,268,566	4,313,696	269,286,141	1,317,134	
Noncurrent Assets									
Restricted assets - cash and investments	2,650,916	1,066,441	65,486	2,392,327	-	41,723	6,216,893	106,978	
Capital assets	168,418,981	193,293,539	142,751,764	134,161,095	66,810,756	32,587,553	738,023,688	12,057,350	
Less accumulated depreciation	(94,848,688)	(84,302,963)	(61,709,647)	(41,037,199)	(25,209,044)	(15,683,996)	(322,791,537)	(5,201,728)	
Total noncurrent assets	76,221,209	110,057,017	81,107,603	95,516,223	41,601,712	16,945,280	421,449,044	6,962,600	
Total assets	216,086,199	174,023,018	117,205,898	105,290,816	56,870,278	21,258,976	690,735,185	8,279,734	
DEFERRED OUTFLOWS OF RESOURCES									
Pension deferrals (LGERS)	1,272,104	1,096,229	467,861	756,432	355,164	322,722	4,270,512	2,013,168	
OPEB deferrals	354,944	305,872	130,543	211,061	99,099	90,046	1,191,565	561,717	
Deferred charge on refunding	744,214	1,208,550	234,198	-	-	-	2,186,962	-	
Total deferred outflows of resources	2,371,262	2,610,651	832,602	967,493	454,263	412,768	7,649,039	2,574,885	
LIABILITIES									
Current Liabilities									
Accounts payable and accrued expenses	5,775,938	1,343,469	786,864	385,554	141,985	764,723	9,198,533	652,743	
Current portion of long-term debt	1,425,374	1,961,873	1,199,928	1,227,661	63,890	65,685	5,944,411	645,347	
Accrued interest	33,561	57,637	14,639	28,068	-	-	133,905	16,386	
Advance from Grantor	-	-	-	2,272,943	-	-	2,272,943	-	
Due to other funds	-	-	-	-	-	5,332,807	5,332,807	-	
Total current liabilities	7,234,873	3,362,979	2,001,431	3,914,226	205,875	6,163,215	22,882,599	1,314,476	
Noncurrent Liabilities									
Net pension liability (LGERS)	2,245,727	1,935,244	825,945	1,335,379	626,995	569,722	7,539,012	3,553,976	
Net OPEB liability	(147,973)	(115,260)	121,976	1,552,771	92,595	730,781	2,234,890	2,475,668	
Long-term debt due after one year	10,205,425	17,652,104	4,000,914	6,846,164	31,468	32,353	38,768,428	5,096,152	
Deposits	2,518,052	764,563	225	119,384	-	41,723	3,443,947	-	
Total noncurrent liabilities	14,821,231	20,236,651	4,949,060	9,853,698	751,058	1,374,579	51,986,277	11,125,796	
Total liabilities	22,056,104	23,599,630	6,950,491	13,767,924	956,933	7,537,794	74,868,876	12,440,272	
DEFERRED INFLOWS OF RESOURCES									
Pension deferrals (LGERS)	6,032	5,198	2,218	3,587	1,684	1,531	20,250	9,546	
OPEB deferrals	686,947	591,973	252,649	408,480	191,792	174,272	2,306,113	1,087,128	
Total deferred inflows of resources	692,979	597,171	254,867	412,067	193,476	175,803	2,326,363	1,096,674	
NET POSITION									
Net investment in capital assets	63,207,515	90,918,787	76,205,906	85,237,413	41,601,711	16,903,557	374,074,889	1,761,171	
Unrestricted	132,500,863	61,518,081	34,627,236	6,840,905	14,572,421	(2,945,410)	247,114,096	(4,443,498)	
Total net position	\$ 195,708,378	\$ 152,436,868	\$ 110,833,142	\$ 92,078,318	\$ 56,174,132	\$ 13,958,147	\$ 621,188,985	\$ (2,682,327)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(2,682,327)		
Net position of business-type activities							\$ 618,506,658		

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, 2021

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	\$ 81,756,060	\$ 25,354,921	\$ 18,072,951	\$ 9,449,939	\$ 5,267,038	\$ 2,408,500	\$ 142,309,409	\$ 15,321,441
Other operating revenues	6,136,950	2,864,358	1,760,577	78,744	17,255	888,894	11,746,778	-
Total operating revenue	87,893,010	28,219,279	19,833,528	9,528,683	5,284,293	3,297,394	154,056,187	15,321,441
Operating Expenses								
General and administrative	3,198,962	-	-	-	-	1,540,551	4,739,513	9,439,028
Professional services	-	-	-	-	-	5,126,875	5,126,875	1,975,917
Water plant and lakes	-	9,733,636	-	-	-	-	9,733,636	-
Water line operation and maintenance	-	9,783,057	-	-	-	-	9,783,057	-
Wastewater line and plant	-	-	13,348,076	-	-	-	13,348,076	-
Purchased power	45,060,401	-	-	-	-	-	45,060,401	-
Power line and plant	14,432,380	-	-	-	-	-	14,432,380	-
Airport operation and maintenance	-	-	-	9,535,941	-	-	9,535,941	-
Stormwater operation and maintenance	-	-	-	-	2,804,075	-	2,804,075	-
Utilities	-	-	-	-	-	302,617	302,617	-
Housing maintenance and repairs	-	-	-	-	-	302,867	302,867	-
Operating supplies	-	-	-	-	-	393,450	393,450	-
Other operating costs	-	-	-	-	-	1,045,693	1,045,693	2,941,629
Depreciation and amortization	4,145,629	4,418,964	3,795,646	3,036,365	1,848,560	1,495,378	18,740,542	595,485
Total operating expenses	66,837,372	23,935,657	17,143,722	12,572,306	4,652,635	10,207,431	135,349,123	14,952,059
Operating income (loss)	21,055,638	4,283,622	2,689,806	(3,043,623)	631,658	(6,910,037)	18,707,064	369,382
Nonoperating Revenues (Expenses)								
Operating subsidy	-	-	-	-	-	4,256,267	4,256,267	-
Interest earned on investments	300,386	99,722	60,708	33,880	25,809	(1,737)	518,768	15
Interest expense	(421,899)	(728,419)	(167,918)	(261,068)	-	(27,472)	(1,606,776)	(212,041)
Gain (loss) on sale of capital assets	72,703	42,562	12,887	7,760	31,563	(17,015)	150,460	-
Other	151,030	-	-	-	-	124,973	276,003	-
Total nonoperating revenues (expenses)	102,220	(586,135)	(94,323)	(219,428)	57,372	4,335,016	3,594,722	(212,026)
Income (loss) before capital contributions and transfers	21,157,858	3,697,487	2,595,483	(3,263,051)	689,030	(2,575,021)	22,301,786	157,356
Capital contributions	-	7,702,450	4,197,558	5,802,251	-	-	17,702,259	-
Transfers in	-	-	-	816,046	-	1,056,472	1,872,518	-
Transfers out	(618,035)	-	-	-	-	-	(618,035)	-
Transfers in (out)	(618,035)	-	-	816,046	-	1,056,472	1,254,483	-
Change in net position	20,539,823	11,399,937	6,793,041	3,355,246	689,030	(1,518,549)	41,258,528	157,356
Net Position								
Beginning, previously reported	175,168,555	141,036,931	104,040,101	88,723,072	55,485,102	15,476,696		(2,839,683)
Ending	\$ 195,708,378	\$ 152,436,868	\$ 110,833,142	\$ 92,078,318	\$ 56,174,132	\$ 13,958,147		\$ (2,682,327)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							157,356	
Change in net position of business-type activities							\$ 41,415,884	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2021

Exhibit J
 Page 1 of 2

	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	\$ 86,932,083	\$ 28,116,034	\$ 19,628,692	\$ 7,889,642	\$ 5,247,207	\$ 3,445,472	\$ 151,259,130	\$ 15,332,394
Payments to employees	(7,640,093)	(4,845,971)	(3,561,280)	(3,092,750)	(1,935,813)	(1,184,477)	(22,260,384)	(11,142,922)
Payments to suppliers	(53,533,736)	(15,395,317)	(10,979,584)	(5,339,352)	(1,133,574)	(7,390,189)	(93,771,752)	(4,799,778)
Net cash provided by (used in) operating activities	25,758,254	7,874,746	5,087,828	(542,460)	2,177,820	(5,129,194)	35,226,994	(610,306)
Cash Flows From Noncapital Financing Activities								
Due to (from) other funds	-	-	-	-	-	1,425,746	1,425,746	-
Transfers in	-	-	-	816,046	-	1,056,472	1,872,518	-
Transfers out	(618,035)	-	-	-	-	-	(618,035)	-
Operating grants received	-	-	-	-	-	4,087,435	4,087,435	-
Net cash provided by (used in) noncapital financing activities	(618,035)	-	-	816,046	-	6,569,653	6,767,664	-
Cash Flows From Capital and Related Financing Activities								
Principal payment on long-term debt	(1,038,637)	(1,667,275)	(1,089,847)	(1,287,520)	-	(915,000)	(5,998,279)	(270,900)
Interest paid	(425,060)	(734,621)	(168,164)	(233,620)	-	(29,568)	(1,591,033)	(213,447)
Acquisition and construction of capital assets	(10,266,841)	(7,998,844)	(541,762)	(3,424,996)	(1,112,423)	(699,044)	(24,043,910)	(745,611)
Capital contributions - federal grant	-	-	-	5,802,251	-	-	5,802,251	-
Proceeds from the sale of capital assets	80,746	42,562	21,850	7,760	36,500	11,967	201,385	-
Net cash provided by (used in) capital and related financing activities	(11,649,792)	(10,358,178)	(1,777,923)	863,875	(1,075,923)	(1,631,645)	(25,629,586)	(1,229,958)
Cash Flows From Investing Activities								
Earnings on investments	476,687	179,199	101,101	45,572	44,568	3,187	850,314	15
Net cash provided by (used in) investing activities	476,687	179,199	101,101	45,572	44,568	3,187	850,314	15
Net increase (decrease) in cash and cash equivalents	13,967,114	(2,304,233)	3,411,006	1,183,033	1,146,465	(187,999)	17,215,386	(1,840,249)
Cash and cash equivalents:								
Beginning	111,612,010	63,011,031	30,151,675	6,985,174	13,474,918	2,048,359	227,283,167	3,250,735
Ending	\$ 125,579,124	\$ 60,706,798	\$ 33,562,681	\$ 8,168,207	\$ 14,621,383	\$ 1,860,360	\$ 244,498,553	\$ 1,410,486

Noncash investing, capital and financing activities:

The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of \$11,900,008 representing donated capital assets.

Continued

CITY OF CONCORD, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2021

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)	\$ 21,055,638	\$ 4,283,622	\$ 2,689,806	\$ (3,043,623)	\$ 631,658	\$ (6,910,037)	\$ 18,707,064	\$ 369,382	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:									
Depreciation and amortization	4,145,629	4,418,964	3,795,646	3,036,365	1,848,560	1,495,378	18,740,542	595,485	
Other income	151,030	-	-	-	-	124,973	276,003	-	
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:									
(Increase) decrease in:									
Accounts receivable	(1,162,088)	(102,316)	(204,836)	(1,647,309)	(37,086)	(10,035)	(3,163,670)	10,953	
Due from other governmental agencies	-	(37,860)	-	-	-	32,831	(5,029)	-	
Inventories and prepaid expenses	(190,138)	(42,528)	(8,851)	(41,183)	9,078	11,611	(262,011)	168	
Deferred outflows of resources for pensions (LGERS)	(291,039)	(275,867)	(72,584)	(216,004)	(99,853)	(68,707)	(1,024,054)	(439,835)	
Deferred outflows of resources for OPEB	(225,621)	(197,733)	(78,438)	(139,822)	(65,444)	(56,562)	(763,620)	(354,322)	
Increase (decrease) in:									
Accounts payable and accrued expenses	1,504,597	(937,263)	(105,744)	1,054,723	(35,493)	130,868	1,611,688	179,270	
Vacation accrual	3,517	46,024	7,972	25,149	10,979	7,367	101,008	42,315	
Net pension liability (LGERS)	611,934	569,073	167,679	435,390	201,820	146,705	2,132,601	933,864	
Net OPEB liability	235,839	205,681	(1,025,633)	27,511	(265,400)	3,689	(818,313)	(1,722,567)	
Deferred inflows of resources for pensions (LGERS)	(10,370)	(8,517)	(4,390)	(5,448)	(2,584)	(2,715)	(34,024)	(16,757)	
Deferred inflows of resources for OPEB	(120,805)	(83,465)	(72,799)	(36,477)	(18,415)	(34,869)	(366,830)	(208,262)	
Deposits	50,131	36,931	-	8,268	-	309	95,639	-	
Net cash provided by (used in) operating activities	\$ 25,758,254	\$ 7,874,746	\$ 5,087,828	\$ (542,460)	\$ 2,177,820	\$ (5,129,194)	\$ 35,226,994	\$ (610,306)	

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA
 FIDUCIARY FUNDS
 STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2021**

Exhibit K

	Other Postemployment Benefit Trust Fund
ASSETS	
Cash	<u>\$ 14,565,926</u>
Total assets	<u><u>\$ 14,565,926</u></u>
 LIABILITIES	
Agency payable	<u>\$ -</u>
 NET POSITION	
Net position restricted for postemployment benefits other than pensions	<u><u>\$ 14,565,926</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, 2021**

Exhibit L

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	\$ 5,503,263
Member contributions	282,853
	<u>5,786,116</u>
Investment income (loss)	722,116
Collections on behalf of employees	-
Total additions	<u>6,508,232</u>
Deductions:	
Benefits	1,607,023
Payments on behalf of employees	-
Total deductions	<u>1,607,023</u>
Change in net position	4,901,209
Net position restricted for postemployment benefits other than pensions	
Beginning of year	9,664,716
End of year	<u>\$ 14,565,925</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.

DISCRETELY PRESENTED COMPONENT UNIT – CONCORD FAMILY ENRICHMENT ASSOCIATION

The Concord Family Enrichment Association (CFEA) is a nonprofit established by the City of Concord to develop and build affordable housing within Concord and surrounding areas. City Council appoints two members to the CFEA board, in addition to board seats reserved for the leadership from the departments of Planning and Neighborhood Development and Housing. CFEA, which has a June 30 year end and is presented as if it is a governmental fund (discrete presentation), has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principles as supplementary information in the City’s Annual Financial Report.

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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

The fund financial statements provide information about the City's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The government reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and state-shared revenues. The primary expenditures are for general government services, public safety, public works, cultural and recreational and planning and community development.

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

American Rescue Plan Fund: The American Rescue Plan fund is used to account for grant funds awarded to the City as part of the American Rescue Plan Act.

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.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. City of Concord has two fiduciary funds, one of which is an OPEB trust fund for reporting purposes and one is a custodial fund.

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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

In accordance with North Carolina General Statutes, all governmental funds of the City are maintained during the year using the modified accrual basis of accounting. The governmental fund financial statements are reported on this same basis and use the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are “measurable” and “available”); “measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay the

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

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

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

D. Budgetary Data

The City’s budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Housing Assistance Fund, the Emergency Housing Assistance Fund, the Market Rate Units Fund, the 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 Affordable Housing Fund, the American Rescue Plan Fund, the Parks Capital Project Fund, the Parks Capital Reserve Fund, the Transportation Capital Project Fund, the General Fund Capital Project Fund, the General Capital Reserve Project Fund, the Fire and Life Safety Capital Project Fund, the Electric Projects Capital Project Fund, the Water Projects Capital Project Fund, the Wastewater Projects Capital Project Fund, the Airport Capital Project Fund, the Stormwater Capital Project Fund, the Transit Fund, the Utility Capital Reserve Project Fund, the Golf Capital Project Fund, the Housing Capital Project Fund, and First Concord Capital Project 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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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. Because the NCCMT Government portfolio has a weighted average maturity of less than 90 days, it is 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, 2021 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 8.34 years at June 30, 2021. 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, 2021 the fair value of the funds was \$32.24591 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.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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 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. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4. Grant monies received in advance of allowable expenditures are also classified as restricted cash.

<u>City of Concord Restricted Cash:</u>	
Governmental Activities	
General Fund	
Streets	\$ 2,666,251
Customer deposits	3,789,032
Debt service, extension, and replacement	-
Other governmental funds	
Unexpended bond proceeds	232,632
Debt service, extension, and replacement	3
Customer deposits	3,450
Advance from Grantors	8,127,936
Future capital projects	35,969,705
Total governmental activities	<u>\$ 50,789,009</u>
Business-type Activities	
Electric Fund	
Customer deposits	\$ 2,518,052
Unexpended bond proceeds	-
Debt service, extension, and replacement	132,864
Water Fund	
Customer deposits	764,563
Unexpended bond proceeds	-
Debt service, extension, and replacement	301,878
Wastewater Fund	
Customer deposits	225
Unexpended bond proceeds	1
Debt service, extension, and replacement	65,260
Regional Airport Fund	
Customer deposits	119,384
Debt service, extension, and replacement	-
Advance from Grantor	2,272,943
Nonmajor enterprise funds	
Customer deposits	41,723
Internal Service Fund	
Debt service, extension, and replacement	1
Unexpended bond proceeds	106,977
Total business-type activities	<u>\$ 6,323,871</u>
Total Restricted Cash	<u>\$ 57,112,880</u>

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. The minimum capitalization cost for infrastructure is \$100,000. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation. General infrastructure assets acquired prior to July 1, 2001, consist of roads, curbs and gutters, and bridges that were acquired, contributed or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical deflated replacement cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using straight-line method over the following estimated useful lives:

	Estimated Useful Life	
	City of Concord	ABC Board
	(In Years)	
Electric plant and distribution systems	25 – 40	–
Waste treatment plant and distribution systems	30 – 60	–
Water plant and distribution system	40 – 50	–
Buildings and improvements	20 – 50	40
Infrastructure assets	40 – 50	–
Leasehold improvements	–	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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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 2021 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.

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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

The governmental fund types classify fund balances as follows:

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

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

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 \$1,103,565 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 \$42,046 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, 2021 and June 30, 2020.

The statement of net position and statement of activities for the business-type activities include a reconciling item between the proprietary funds statement of net position and statement of revenues, expenses and changes in fund net position. This difference represents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and activity of the internal service funds that are reported within the business-type activities.

Note 3. Cash and Investments

Deposits – All of the City's, the ABC Board's and CFEA's deposits are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the City's, the ABC Board's, or CFEA's agents in these units' names. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, the ABC Board and CFEA, these deposits are considered to be held by their agents

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and Investments (Continued)

in the entities' names. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the ABC Board, CFEA or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City, the ABC Board or CFEA under the pooling method, the potential exists for the under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method. The City, the ABC Board and CFEA 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, 2021, the City's deposits had a carrying amount of \$42,099,807 and a bank balance of \$42,594,841. Of the bank balance, \$1,250,000 was covered by federal depository insurance and \$41,344,841 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of \$8,800 at June 30, 2021.

At June 30, 2021, the carrying amount of deposits for the ABC Board was \$5,411,702 and the bank balance was \$5,527,309. At June 30, 2021, the carrying amount of deposits for CFEA was \$295,670 and the bank balance was \$295,670. All of the bank balances were covered by federal depository insurance or collateralized deposits.

At June 30, 2021, the City's investment balances were as follows:

	Valuation					
	Measurement	Reported Value	Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years	More than 3 Years
	Method					
U. S. Government agencies	Fair Value Level 1	\$ 292,627,670	\$ -	\$ 2,542,101	\$ 145,826,159	\$ 144,259,410
Commercial paper	Cost	70,275,538	60,287,844	9,987,694	-	-
North Carolina Capital Management Trust– Government Portfolio	Fair Value Level 1	1,371,058	1,371,058	N/A	N/A	N/A
Total		\$ 364,274,266	\$ 61,658,902	\$ 12,529,795	\$ 145,826,159	\$ 144,259,410

* 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.

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, 2021, the City's investments in commercial paper consisted of twelve different issuers. All were rated A1 or A1+ by Standard & Poor's and P1 by Moody's. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poors and AAAmf by Moody's Investor Service as of June 30, 2021. 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.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and Investments (Continued)

Concentration of Credit Risk – As noted above under Interest Rate Risk, the City’s investment policy limits the amount the City may invest in any one issuer. More than 5 percent of the City’s investments are in the Federal Home Loan Bank, Federal Farm Credit, and Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments are 27%, 26%, 19%, and 8% respectively, of the City’s total investments.

OPEB Trust Fund

At June 30, 2021, the City’s Health Care Plan had \$14,565,925 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) 14.81%, the State Treasurer’s Bond

Index Fund (BIF) 44.90%, and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund 40.28% (the equities were split with 58.82% in domestic securities and 41.18% in international securities).

Level of the fair value hierarchy: Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are 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, 2021 of 1.3 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On 6/30/2021 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.34 years at June 30, 2021.

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, 2021 the fair value of the funds was \$ 32.24591 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation technique: North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk – The City does not have a formal investment interest rate policy that manages its exposure to fair value arising from increasing interest rates. The State Treasurer’s STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2021. The State Treasurer’s BIF if unrated and had a weighted average maturity of 7.97 years at June 30, 2021.

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, 2021, the ABC Board and CFEA did not have any investments.

Note 4. Receivables and Allowances for Doubtful Amounts

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

	Governmental Activities	Business-type Activities
Accounts receivable, net	\$ -	\$ 22,786,294
Ad valorem taxes, net	1,103,565	-
Due from other governmental agencies	1,360,186	2,257,486
Sales tax refunds	3,806,207	-
Interest	231,387	334,492
Other, net	7,969,781	-
	<u>\$ 14,471,126</u>	<u>\$ 25,378,272</u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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

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

Governmental Activities, allowance for doubtful ad valorem taxes	\$ 367,855
Governmental Activities, allowance for doubtful other receivables	\$ -
Business-type Activities, allowance for doubtful accounts receivable	\$ 198,810

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	July 1, 2020	Increases	Decreases	Transfers	June 30, 2021
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 17,845,921	\$ 2,484,062	\$ 44,180	\$ -	\$ 20,285,803
Construction in progress	19,674,739	11,300,802	5,390,823	-	25,584,718
Total capital assets, not being depreciated	37,520,660	13,784,864	5,435,003	-	45,870,521
Capital assets, being depreciated:					
Buildings	65,865,788	396,190	940,286	-	65,321,692
Improvements other than buildings	7,754,838	-	89,501	-	7,665,337
Machinery and equipment	40,082,781	3,786,435	1,404,562	(36,292)	42,428,362
Infrastructure	666,641,492	81,093,422	-	-	747,734,914
Total capital assets, being depreciated	780,344,899	85,276,047	2,434,349	(36,292)	863,150,305
Accumulated depreciation:					
Buildings	32,090,051	2,317,900	919,708	-	33,488,243
Improvements other than buildings	3,315,151	379,032	89,501	-	3,604,682
Machinery and equipment	28,668,655	3,451,766	1,324,741	(36,292)	30,759,388
Infrastructure	406,938,812	11,859,700	-	-	418,798,512
Total accumulated depreciation	471,012,669	18,008,398	2,333,950	(36,292)	486,650,825
Total capital assets, being depreciated, net	309,332,230	\$ 67,267,649	\$ 100,399	\$ -	376,499,480
Governmental activities capital assets, net	\$ 346,852,890				\$ 422,370,001

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

	July 1, 2020	Increases	Decreases	Transfers	June 30, 2021
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 41,286,334	\$ 2,852,921	\$ -	\$ -	\$ 44,139,255
Construction in progress	44,885,347	17,921,351	22,255,399	-	40,551,299
Total capital assets, not being depreciated	86,171,681	20,774,272	22,255,399	-	84,690,554
Capital assets, being depreciated:					
Buildings	79,958,595	561,293	147,584	-	80,372,304
Improvements other than buildings	509,603,096	34,866,232	(69,036)	-	544,538,364
Machinery and equipment	39,307,003	2,743,127	1,468,534	36,292	40,617,888
Total capital assets, being depreciated	628,868,694	38,170,652	1,547,082	36,292	665,528,556
Accumulated depreciation:					
Buildings	34,398,061	2,574,922	147,584	-	36,825,399
Improvements other than buildings	247,674,098	13,092,554	(69,036)	-	260,835,688
Machinery and equipment	27,981,670	3,869,896	1,417,608	36,292	30,470,250
Total accumulated depreciation	310,053,829	19,537,372	1,496,156	36,292	328,131,337
Total capital assets, being depreciated, net	318,814,865	\$ 18,633,280	\$ 50,926	\$ -	337,397,219
Business-type activities capital assets, net	<u>\$ 404,986,546</u>				<u>\$ 422,087,773</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	\$ 650,417
Public safety	3,485,417
Public works	12,993,667
Culture and recreational	811,662
Planning and community development	67,235
Total depreciation expense – governmental activities	<u>\$ 18,008,398</u>
Business-type activities:	
Electric	\$ 4,191,699
Water	4,497,532
Wastewater	3,816,270
Regional airport	3,039,617
Stormwater	1,848,560
Other nonmajor business-type activities	1,520,426
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	623,268
Total depreciation expense – business-type activities	<u>\$ 19,537,372</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, 2021, was as follows:

Component unit:	July 1, 2020	Increases	Decreases	June 30, 2021
Capital assets not being depreciated:				
Land	\$ 1,327,153	\$ -	\$ -	\$ 1,327,153
Construction in progress	27,786	1,761,178		1,788,964
Total capital assets not being depreciated	1,354,939	-	1,761,178	-
Capital assets, being depreciated:				
Buildings	4,807,162	-	-	4,807,162
Improvements other than buildings	768,964	4,037		773,001
Machinery and equipment	708,962	185,751	58,430	836,283
Total capital assets, being depreciated	6,285,088	189,788	58,430	6,416,446
Accumulated depreciation	1,163,721	246,903	43,822	1,366,802
Total capital assets, being depreciated, net	5,121,367	\$ (57,115)	\$ 14,608	5,049,644
Component unit capital assets, net	\$ 6,476,306			\$ 8,165,761

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	\$ 4,098,208	\$ 7,839,084
Accrued payroll and payroll related liabilities	9,584,559	1,517,568
Accrued sales tax payable	3,090	358,294
Other accrued liabilities	491,413	136,330
	\$ 14,177,270	\$ 9,851,276

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 1.43% 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		
Buildings and improvements	\$ 5,352,617	\$ 17,877,220
Less accumulated depreciation	1,962,626	4,148,684
	\$ 3,389,991	\$ 13,728,536

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Direct placement installment purchases payable at June 30, 2021 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	\$ 1,702,142
\$6,200,000, contract for construction of a fire station in fiscal year 2021 due in annual installments of \$620,000 through March 2031; interest 1.43% to be paid from General Fund	6,200,000
	<u>\$ 7,902,142</u>

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	\$ 768,750
\$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	3,919,000
\$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	2,379,733
\$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	819,000
	<u>\$ 7,886,483</u>

Annual debt service requirements to maturity for direct placement installment purchases are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 899,770	\$ 119,729	\$ 1,102,142	\$ 195,067
2023	893,457	107,405	1,103,315	163,908
2024	887,080	92,994	1,103,400	132,689
2025	880,382	78,714	972,785	103,079
2026	873,729	64,570	880,734	81,872
2027-2031	3,467,724	140,456	2,724,107	142,598
	<u>\$ 7,902,142</u>	<u>\$ 603,868</u>	<u>\$ 7,886,483</u>	<u>\$ 819,213</u>

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, 2021 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%	\$ 293,797
	<u>\$ 293,797</u>

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%	\$ 4,124,203
\$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%.	9,865,000
\$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%.	17,560,000
	<u>\$ 31,549,203</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
2022	\$ 145,702	\$ 3,690	\$ 3,925,299	\$ 1,207,029
2023	148,095	1,237	4,058,905	1,075,575
2024	-	-	2,074,999	962,431
2025	-	-	2,165,000	868,356
2026	-	-	2,260,000	781,431
2027-2031	-	-	9,765,000	2,616,684
2032-2036	-	-	7,300,000	848,475
	<u>\$ 293,797</u>	<u>\$ 4,927</u>	<u>\$ 31,549,203</u>	<u>\$ 8,359,981</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, 2021, is as follows:

Net Income (GAAP Basis)	\$ 38,732,801
Add: Depreciation/Amortization Expense	12,360,239
Interest Expense	1,318,236
Income available for debt service	<u>52,411,276</u>
Debt service, principal and interest paid (Revenue bond only)	\$ 5,113,995
Debt service coverage ratio	1025%

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 4 percent of net revenues. In the event of a default, the City agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreement. The total principal and interest remaining to be paid on the bonds is \$40,207,908. Principal and interest paid for the current year and total customer net revenues were \$5,113,995 and \$135,945,817, 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, 2021 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, 2021 was \$508,733.

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, 2021 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, 2021 was \$1,728,893.

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, 2021 was \$57,155.

Direct placement loan and installment notes: Direct placement loan and installment notes payable at June 30, 2021 are comprised of the following individual issues:

Governmental activities:

\$22,899,825 (of \$29,340,000 issue), 2014A Limited Obligation Bonds due in annual installments of \$440,000 to \$1,419,675 through June 1, 2034, plus interest due semiannually at 2% to 5% financed through First Concord Corporation, to be paid from General Fund.	\$ 15,820,850
	\$ 15,820,850

Business-type activities:

\$6,440,175 (of \$29,340,000 issue), 2014A Limited Obligation Bonds due in annual installments of \$138,600 to \$467,775 through June 1, 2034, plus interest due semiannually at 2% to 5% financed through First Concord Corporation, to be paid from Internal Service Fund.	\$ 4,854,150
	\$ 4,854,150

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

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
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	1,340,075	411,986	344,925	138,795
2027-2031	6,495,625	1,270,736	1,929,375	486,892
2032-2034	2,948,925	207,638	1,356,075	95,480
	<u>\$ 15,820,850</u>	<u>\$ 4,175,763</u>	<u>\$ 4,854,150</u>	<u>\$ 1,433,139</u>

Advance Refunding Bonds: In December 2014, the City issued \$14,175,000 of Limited Obligation refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's series 2005 Certificates of Participation. The refunding debt was issued at a net interest cost of 2.81%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2021 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, 2021 was \$136,070.

A summary of changes in long-term debt follows:

	July 1, 2020	Additions	Reductions	June 30, 2021
Governmental activities:				
Direct placement installment purchases	\$ 1,987,976	\$ 6,200,000	\$ 285,835	\$ 7,902,141
Less current maturities				899,770
Long-term direct placement installment purchases				<u>\$ 7,002,371</u>
Bond payables:				
Direct placement installment notes	\$ 17,654,050	\$ -	\$ 1,833,200	\$ 15,820,850
Plus premium on limited obligation bonds	1,441,105	-	148,457	1,292,648
Direct placement revenue bonds	437,038	-	143,241	293,797
Plus premium on revenue bonds	-	-	-	-
Total bond payable	<u>\$ 19,532,193</u>	<u>\$ -</u>	<u>\$ 2,124,898</u>	17,407,295
Compensated absences	\$ 4,186,982	\$ 2,685,462	\$ 2,506,600	4,365,844
Total pension liability (LEOSSA)	<u>\$ 7,492,727</u>	<u>\$ 3,482,543</u>	<u>\$ -</u>	10,975,270
Net OPEB liability	\$ 23,268,346	\$ 2,813,453	\$ -	26,081,799
Net pension liability (LGRS)	<u>\$ 13,555,954</u>	<u>\$ 5,495,050</u>	<u>\$ -</u>	19,051,004
Less current maturities:				
Direct placement installment notes				1,211,500
Direct placement revenue bonds				145,702
Compensated absences				2,925,115
Long-term debt				<u>\$ 73,598,895</u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

	July 1, 2020	Additions	Reductions	June 30, 2021
Business-type activities:				
Direct placement Installment purchases	\$ 8,988,103	\$ -	\$ 1,101,620	\$ 7,886,483
Less current maturities				1,102,142
Long-term direct placement installment purchases				<u>\$ 6,784,341</u>
Bond payables:				
Direct placement installment notes	\$ 6,225,950	\$ -	\$ 1,371,800	\$ 4,854,150
Plus premium on limited obligation bonds	424,423	-	77,144	347,279
Direct placement revenue bonds	35,344,962	-	3,795,759	31,549,203
Plus premium on revenue bonds	4,211,179	-	302,639	3,908,540
Total bond payable	<u>\$ 46,206,514</u>	<u>\$ -</u>	<u>\$ 5,547,342</u>	40,659,172
Compensated absences	<u>\$ 1,765,360</u>	<u>\$ 1,637,580</u>	<u>\$ 1,494,257</u>	1,908,683
Net OPEB liability	<u>\$ 7,251,439</u>	<u>\$ 469,031</u>	<u>\$ 3,009,912</u>	4,710,558
Net pension liability (LGERS)	<u>\$ 8,026,523</u>	<u>\$ 3,066,465</u>	<u>\$ -</u>	11,092,988
Less current maturities:				
Direct placement installment notes				283,500
Direct placement revenue bonds				3,925,299
Compensated absences				1,278,817
Long-term debt				<u>\$ 52,883,785</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, 2021 was \$1,125,938,045.

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2021 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 216,477
General Fund	Nonmajor enterprise funds	5,332,807
		<u>\$ 5,549,284</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.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 8. Interfund Receivables, Payables and Transfers (Continued)

A schedule of interfund transfers at June 30, 2021 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	\$ 618,035
From the General Fund to the General Fund Capital Projects Fund for various capital projects	3,207,914
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	3,379,162
From the General Fund to the Home Special Revenue Fund to cover unallowed projects	400
From the General Fund to the Transit Fund for current operating needs	267,520
From the General Fund to the Golf Course Fund for current operating needs	260,394
From the General Fund to the Regional Airport Fund for current operating needs	816,046
From the General Fund to the General Fund Capital Reserve Fund for future capital projects	7,000,000
From the General Fund to the Municipal Service District Fund for current operating needs	69,000
From the General Fund to the Parks & Recreation Capital Project Fund for various capital projects	1,351,664
From the General Fund to the Affordable Housing Fund for various capital projects	1,646,806
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	428,558
From the General Capital Reserve Fund to the Parks Capital Project Fund for various park capital projects	3,078,602
From the General Capital Reserve Fund to the General Fund Capital Project Fund for various capital projects	3,389,140
From the General Capital Reserve Fund to the General Fund for capital projects	4,241,893
From the General Capital Reserve Fund to the Golf Fund for various capital projects	100,000
From Parks & Recreation Capital Reserve to Parks & Recreation Capital Project Fund for various capital projects	279,970
From the Fire & Life Safety Capital Project Fund to the General Fund for capital purchases	300,000
From the General Capital Projects Fund to the General Fund for capital purchases	85,000
	\$ 30,551,110

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 Annual Comprehensive Financial Report (ACFR) for the State of North

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

(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, 2021, was 10.84% of compensation for law enforcement officers and 10.20% 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 \$6,157,331 for the year ended June 30, 2021. Contributions to the pension plan from the ABC Board were \$110,641 for the year ended June 30, 2021.

(4) Refunds of contributions:

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

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

At June 30, 2021, the City reported a liability of \$30,143,992 for its proportionate share of the net pension liability. At June 30, 2021, the ABC Board reported a liability of \$453,825 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the City's proportion was 0.84356%, which was an increase of 0.05326% from its proportion measured as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

For the year ended June 30, 2021, the City recognized pension expense of \$10,467,846. At June 30, 2021, 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	\$ 3,806,657	\$ -
Changes of assumptions	2,243,304	-
Net difference between projected and actual earnings on pension plan investments	4,241,960	-
Changes in proportion and differences between City contributions and proportionate share of contributions	625,963	80,965
City contributions subsequent to the measurement date	6,157,331	-
Total	<u>\$ 17,075,215</u>	<u>\$ 80,965</u>

\$6,157,331 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, 2022. 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:	
2022	\$ 3,050,560
2023	4,053,330
2024	2,477,627
2025	1,255,402
2026	-
Thereafter	-
	<u>\$ 10,836,919</u>

(6) Actuarial assumptions:

The total pension liability in the December 31, 2019 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 percent 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.

The actuarial assumptions used in the December 31, 2019 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

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

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, 2020 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 2020 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)	\$ 61,158,876	\$ 30,143,992	\$ 4,368,443

(9) Pension plan fiduciary net position:

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

B. Law Enforcement Officers' Special Separation Allowance:

(1) Plan description:

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

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2019, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	27
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	173
Total	<u>200</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, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates are based on the Pub-2010 amount-weighted tables.

(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 \$559,798 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, 2021, the City reported a total pension liability of \$10,975,270. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$1,273,198.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 910,535	\$ 42,045
Changes of assumptions and other inputs	2,651,431	159,000
City benefit payments subsequent to the measurement date	239,664	
Total	<u>\$ 3,801,630</u>	<u>\$ 201,045</u>

\$239,664 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, 2022.

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

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:	
2022	\$ 703,227
2023	720,835
2024	664,447
2025	688,698
2026	577,938
Thereafter	5,776
	<u>\$ 3,360,921</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 1.93 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 (0.93 percent) or one percentage point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
City's proportionate share of the total pension liability (asset)	\$11,931,915	\$10,975,270	\$10,099,005

(7) Schedule of changes in total pension liability:

Beginning balance	\$ 7,492,727
Service Cost	333,799
Interest on the total pension liability	235,138
Change in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	628,867
Changes of assumptions or other inputs	2,844,537
Benefit payments	(559,798)
Other changes	-
Ending balance of the total pension liability	<u>\$ 10,975,270</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, 2019 valuation were based on the results of an experience study for the five year period ending December 31, 2019.

C. Total Expense, Liabilities, and Deferred Outflows and Inflows of Resources Related to Pensions

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

Following is information related to the proportionate share and pension expense for all pension plans:

	LGERS	LEOSSA	Total
Pension Expense	\$ 10,467,846	\$ 1,273,198	\$ 11,741,044
Pension Liability	30,143,992	10,975,270	41,119,262
Proportionate share of the net pension liability	0.84356%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	3,806,657	910,535	4,717,192
Changes of assumptions	2,243,304	2,651,431	4,894,735
Net difference between projected and actual earnings on plan investments	4,241,960	-	4,241,960
Changes in proportion and differences between contributions and proportionate share of contributions	625,963	-	625,963
Benefit payments and administrative costs paid subsequent to the measurement date	6,157,331	239,664	6,396,995
Deferred Inflows of Resources			
Differences between expected and actual experience	-	42,045	42,045
Changes of assumptions	-	159,000	159,000
Changes in proportion and differences between contributions and proportionate share of contributions	80,965	-	80,965

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

(2) Funding policy:

Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$822,258, which consisted of \$569,945 from the City and \$252,313 from the law enforcement officers. No amounts were forfeited.

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

(1) Plan description:

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

(2) Funding policy:

The City of Concord's policy is to contribute an amount equal to 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

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

30, 2021 were \$2,804,721, which consisted of \$1,701,763 from the City and \$1,102,958 from the employees. Contribution requirements are established and may be amended by the City Council.

F. Firefighter's and Rescue Squad Workers' Pension Fund

(1) Plan description:

The State of North Carolina contributes, on behalf of the City of Concord, to the Firefighter's and Rescue Squad Workers' Pension Fund (FRSWPF), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. FRSWPF provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Worker's Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

(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, 2021, the State contributed \$18,652,000 to the plan. The City of Concord's proportionate share of the State's contribution is \$99,245.

(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, 2021, 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 \$192,536. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021 and at June 30, 2020 was 0%.

For the year ended June 30, 2021, the City recognized pension expense of \$77,072 and revenue of \$77,072 for support provided by the State. At June 30, 2021, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

(6) Actuarial assumptions:

The total pension liability in the December 31, 2019 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 Annual Comprehensive Financial Report (ACFR) 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, 2021 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, 2020, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	150
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	1,044
Total	<u>1,194</u>

(3) Benefits provided:

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

Employees with a date of hire after or on July 1, 2004: Retirees with at least 25 years of creditable service with the City will be provided healthcare benefits with the same level of coverage as active employees. Those with at least 10 years of service but less than 25 years of service shall receive one-half (1/2) of the benefit provided to retiring employees with at least 25 years of service.

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

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

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 \$0 to \$21,600. The City's contribution is also dependent on the retiree's coverage level elected as well as years of creditable service. The contribution rates ranged from \$6,360 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 \$6,394,913. 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, 2020 and June 30, 2021:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	2021	2020	2021	2020
STIF	15%	15%	1.08%	0.83%
Equity Index	40%	18%	2.89%	0.99%
Bond Index	45%	67%	3.25%	3.69%
Total	100%	100%		

For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense, was 7.22 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, 2021 were as follows:

Total OPEB Liability	\$ 45,358,283
Plan fiduciary net position	14,565,926
City's net OPEB liability	<u>\$ 30,792,357</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 32.11%

(7) Actuarial assumptions:

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 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 8.41 percent, including inflation
Investment rate of return	5.50 percent, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates	7.00 percent for 2020 decreasing to an ultimate rate of 4.50 percent by 2030

The total OPEB liabilities were rolled forward to June 30, 2021 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions (health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- 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, 2021, 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	\$35,377,579	\$30,792,357	\$26,744,866

(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	\$25,867,630	\$30,792,357	\$36,604,780

CITY OF CONCORD, NORTH CAROLINA

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, 2021, the city reported a net OPEB liability of \$30,792,357. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2021, 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, 2020	\$ 40,184,501	\$ 9,664,716	\$ 30,519,785
Changes for the year			
Service cost	1,430,363	-	1,430,363
Interest	2,150,028	-	2,150,028
Difference between expected and actual experience	3,020,426	-	3,020,426
Changes of assumptions	788,784	-	788,784
Contributions	-	6,394,913	(6,394,913)
Net investment income	-	722,116	(722,116)
Benefit payments	(2,215,819)	(2,215,819)	-
Net changes	5,173,782	4,901,210	272,572
Balances at June 30, 2021	<u>\$ 45,358,283</u>	<u>\$ 14,565,926</u>	<u>\$ 30,792,357</u>

(12) Changes of assumptions:

Changes of assumptions and other inputs reflect a change in salary increase assumptions and change in medical trend.

For the year ended June 30, 2021, the City recognized OPEB expense of \$2,161,830. At June 30, 2021, 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	\$ 2,644,283	\$ 3,461,866
Changes of assumptions or other inputs	2,120,072	5,709,568
Net difference between projected and actual earnings on plan investments		49,333
Total	<u>\$ 4,764,355</u>	<u>\$ 9,220,767</u>

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:	
2022	\$ (773,617)
2023	(791,332)
2024	(789,117)
2025	(788,823)
2026	(737,584)
Thereafter	(575,939)
	<u>\$ (4,456,412)</u>

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	\$ 6,157,331
Benefit payments made for LEOSSA	239,664
Differences between expected and actual experience (LGERS)	3,806,657
Differences between expected and actual experience (LEOSSA)	910,535
Changes of assumptions (LGERS)	2,243,304
Changes of assumptions (LEOSSA)	2,651,431
Changes of assumptions (OPEB)	2,120,072
Net difference between projected and actual earnings on pension plan investments (LGERS)	4,241,960
Net difference between projected and actual earnings on plan investments (OPEB)	2,644,283
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	625,963
Charge on refunding	2,316,541
	<u>\$ 27,957,741</u>

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

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid taxes	\$ 145,259	\$ 1,103,565
Taxes Receivable, less penalties	-	145,259
Differences between expected and actual experience (LGERS)	-	-
Differences between expected and actual experience (LEOSSA)	42,045	-
Changes in proportion and difference between City contributions and proportionate share of contributions (LGERS)	80,965	-
Changes of assumptions (LEOSSA)	159,000	-
Differences between expected and actual experience (OPEB)	3,461,866	-
Changes of assumptions (OPEB)	5,709,568	-
Difference between projected and actual investment earnings (OPEB)	49,333	-
	<u>\$ 9,648,036</u>	<u>\$ 1,248,824</u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 13. Commitments and Contingencies

The City had commitments on contracts of approximately \$16 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, 2021, 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, 2021. 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	\$ 84,325,815
Less:	
Inventories	120,706
Prepays	100,878
Stabilization by State Statute	26,464,888
Streets – Powell Bill	2,666,251
Public Safety	229,160
	<hr/>
Remaining Fund Balance	\$ 54,743,932
	<hr/>

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, 2021 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental activities:	
General Fund	\$ 9,149,109
Nonmajor Funds	14,603,069
Total governmental activities	<hr/> \$ 23,752,178
Business-type activities:	
Electric Fund	\$ 8,871,079
Water Fund	2,917,138
Wastewater Fund	1,056,008
Regional Airport Fund	660,036
Stormwater Fund	782,359
Nonmajor Funds	1,665,954
Total business-type activities	<hr/> \$ 15,952,574

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

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.

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 per occurrence. 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 \$220,203,206, which includes coverage for terrorism. Inland Marine scheduled equipment is insured to \$5,787,341; unscheduled equipment is insured to \$250,000 per occurrence. 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. The City's property policy provides up to \$1 million in flood coverage for locations that are not located within a FEMA flood Zone A and B.

In accordance with G.S. 159-29, criminal loss conducted by the City's employees is insured through criminal activities insurance at \$250,000 and cyber activities insurance at \$1,000,000. 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.

The Concord Family Enrichment Association (CFEA) limits risks related to litigation, theft, or damage to assets, personal injury, and natural disasters. CFEA has general liability, commercial property, personal and advertising injury, and damage to rented facilities insurances. This year CFEA has added Non-Profit Directors and Officers and Employment Practices Liability insurance. There have been no reductions in insurance coverage from the prior year or claims against the organization for its entire existence (since December 2019).

Note 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 \$7.7 million for wastewater treatment and raw water charges during the year ended June 30, 2021.

Note 17. Change in Accounting Principle

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

NOTES TO FINANCIAL STATEMENTS

Note 18. Summary Disclosure of Significant Contingencies

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Note. 19 Subsequent Events

A lawsuit related to malicious prosecution, wrongful conviction due process violations and obstruction is pending. At the time of report release, it is the opinion of the Attorney that it is not possible to evaluate the likelihood of an unfavorable outcome; however, other similar cases recently litigated in other jurisdictions indicate that in the event of an unfavorable outcome, the potential loss could be as high as \$44 million dollars.

A lawsuit related to negligence resulting in physical injury is pending. At the time of report release, it is the opinion of the Attorney that it is not possible to determine the outcome; however, a rough estimate of potential loss may be in the range of \$50,000 to \$85,500.

An unasserted claim related to breach of contract is pending. At the time of report release, it is the opinion of the Attorney that an unfavorable opinion is reasonably possible in the range of \$20,000 to \$30,000.

The City of Concord was awarded \$16,255,872 from the Federal American Rescue Plan (ARP). The City received \$8,127,936 in May 2021. The remaining amount of \$8,127,936 is expected to be received within the next 12 months.

Management has evaluated subsequent events through October 25, 2021, the date the financial statements were available to be issued.

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

Exhibit M

	2021	2020	2019	2018	2017
Beginning balance	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329	\$ 6,881,079
Service Cost	333,799	278,050	279,117	235,882	255,254
Interest on the total pension liability	235,138	235,400	217,292	250,341	237,293
Changes in benefit terms	-	-	-	-	-
Difference between expected and actual experience	628,867	579,473	(85,995)	20,366	-
Changes of assumptions and other inputs	2,844,537	223,537	(264,446)	409,492	(158,844)
Benefit payments	(559,798)	(581,557)	(528,943)	(521,611)	(468,453)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 10,975,270</u>	<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
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL
Last Five Fiscal Years

Exhibit N

	2021		2020		2019		2018		2017
Total pension liability	\$ 10,975,270	\$	7,492,727	\$	6,757,824	\$	7,140,799	\$	6,746,329
Covered-employee payroll	10,806,615		9,731,892		8,995,596		8,776,412		8,918,792
Total pension liability as a percentage of covered employee payroll	101.56%		76.99%		75.12%		81.36%		75.64%

Notes to the schedules:

The City of Concord has no assets accumulated in a trust that meets the criteria 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

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost at end of year	\$ 1,430,363	\$ 1,936,062	\$ 1,974,188	\$ 2,042,623	\$ 2,212,156
Interest on the Total OPEB Liability	2,150,028	1,721,864	1,746,485	1,572,140	1,347,782
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	3,020,426	(278,653)	(4,943,630)	(19,092)	-
Changes of assumptions or other inputs	788,784	(6,507,379)	2,183,220	(1,287,975)	(2,588,027)
Benefit payments	(2,215,819)	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
Net change in Total OPEB Liability	5,173,782	(4,563,993)	(1,007,786)	894,753	(802,452)
Total OPEB Liability - beginning	40,184,501	44,748,494	45,756,280	44,861,527	45,663,979
Total OPEB Liability - ending	\$ 45,358,283	\$ 40,184,501	\$ 44,748,494	\$ 45,756,280	\$ 44,861,527
Plan Fiduciary Net Position					
Contributions - employer	\$ 6,394,913	\$ 5,185,637	\$ 4,968,049	\$ 2,512,943	\$ 1,874,363
Contributions - non-employer	-	-	-	-	-
Contributions - active member	-	-	-	-	-
Net investment income	722,116	406,183	218,453	6,375	29,405
Benefit payments	(2,215,819)	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
Administrative expense	-	-	-	-	-
Other	-	-	-	-	-
Net change in Plan Fiduciary Net Position	4,901,210	4,155,933	3,218,453	1,106,375	129,405
Plan Fiduciary Net Position - beginning	9,664,716	5,508,783	2,290,330	1,183,955	1,054,550
Plan Fiduciary Net Position - ending	\$ 14,565,926	\$ 9,664,716	\$ 5,508,783	\$ 2,290,330	\$ 1,183,955
Net OPEB Liability - ending	\$ 30,792,357	\$ 30,519,785	\$ 39,239,711	\$ 43,465,950	\$ 43,677,572
Plan fiduciary net position as a percentage of the total OPEB liability	32.11%	24.05%	12.31%	5.01%	2.64%
Covered payroll	\$ 57,114,656	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170
Net OPEB liability as a percentage of covered payroll	53.91%	64.19%	82.53%	102.78%	103.28%

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

**CITY OF CONCORD, NORTH CAROLINA
THE HEALTH CARE PLAN OF THE CITY OF CONCORD
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS**

Exhibit P

	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,574,034	\$ 3,574,034	\$ 3,356,018	\$ 3,356,018	\$ 2,741,358	\$ 2,809,363
Contributions in relation to the Actuarially Determined Contribution	6,394,913	5,185,637	4,968,049	2,512,943	1,874,363	2,063,924
Contribution deficiency (excess)	\$ (2,820,879)	\$ (1,611,603)	\$ (1,612,031)	\$ 843,075	\$ 866,995	\$ 745,439
Covered payroll	\$ 57,114,656	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170	\$ 42,290,170
Contributions as a percentage of covered payroll	11.20%	10.91%	10.45%	5.94%	4.43%	4.88%

Notes to Schedule:

Valuation date:
June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	26 years
Asset valuation method	Market value
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.50% to 8.41%, including wage inflation
Investment rate of return	5.50%, net of OPEB plan investment expense, including price inflation
Healthcare cost trends	7.00% initial, decreasing to an ultimate rate of 4.50% by 2030

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

	2021	2020	2019	2018	2017
Annual rate of return, net of investment expense	7.22%	6.72%	7.22%	0.09%	2.80%

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

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

Exhibit R

Local Government Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Concord's proportion of the net pension liability (asset) (%)	0.84356%	0.79030%	0.77199%	0.76685%	0.76650%	0.79314%	0.74554%	0.79080%
Concord's proportion of the net pension liability (asset) (\$)	\$ 30,143,992	\$ 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	\$ 56,280,529	\$ 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	53.56%	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**	88.61%	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.

** This will be the same percentage for all participant employers in the LGERS plan.

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 Eight Fiscal Years**

Exhibit S

Local Government Employees' Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$6,157,331	\$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	6,157,331	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	59,664,044	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	10.32%	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 Seven Fiscal Years *

Exhibit T

Firefighters' and Rescue Squad Workers' Pension

	2021	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%	0.0000%
Concord's proportion of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with City of Concord	192,536	91,528	113,784	109,722	90,853	76,707	66,847
Total	\$ 192,536	\$ 91,528	\$ 113,784	\$ 109,722	\$ 90,853	\$ 76,707	\$ 66,847
Concord's covered payroll during the measurement period	\$12,335,452	\$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	1.56%	0.79%	1.08%	1.14%	1.01%	0.89%	0.78%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

* 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.

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.

Emergency Housing Assistance Fund - This fund is used to account for federal grants received to provide emergency housing assistance for individuals who are at risk for homelessness or housing instability.

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.

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.

Affordable Housing Fund - This fund is used to increase affordable housing within the community.

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.

Parks Capital Reserve - This fund is used to account for funds to acquire land for greenway properties.

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, 2021**

Statement 1

ASSETS	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
Cash and investments	\$ 1,687,568	\$ 32,666,726	\$ 34,354,294
Receivables:			
Ad valorem taxes, net	3,404	-	3,404
Due from other governmental agencies	277,678	-	277,678
Interest	3,246	36,037	39,283
Other, net	220,319	1,011,093	1,231,412
Prepaid items	346	-	346
Restricted assets - cash and investments	59,350	5,944,105	6,003,455
Total assets	\$ 2,251,911	\$ 39,657,961	\$ 41,909,872
LIABILITIES			
Accounts payable and accrued liabilities	\$ 194,783	\$ 2,122,685	\$ 2,317,468
Due to other funds	216,477	-	216,477
Deposits payable from restricted assets	3,450	-	3,450
Advance from grantor	55,900	-	55,900
Total liabilities	470,610	2,122,685	2,593,295
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	3,404	-	3,404
Prepaid taxes	146	-	146
Total deferred inflows of resources	3,550	-	3,550
FUND BALANCES (DEFICITS)			
Nonspendable			
Prepays	346	-	346
Restricted			
Stabilization by State Statute	921,597	15,229,845	16,151,442
Committed			
Future capital purchases	-	1,071,694	1,071,694
Planning and community development	1,120,982	-	1,120,982
Housing assistance	9,483	-	9,483
Assigned			
Future capital purchases	-	21,233,737	21,233,737
Unassigned	(274,657)	-	(274,657)
Total fund balance (deficit)	1,777,751	37,535,276	39,313,027
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,251,911	\$ 39,657,961	\$ 41,909,872

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CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2021

Statement 2

ASSETS	Housing Assistance	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Affordable Housing Fund	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
Cash and investments	\$ 179,272	\$ -	\$ 121,689	\$ -	\$ 426,609	\$ 917,948	\$ 42,050	\$ -	\$ 1,687,568
Receivables:									
Ad valorem taxes, net	-	-	-	-	-	-	3,404	-	3,404
Due from other governmental agencies	22,475	-	-	228,266	26,705	-	232	-	277,678
Interest	312	-	218	-	745	1,602	-	369	3,246
Other, net	63,659	-	-	-	-	156,660	-	-	220,319
Prepaid items	-	-	-	-	-	300	46	-	346
Restricted assets - cash and investments	-	55,900	3,450	-	-	-	-	-	59,350
Total assets	\$ 265,718	\$ 55,900	\$ 125,357	\$ 228,266	\$ 454,059	\$ 1,076,510	\$ 45,732	\$ 369	\$ 2,251,911
LIABILITIES									
Accounts payable and accrued liabilities	\$ 169,789	\$ -	\$ 122	\$ 12,158	\$ 3,951	\$ 1,795	\$ 6,968	\$ -	\$ 194,783
Due to other funds	-	-	-	216,108	-	-	-	369	216,477
Deposits payable from restricted assets	-	-	3,450	-	-	-	-	-	3,450
Advance from grantor	-	55,900	-	-	-	-	-	-	55,900
Total liabilities	169,789	55,900	3,572	228,266	3,951	1,795	6,968	369	470,610
DEFERRED INFLOWS OF RESOURCES									
Property taxes receivable	-	-	-	-	-	-	3,404	-	3,404
Prepaid taxes	-	-	-	-	-	-	146	-	146
Total deferred inflows of resources	-	-	-	-	-	-	3,550	-	3,550
FUND BALANCES (DEFICITS)									
Non Spendable									
Prepays	-	-	-	-	-	300	46	-	346
Restricted									
Stabilization by State Statute	86,446	-	218	274,288	213,666	346,378	232	369	921,597
Committed									
Planning and community development	-	-	121,567	-	236,442	728,037	34,936	-	1,120,982
Housing assistance	9,483	-	-	-	-	-	-	-	9,483
Unassigned	-	-	-	(274,288)	-	-	-	(369)	(274,657)
Total fund balances (deficit)	95,929	-	121,785	-	450,108	1,074,715	35,214	-	1,777,751
Total liabilities, deferred inflows of resources, and fund balances	\$ 265,718	\$ 55,900	\$ 125,357	\$ 228,266	\$ 454,059	\$ 1,076,510	\$ 45,732	\$ 369	\$ 2,251,911

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2021

Statement 3

ASSETS	Parks	Parks Capital Reserve	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Capital Projects Funds
Cash and investments	\$ 5,037,021	\$ 1,071,694	\$ 20,692,951	\$ 3,866,674	\$ 1,998,386	\$ 32,666,726
Receivables:						
Interest	-	-	36,037	-	-	36,037
Other, net	115,923	-	895,170	-	-	1,011,093
Restricted assets - cash and investments	-	-	-	232,634	5,711,471	5,944,105
Total assets	\$ 5,152,944	\$ 1,071,694	\$ 21,624,158	\$ 4,099,308	\$ 7,709,857	\$ 39,657,961
LIABILITIES						
Accounts payable and accrued liabilities	\$ 24,599	\$ -	\$ 788,480	\$ 215,334	\$ 1,094,272	\$ 2,122,685
Total liabilities	24,599	-	788,480	215,334	1,094,272	2,122,685
FUND BALANCES						
Restricted						
Stabilization by State Statute	617,188	-	9,231,821	333,765	5,047,071	15,229,845
Committed						
Future capital purchases	-	1,071,694	-	-	-	1,071,694
Assigned						
Future capital purchases	4,511,157	-	11,603,857	3,550,209	1,568,514	21,233,737
Total fund balances	5,128,345	1,071,694	20,835,678	3,883,974	6,615,585	37,535,276
Total liabilities and fund balances	\$ 5,152,944	\$ 1,071,694	\$ 21,624,158	\$ 4,099,308	\$ 7,709,857	\$ 39,657,961

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2021

Statement 4

	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
Revenues			
Ad valorem taxes	\$ 120,698	\$ -	\$ 120,698
Restricted intergovernmental revenues	5,874,841	1,062,394	6,937,235
Investment earnings	3,511	47,321	50,832
Program income	1,676,630	703,925	2,380,555
Other revenues	455	5,000	5,455
Total revenues	7,676,135	1,818,640	9,494,775
Expenditures			
Current:			
Planning and community development	1,034,748	-	1,034,748
Administration	678,246	1,354,089	2,032,335
Housing assistance payments	4,705,017	-	4,705,017
Rehabilitation	1,230,061	-	1,230,061
Capital outlay	16,768	10,249,683	10,266,451
Cost of issuance	-	51,650	51,650
Debt service	-	2,574,156	2,574,156
Total expenditures	7,664,840	14,229,578	21,894,418
Excess (deficiency) of revenues over (under) expenditures	11,295	(12,410,938)	(12,399,643)
Other Financing Sources (Uses)			
Issuance of debt	-	6,200,000	6,200,000
Proceeds from sale of capital assets	-	579,000	579,000
Transfers from other funds	1,747,212	14,686,452	16,433,664
Transfers to other funds	(459,564)	(664,970)	(1,124,534)
Total other financing sources (uses)	1,287,648	20,800,482	22,088,130
Net change in fund balances	1,298,943	8,389,544	9,688,487
Fund Balances (Deficit)			
Beginning	478,808	29,145,732	29,624,540
Ending	\$ 1,777,751	\$ 37,535,276	\$ 39,313,027

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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, 2021

Statement 5

	Housing Assistance	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Affordable Housing Fund	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
Revenues									
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,698	\$ -	\$ 120,698
Restricted intergovernmental revenues	4,476,209	-	-	1,124,887	273,745	-	-	-	5,874,841
Investment earnings	(244)	-	364	-	1,614	2,149	-	(372)	3,511
Program income	765,881	-	61,179	7,175	107,320	306,145	-	428,930	1,676,630
Other revenues	-	-	455	-	-	-	-	-	455
Total revenue	5,241,846	-	61,998	1,132,062	382,679	308,294	120,698	428,558	7,676,135
Expenditures									
Current:									
Planning and community development	-	-	-	-	-	880,385	154,363	-	1,034,748
Administration	441,817	-	929	84,154	151,346	-	-	-	678,246
Housing assistance payments	4,705,017	-	-	-	-	-	-	-	4,705,017
Rehabilitation	-	-	-	1,047,908	182,153	-	-	-	1,230,061
Capital outlay	16,768	-	-	-	-	-	-	-	16,768
Total expenditures	5,163,602	-	929	1,132,062	333,499	880,385	154,363	-	7,664,840
Excess (deficiency) of revenues over (under) expenditures	78,244	-	61,069	-	49,180	(572,091)	(33,665)	428,558	11,295
Other Financing Sources (Uses)									
Transfers from other funds	-	-	-	-	31,406	1,646,806	69,000	-	1,747,212
Transfers to other funds	-	-	(31,006)	-	-	-	-	(428,558)	(459,564)
Total other financing sources (uses)	-	-	(31,006)	-	31,406	1,646,806	69,000	(428,558)	1,287,648
Net change in fund balances	78,244	-	30,063	-	80,586	1,074,715	35,335	-	1,298,943
Fund Balances (Deficit)									
Beginning	17,685	-	91,722	-	369,522	-	(121)	-	478,808
Ending	\$ 95,929	\$ -	\$ 121,785	\$ -	\$ 450,108	\$ 1,074,715	\$ 35,214	\$ -	\$ 1,777,751

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, 2021

Statement 6

	Parks	Parks Capital Reserve	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Capital Projects Funds
Revenues						
Restricted intergovernmental revenues	\$ 115,923	\$ -	\$ 946,471	\$ -	\$ -	\$ 1,062,394
Program income	-	-	703,925	-	-	703,925
Other revenues	5,000	-	-	-	-	5,000
Investment earnings	-	-	47,103	33	185	47,321
Total revenues	120,923	-	1,697,499	33	185	1,818,640
Expenditures						
Administration	115,944	-	205,089	1,003,625	29,431	1,354,089
Debt service	-	-	-	2,574,156	-	2,574,156
Cost of issuance	-	-	-	-	51,650	51,650
Capital outlay	1,242,316	-	3,586,842	1,673,240	3,747,285	10,249,683
Total expenditures	1,358,260	-	3,791,931	5,251,021	3,828,366	14,229,578
Excess (deficiency) of revenues over expenditures	(1,237,337)	-	(2,094,432)	(5,250,988)	(3,828,181)	(12,410,938)
Other Financing Sources (Uses)						
Issuance of debt	-	-	-	-	6,200,000	6,200,000
Proceeds from sale of capital assets	-	-	-	579,000	-	579,000
Transfers in	3,358,572	1,351,664	3,379,162	6,597,054	-	14,686,452
Transfers out	-	(279,970)	-	(85,000)	(300,000)	(664,970)
Total other financing sources (uses)	3,358,572	1,071,694	3,379,162	7,091,054	5,900,000	20,800,482
Net change in fund balances	2,121,235	1,071,694	1,284,730	1,840,066	2,071,819	8,389,544
Fund Balances (Deficit)						
Beginning	3,007,110	-	19,550,948	2,043,908	4,543,766	29,145,732
Ending	\$ 5,128,345	\$ 1,071,694	\$ 20,835,678	\$ 3,883,974	\$ 6,615,585	\$ 37,535,276

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, 2021

Statement 7

ASSETS	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Current Assets				
Cash and investments	\$ 528,063	\$ 1,290,574	\$ -	\$ 1,818,637
Receivables:				
Accounts receivable, net	-	19,439	153,981	173,420
Due from other governments	-	10,546	2,209,080	2,219,626
Interest	4,057	2,324	-	6,381
Inventories and prepaid expenses	95,436	196	-	95,632
Total current assets	627,556	1,323,079	2,363,061	4,313,696
Noncurrent assets:				
Restricted assets - cash and investments	-	41,723	-	41,723
Capital assets	10,283,562	10,082,504	12,221,487	32,587,553
Less accumulated depreciation	(562,372)	(7,018,888)	(8,102,736)	(15,683,996)
Total noncurrent assets	9,721,190	3,105,339	4,118,751	16,945,280
Total assets	10,348,746	4,428,418	6,481,812	21,258,976
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	-	225,393	97,329	322,722
OPEB deferrals	-	62,889	27,157	90,046
Total deferred outflows of resources	-	288,282	124,486	412,768
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	206,190	158,339	400,194	764,723
Current portion of long-term debt	-	41,493	24,192	65,685
Due to other funds	-	405,862	4,926,945	5,332,807
Total current liabilities	206,190	605,694	5,351,331	6,163,215
Noncurrent liabilities				
Net pension liability	-	397,901	171,821	569,722
Net OPEB liability	-	541,799	188,982	730,781
Long-term debt due after one year	-	20,437	11,916	32,353
Deposits	-	41,723	-	41,723
Total noncurrent liabilities	-	1,001,860	372,719	1,374,579
Total liabilities	206,190	1,607,554	5,724,050	7,537,794
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	-	1,069	462	1,531
OPEB deferrals	-	121,714	52,558	174,272
Total deferred inflows of resources	-	122,783	53,020	175,803
NET POSITION				
Net investment in capital assets	9,721,190	3,063,616	4,118,751	16,903,557
Unrestricted	421,366	(77,253)	(3,289,523)	(2,945,410)
Total net position	\$ 10,142,556	\$ 2,986,363	\$ 829,228	\$ 13,958,147

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
Year Ended June 30, 2021

Statement 8

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	\$ 1,964,629	\$ 441,839	\$ 2,032	\$ 2,408,500
Other operating revenues	888,894	-	-	888,894
Total operating revenue	2,853,523	441,839	2,032	3,297,394
Operating Expenses				
General and administrative	-	932,153	608,398	1,540,551
Professional services	1,098,385	-	4,028,490	5,126,875
Utilities	-	302,617	-	302,617
Maintenance and repairs	-	302,867	-	302,867
Operating supplies	-	-	393,450	393,450
Other operating costs	1,045,693	-	-	1,045,693
Depreciation and amortization	80,430	539,104	875,844	1,495,378
Total operating expenses	2,224,508	2,076,741	5,906,182	10,207,431
Operating income (loss)	629,015	(1,634,902)	(5,904,150)	(6,910,037)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,232,206	3,024,061	4,256,267
Interest earned on investments	-	(1,737)	-	(1,737)
Interest expense	(23,066)	(4,406)	-	(27,472)
Gain (loss) on sale of capital assets	(4,782)	(21,517)	9,284	(17,015)
Other	-	124,973	-	124,973
Total nonoperating revenues (expenses)	(27,848)	1,329,519	3,033,345	4,335,016
Income (loss) before transfers	601,167	(305,383)	(2,870,805)	(2,575,021)
Transfers In (Out)				
Transfers Out	-	-	-	-
Transfers In	360,394	-	696,078	1,056,472
Transfers in (out)	360,394	-	696,078	1,056,472
Change in net position	961,561	(305,383)	(2,174,727)	(1,518,549)
Net Position				
Beginning	9,180,995	3,291,746	3,003,955	15,476,696
Ending	\$ 10,142,556	\$ 2,986,363	\$ 829,228	\$ 13,958,147

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2021

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	\$ 2,849,466	\$ 593,974	\$ 2,032	\$ 3,445,472
Payments to employees	-	(629,422)	(555,055)	(1,184,477)
Payments to suppliers	(2,093,571)	(905,920)	(4,390,698)	(7,390,189)
Net cash provided by (used in) operating activities	755,895	(941,368)	(4,943,721)	(5,129,194)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	-	(34,741)	1,460,487	1,425,746
Transfers in	360,394	-	696,078	1,056,472
Operating grants received	-	1,232,206	2,855,229	4,087,435
Net cash provided by noncapital financing activities	360,394	1,197,465	5,011,794	6,569,653
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(915,000)	-	-	(915,000)
Interest paid	(25,162)	(4,406)	-	(29,568)
Acquisition and construction of capital assets	(118,628)	(503,059)	(77,357)	(699,044)
Proceeds from the sale of capital assets	-	2,683	9,284	11,967
Net cash provided by (used in) capital and related financing activities	(1,058,790)	(504,782)	(68,073)	(1,631,645)
Cash Flows Provided by Investing Activities				
Earnings on investments	-	3,187	-	3,187
Net increase (decrease) in cash and cash equivalents	57,499	(245,498)	-	(187,999)
Cash and cash equivalents:				
Beginning	470,564	1,577,795	-	2,048,359
Ending	\$ 528,063	\$ 1,332,297	\$ -	\$ 1,860,360

Continued

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2021

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	\$ 629,015	\$ (1,634,902)	\$ (5,904,150)	\$ (6,910,037)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	80,430	539,104	875,844	1,495,378
Other income	-	124,973	-	124,973
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
(Increase) decrease in:				
Accounts receivable	(4,057)	(5,978)	-	(10,035)
Due from other governmental agencies	-	32,831	-	32,831
Inventories and prepaid expenses	1,039	(196)	10,768	11,611
Deferred outflows of resources for pensions	-	(51,730)	(16,977)	(68,707)
Deferred outflows of resources for OPEB	-	(39,997)	(16,565)	(56,562)
Increase (decrease) in:				
Accounts payable and accrued expenses	49,468	7,464	73,936	130,868
Vacation accrual	-	356	7,011	7,367
Net pension liability	-	108,696	38,009	146,705
OPEB liability	-	806	2,883	3,689
Deferred inflows of resources for pensions	-	(1,834)	(881)	(2,715)
Deferred inflows of resources for OPEB	-	(21,270)	(13,599)	(34,869)
Deposits	-	309	-	309
Net cash provided by (used in) operating activities	\$ 755,895	\$ (941,368)	\$ (4,943,721)	\$ (5,129,194)

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

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CITY OF CONCORD, NORTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
June 30, 2021

Statement 10

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government							
Administration	\$ 2,873,157	\$ 17,810,844	\$ 334,187	\$ 1,224,355	\$ 1,574,920	\$ 1,188,703	\$ 25,006,166
Finance	-	-	-	412,771	-	-	412,771
Tax office	-	-	-	81,896	-	-	81,896
Human resources	-	421,736	-	76,900	-	-	498,636
Total general government	2,873,157	18,232,580	334,187	1,795,922	1,574,920	1,188,703	25,999,469
Public Safety							
Communications	-	-	-	1,686,412	-	6,800	1,693,212
Police	-	14,586,391	24,000	9,612,186	-	-	24,222,577
Fire	2,306,087	17,345,247	441,098	16,532,859	-	7,548,781	44,174,072
Total public safety	2,306,087	31,931,638	465,098	27,831,457	-	7,555,581	70,089,861
Public Works							
Streets	2,920,645	661,459	76,178	6,190,416	738,474,640	11,852,348	760,175,686
Sanitation	-	3,719,898	206,147	3,914,468	-	-	7,840,513
Cemeteries	-	-	191,522	400,660	168,239	155,577	915,998
Transportation	50,987	-	-	-	6,843,848	-	6,894,835
Fleet Services	-	702,705	-	617,797	-	-	1,320,502
Total public works	2,971,632	5,084,062	473,847	11,123,341	745,486,727	12,007,925	777,147,534
Cultural and Recreational							
Parks and recreation	11,697,375	9,515,895	5,941,304	1,497,688	-	4,319,592	32,971,854
Planning and Community Development							
Planning and zoning	437,552	557,517	450,901	179,954	673,267	512,917	2,812,108
Total capital assets	\$ 20,285,803	\$ 65,321,692	\$ 7,665,337	\$ 42,428,362	\$ 747,734,914	\$ 25,584,718	\$ 909,020,826

CITY OF CONCORD, NORTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
June 30, 2021

Statement 11

Function/Activity	June 30, 2020	Additions	Retirements/ Transfers	June 30, 2021
General Government				
Administration	\$ 24,921,588	\$ 1,158,545	\$ 1,073,967	\$ 25,006,166
Finance	391,741	21,030	-	412,771
Tax office	94,210	30,818	43,132	81,896
Human resources	498,636	-	-	498,636
Total general government	25,906,175	1,210,393	1,117,099	25,999,469
Public Safety				
Communications	1,669,104	18,334	(5,774)	1,693,212
Police	23,566,440	1,427,034	770,897	24,222,577
Fire	39,261,932	6,002,515	1,090,375	44,174,072
Total public safety	64,497,476	7,447,883	1,855,498	70,089,861
Public Works				
Streets	679,616,543	85,601,092	5,041,949	760,175,686
Sanitation	7,744,773	227,203	131,463	7,840,513
Cemeteries	799,177	123,548	6,727	915,998
Transportation	6,894,835	-	-	6,894,835
Fleet services	1,298,410	24,822	2,730	1,320,502
Total public works	696,353,738	85,976,665	5,182,869	777,147,534
Cultural and Recreational				
Parks and recreation	29,029,082	3,942,772	-	32,971,854
Planning and Community Development				
Planning and zoning	2,079,088	483,198	(249,822)	2,812,108
Total capital assets	\$ 817,865,559	\$ 99,060,911	\$ 7,905,644	\$ 909,020,826

Supplemental Information

- Budget to actual comparison for major capital project fund, nonmajor governmental funds, enterprise funds and internal service fund of the primary government
- 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, 2021

Statement 12

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment Earnings	\$ 1,168,055	\$ 2,173,998	\$ 49,851	\$ 2,223,849
Expenditures				
Capital outlay	29,199,233	-	-	-
Total expenditures	29,199,233	-	-	-
Excess (deficiency) of revenues over expenditures	(28,031,178)	2,173,998	49,851	2,223,849
Other Financing Sources (Uses)				
Transfers In	38,840,813	31,840,814	7,000,000	38,840,814
Transfers Out	(10,809,635)	-	(10,809,635)	(10,809,635)
Total other financing sources (uses)	28,031,178	31,840,814	(3,809,635)	28,031,179
Excess of revenues and other financing sources (uses) over expenditures	\$ -	\$ 34,014,812	(3,759,784)	\$ 30,255,028
Fund Balance				
Beginning			34,014,812	
Ending			\$ 30,255,028	

AMERICAN RESCUE PLAN FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2021

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	\$ 16,255,872	\$ -	\$ -	\$ -
Total revenues	16,255,872	-	-	-
Expenditures				
Contract services	700,000	-	-	-
Capital outlay	15,555,872	-	-	-
Total expenditures	16,255,872	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -
Fund Balance				
Beginning			-	
Ending			<u>\$ -</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, 2021

Statement 14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Restricted intergovernmental revenues	\$ 4,218,815	\$ 4,418,475	\$ 4,476,209	\$ 57,734
Investment earnings	-	-	(244)	(244)
Program income	735,000	756,572	765,881	9,309
Other income (loss)	500	500	-	(500)
Total revenues	4,954,315	5,175,547	5,241,846	66,299
Expenditures				
Administration	328,878	461,454	458,585	2,869
Housing assistance payments	4,599,065	4,739,555	4,705,017	34,538
Total expenditures	4,927,943	5,201,009	5,163,602	37,407
Excess (deficiency) of revenues over expenditures	\$ 26,372	\$ (25,462)	78,244	\$ 103,706
Other Financing Sources				
Appropriated to (from) fund balance	(26,372)	25,462	-	(25,462)
Total other financing sources	(26,372)	25,462	-	(25,462)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	78,244	\$ 78,244
Fund Balance				
Beginning			<u>17,685</u>	
Ending			<u>\$ 95,929</u>	

**CITY OF CONCORD, NORTH CAROLINA
EMERGENCY HOUSING ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2021**

Statement 15

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Restricted intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Program income	-	-	-	-
Other income (loss)	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Administration	-	-	-	-
Housing assistance payments	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	-	\$ -
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	-	\$ -
Fund Balance				
Beginning			-	-
Ending			\$ -	-

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, 2021

Statement 16

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Program income	\$ 65,771	\$ 65,771	\$ 61,179	\$ (4,592)
Other income	-	-	455	455
Investment earnings	-	-	364	364
Total revenues	65,771	65,771	61,998	(3,773)
Expenditures				
Administration	34,765	34,765	929	33,836
Total expenditures	34,765	34,765	929	33,836
Excess (deficiency) of revenues over expenditures	31,006	31,006	61,069	30,063
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	\$ -	\$ -	30,063	\$ 30,063
Fund Balance				
Beginning			91,722	
Ending			\$ 121,785	

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, 2021

Statement 17

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	\$ 4,352,183	\$ 1,791,005	\$ 1,124,887	\$ 2,915,892
Program income	99,483	97,483	7,175	104,658
Total revenues	4,451,666	1,888,488	1,132,062	3,020,550
Expenditures				
Administration	575,962	439,509	84,154	523,663
Rehabilitation	3,803,192	1,376,467	1,047,908	2,424,375
Total expenditures	4,379,154	1,815,976	1,132,062	2,948,038
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
HOME FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2021

Statement 18

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	\$ 6,609,856	\$ 2,285,328	\$ 273,745	\$ 2,559,073
Program income	812,180	850,541	107,320	957,861
Investment earnings	-	6,530	1,614	8,144
Total revenues	7,422,036	3,142,399	382,679	3,525,078
Expenditures				
Administration	711,348	460,993	151,346	612,339
Rehabilitation	7,077,349	2,647,538	182,153	2,829,691
Total expenditures	7,788,697	3,108,531	333,499	3,442,030
Excess (deficiency) of revenues over expenditures	(366,661)	33,868	49,180	83,048
Other Financing Sources				
Transfers In	366,661	335,654	31,406	367,060
Total other financing sources	366,661	335,654	31,406	367,060
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 369,522	80,586	\$ 450,108
Fund Balance				
Beginning			369,522	
Ending			\$ 450,108	

CITY OF CONCORD, NORTH CAROLINA

Statement 19

AFFORDABLE HOUSING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2021

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment earnings	\$ -	\$ -	\$ 2,149	\$ 2,149
Program income	311,600	-	306,145	306,145
Total revenues	311,600	-	308,294	308,294
Expenditures				
Community development	1,582,574	-	880,385	880,385
Capital outlay	375,832	-	-	-
Total expenditures	1,958,406	-	880,385	880,385
Excess (deficiency) of revenues over expenditures	(1,646,806)	-	(572,091)	(572,091)
Other Financing Sources (Uses)				
Transfers In	1,646,806	-	1,646,806	1,646,806
Total other financing sources	1,646,806	-	1,646,806	1,646,806
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	\$ 1,074,715	\$ 1,074,715
Fund Balance				
Beginning			-	
Ending			\$ 1,074,715	

**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, 2021**

Statement 20

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Ad valorem taxes	\$ 125,707	\$ 125,707	\$ 120,698	\$ (5,009)
Expenditures				
Community development	125,707	194,707	154,363	40,344
Excess of revenues over expenditures	-	(69,000)	(33,665)	35,335
Other Financing Sources				
Transfers In	-	69,000	69,000	-
Total other financing sources	-	69,000	69,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	35,335	\$ 35,335
Fund Balance				
Beginning			(121)	
Ending			\$ 35,214	

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, 2021

Statement 21

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Program income	\$ 390,000	\$ 440,000	\$ 428,930	\$ (11,070)
Investment earnings	-	-	(372)	(372)
Total revenues	390,000	440,000	428,558	(11,442)
Other Financing Uses				
Transfers out	(390,000)	(440,000)	(428,558)	11,442
Total other financing uses	(390,000)	(440,000)	(428,558)	11,442
Total of revenues and other financing uses	\$ -	\$ -	-	\$ -
Fund Balance				
Beginning			-	
Ending			<u>\$ -</u>	

CITY OF CONCORD, NORTH CAROLINA

Statement 22

PARKS AND RECREATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2021

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Contributions	\$ 94,251	\$ 94,251	\$ 5,000	\$ 99,251
Restricted intergovernmental revenues	470,000	354,077	115,923	470,000
Total operating revenues	564,251	448,328	120,923	569,251
Operating Expenditures				
Caldwell Park	500,000	-	41,145	41,145
Northwest Park	2,360,183	1,410,270	111,837	1,522,107
McEachern Greenway	2,657,447	1,636,340	156,287	1,792,627
HVAC Gymnasiums	740,350	513,939	58,961	572,900
P&R Connectivity Plan	350,000	-	1,500	1,500
Parking Improvements-Logan Multi Ctr	289,000	-	1,228	1,228
Stream Restoration - McGee Park	210,000	33,404	23,838	57,242
Coddle Creek Greenway	679,800	60,745	16,110	76,855
Dorton Park Improvements	521,640	-	130	130
Academy Rec Center Complex	47,000	-	28,826	28,826
Hartsell Park Improvements	85,000	-	3,550	3,550
Mountain Bike Trail Parking	195,000	-	-	-
Hector Henry Greenway	3,405,162	1,904,279	914,848	2,819,127
Total operating expenditures	12,040,582	5,558,977	1,358,260	6,917,237
Deficiency of revenues over expenditures before transfers	(11,476,331)	(5,110,649)	(1,237,337)	(6,347,986)
Other Financing Sources				
Transfers in	11,476,331	8,117,759	3,358,572	11,476,331
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 3,007,110	\$ 2,121,235	\$ 5,128,345

CITY OF CONCORD, NORTH CAROLINA
PARKS CAPITAL RESERVE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2021

Statement 23

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Expenditures				
Capital Outlay	\$ 1,071,694	\$ -	\$ -	\$ -
Total expenditures	1,071,694	-	-	-
Excess (deficiency) of revenues over expenditures	(1,071,694)	-	-	-
Other Financing Sources (Uses)				
Transfers In	1,351,664	-	1,351,664	1,351,664
Transfers Out	(279,970)	-	(279,970)	(279,970)
Total other financing sources (uses)	1,071,694	-	1,071,694	1,071,694
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ -	\$ -	1,071,694	\$ 1,071,694
Fund Balance				
Beginning			-	
Ending			\$ 1,071,694	

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, 2021

Statement 24

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 6,838,706	\$ 3,379,048	\$ 946,471	\$ 4,325,519
Investment earnings	715,202	1,524,894	47,103	1,571,997
Program income	3,516,565	2,902,538	703,925	3,606,463
Total operating revenues	11,070,473	7,806,480	1,697,499	9,503,979
Operating Expenditures				
Hwy 601/Hwy 3 CMAQ	1,531,405	840,284	471,499	1,311,783
Future Improvements	1,974,039	-	-	-
Derita Rd	6,117,319	2,114,971	585	2,115,556
Traffic Management Center	3,797,500	3,613,773	17,716	3,631,489
NE Subset Sidewalk Extension	905,916	840,810	58,638	899,448
Virginia St SE Segment Improvements	1,500,000	1,044,147	410,536	1,454,683
Brookwood Phase Design	6,114,243	491,494	-	491,494
US 29 Bridge 66 & 69	15,553	-	16,995	16,995
ITS Expansion	1,250,000	816,047	292,221	1,108,268
US29/Copperfield SW & Bike Pro	273,211	72,925	2,954	75,879
Concord Mills Blvd Flyover	2,043,330	-	-	-
Pedestrian Improvements-Sidewalks	500,000	-	-	-
Bruton Smith Pedestrian Improvements	1,200,000	-	-	-
Spring/Chestnut/Broad Improvements	817,618	5,436	790,157	795,593
US601/Flowes Store Improvements	2,361,469	11,396	12,990	24,386
Union St S Sidewalk Extension	920,780	2,293	839,059	841,352
Downtown Pedestrian Signal Upgrade	312,000	306	46,291	46,597
Bruton Smith/Weddington Intersection	182,099	-	-	-
Downtown Signal Replacement	440,000	102,811	188,094	290,905
I-85 Branding	450,000	-	-	-
Streetscape	22,708	-	-	-
Brown Center Rd Expansion	800,000	-	526,732	526,732
Upfit Cab Co Facility	1,167,232	-	-	-
Concrete St Reconstruction	558,214	-	-	-
Poplar Tent/Harris	275,000	-	-	-
Infrastructure	853,978	232,816	117,464	350,280
Total operating expenditures	36,383,614	10,189,509	3,791,931	13,981,440
Excess (deficiency) of revenues over expenditures before transfers	(25,313,141)	(2,383,029)	(2,094,432)	(4,477,461)
Other Financing Sources				
Transfers In	25,313,141	21,933,977	3,379,162	25,313,139
Total other financing sources	25,313,141	21,933,977	3,379,162	25,313,139
Excess of revenues and transfers over expenditures	\$ -	\$ 19,550,948	\$ 1,284,730	\$ 20,835,678

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, 2021

Statement 25

	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	514,315	-	514,315
Total operating revenues	734,315	538,195	-	538,195
Expenditures				
Contract services	-	1,058,455	357,536	1,415,991
Capital outlay	8,891,158	290,605	1,158,411	1,449,016
Total expenditures	8,891,158	1,349,060	1,515,947	2,865,007
Excess (deficiency) of revenues over expenditures before transfers	(8,156,843)	(810,865)	(1,515,947)	(2,326,812)
Transfer In	8,241,843	3,526,857	4,714,987	8,241,844
Transfer Out	(85,000)	-	(85,000)	(85,000)
Excess of revenues and transfers over expenditures	\$ -	\$ 2,715,992	\$ 3,114,040	\$ 5,830,032

Change in net position:

General Fund Capital Projects Fund	\$ 3,114,040
First Concord Capital Project Fund (Statement 44)	(1,273,974)
	<u>\$ 1,840,066</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, 2021

Statement 26

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment earnings	\$ -	\$ -	\$ 185	\$ 185
Operating Expenditures				
Operating supplies	-	91,115	29,431	120,546
Cost of issuance	51,650	-	51,650	51,650
Capital outlay	13,382,034	2,900,587	3,747,285	6,647,872
Total operating expenditures	13,433,684	2,991,702	3,828,366	6,820,068
Deficiency of revenues over expenditures before transfers	(13,433,684)	(2,991,702)	(3,828,181)	(6,819,883)
Other Financing Sources (Uses)				
Issuance of debt	6,200,000	-	6,200,000	6,200,000
Transfer In	7,533,684	7,535,468	-	7,535,468
Transfer Out	(300,000)	-	(300,000)	(300,000)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 4,543,766	\$ 2,071,819	\$ 6,615,585

CITY OF CONCORD, NORTH CAROLINA
ELECTRIC OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021

Statement 27

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 83,478,425	\$ 83,478,425	\$ 81,756,060	\$ (1,722,365)
Other operating revenues	600,200	4,811,640	6,136,950	1,325,310
Total operating revenues	84,078,625	88,290,065	87,893,010	(397,055)
Operating Expenditures				
Administration	3,246,782	3,379,992	3,016,747	363,245
Purchased power	49,271,048	49,271,048	45,060,401	4,210,647
Power line and plant	18,525,176	18,962,535	14,431,505	4,531,030
Total operating expenditures	71,043,006	71,613,575	62,508,653	9,104,922
Nonoperating Revenues (Expenditures)				
Capital outlay	(2,843,539)	(2,763,539)	(1,747,094)	1,016,445
Interest earned on investments	-	-	231,200	231,200
Debt service payments	(1,463,696)	(1,463,696)	(1,460,536)	3,160
Appropriated Fund Balance	2,220,871	-	-	-
Gain on sale of capital assets	-	-	72,703	72,703
Total nonoperating expenditures	(2,086,364)	(4,227,235)	(2,903,727)	1,323,508
Income before capital contributions and transfers	10,949,255	12,449,255	22,480,630	10,031,375
Transfers In (Out)				
Transfers out	(10,949,255)	(12,449,255)	(12,449,255)	-
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ -	10,031,375	\$ 10,031,375
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,145,629)	
Capital outlay			1,747,094	
Unfunded OPEB Expense			110,587	
Pension expense			(310,526)	
Health claims incurred but not reported			(15,550)	
Decrease to workers comp claims reserve			33,274	
Debt service			1,038,637	
Refunding bonds issued			-	
Change in net position			\$ 8,489,262	
Change in net position:				
Electric Operating Fund			\$ 8,489,262	
Electric Projects Capital Projects Fund (Statement 25)			15,981,375	
Utility Capital Reserve Project Fund (Statement 33)			(3,930,814)	
			\$ 20,539,823	

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, 2021

Statement 28

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 1,673,000	\$ 1,284,191	\$ 151,030	\$ 1,435,221
Total operating revenues	1,673,000	1,284,191	151,030	1,435,221
Operating Expenditures				
Contract cost	-	1,738,375	875	1,739,250
Capital outlay	47,005,359	11,054,084	8,519,747	19,573,831
Total operating expenditures	47,005,359	12,792,459	8,520,622	21,313,081
Deficiency of revenues over expenditures before transfers	(45,332,359)	(11,508,268)	(8,369,592)	(19,877,860)
Transfer In	45,332,359	29,501,140	15,831,220	45,332,360
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 17,992,872	7,461,628	\$ 25,454,500
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			8,519,747	
Change in net position			\$ 15,981,375	

CITY OF CONCORD, NORTH CAROLINA
WATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021

Statement 29

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 24,870,100	\$ 24,870,100	\$ 25,354,921	\$ 484,821
Other operating revenues	689,000	1,054,070	1,176,356	122,286
Total operating revenues	25,559,100	25,924,170	26,531,277	607,107
Operating Expenditures				
Repairs and maintenance	1,888,636	1,888,636	949,079	939,557
Water plants and lakes	9,304,541	9,657,173	8,997,839	659,334
Water line operation and maintenance	8,301,014	8,356,014	8,344,165	11,849
Total operating expenditures	19,494,191	19,901,823	18,291,083	1,610,740
Nonoperating Revenues (Expenditures)				
Interest earned on investments	-	-	94,622	94,622
Capital outlay	(3,110,421)	(3,110,421)	(404,981)	2,705,440
Debt service	(2,401,896)	(2,401,896)	(2,395,694)	6,202
Gain on sale of capital assets	-	42,562	42,562	-
Appropriated Fund Balance	5,975,628	5,975,628	-	(5,975,628)
Total nonoperating expenditures	463,311	505,873	(2,663,491)	(3,169,364)
Income before capital contributions and transfers	6,528,220	6,528,220	5,576,703	(951,517)
Transfers In (Out)				
To Project Fund	(6,528,220)	(6,528,220)	(6,482,733)	45,487
Capital Contributions	-	-	7,702,450	7,702,450
Excess of revenues, capital contributions over expenditures	\$ -	\$ -	6,796,420	\$ 6,796,420
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,418,964)	
Unfunded OPEB Expense			75,516	
Pension expense			(284,690)	
Health claims incurred but not reported			(14,274)	
Increase to workers comp claims reserve			-	
Capital outlay			404,981	
Debt service			1,667,275	
Change in net position			\$ 4,226,264	
Change in net position:				
Water Operating Fund			\$ 4,226,264	
Water Projects Capital Project Fund (Statement 27)			6,123,840	
Utility Capital Reserve Project Fund (Statement 33)			1,049,833	
			\$ 11,399,937	

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, 2021

Statement 30

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Other income	\$ 9,374,000	\$ 5,914,499	\$ 1,688,002	\$ 7,602,501
Total operating revenues	9,374,000	5,914,499	1,688,002	7,602,501
Operating Expenditures				
Contract cost	-	-	1,002,162	1,002,162
Capital outlay	43,898,470	13,251,666	7,593,863	20,845,529
Total operating expenditures	43,898,470	13,251,666	8,596,025	21,847,691
Deficiency of revenues over expenditures before transfers	(34,524,470)	(7,337,167)	(6,908,023)	(14,245,190)
Transfer In	34,524,470	29,086,469	5,438,000	34,524,469
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 21,749,302	(1,470,023)	\$ 20,279,279
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			7,593,863	
Change in net position			\$ 6,123,840	

CITY OF CONCORD, NORTH CAROLINA
WASTEWATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021

Statement 31

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Operating Revenues				
Charges for services	\$ 17,400,000	\$ 17,400,000	\$ 18,072,951	\$ 672,951
Other operating revenues	112,000	272,000	291,702	19,702
Total operating revenues	17,512,000	17,672,000	18,364,653	692,653
Operating Expenditures				
Repairs and maintenance	519,502	519,502	399,288	120,214
Wastewater line and plant	13,606,217	14,896,824	13,997,912	898,912
Total operating expenditures	14,125,719	15,416,326	14,397,200	1,019,126
Nonoperating Revenues (Expenditures)				
Interest earned on investments	-	-	58,767	58,767
Capital outlay	(637,851)	(637,851)	(195,721)	442,130
Debt service	(1,258,013)	(1,258,013)	(1,257,765)	248
Gain (loss) on sale of capital assets	-	21,600	12,887	(8,713)
Appropriation from (to) fund balance	(693,917)	415,090	-	(415,090)
Total nonoperating expenditures	(2,589,781)	(1,459,174)	(1,381,832)	77,342
Income before capital contributions and transfers in	796,500	796,500	2,585,621	1,789,121
Capital Contributions	-	-	4,197,558	4,197,558
Transfers In (Out)				
Transfers out	(796,500)	(796,500)	(802,503)	(6,003)
Excess of revenues and operating transfers over expenditures	\$ -	\$ -	5,980,676	\$ 5,980,676
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(3,795,646)	
Capital outlay			195,721	
Unfunded OPEB Expense			1,176,871	
Pension expense			(90,706)	
Health claims incurred but not reported			(4,517)	
Decrease to workers comp claims reserve			(479)	
Debt service			1,089,847	
Refunding bonds issued			-	
Change in net position			\$ 4,551,767	
Change in net position:				
Wastewater Operating Fund			\$ 4,551,767	
Wastewater Projects Capital Project Fund (Statement 29)			1,841,330	
Utility Capital Reserve Project Fund (Statement 33)			399,944	
			\$ 6,793,041	

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, 2021

Statement 32

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 500,000	\$ -	\$ 100,000	\$ 100,000
Other income	8,153,125	4,137,452	1,368,875	5,506,327
Total operating revenues	8,653,125	4,137,452	1,468,875	5,606,327
Operating Expenditures				
Contract cost	-	10,000	32,045	42,045
Capital outlay	14,150,593	29,543	346,041	375,584
Total operating expenditures	14,150,593	39,543	378,086	417,629
Excess (deficiency) of revenues over expenditures before transfers	(5,497,468)	4,097,909	1,090,789	5,188,698
Other financing sources				
Transfer In	3,714,468	3,309,968	404,500	3,714,468
Bond proceeds	1,783,000	-	-	-
Total other financing sources	5,497,468	3,309,968	404,500	3,714,468
Excess of revenues and transfers over expenditures	\$ -	\$ 7,407,877	1,495,289	\$ 8,903,166
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			346,041	
Change in net position			\$ 1,841,330	

**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, 2021**

Statement 33

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Investment earnings	\$ -	\$ 733,638	\$ 76,227	\$ 809,865
Expenditures				
Capital outlay	30,597,130	-	-	-
Other Financing Sources (Uses)				
Transfers In	34,597,130	33,035,767	1,442,736	34,478,503
Transfers Out	(4,000,000)	-	(4,000,000)	(4,000,000)
Total other financing sources	30,597,130	33,035,767	(2,557,264)	30,478,503
Excess of revenue and other financing sources over expenditures	\$ -	\$ 33,769,405	(2,481,037)	\$ 31,288,368
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ (2,481,037)	

The change in net position is allocated as follows:

Electric Operating Fund	(3,930,814)
Water Operating Fund	1,049,833
Wastewater Operating Fund	399,944
	\$ (2,481,037)

**CITY OF CONCORD, NORTH CAROLINA
REGIONAL AIRPORT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021**

Statement 34

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 5,723,686	\$ 7,948,686	\$ 9,449,939	\$ 1,501,253
Other operating revenues	116,935	116,935	78,744	(38,191)
Total operating revenues	5,840,621	8,065,621	9,528,683	1,463,062
Operating Expenditures				
Airport operation and maintenance	8,010,858	9,595,691	8,951,793	643,898
Total operating expenditures	8,010,858	9,595,691	8,951,793	643,898
Nonoperating Revenues (Expenditures)				
Interest earned on investments	-	-	33,880	33,880
Capital outlay	(255,400)	(375,400)	(289,163)	86,237
Debt service	(1,327,803)	(1,327,803)	(1,355,872)	(28,069)
Gain on sale of fixed assets	-	7,760	7,760	-
Appropriation to Fund Balance	1,975,730	-	-	-
Total nonoperating expenditures	392,527	(1,695,443)	(1,603,395)	92,048
Income (loss) before capital contributions and transfers	(1,777,710)	(3,225,513)	(1,026,505)	2,199,008
Capital Contributions	1,155,000	2,602,803	1,304,067	(1,298,736)
Transfers In (Out)				
Transfers in	816,046	816,046	816,046	-
Transfers out	(193,336)	(193,336)	(193,336)	-
Excess of revenues and operating transfers over expenditures	\$ -	\$ -	900,272	\$ 900,272
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(2,859,022)	
Capital outlay			289,163	
Unfunded OPEB Expense			148,788	
Pension expense			(213,938)	
Health claims incurred but not reported			(10,744)	
Debt service			1,101,620	
Change in net position			\$ (643,861)	
Change in net position:				
Regional Airport Operating Fund			\$ (643,861)	
Airport Capital Project Fund (Statement 32)			3,989,930	
First Concord Capital Project Fund (Statement 44)			9,177	
			\$ 3,355,246	

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, 2021

Statement 35

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 7,382,316	\$ 2,041,173	\$ 4,498,184	\$ 6,539,357
Total operating revenues	7,382,316	2,041,173	4,498,184	6,539,357
Operating Expenditures				
Contract services		-	508,254	508,254
Capital outlay	7,703,222	2,334,103	3,135,833	5,469,936
Total operating expenditures	7,703,222	2,334,103	3,644,087	5,978,190
Deficiency of revenues over expenditures before transfers	(320,906)	(292,930)	854,097	561,167
Other Financing Sources				
Transfer In	320,906	949,953	-	949,953
Total other financing sources	320,906	949,953	-	949,953
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 657,023	854,097	\$ 1,511,120
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			3,135,833	
Change in net position			\$ 3,989,930	

CITY OF CONCORD, NORTH CAROLINA
STORMWATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021

Statement 36

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 4,838,975	\$ 4,838,975	\$ 5,267,038	\$ 428,063
Other operating revenues	17,400	17,400	17,255	(145)
Total operating revenues	4,856,375	4,856,375	5,284,293	427,918
Operating Expenditures				
Stormwater operation and maintenance	3,128,276	3,456,512	3,048,963	407,549
Total operating expenditures	3,128,276	3,456,512	3,048,963	407,549
Nonoperating Revenues (Expenditures)				
Capital outlay	(250,000)	(260,500)	(278,231)	(17,731)
Interest earned on investments	-	-	25,809	25,809
Gain on sale of capital assets	-	36,500	31,563	(4,937)
Appropriated Fund Balance	199,901	502,137	-	(502,137)
Total nonoperating expenditures	(50,099)	278,137	(220,859)	(498,996)
Income before capital contributions and transfers	1,678,000	1,678,000	2,014,471	336,471
Transfers Out				
To Project Fund	(1,678,000)	(1,678,000)	(1,678,000)	-
Excess of revenues over expenditures and transfers out	\$ -	\$ -	336,471	\$ 336,471
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(1,848,560)	
Unfunded OPEB Expense			349,260	
Pension expense			(99,382)	
Health claims incurred but not reported			(4,990)	
Capital outlay			278,231	
Change in net position			\$ (988,970)	
Change in net position:				
Stormwater Operating Fund			\$ (988,970)	
Stormwater Capital Project Fund (Statement 34)			1,678,000	
			\$ 689,030	

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, 2021

Statement 37

	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	-	(75,766)		(75,766)
Capital outlay	9,018,453	4,371,389	834,192	5,205,581
Total operating expenditures	9,018,453	4,295,623	834,192	5,129,815
Deficiency of revenues over expenditures before transfers	(8,878,453)	(4,155,623)	(834,192)	(4,989,815)
Transfer In	8,878,453	7,535,660	1,678,000	9,213,660
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 3,380,037	843,808	\$ 4,223,845
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			834,192	
Change in net position			\$ 1,678,000	

CITY OF CONCORD, NORTH CAROLINA
GOLF COURSE OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021

Statement 38

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 1,111,780	\$ 1,461,780	\$ 1,964,629	\$ 502,849
Other operating revenues	652,638	727,638	888,894	161,256
Total operating revenues	1,764,418	2,189,418	2,853,523	664,105
Operating Expenditures				
Professional services	906,122	1,081,122	1,098,385	(17,263)
Other operating costs	837,999	1,062,999	1,045,693	17,306
Total operating expenditures	1,744,121	2,144,121	2,144,078	43
Nonoperating Revenues (Expenditures)				
Gain on sale of capital assets	-	-	(4,782)	(4,782)
Capital outlay	-	(25,000)	(24,894)	106
Appropriated Fund Balance	(20,297)	(20,297)	-	20,297
Total nonoperating revenues	(20,297)	(45,297)	(29,676)	15,621
Income before transfers	-	-	679,769	679,769
Transfers in (out)				
Transfers in	940,163	940,163	260,394	(679,769)
Among golf course funds	(940,163)	(940,163)	(940,163)	-
Excess of revenues over expenditures and transfers in (out)	\$ -	\$ -	-	\$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			24,894	
Depreciation			(105,267)	
Change in net position			\$ (80,373)	
Change in net position:				
Golf Course Operating Fund			\$ (80,373)	
Golf Capital Project Fund (Statement 36)			100,000	
First Concord Capital Project Fund (Statement 44)			941,934	
			\$ 961,561	

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, 2021

Statement 39

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Expenditures				
Capital outlay	\$ 100,000		\$ 93,734	\$ 93,734
Total operating expenditures	100,000	-	93,734	93,734
Deficiency of revenues over expenditures before transfers	(100,000)	-	(93,734)	(93,734)
Transfer In	100,000	468	100,000	100,468
Excess of revenues and transfers over expenditures	\$ -	\$ 468	6,266	\$ 6,734
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			93,734	
Change in net position			\$ 100,000	

CITY OF CONCORD, NORTH CAROLINA
HOUSING DEPARTMENT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021

Statement 40

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 480,000	\$ 440,129	\$ 441,839	\$ 1,710
Total operating revenues	480,000	440,129	441,839	1,710
Operating Expenditures				
Administrative	689,044	881,262	832,049	49,213
Utilities	285,366	285,366	302,617	(17,251)
Housing maintenance and repairs	383,522	383,522	302,867	80,655
Total operating expenditures	1,357,932	1,550,150	1,437,533	112,617
Nonoperating Revenues (Expenditures)				
Operating subsidy	852,199	982,603	1,091,712	109,109
Interest earned on investments	-	-	(1,737)	(1,737)
Miscellaneous	100,000	138,001	103,456	(34,545)
Capital outlay	(77,944)	(498,201)	(503,059)	(4,858)
Debt service	(4,406)	(4,406)	(4,406)	-
Appropriated Fund Balance	8,083	457,283	-	(457,283)
Total nonoperating revenues	877,932	1,075,280	685,966	(389,314)
Loss before transfers	-	(34,741)	(309,728)	(274,987)
Transfers in (out)				
Transfer in	-	34,741	34,741	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	(274,987)	\$ (274,987)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			60,461	
Pension expense			(55,131)	
Health claims incurred but not reported			(2,761)	
Increase to workers comp claims reserve			3,080	
Capital outlay			503,059	
Depreciation			(539,104)	
Change in net position			\$ (305,383)	
Change in net position:				
Housing Department Operating Fund			\$ (305,383)	
Housing Capital Project Fund (Statement 38)			-	
			\$ (305,383)	

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, 2021

Statement 41

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Federal grants	\$ 1,397,634	\$ 410,953	\$ 140,494	\$ 551,447
Total revenues	1,397,634	410,953	140,494	551,447
Expenditures				
Administrative	1,328,496	376,556	105,753	482,309
Total expenditures	1,328,496	376,556	105,753	482,309
Excess of revenues over expenditures	69,138	34,397	34,741	69,138
Other Financing Sources (Uses)				
Transfers out	(69,138)	(34,397)	(34,741)	(69,138)
Total other financing sources (uses)	(69,138)	(34,397)	(34,741)	(69,138)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	-	\$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ -	

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, 2021

Statement 42

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Charges for services	\$ 1,475,505	\$ 1,299,000	\$ 2,032	\$ 1,301,032
Total operating revenues	1,475,505	1,299,000	2,032	1,301,032
Operating Expenditures				
Administrative	2,482,131	1,854,837	614,524	2,469,361
Professional services	16,631,656	12,764,452	4,028,490	16,792,942
Operating supplies	4,374,271	1,693,936	393,450	2,087,386
Miscellaneous	-	6,411	-	6,411
Total operating expenditures	23,488,058	16,319,636	5,036,464	21,356,100
Nonoperating Revenues (Expenditures)				
Operating subsidy	18,953,296	10,640,606	3,024,061	13,664,667
Gain on sale of capital assets	15,577	25,336	9,284	34,620
Capital outlay	(1,922,590)	(1,782,678)	(77,357)	(1,860,035)
Excess (deficiency) of revenues over expenditures before transfers	(4,966,270)	(6,137,372)	(2,078,444)	(8,215,816)
Transfers in (out)				
Transfer out	(2,548)	(2,548)	-	(2,548)
Transfer in	4,968,818	4,448,402	696,078	5,144,480
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ (1,691,518)	(1,382,366)	\$ (3,073,884)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(875,844)	
Unfunded OPEB Expense			27,281	
Pension expense			(20,150)	
Health claims incurred but not reported			(1,005)	
Capital outlay			77,357	
Change in net position			\$ (2,174,727)	

CITY OF CONCORD, NORTH CAROLINA
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2021

Statement 43
Page 1 of 2

	Financial Plan	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	\$ 4,037,978	\$ 3,935,297	\$ 102,681
Professional services	71,097	44,740	26,357
Other expenses	1,151,813	1,066,334	85,479
Capital outlay	351,872	215,364	136,508
Building and grounds allocation	(5,612,760)	(4,515,570)	(1,097,190)
	<u>-</u>	<u>746,165</u>	<u>(746,165)</u>
Data Services			
Salaries and benefits	115,796	118,304	(2,508)
Professional services	1,740,970	1,615,069	125,901
Other expenses	1,304,889	984,536	320,353
Capital outlay	527,600	396,297	131,303
Data services allocation	(3,689,255)	(3,039,408)	(649,847)
	<u>-</u>	<u>74,798</u>	<u>(74,798)</u>
Engineering			
Salaries and benefits	2,837,058	2,781,079	55,979
Professional services	17,159	115,730	(98,571)
Other expenses	302,097	185,064	117,033
Capital outlay	76,745	75,619	1,126
Engineering allocation	(3,233,059)	(2,784,554)	(448,505)
	<u>-</u>	<u>372,938</u>	<u>(372,938)</u>
Billing			
Salaries and benefits	1,412,303	1,508,798	(96,495)
Professional services	1,649	91,736	(90,087)
Other expenses	601,229	426,391	174,838
Capital outlay	106,000	49,856	56,144
Billing allocation	(2,121,181)	(1,986,145)	(135,036)
	<u>-</u>	<u>90,636</u>	<u>(90,636)</u>
Customer Care			
Salaries and benefits	1,958,173	1,938,577	19,596
Professional services	36,592	29,487	7,105
Other expenses	443,479	141,588	301,891
Customer care allocation	(2,438,244)	(1,967,227)	(471,017)
	<u>-</u>	<u>142,425</u>	<u>(142,425)</u>

(Continued)

CITY OF CONCORD, NORTH CAROLINA
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2021

Statement 43
Page 2 of 2

	Financial Plan	Actual	Variance - Favorable (Unfavorable)
Warehouse Operations			
Salaries and benefits	\$ 593,050	\$ 592,638	\$ 412
Professional services	4,554	54	4,500
Other expenses	97,733	65,464	32,269
Capital outlay	-	8,473	(8,473)
Warehouse allocation	(695,337)	(570,431)	(124,906)
	<u>-</u>	<u>96,198</u>	<u>(96,198)</u>
Utilities Collection			
Salaries and benefits	360,579	354,975	5,604
Professional services	82,318	79,101	3,217
Other expenses	137,740	72,252	65,488
Utilities collection allocation	(580,637)	(458,106)	(122,531)
	<u>-</u>	<u>48,222</u>	<u>(48,222)</u>
Total operating expenditures	<u>-</u>	<u>1,571,382</u>	<u>(1,571,382)</u>
Transfers out		(484,429)	(484,429)
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>(2,055,811)</u>	<u>\$ (2,055,811)</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		(480,440)	
Unfunded OPEB Expense		2,285,149	
Pension expense		(477,272)	
Increase to health claims incurred but not reported		(23,884)	
Decrease to workers comp claims reserve		6,647	
Capital outlay		745,611	
Change in net position		<u>\$ -</u>	
Change in net position:			
Internal Service Fund		\$ -	
First Concord Capital Project Fund (Statement 44)		<u>157,356</u>	
		<u>\$ 157,356</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, 2021

Statement 44

	Total Project Authorization	Actual		Total to Date
		Prior Years	Current Year	
Revenues				
Investment earnings	\$ 32,496	\$ 36,212	\$ 48	\$ 36,260
Gain on sale of capital assets	579,000	11,389	579,000	590,389
Total revenue	611,496	47,601	579,048	626,649
Expenditures				
Debt service	32,685,841	28,568,763	4,187,879	32,756,642
Cost of issuance	563,201	548,896	-	548,896
Contract services	1,128,176	37,291	646,088	683,379
Capital outlay:				
Generator relocation	909,000	-	514,830	514,830
Total expenditures	35,286,218	29,154,950	5,348,797	34,503,747
Deficiency of revenues over expenditures	(34,674,722)	(29,107,349)	(4,769,749)	(33,877,098)
Other Financing Sources (Uses)				
Transfers in	34,687,514	30,472,988	4,199,994	34,672,982
Transfers out	(700,000)	-	(700,000)	(700,000)
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	34,674,722	31,160,195	3,499,994	34,660,189
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 2,052,846	(1,269,755)	\$ 783,091
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			514,830	
Debt service principal payments			3,205,000	
Depreciation and amortization			(2,449,722)	
Change in net position			\$ 353	
The change in First Concord net position is allocated as follows:				
General Fund Capital Projects Fund			(1,273,974)	
Governmental activities			165,860	
Internal Service Fund			157,356	
Golf Course Fund			941,934	
Regional Airport Fund			9,177	
			\$ 353	

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2021

Fiscal Year	Uncollected Balance June 30, 2020	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 68,850,679	\$ 68,324,465	\$ 526,214
2019-2020	634,800	-	391,297	243,503
2018-2019	116,811	-	44,700	72,111
2017-2018	329,536	-	6,834	322,702
2016-2017	71,227	-	44,670	26,557
2015-2016	63,359	-	14,238	49,121
2014-2015	67,186	-	12,261	54,925
2013-2014	41,715	-	8,494	33,221
2012-2013	111,112	-	13,547	97,565
2011-2012	51,376	-	5,875	45,501
2010-2011	40,359	-	40,359	-
	<u>\$ 1,527,481</u>	<u>\$ 68,850,679</u>	<u>\$ 68,906,740</u>	<u>1,471,420</u>
Less allowance for uncollectible ad valorem taxes receivable				367,855
Ad valorem taxes receivable				<u><u>\$ 1,103,565</u></u>

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	\$ 68,685,041	\$ 120,163	
Releases of prior years' taxes	13,620	-	
Miscellaneous adjustment	47,556	-	
Taxes written off	40,350	10	
Total collections and credits	<u>\$ 68,786,567</u>	<u>\$ 120,173</u>	\$ 68,906,740
Interest billed and collected during the year			220,255
Releases of prior years' taxes			(13,620)
Miscellaneous adjustment			(47,556)
Taxes written off			(40,360)
Total Ad valorem taxes			<u><u>\$ 69,025,459</u></u>

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2021

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy	
				Property	Registered Motor Vehicles
Original levy:					
City wide	\$ 13,033,301,238	0.48	\$ 62,559,846	\$ 62,559,846	\$ -
Municipal Service District	51,441,370	0.23	118,315	118,315	-
Current year's rate, Motor vehicles	1,106,751,875	0.48	5,312,409	-	5,312,409
Discoveries/additional listings:					
Current year taxes, City wide	270,206,540	0.48	1,296,991	1,296,991	-
Current year taxes, MSD	311,083	0.23	716	716	-
Current year's rate, Motor vehicles	28,290	0.48	136	-	136
Abatements:					
Current year's rate, City wide	(91,118,044)	0.48	(437,367)	(437,367)	-
Current year's rate, MSD	(159,404)	0.23	(367)	(367)	-
Current year's rate, Motor vehicles	-	0.48	-	-	-
Total for year	\$ 14,370,762,948		68,850,679	63,538,134	5,312,545
Less uncollected tax at June 30, 2021			526,214	526,214	-
Current year's taxes collected			\$ 68,324,465	\$ 63,011,920	\$ 5,312,545
Current levy collection percentage			99.24%	99.17%	100.00%
Distribution of levy:					
General Fund			\$ 68,732,015		
Municipal Service District			118,664		
			\$ 68,850,679		

SCHEDULE OF CASH AND INVESTMENT BALANCES

June 30, 2021

	Reported Value	Fair Value
Cash		
On hand	\$ 8,800	\$ 8,800
Demand deposits	41,599,807	41,599,807
Certificates of deposit	500,000	500,000
Total cash	42,108,607	42,108,607
Investments		
North Carolina Capital Management Trust	1,371,058	1,371,058
US Treasury	-	-
Federal Farm Credit	94,760,000	94,760,000
Federal National Mortgage Association	69,882,449	69,882,449
Federal Home Loan	100,118,510	100,118,510
Federal Home Loan Mortgage Corporation	27,866,711	27,866,711
Commercial Paper	70,275,538	70,303,359
Total investments	364,274,266	364,302,087
Total cash and investments	\$ 406,382,873	\$ 406,410,694
Distribution by Fund		
General Fund:		
Unrestricted	\$ 75,330,531	
Restricted	6,455,283	\$ 81,785,814
Special Revenue Funds:		
Housing Assistance Fund (Unrestricted)		179,272
Emergency Housing Assistance (Restricted)		55,900
Market Rate Units Fund:		
Unrestricted	121,689	
Restricted	3,450	125,139
Home Fund (Unrestricted)		426,609
Affordable Housing Fund (Unrestricted)		917,948
Municipal Service District (Unrestricted)		42,050
American Rescue Plan Fund (Restricted)		8,127,936
Capital Project Funds:		
Parks (Unrestricted)		5,037,021
Parks Capital Reserve Fund (Unrestricted)		1,071,694
Transportation (Unrestricted)		20,692,951
General Fund Capital Project Fund:		
Unrestricted	3,866,674	
Restricted	232,634	4,099,308
General Fund Capital Reserve Project Fund (Restricted)		30,202,335
Fire and Life Safety:		
Unrestricted	1,998,386	
Restricted	5,711,471	7,709,857

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES

June 30, 2021

	Reported Value	Fair Value
Distribution by Fund (Continued)		
Enterprise Funds:		
Electric Fund:		
Unrestricted	\$ 122,928,208	
Restricted	<u>2,650,916</u>	\$ 125,579,124
Water Fund:		
Unrestricted	59,640,357	
Restricted	<u>1,066,441</u>	60,706,798
Wastewater Fund:		
Unrestricted	33,497,195	
Restricted	<u>65,486</u>	33,562,681
Regional Airport Fund:		
Unrestricted	5,775,880	
Restricted	<u>2,392,327</u>	8,168,207
Stormwater Fund (Unrestricted)		14,621,383
Golf Course Fund (Unrestricted)		528,063
Housing Department Fund:		
Unrestricted	1,290,574	
Restricted	<u>41,723</u>	1,332,297
Internal Service Fund:		
Unrestricted	1,303,508	
Restricted	<u>106,978</u>	1,410,486
Total reported value		<u><u>\$ 406,382,873</u></u>

CITY OF CONCORD, NORTH CAROLINA
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
 Year Ended June 30, 2021

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	Emergency Housing Vouchers 14.EHV
Assets:									
Current Assets:									
Cash:									
111	Cash - unrestricted	\$ 1,243,748	\$ -	\$ 76,376	\$ -	\$ -	\$ -	\$ -	\$ -
113	Cash - other restricted	38,575	-	56,909	-	-	-	568	-
114	Cash - tenant security deposits	41,723	-	-	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	12,561	-	45,912	-	-	-	-	55,900
100	Total cash	1,336,607	-	179,197	-	-	-	568	55,900
Accounts and notes receivable:									
121	Accounts receivable - PHA projects	-	-	63,659	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	22,475	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-
126	Accounts receivable - tenants - dwelling units	22,167	-	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(7,098)	-	-	-	-	-	-	-
128	Fraud recovery	5,826	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - other	(1,457)	-	-	-	-	-	-	-
129	Accrued interest receivable	2,324	-	312	-	-	-	-	-
120	Total receivables	21,762	-	86,446	-	-	-	-	-
142	Prepaid expenses and other assets	196	-	-	-	-	-	-	-
150	Total current assets	1,358,565	-	265,643	-	-	-	568	55,900
Noncurrent Assets:									
161	Land	577,382	-	-	-	-	-	-	-
162	Buildings	3,237,713	-	-	-	-	-	-	-
164	Furniture, equipment, machinery - administration	132,789	-	11,654	-	-	-	-	-
165	Leasehold improvements	25,391	-	-	-	-	-	-	-
166	Accumulated depreciation	(2,272,871)	-	(965)	-	-	-	-	-
180	Total non-current assets	1,700,404	-	10,689	-	-	-	-	-
190	Total Assets	3,058,969	-	276,332	-	-	-	568	55,900
200	Deferred Outflow of Resources	288,282	-	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	\$ 3,347,251	\$ -	\$ 276,332	\$ -	\$ -	\$ -	\$ 568	\$ 55,900
Liabilities and Equity:									
Liabilities:									
Current Liabilities:									
312	Accounts payable (less than or equal to 90 days)	\$ 61,438	\$ -	\$ 50,961	\$ -	\$ -	\$ -	\$ 568	\$ -
321	Accrued wage/payroll taxes payable	20,829	-	10,745	-	-	-	-	-
322	Accrued compensated absences	41,232	-	3,145	-	-	-	-	-
341	Tenant security deposits	41,723	-	-	-	-	-	-	-
342	Unearned revenue	-	-	-	-	-	-	-	55,900
343	Current portion of long-term debt - capital projects/mortgage rev bonds	35,088	-	-	-	-	-	-	-
345	Other current liabilities	12,561	-	45,912	-	-	-	-	-
346	Accrued liability - other	15,418	-	-	-	-	-	-	-
310	Total current liabilities	228,289	-	110,763	-	-	-	568	55,900
Non-current Liabilities:									
351	Long-term debt, net of current - capital projects/mortgage revenue	370,774	-	-	-	-	-	-	-
353	Non-current liabilities - other	38,575	-	56,909	-	-	-	-	-
354	Accrued compensated absences - non current	20,309	-	1,550	-	-	-	-	-
357	Accrued pension and OPEB liabilities	939,700	-	-	-	-	-	-	-
350	Total non-current liabilities	1,369,358	-	58,459	-	-	-	-	-
300	Total liabilities	1,597,647	-	169,222	-	-	-	568	55,900

(Continued)

CITY OF CONCORD, NORTH CAROLINA
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
 Year Ended June 30, 2021

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	Emergency Housing Vouchers 14.EHV
400	Deferred Inflow of Resources	\$ 122,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Equity:								
	Contributed Capital:								
508.1	Net investment in capital assets	1,294,541	-	-	-	-	-	-	-
511.1	Restricted net position	-	-	-	-	-	-	-	-
512.1	Unrestricted net position	332,280	-	107,110	-	-	-	-	-
513	Total equity	1,626,821	-	107,110	-	-	-	-	-
600	Total liabilities, deferred inflows of resources and equity	\$ 3,347,251	\$ -	\$ 276,332	\$ -	\$ -	\$ -	\$ 568	\$ 55,900
Reconciliation from FDS to ACFR									
	Total assets per FDS			\$ 276,332					
	Subtract special revenue fund net capital assets not recorded within fund			(10,689)					
	Adjusted total assets			<u>\$ 265,643</u>					
	Total liabilities and equity FDS			\$ 276,332					
	Add depreciation (not recorded in SRF)			965					
	Subtract Vehicles - Capital (capitalized for FDS reporting, not in SRF)			(11,654)					
	Adjusted total liabilities and equity			<u>\$ 265,643</u>					
Revenues:									
70300	Net tenant rental revenue	\$ 439,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	83,655	-	-	-	-	-	-	-
70600	HUD PHA operating grants	378,127	72,146	4,329,978	105,753	55,510	120,928	134,576	-
70610	Capital grants	465,001	-	11,654	34,741	-	-	-	-
71100	Investment income - unrestricted	13,183	-	886	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-
71500	Other income	43,447	-	765,882	-	-	-	-	-
71600	Gain or loss on sale of capital assets	(21,517)	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-
70000	Total revenues	1,401,606	72,146	5,108,400	140,494	55,510	120,928	134,576	-
Expenses:									
Administrative:									
91100	Administrative salaries	174,047	-	148,415	-	-	-	-	-
91200	Auditing fees	343	-	972	-	-	-	-	-
91500	Employee benefit contributions	165,073	-	63,594	-	-	-	-	-
91600	Office expenses	40,407	2,036	26,788	-	-	-	-	-
91800	Travel	1,006	-	900	-	-	-	-	-
91900	Other	19,123	-	7,342	-	-	-	-	-
92100	Tenant services - salaries	34,816	-	-	-	32,936	42,397	3,603	-
92300	Tenant services - employee benefit contributions	15,257	-	-	-	17,155	-	-	-
92400	Tenant services - other	4,077	70,110	-	-	-	78,531	130,973	-
93100	Water	52,837	-	-	-	-	-	-	-
93200	Electricity	86,588	-	-	-	-	-	-	-
93300	Gas	98,354	-	-	-	-	-	-	-
93600	Sewer	54,011	-	-	-	-	-	-	-
93800	Other utility expense	10,828	-	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	109,264	-	27,395	-	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	161,553	-	-	-	-	-	-	-

(continued)

CITY OF CONCORD, NORTH CAROLINA
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
 Year Ended June 30, 2021

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	Emergency Housing Vouchers 14.EHV
94300	Ordinary maintenance and operations - contract costs	\$ 160,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94500	Ordinary maintenance and operations - employee benefit contributions	53,296	-	11,091	-	-	-	-	-
96100	Insurance premiums	21,454	-	2,732	-	-	-	-	-
96200	Other general expense	33,300	-	10,993	-	-	-	-	-
96210	Compensated absences	20,507	-	11,256	-	5,419	-	-	-
96400	Bad debt - tenant rents	10,785	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	877	-	-	-	-	-
96720	Interest on notes payable (short and long term)	4,406	-	-	-	-	-	-	-
96900	Total operating expenses	1,331,517	72,146	312,355	15	55,525	120,928	134,576	-
97000	Excess of operating revenues over expenditures	70,089	-	4,796,045	140,479	(15)	-	-	-
97300	Housing assistance payments	-	-	3,980,935	-	-	-	-	-
97350	HAP portability-in	-	-	724,082	-	-	-	-	-
97400	Depreciation expense	105,777	-	965	-	-	-	-	-
90000	Total expenses	1,437,294	72,146	5,018,337	15	55,525	120,928	134,576	-
10010	Operating transfer in	105,753	-	-	-	-	-	-	-
10020	Operating transfer out	-	-	-	(105,753)	-	-	-	-
10000	Excess of revenue over expenses	70,065	-	90,063	34,726	(15)	-	-	-
11030	Beginning equity	1,552,360	-	17,047	-	-	-	-	-
11040	Prior period adjustments, equity transfers & correction of errors	4,396	-	-	(34,741)	-	-	-	-
	Ending equity	\$ 1,626,821	\$ -	\$ 107,110	\$ (15)	\$ (15)	\$ -	\$ -	\$ -
Memo information:									
11170	Administrative fee equity	-	-	107,110	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-
11190	Unit months available	2,028	-	6,636	-	-	-	-	-
11210	Number of unit months leased	1,955	-	5,542	-	-	-	-	-
11270	Excess cash	980,545	-	-	-	-	-	-	-
11620	Building purchases	-	-	-	34,741	-	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-
11650	Leasehold improvement purchases	-	-	-	-	-	-	-	-

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS

June 30, 2021

	July 1, 2020	Increases	Decreases	Transfers	June 30, 2021
Electric Fund					
Capital assets, not being depreciated:					
Land	\$ 2,501,480	\$ 2,852,921	\$ -	\$ -	\$ 5,354,401
Construction in progress	10,475,204	6,093,032	9,577,442	-	6,990,794
Total capital assets, not being depreciated	12,976,684	8,945,953	9,577,442	-	12,345,195
Capital assets, being depreciated:					
Buildings	5,620,676	6,675	-	-	5,627,351
Improvements other than buildings	129,492,341	10,040,024	-	-	139,532,365
Machinery and equipment	10,539,490	851,630	453,284	(23,766)	10,914,070
Total capital assets, being depreciated	145,652,507	10,898,329	453,284	(23,766)	156,073,786
Accumulated depreciation:					
Buildings	2,968,452	132,869	-	-	3,101,321
Improvements other than buildings	80,601,575	3,013,005	-	-	83,614,580
Machinery and equipment	7,555,969	1,045,825	445,241	(23,766)	8,132,787
Total accumulated depreciation	91,125,996	4,191,699	445,241	(23,766)	94,848,688
Total capital assets, being depreciated, net	54,526,511	6,706,630	8,043	-	61,225,098
Electric Fund capital assets, net	\$ 67,503,195	\$ 15,652,583	\$ 9,585,485	\$ -	\$ 73,570,293
Water Fund					
Capital assets, not being depreciated:					
Land	\$ 931,777	\$ -	\$ -	\$ -	\$ 931,777
Construction in progress	15,764,402	7,512,252	459,943	-	22,816,711
Total capital assets, not being depreciated	16,696,179	7,512,252	459,943	-	23,748,488
Capital assets, being depreciated:					
Buildings	15,259,995	-	-	-	15,259,995
Improvements other than buildings	141,935,578	8,162,393	-	-	150,097,971
Machinery and equipment	3,902,362	486,591	231,269	29,401	4,187,085
Total capital assets, being depreciated	161,097,935	8,648,984	231,269	29,401	169,545,051
Accumulated depreciation:					
Buildings	6,808,421	500,829	-	-	7,309,250
Improvements other than buildings	70,322,581	3,650,345	-	-	73,972,926
Machinery and equipment	2,876,297	346,358	231,269	29,401	3,020,787
Total accumulated depreciation	80,007,299	4,497,532	231,269	29,401	84,302,963
Total capital assets, being depreciated, net	81,090,636	4,151,452	-	-	85,242,088
Water Fund capital assets, net	\$ 97,786,815	\$ 11,663,704	\$ 459,943	\$ -	\$ 108,990,576

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)

June 30, 2021

	July 1, 2020	Increases	Decreases	Transfers	June 30, 2021
Wastewater Fund					
Capital assets, not being depreciated:					
Land	\$ 1,065,402	\$ -	\$ -	\$ -	\$ 1,065,402
Construction in progress	29,543	346,041	-	-	375,584
Total capital assets, not being depreciated	1,094,945	346,041	-	-	1,440,986
Capital assets, being depreciated:					
Buildings	1,920,754	-	-	-	1,920,754
Improvements other than buildings	131,067,111	4,197,558	-	-	135,264,669
Machinery and equipment	4,073,818	195,721	126,299	(17,885)	4,125,355
Total capital assets, being depreciated	137,061,683	4,393,279	126,299	(17,885)	141,310,778
Accumulated depreciation:					
Buildings	918,118	47,608	-	-	965,726
Improvements other than buildings	54,658,510	3,325,423	-	-	57,983,933
Machinery and equipment	2,451,970	443,239	117,336	(17,885)	2,759,988
Total accumulated depreciation	58,028,598	3,816,270	117,336	(17,885)	61,709,647
Total capital assets, being depreciated, net	79,033,085	577,009	8,963	-	79,601,131
Wastewater Fund capital assets, net	\$ 80,128,030	\$ 923,050	\$ 8,963	\$ -	\$ 81,042,117
Regional Airport Fund					
Capital assets, not being depreciated:					
Land	\$ 25,464,075	\$ -	\$ -	\$ -	\$ 25,464,075
Construction in progress	13,012,492	3,135,834	10,678,390	-	5,469,936
Total capital assets, not being depreciated	38,476,567	3,135,834	10,678,390	-	30,934,011
Capital assets, being depreciated:					
Buildings	40,037,392	100,400	-	-	40,137,792
Improvements other than buildings	48,185,574	10,678,390	-	-	58,863,964
Machinery and equipment	4,171,996	188,763	135,431	-	4,225,328
Total capital assets, being depreciated	92,394,962	10,967,553	135,431	-	103,227,084
Accumulated depreciation:					
Buildings	16,022,982	1,169,301	-	-	17,192,283
Improvements other than buildings	19,662,782	1,450,024	-	-	21,112,806
Machinery and equipment	2,447,249	420,292	135,431	-	2,732,110
Total accumulated depreciation	38,133,013	3,039,617	135,431	-	41,037,199
Total capital assets, being depreciated, net	54,261,949	7,927,936	-	-	62,189,885
Regional Airport Fund capital assets, net	\$ 92,738,516	\$ 11,063,770	\$ 10,678,390	\$ -	\$ 93,123,896

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)

June 30, 2021

	July 1, 2020	Increases	Decreases	Transfers	June 30, 2021
Stormwater Fund					
Capital assets, not being depreciated:					
Land	\$ 114,282	\$ -	\$ -	\$ -	\$ 114,282
Construction in progress	5,577,906	834,192	1,513,824	-	4,898,274
Total capital assets, not being depreciated	5,692,188	834,192	1,513,824	-	5,012,556
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	57,551,664	1,513,824	-	-	59,065,488
Machinery and equipment	2,583,129	278,231	205,157	-	2,656,203
Total capital assets, being depreciated	60,211,302	1,792,055	205,157	-	61,798,200
Accumulated depreciation:					
Buildings	28,518	2,380	-	-	30,898
Improvements other than buildings	21,791,500	1,565,139	-	-	23,356,639
Machinery and equipment	1,740,686	281,041	200,220	-	1,821,507
Total accumulated depreciation	23,560,704	1,848,560	200,220	-	25,209,044
Total capital assets, being depreciated, net	36,650,598	(56,505)	4,937	-	36,589,156
Stormwater Fund capital assets, net	\$ 42,342,786	\$ 777,687	\$ 1,518,761	\$ -	\$ 41,601,712
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	11,235,118	-	25,800	-	11,209,318
Capital assets, being depreciated:					
Buildings	17,043,269	454,218	147,584	-	17,349,903
Improvements other than buildings	1,370,828	274,043	69,036	-	1,575,835
Machinery and equipment	14,036,208	742,191	317,094	48,542	14,509,847
Total capital assets, being depreciated	32,450,305	1,470,452	533,714	48,542	33,435,585
Accumulated depreciation:					
Buildings	7,651,570	721,935	147,584	-	8,225,921
Improvements other than buildings	637,150	88,618	69,036	-	656,732
Machinery and equipment	10,909,499	1,333,141	288,111	48,542	12,003,071
Total accumulated depreciation	19,198,219	2,143,694	504,731	48,542	20,885,724
Total capital assets, being depreciated, net	13,252,086	(673,242)	28,983	-	12,549,861
Nonmajor Enterprise Funds capital assets, net	\$ 24,487,204	\$ (673,242)	\$ 54,783	\$ -	\$ 23,759,179
Business-type activities capital assets, net	\$404,986,546	\$39,407,552	\$22,306,325	\$ -	\$422,087,773

SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT

June 30, 2021

	July 1, 2020	Increases	Decreases	June 30, 2021	Current Maturities
Electric Fund					
Revenue bonds	\$ 10,819,920	\$ -	\$ 1,038,637	\$ 9,781,283	\$ 1,074,424
Plus premium on revenue bonds	1,423,114	-	97,404	1,325,710	-
Compensated absences	520,289	430,044	426,527	523,806	350,950
Net pension liability (LGERS)	1,633,793	611,934	-	2,245,727	-
Net OPEB liability	(383,812)	235,839	-	(147,973)	-
Electric Fund long-term debt	\$ 14,013,304	\$ 1,277,817	\$ 1,562,568	\$ 13,728,553	\$ 1,425,374
Water Fund					
Revenue bonds	\$ 18,816,993	\$ -	\$ 1,667,275	\$ 17,149,718	\$ 1,738,336
Plus premium on revenue bonds	2,305,541	-	174,919	2,130,622	-
Compensated absences	287,613	304,697	258,673	333,637	223,537
Net pension liability (LGERS)	1,366,171	569,073	-	1,935,244	-
Net OPEB liability	(320,941)	205,681	-	(115,260)	-
Water Fund long-term debt	\$ 22,455,377	\$ 1,079,451	\$ 2,100,867	\$ 21,433,961	\$ 1,961,873
Wastewater Fund					
Revenue bonds	\$ 5,708,049	\$ -	\$ 1,089,847	\$ 4,618,202	\$ 1,112,539
Plus premium on revenue bonds	482,524	-	30,316	452,208	-
Compensated absences	122,460	141,634	133,662	130,432	87,389
Net pension liability (LGERS)	658,266	167,679	-	825,945	-
Net OPEB liability	1,147,609	-	1,025,633	121,976	-
Wastewater Fund long-term debt	\$ 8,118,908	\$ 309,313	\$ 2,279,458	\$ 6,148,763	\$ 1,199,928
Regional Airport Fund					
Installment purchase	\$ 8,988,103	\$ -	\$ 1,101,620	\$ 7,886,483	\$ 1,102,142
Installment notes	185,900	-	185,900	-	-
Plus premium on LOBs	12,705	-	12,705	-	-
Compensated absences	162,193	150,081	124,932	187,342	125,519
Net pension liability (LGERS)	899,989	435,390	-	1,335,379	-
Net OPEB liability	1,525,260	27,511	-	1,552,771	-
Regional Airport Fund long-term debt	\$ 11,774,150	\$ 612,982	\$ 1,425,157	\$ 10,961,975	\$ 1,227,661
Stormwater Fund					
Compensated absences	\$ 84,379	\$ 86,690	\$ 75,711	\$ 95,358	\$ 63,890
Net pension liability (LGERS)	425,175	201,820	-	626,995	-
Net OPEB liability	357,995	-	265,400	92,595	-
Stormwater Fund long-term debt	\$ 867,549	\$ 288,510	\$ 341,111	\$ 814,948	\$ 63,890
Nonmajor Enterprise Funds and Internal Service Fund					
Installment notes	\$ 6,040,050	\$ -	\$ 1,185,900	\$ 4,854,150	\$ 283,500
Plus premium on LOBs	411,718	-	\$64,439	347,279	-
Compensated absences	588,426	524,434	474,752	638,108	427,532
Net pension liability (LGERS)	3,043,129	1,080,569	-	4,123,698	-
Net OPEB liability	4,925,328	-	1,718,879	3,206,449	-
Nonmajor Enterprise Funds long-term debt	\$ 15,008,651	\$ 1,605,003	\$ 3,443,970	\$ 13,169,684	\$ 711,032
Business-type activities long-term debt	\$ 72,237,939	\$ 5,173,076	\$ 11,153,131	\$ 66,257,884	\$ 6,589,758

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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.	168
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.	173
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.	179
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.	184
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.	188

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

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$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	\$ 6,224,999
Restricted	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	397,805,262
Unrestricted	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	2,666,251
Total governmental activities net position	<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>	<u>\$ 406,696,512</u>
Business-type activities										
Net investment in capital assets	\$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	\$ 3,423,037
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	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>\$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>	<u>\$ 3,423,037</u>
Primary government										
Net investment in capital assets	\$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	\$ 9,648,036
Restricted	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	397,805,262
Unrestricted	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	2,666,251
Total primary government activities net position	<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>	<u>\$ 410,119,549</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 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	\$ 8,042,489
Public safety	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	56,804,303
Public works	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	31,745,286
Cultural & recreational	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	7,070,517
Planning & community development	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	5,302,309
Administration	856,103	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335
Housing assistance Payments	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	4,705,017
Rehabilitation	3,227,906	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061
Interest on long-term debt	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	637,687
Total governmental activities expenses	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	117,570,004
Business-type activities:										
Electric	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	67,259,271
Water	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	24,664,076
Wastewater	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	17,311,640
Regional airport	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	12,833,374
Stormwater	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	4,652,635
Other non major business-type	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	10,234,903
Total business-type activities expenses	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	136,955,899
Total primary government expenses	\$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	\$254,525,903
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,710,506	\$ 1,724,338	\$ 2,047,645	\$ 1,816,245	\$ 979,503	\$ 956,394	\$ 1,086,129	\$ 933,132	\$ 1,973,303	\$ 2,366,866
Public safety	749,902	612,622	834,822	1,394,849	1,346,713	1,187,729	1,274,871	1,283,251	1,303,487	1,544,532
Public works	-	335,140	651,378	391,750	381,028	858,487	1,039,712	802,667	697,172	1,132,855
Cultural and recreational	265,249	290,561	294,687	356,987	326,091	322,636	347,960	354,241	191,815	220,670
Planning and community development	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	3,056,647
Housing assistance	-	745,975	981,520	1,197,220	749,463	483,440	726,065	871,616	800,095	765,881
Rehabilitation	396,514	395,125	614,844	503,318	582,108	76,887	549,008	103,720	247,918	114,495
Operating grants and contributions	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	10,364,942
Capital grants and contributions	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	79,993,284
Total government activities program revenues	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	99,560,172

(Continued)

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services										
Electric	\$ 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	\$ 87,893,010
Water	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	28,219,279
Wastewater	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	19,833,528
Regional airport	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	9,528,683
Stormwater	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	5,284,293
Other non major business-type	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	3,297,394
Operating grants and contributions	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	4,256,267
Capital grants and contributions	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	17,702,259
Total business-type activities program revenues	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	176,014,713
Total primary government program revenue	\$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	\$275,574,885
Net (Expenses)/Revenue										
Governmental activities	\$ (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)	\$ (18,009,832)
Business-type activities	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	39,058,814
Total primary government net expense	\$ (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)	\$ 21,048,982
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem taxes	\$ 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	\$ 68,983,413
Other taxes	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	22,777,368
Operating grants and contributions	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	5,157,517
Investment earnings	730,032	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044
Miscellaneous gain (loss)	876,108	926,090	996,503	954,545	1,097,241	1,197,470	1,521,687	1,149,484	1,552,665	2,285,967
Transfers	(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)	(1,254,483)
Total governmental activities	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	98,194,826
Business-type activities										
Investment earnings	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	518,768
Miscellaneous	402,869	494,871	468,406	272,280	717,903	555,843	1,561,492	781,498	69,428	583,819
Transfers	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	1,254,483
Total business-type activities	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	2,357,070
Total primary government	\$ 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	\$100,551,896
Change in Net Position										
Governmental activities	\$ (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	\$ 80,184,994
Business-type activities	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	41,415,884
Total primary government	\$ 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	\$121,600,878

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 91,095	\$ 69,260	\$ 178,322	\$ 166,024	\$ 174,692	\$ 231,111	\$ 160,215	\$ 137,814	\$ 148,394	\$ 221,584
Restricted	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	29,360,299
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	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	54,743,932
Total General Fund	<u>\$ 57,480,127</u>	<u>\$ 55,160,067</u>	<u>\$ 57,879,528</u>	<u>\$ 69,743,640</u>	<u>\$ 69,155,589</u>	<u>\$ 65,761,182</u>	<u>\$ 71,024,145</u>	<u>\$ 75,084,183</u>	<u>\$ 77,578,089</u>	<u>\$ 84,325,815</u>
All Other Governmental funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346
Restricted	965,468	494,738	1,761,249	1,588,779	513,519	1,639,470	1,257,370	1,117,010	15,205,977	16,204,135
Committed	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	32,404,494
Assigned	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	21,233,737
Unassigned	(4,072,385)	(3,983,924)	(3,968,089)	(619,797)	(127,780)	(236,053)	(56,534)	(760,463)	(177,820)	(274,657)
Total all other governmental funds	<u>\$ 22,271,455</u>	<u>\$ 31,634,171</u>	<u>\$ 35,917,593</u>	<u>\$ 37,314,689</u>	<u>\$ 41,840,374</u>	<u>\$ 55,571,501</u>	<u>\$ 60,719,366</u>	<u>\$ 61,931,977</u>	<u>\$ 63,639,352</u>	<u>\$ 69,568,055</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 69,025,459
Other taxes	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	22,777,368
Unrestricted intergovernmental revenues	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	5,157,517
Restricted Intergovernmental revenues	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	12,476,101
Licenses, fees, and permits	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	2,587,922
Investment earnings	730,032	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044
Investment earnings restricted	19,323	25,628	16,234	23,385	32,037	49,118	58,934	81,536	113,633	69,654
Program income	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	2,380,555
Other revenues	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	4,492,510
Total revenues	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	119,212,130
Expenditures										
General government	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	7,076,063
Public safety	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	50,004,123
Public works	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	18,198,580
Cultural and recreational	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	6,183,507
Planning and community development	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	5,317,003
Administration	856,103	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335
Housing assistance payments	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	4,705,017
Rehabilitation	3,227,906	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061
Capital outlay	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	14,739,195
Debt service										
Interest	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	637,687
Principal	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	2,410,733
Total expenditures	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	112,534,304
Excess of revenues over (under) expenditures	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	6,677,826
Other Financing Sources (Uses)										
Sale of capital assets	-	-	-	-	-	-	295,328	217,636	1,232,682	1,053,086
Debt issued	-	-	-	15,208,806	-	-	2,724,477	-	-	6,200,000
Issuance of refunding bonds	-	-	-	8,895,000	-	-	-	-	437,038	-
Premium on refunding bonds	-	-	-	760,844	-	-	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	(10,519,638)	-	-	-	-	(726,512)	-
Transfers in	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	28,678,592
Transfers out	(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)	(29,933,075)
Total Other Financing Sources (Uses)	(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)	5,998,603
Net change in fund balances	\$ 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	\$ 12,676,429
Debt service as a percentage of non capital expenditures	4.99%	5.16%	4.73%	4.11%	5.71%	5.40%	8.07%	4.18%	5.04%	3.12%

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

Fiscal Year	Residential	Commercial	Industrial	Total
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
2021	27,983	4,668	63	32,714

Source: City of Concord Finance and Electric Departments

ELECTRIC RATES
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential Customers										
Basic charges	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.65	\$ 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	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.091331	0.091331	0.091331	0.091331	0.097476	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	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.082582	0.082582	0.082582	0.082582	0.088476	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	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344
Next 87,000	0.068575	0.068575	0.068575	0.068575	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726
Over 90,000	0.066266	0.066266	0.066266	0.066266	0.072417	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	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607
Next 134,000	0.058177	0.058177	0.058177	0.058177	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328
Over 140,000	0.055867	0.055867	0.055867	0.055867	0.062018	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	0.060813	0.060863	0.060863	0.060813	0.060863	0.060863
Industrial Customers										
Basic Facilities Charge	18.54	18.54	18.54	18.54	19.30	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	3.80	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	0.115251	0.115251	0.115251	0.115251	0.115251	0.115251
Next 87,000	0.063924	0.063924	0.063924	0.063924	0.070911	0.070911	0.070911	0.070911	0.070911	0.070911
Over 90,000	0.061714	0.061714	0.061714	0.061714	0.069151	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	0.060471	0.060471	0.060471	0.060471	0.060471	0.060471
Over 140,000	0.051755	0.051755	0.051755	0.051755	0.058651	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	0.056751	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	2021				2012			
	Electric Revenue	Rank	Percentage of Total Electric Revenue		Electric Revenue	Rank	Percentage of Total Electric Revenue	
City of Concord	2,348,203	1	2.70	%	1,984,566	2	2.51	%
Celgard LLC	2,244,313	2	2.58		1,029,319	7	1.30	
Cabarrus County Schools	1,548,783	3	1.78		1,569,751	4	1.98	
Perdue Farms Inc	1,399,439	4	1.61		1,575,531	3	1.99	
Water and Sewer Authority of Cabarrus County	1,393,362	5	1.60		-		-	
Concord Mills LLC	1,389,331	6	1.60		2,044,866	1	2.58	
Legrand	1,328,421	7	1.53		1,389,307	5	1.76	
S&D Coffee	1,174,390	8	1.35		-		-	
DNP IMP America Corporation	1,119,823	9	1.29		1,199,865	6	1.52	
Wind Shear Inc	815,626	10	0.94		-		-	
Rocky River Water Treatment Plant	-		-		953,317	8	1.21	
Northeast Medical Center	-		-		912,572	9	1.15	
Cabarrus Plastics Mfg	-		-		891,348	10	1.13	
Total	<u>\$ 14,761,691</u>		<u>17.00</u>	<u>%</u>	<u>\$ 13,550,442</u>		<u>17.13</u>	<u>%</u>

Source: City of Concord Finance and Electric Departments

**ASSESSED 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)				
2012	5,533,750,240	2,523,536,878	1,212,065,051	871,682,129	117,277,340	10,258,311,638	0.4190
2013	5,034,683,767	2,335,914,165	851,422,138	771,628,872	119,353,563	9,113,002,505	0.4788
2014	5,381,821,598	2,325,550,728	847,644,748	988,004,711	130,283,114	9,673,304,899	0.4788
2015	5,488,950,807	2,438,815,784	748,623,832	978,492,143	124,486,420	9,779,368,986	0.4788
2016	5,562,324,699	2,474,039,979	759,436,323	1,033,191,542	124,486,420	9,953,478,963	0.4788
2017	7,198,546,266	1,642,104,405	767,219,663	1,035,500,636	153,919,497	10,797,290,467	0.4788
2018	7,308,226,072	1,775,705,266	814,494,754	1,149,787,848	159,207,805	11,207,421,745	0.4788
2019	6,672,628,388	2,711,577,147	989,371,655	1,097,323,976	135,500,000	11,606,401,166	0.4788
2020	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
2021	7,927,752,659	3,861,504,684	1,208,953,502	1,232,702,466	139,849,637	14,370,762,948	0.4788

Source: Cabarrus County Tax Office

- (1) Tax Exempt Property is subtracted from Residential and Personal Property
- (2) Commercial and Industrial Property estimates are as of January 1, 2021
- (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			Overlapping Rates Cabarrus County	Combined Tax Rate
	General Fund Basic Rate	Municipal Service District Basic Rate	Total Weighted Average Rate (1)		
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	0.4788	0.74	1.22
2021	0.48	0.23	0.4788	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	2021			2012		
	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	\$ 278,068,266	1	2.35 %	\$ 223,330,700	2	2.28 %
Charlotte Motor Speedway LLC	186,812,516	2	1.58	259,822,688	1	2.65
Celgard LLC	186,162,638	3	1.57	108,282,340	3	1.10
WMCI Charlotte VI LLC	134,484,530	4	1.13	35,268,981	8	0.36
SL 1000 Derita Road LLC	120,950,510	5	1.02	-		-
GWR Carolinas Property Owner LLC	113,579,945	6	0.96	93,058,270	5	0.95
Hendrick Automotive Group	110,132,646	7	0.93	36,399,998	7	0.37
Arabica LLC a NC LLC	89,633,979	8	0.76	-		-
Bootsmead Land LLC	87,022,314	9	0.73	-		-
Hendrick Motorsports Inc	85,506,792	10	0.72	32,931,762	9	0.34
Philip Morris	-		-	93,107,045	4	0.95
JQH-Concord Development LLC	-		-	55,672,490	6	0.57
S&D Coffee	-		-	30,674,890	10	0.31
Total	\$ 1,392,354,136		11.75 %	\$ 968,549,164		9.88 %

Source: Cabarrus County Tax Office

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percentage of Levy		Amount	Percentage of Levy
2012	2011	43,076,823	42,056,886	97.6%	974,436	43,031,322	99.9%
2013	2012	43,608,877	42,445,084	97.3%	1,066,228	43,511,312	99.8%
2014	2013	46,548,215	45,126,093	96.9%	1,388,901	46,514,994	99.9%
2015	2014	46,943,610	46,174,814	98.4%	713,871	46,888,685	99.9%
2016	2015	47,667,548	46,909,735	98.4%	708,692	47,618,427	99.9%
2017	2016	51,709,905	50,820,322	98.3%	863,026	51,683,348	99.9%
2018	2017	53,695,713	53,071,029	98.8%	301,982	53,373,011	99.4%
2019	2018	55,614,536	54,719,919	98.4%	822,506	55,542,425	99.9%
2020	2019	57,232,731	56,597,931	98.9%	391,297	56,989,228	99.6%
2021	2020	68,850,679	68,324,465	99.2%	-	68,324,465	99.2%

**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			
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	1.08%	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	0.72%	729
2021	7,902	-	294	15,821	-	7,886	-	31,549	4,854	68,306	0.64%	649

(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)
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

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, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (3)	Estimated Share of Direct and Overlapping Debt
City of Concord (1)	\$ 25,309,436	100%	\$ 25,309,436
Cabarrus County (2)	380,821,737	50%	190,410,869
Total			\$ 215,720,305

- (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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 820,665	\$ 729,040	\$ 773,864	\$ 782,350	\$ 796,278	\$ 863,783	\$ 896,594	\$ 928,512	\$ 955,686	\$ 1,149,661
Total net debt applicable to limit	22,387	20,532	18,788	30,096	27,997	25,925	23,870	21,754	19,642	23,723
Legal debt margin	\$ 798,278	\$ 708,508	\$ 755,076	\$ 752,254	\$ 768,281	\$ 837,858	\$ 872,724	\$ 906,758	\$ 936,044	\$ 1,125,938
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	2%	4%	4%	3%	3%	2%	2%	2%

Legal Debt Margin Calculation for Fiscal Years

Total assessed value	<u>\$14,370,762,948</u>
Debt limit (8% of assessed value)	<u>1,149,661,036</u>
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	15,788,624
Installment notes	20,675,000
Less: Amount of bonded debt incurred for Business-type purposes	<u>(12,740,633)</u>
Total net debt applicable to limit	<u>23,722,991</u>
Legal Debt Margin	<u><u>\$ 1,125,938,045</u></u>
Net debt as a % of assessed values	0.17%

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

Fiscal Year	Water Revenue Bonds						Coverage
	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2021	36,064	19,517	16,547	1,667	728	6.91	

Fiscal Year	Wastewater Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2021	24,105	13,348	10,757	1,090	168	8.55	

Fiscal Year	Electric Revenue Bonds						Coverage
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
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	
2021	88,417	63,310	25,107	1,039	422	17.18	

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)
2012	80,386	7,025,450	38,079	14,453	6.3%
2013	81,461	7,301,723	39,000	15,792	5.4%
2014	83,279	7,399,908	38,521	16,178	4.4%
2015	85,428	7,799,648	39,640	16,743	4.3%
2016	87,452	8,286,025	41,103	17,380	4.5%
2017	88,815	9,085,784	43,920	17,392	4.2%
2018	90,827	9,556,853	45,220	17,553	3.6%
2019	92,567	10,089,975	46,615	17,685	3.8%
2020 (5)	105,240	10,644,924	48,060	18,010	7.5%
2021 (5)	105,936	11,230,394	49,550	16,288	4.9%

(1) As of August from the NC State Demographer's Office

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

(3) Cabarrus County School System schools located in Concord (Average Daily Membership)

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

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

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Atrium Health	4,256	1	8.97 %	4,000	1	10.94 %
Cabarrus County Schools	1,788	2	3.77	1,200	2	3.28
Cabarrus County Government	1,325	3	2.79	975	3	2.67
Walmart Associates Inc	1,244	4	2.62	829	6	2.27
City of Concord	1,120	5	2.36	936	4	2.56
S&D Coffee and Tea	1,010	6	2.13	575	7	1.57
Rousch Fenway Racing	775	7	1.63	475	10	1.30
Sysco	500	8	1.05	-	-	-
Great Wolf Lodge of the Carolinas	500	9	1.05	500	8	1.37
Amazon	462	10	1.05	-	-	-
Connexions	-	-	-	900	5	2.46
ACN	-	-	-	500	9	1.37
	<u>12,980</u>		<u>27.42 %</u>	<u>10,890</u>		<u>29.79 %</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
General Government										
Public Service Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager's Office	5.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50	7.00	9.00
Human Resources	9.00	10.00	10.00	10.00	10.00	11.00	12.00	13.00	13.00	13.00
Finance	14.00	14.00	14.00	13.25	13.00	13.00	13.00	13.00	14.00	15.00
Tax	4.50	4.50	4.50	4.50	4.00	3.50	0.75	0.75	0.75	1.00
Legal	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Safety										
Police	178.25	178.25	180.25	189.25	191.00	200.00	204.00	206.00	209.00	217.00
Code Enforcement	7.00	7.00	7.00	7.00	7.00	8.00	8.00	9.00	9.00	9.00
Communications	21.50	21.50	22.50	22.50	22.00	23.50	25.50	25.50	25.50	25.50
Radio Shop	3.50	3.50	2.50	3.50	3.00	3.50	4.10	4.10	4.50	4.50
Fire & Life Safety (Operations)	182.00	181.00	181.00	181.00	181.00	187.00	194.00	203.00	217.00	238.00
Fire & Life Safety (Prevention)	6.00	6.00	6.00	9.00	9.00	9.50	10.50	10.50	10.20	10.20
Fire & Life Safety (Training)	2.00	4.00	4.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00
Emergency Mangement Coordinator	2.85	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00
Public Works										
Street & Traffic	27.00	27.00	27.00	27.00	28.00	30.00	34.00	34.50	35.50	36.00
Traffic Services	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00
Traffic Signals	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Solid Waste & Recycling	32.00	32.00	32.00	32.00	32.00	31.50	32.50	34.50	36.00	36.50
Cemeteries	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00
Fleet Services	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00
Other Public Works										
Economic Development										
Business & Neighborhood Services	15.00	14.00	14.50	14.50	14.00	16.00	17.00	18.00	18.00	19.00
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Development Services	-	-	-	-	-	-	-	-	-	-
Culture & Recreation										
Parks and recreation	20.00	20.00	21.25	21.00	17.00	17.00	29.93	31.50	35.00	36.00
Total FTE General Fund	566.60	566.75	572.50	583.50	582.00	607.00	638.78	656.85	682.45	718.70

(Continued)

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<i>Other Funds</i>										
Home Consortium Fund	0.90	0.90	1.00	0.90	1.00	0.80	0.80	0.80	0.80	1.00
CDBG	1.10	1.10	1.00	1.10	1.00	1.20	1.20	1.20	1.20	1.00
Municipal Service District									-	2.00
Stormwater	20.25	20.25	19.77	22.09	22.00	21.00	21.09	20.58	20.58	20.26
Electric										
Electric Administration	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Powerlines Maintenance	13.00	13.00	13.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00
Tree Trimming	9.00	9.00	9.00	7.00	7.00	7.00	7.00	8.00	8.00	10.00
Electric Construction	34.00	34.00	34.00	33.00	33.00	33.00	35.00	37.00	37.00	37.00
Peak Shaving	2.00	2.00	2.00	-	-	-	-	-	-	-
Electric Engineering	5.00	5.00	5.00	5.00	7.00	8.00	8.00	8.00	8.00	8.00
Utility Locate Services	4.00	4.00	4.00	5.00	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	15.00	15.00	14.50	14.50	14.50	15.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.50	15.00	15.00	15.50	16.50	16.50	15.50
Waterlines Operations & Maintenance	34.75	34.75	34.24	34.59	36.00	37.00	35.60	35.09	36.09	37.76
Public Transit										
Rider Transit System	2.75	2.55	2.70	3.70	4.00	5.00	6.50	6.50	6.50	6.50
Wastewater Resources	30.00	30.00	30.00	30.32	29.00	30.00	31.31	31.83	32.16	31.48
Internal Services										
Utility Collections	4.50	4.50	4.50	4.50	4.00	4.00	5.00	5.00	5.00	3.75
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	10.00	10.00	10.00	10.00	11.25	14.25	16.25	16.25
Customer Service	16.00	15.50	15.50	25.00	26.00	26.00	27.00	25.00	25.00	25.00
Engineering	25.00	24.00	24.00	23.00	23.00	24.00	26.00	26.00	26.00	26.00
Purchasing	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Customer Care Center	8.15	8.50	9.50	-	-	-	-	-	-	-
Buildings & Grounds	39.50	39.00	39.50	40.65	38.00	39.00	44.60	48.50	49.50	52.50
Aviation	36.00	36.00	33.00	34.00	34.00	40.00	41.50	43.50	45.50	45.50
Public Housing	14.00	13.00	12.00	13.38	14.00	14.00	13.00	14.00	14.00	13.00
Total FTE Other Funds	350.90	348.05	343.71	351.23	352.00	363.00	378.85	390.25	396.58	402.00
Total	917.50	914.80	916.21	934.73	934.00	970.00	1,017.63	1,047.10	1,079.03	1,120.70

Source: City of Concord Budget Department

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	5,837	5,072	4,925	3,948	4,486	4,207	4,655	4,445	3,407	3,646
Parking violations	2,964	2,696	2,375	2,365	2,671	2,764	2,922	2,399	1,824	1,616
Traffic violations	9,878	9,422	8,135	9,209	10,699	12,335	12,748	9,795	7,615	6,799
Communications										
Calls received	100,197	108,843	109,382	100,830	102,526	106,933	100,286	98,013	98,522	97,091
Calls Dispatched										125,206
Fire										
Emergency responses	8,856	9,077	9,246	10,008	10,616	11,561	12,078	12,335	12,154	13,610
Fires extinguished	315	293	192	245	261	270	269	205	264	230
Inspections	5,764	6,343	5,900	5,939	7,128	826	7,533	7,433	5,772	4,486
Education classes conducted (4)	446	681	739	334	384	826	632	218	140	157
Number of people reached by educators (4)	37,187	29,774	31,008	25,096	28,361	25,633	41,081	125,286	104,561	104,561
Emergency Management (7)										
Exercise/Drill	0	0	0	0	0	9	11	6	4	7
Hazmat	0	0	0	0	0	14	44	29	5	10
Risk Assessment	0	0	0	0	0	105	145	113	49	58
Special Event	0	0	0	0	0	106	12	13	7	7
Planning	0	0	0	0	0	14	34	20	8	18
UAS (Drone)	0	0	0	0	0	0	6	20	24	14
Certified UAS Pilots	0	0	0	0	0	0	0	11	10	10
Education classes conducted (4)	0	0	0	0	0	26	11	11	9	4
Customer Care Center										
Calls answered	206,144	191,689	116,672	112,652	121,843	129,263	120,517	186,840	43,101	94,834
Solid Waste & Recycling										
Refuse collected (tons per day)	89	86	90	94	96	94	100	127	131	140
Recyclables collected (tons per day)	22	22	22	21	23	23	21	17	24	21
Other Public Works										
Street resurfacing (miles) (5)	8	10	6	0	18	9	24	12	0	18
Potholes repaired	74	28	36	50	92	112	101	162	176	179
NCDOT signalized street lights	101	105	102	114	115	113	119	123	119	146
NCDOT road (Non Interstate)	90	90	90	90	92	92	92	92	93	93
Economic Development										
Single family residential	403	460	397	441	661	637	931	803	968	834
Single family attached in units	4	0	15	22	2	6	74	5	52	59
Two, three, or four family residential in units	66	550	18	2	0	2	6	0	0	341
Multi-family residential in units	0	0	66	348	264	264	89	80	132	442
Commercial building permits issued	52	53	59	96	82	27	58	52	57	134
Parks and recreation										
% Cost recovery Adult programs	90	92	92	100	105	107	120	113	130	130
Youth participation	9,974	10,848	11,672	11,251	14,793	18,432	29,867	27,631	41,306	3,307
Rec center attendance (6)	93,846	79,014	81,093	85,663	87,165	79,302	140,000	222,447	158,937	40,235

(Continued)

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Stormwater										
Accounts	29,683	30,168	30,701	31,285	31,978	32,643	33,462	33,891	33,891	40,455
Electric										
Accounts	27,675	28,062	28,576	29,069	29,371	30,074	31,031	31,604	32,368	32,584
Average megawatt hours daily use (2)	2,332	2,318	2,282	2,358	2,427	2,498	2,439	1,992	2,536	2,346
Substations	15	15	15	15	15	15	15	15	15	16
Water										
Accounts	34,431	35,843	36,692	37,348	37,088	38,961	40,050	41,303	41,303	46,303
Water Main Breaks	33	2	13	21	25	18	75	49	57	45
Average daily consumption (mgd)	9	9	9	10	9	11	12	13	13	13
Peak daily consumption (mgd)	13	12	13	13	14	14	15	17	17	18
Transit										
Average daily use	1,451	1,411	1,345	1,316	1,188	1,157	1,129	1,193	1,033	897
Days of operation	310	306	346	359	359	357	359	359	359	359
Wastewater										
Accounts	31,569	31,939	32,745	33,307	34,029	34,878	35,807	36,900	36,900	37,585
Average daily treatment (thousands of gallons)	8,193	8,011	9,150	8,478	8,870	9,211	8,387	10,695	8,585	9,090
Golf Course										
Total Green Fee Rounds (3)	25,410	26,028	31,341	31,241	28,998	32,034	32,982	31,241	36,768	46,164
Cart Fee Rounds	22,183	20,237	23,553	23,462	23,534	27,406	27,470	26,242	29,643	36,786
Tournaments hosted	70	72	76	67	68	64	60	53	27	17
Aviation										
Avgas (annual gallons)	197,687	173,006	169,452	151,505	168,627	189,923	222,290	232,064	239,909	251,147
Jeta (annual gallons)	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	2,507,492
Operations = take off & landing (1)	60,612	59,179	59,010	54,200	57,736	67,223	77,646	84,629	70,546	73,593
Total enplanements	0	0	8,672	35,572	63,316	106,718	128,250	159,361	139,549	100,879
Tax Base listings										
T Hanger	67	67	67	67	67	67	67	67	67	67
HIC	46	46	45	45	41	58	58	58	51	39
Tiedown	30	30	25	25	27	31	54	54	47	66
Corporate	9	9	3	3	4	3	4	4	21	6
Ground	18	18	9	9	11	11	11	7	8	9
Office	35	35	27	27	26	26	26	26	29	28
Public Housing										
Units in use	174	174	174	174	174	174	174	174	174	174
Housing Choice Vouchers	541	541	534	541	541	541	541	541	553	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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	134	134	135	150	159	169	172	166	166	160
Fire										
Stations	10	10	10	10	11	11	11	11	11	11
Fire Units	14	14	14	14	14	16	16	N/A	N/A	N/A
Engine, Ladder, Rescue, Crash Fire Rescu	0	0	0	0	0	0	0	23	25	23
Support vehicles	0	0	0	0	0	0	0	12	15	12
Emergency Management (7)										
Drone	0	0	0	0	0	0	0	0	1	2
EM Units	0	0	0	0	0	2	2	1	1	1
Mobile Command Unit	0	0	0	0	0	1	1	1	1	1
Solid Waste & Recycling										
Refuse collection trucks	28	28	29	28	29	29	31	32	31	31
Other Public Works										
Paved streets (miles)	329	331	337	341	343	348	354	354	356	372
Signalized Street	15	15	15	15	16	17	18	18	18	18
Control Beacons	6	6	6	6	6	6	6	7	6	5
Guardrail	4	4	4	4	5	5	5	5	5	5
Curb and Gutter	423	427	440	452	462	472	548	548	558	562
Sidewalk	206	209	222	235	245	254	254	258	261	261
School Zone Flashers	21	22	22	22	22	22	22	22	23	23
Facilities (City owned):										
Parks (developed acreage)	101	101	101	157	157	157	157	157	157	235
Parks (undeveloped acreage)	N/A	N/A	N/A	N/A	69	69	69	69	109	149
Playgrounds	14	14	14	13	13	14	14	13	13	14
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Basketball courts (1)	11	11	11	11	9	9	9	5	9	8
Tennis courts	14	14	14	14	14	16	14	16	14	14
Pickleball courts	0	0	0	0	0	0	2	2	2	8
Playing fields (2)	28	28	28	28	23	23	23	23	23	24
Swimming pool	1	1	1	1	1	1	1	1	1	1
Green Way	5	5	5	7	7	7	8	8	12	10
Walking Trails	3	3	3	4	4	4	4	4	3	6
Stormwater										
Storm Sewers (miles)	256	263	275	263	264	267	280	294	302	344

(Continued)

CITY OF CONCORD, NORTH CAROLINA

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Electric										
Substations	15	15	15	15	15	15	15	15	15	16
Water										
Water Mains (miles)	681	683	691	692	709	717	725	744	752	754
Fire hydrants	4,633	4,642	4,697	4,737	4,772	4,820	4,946	5,014	5,085	5,125
Storage capacity (millions of gallons)	14	16	16	16	16	16	16	16	16	16.75
Transit										
Transit Center	1	1	1	1	1	1	1	1	1	1
Buses, Vans. & LTVs	12	12	12	12	12	12	12	12	17	17
Wastewater										
Sanitary sewers (miles)	530	530	539	540	544	563	583	583	592	592
Treatment capacity (thousands of gallons)	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	3,913,000
Golf Course	1	1	1	1	1	1	1	1	1	1
Aviation										
Terminal	1	1	1	1	1	1	2	2	2	2
T Hangars	67	66	67	67	67	67	67	67	67	67
Corporate Hangar	3	3	3	3	3	3	4	4	5	6
Private Hangar	9	9	9	9	9	9	8	7	6	6
Hanger in Common	7	7	7	7	7	7	7	8	8	7
Acreage approximately	713	713	713	713	713	713	713	713	713	713
Public Housing										
Units	174	174	174	174	174	174	174	174	174	174

Source: City of Concord Finance Department

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Honorable Mayor and
Members of the City Council
City of Concord
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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2021, 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 25, 2021. Our report includes a reference to other auditors who audited the financial statements of the City of Concord ABC Board, as described in our report on the City of Concord's financial statements. The financial statements of the City of Concord ABC Board 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 25, 2021

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, 2021. 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, 2021.

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 or 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 25, 2021

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, 2021. 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, 2021.

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 25, 2021

CITY OF CONCORD, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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>Assistance Listing #</u>
Public Housing: Operating Subsidy	14.850
Section 8 Housing Choice Vouchers	14.871
Federal Transit Cluster	20.507
Community Development Block Grant	14.218
Coronavirus Relief Fund	21.019

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, 2021

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
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	No
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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, 2021**

None reported.

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2021

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	\$ -	\$ 500	\$ -	\$ -
Community Development Block Grant/Entitlement	14.218	B-16-MC-37-0012	-	9,708	-	-
Community Development Block Grant/Entitlement	14.218	B-17-MC-37-0012	-	24,735	-	-
Community Development Block Grant/Entitlement	14.218	B-18-MC-37-0012	-	213,880	-	-
Community Development Block Grant/Entitlement	14.218	B-19-MC-37-0012	-	64,428	-	-
Community Development Block Grant/Entitlement	14.218	B-20-MC-37-0012	-	103,061	-	7,175
COVID-19 Community Development Block Grant	14.218	B-20-MW-37-0012	-	708,575	-	-
Total CDBG Entitlement Grants Cluster			-	1,124,887	-	7,175
Home Investment Partnerships Program - Program Income	14.239	M-15-DC-370209	45,241	45,241	-	-
Home Investment Partnerships Program - Program Income	14.239	M-16-DC-370209	5,647	5,647	-	-
Home Investment Partnerships Program - Program Income	14.239	M-17-DC-370209	18,067	18,467	-	2,153
Home Investment Partnerships Program - Program Income	14.239	M-18-DC-370209	67,593	80,102	-	-
Home Investment Partnerships Program - Program Income	14.239	M-19-DC-370209	22,308	66,261	-	54,331
Home Investment Partnerships Program - Program Income	14.239	M-20-DC-370209	5,179	58,427	-	2,870
			164,035	274,145	-	59,354
Public and Indian Housing: Operating subsidy	14.850	A-4309	-	843,128	-	908,099
COVID-19 Public and Indian Housing	14.850		-	120,928	-	-
			-	964,056	-	908,099
Resident Opportunity and Supportive Services - Service Coordinators	14.870	ROSS201468	-	72,146	-	-
Public Housing Capital Fund	14.872	NC19P00850118	-	8,032	-	-
Public Housing Capital Fund	14.872	NC19P00850119	-	53,968	-	-
Public Housing Capital Fund	14.872	NC19P00850120	-	78,494	-	-
			-	140,494	-	-

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2021

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	FSS20NC3407	\$ -	\$ 29,525	\$ -	\$ -
Family Self-Sufficiency Grant	14.896	FSS21NC3991	-	25,985	-	-
			-	55,510	-	-
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871	A-3344-V	-	4,341,779	-	687,540
COVID-19 Section 8 Housing Choice Vouchers	14.871		-	134,576	-	-
Total Housing Voucher Cluster			-	4,476,355	-	687,540
Total U.S. Department of Housing and Urban Development			164,035	7,107,593	-	1,662,168
U.S. Department of Homeland Security:						
SAFER Grant	97.083	EMW2016FH00423	-	5,492	-	37,403
U.S. Department of Justice:						
COVID-19 Coronavirus Supplemental Emergency Funding	16.034	2020-VD-BX-0327	-	7,896	-	-
Bulletproof Vest Partnership Program	16.607		-	12,752	-	12,752
Equitable Sharing Program	16.922		-	4,171	-	-
			-	24,819	-	12,752
U.S. Department of Treasury						
Equitable Sharing Program	21.016		-	21,050	-	-
U.S. Department of Transportation						
Federal Transit Cluster:						
Federal Transit Formula Grant	20.507	NC-90-X587-00	-	77,906	-	19,476
Federal Transit Formula Grant	20.507	NC-2019-002-00	-	249,357	-	61,865
COVID-19 Federal Transit Formula Grant	20.507	NC-2020-026-00	-	3,524,900	-	-
Bus & Bus Facilities Formula Grant	20.526	NC-34-0009-00	-	10,101	-	2,525
Bus & Bus Facilities Formula Grant	20.526	NC-2017-051-00	-	32,054	-	8,014
Total Federal Transit Cluster			-	3,894,318	-	91,880

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
Transit Services Program Cluster						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2016-45-00	30,580	31,844	-	30,579
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2018-72-00	12,079	12,079	-	11,097
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2019-065-00	46,154	51,282	-	11,539
Total Transit Services Program Cluster			88,813	95,205	-	53,215
Federal Aviation Administration						
Airport Improvement Program:						
Apron Strengthening	20.106	3-37-0015-008-2019	-	2,863,930	-	318,214
Airport Improvement Program	20.106	3-37-0015-012-2021	-	217,380	-	-
			-	3,081,310	-	318,214
Passed through North Carolina Department of Transportation:						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research						
	20.505	36230.7.20.6	-	76,600	9,575	9,576
			-	76,600	9,575	9,576
Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205	48476.1.3	29,177	265,809	-	59,158
Highway Planning and Construction	20.205	47346.3.1	-	34,904	-	8,726
Highway Planning and Construction	20.205	47347.3.1	-	621,489	-	155,372
Highway Planning and Construction	20.205	55059.1.1	-	233,777	-	58,444
Highway Planning and Construction	20.205	43713.1.9	-	5,001	-	1,251
Total Highway Planning and Construction Cluster			29,177	1,160,980	-	282,951
Total U.S. Department of Transportation			117,990	8,308,413	9,575	755,836

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
U.S. Department of Treasury Passed through NC Office of Management and Budget Passed through Cabarrus County COVID-19 Coronavirus Relief Fund	21.019		620,926	1,046,983	-	-
Total federal awards			902,951	16,514,350	9,575	2,468,159
State Financial Assistance:						
Department of Transportation:						
Powell Bill	N/A		-	-	5,384,856	-
Governor's Highway Safety Program	N/A	22021-6-28	-	-	20,412	-
			-	-	5,405,268	-
State Aid to Airports:						
Airport Improvements and Debt Service	N/A	36244.41.6.1	-	-	2,207,947	-
State Transportation Improvement Program	N/A	48401.3.1	-	-	512,995	-
			-	-	2,720,942	-
Department of Natural and Cultural Resources:						
Parks and Recreation Trust Fund	N/A	2019-885	-	-	115,923	249,150
Total state awards			-	-	8,242,133	249,150
Total federal and state awards			\$ 902,951	\$ 16,514,350	\$ 8,251,708	\$ 2,717,309

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. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for *Federal Awards and The State Single Audit Implementation Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Indirect Cost Rate

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

(3) Statement and Certification of Capital Fund Grant Cost for Annual Contributions Contract A-3249

1. The Actual Capital Fund Program Costs were as follows:

	NC19P00850117
Funds Approved	\$ 207,716
Funds Expended	207,716
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced:	
HUD Grants	\$ 207,716
Funds Expended	207,716
Excess of Funds Advanced	<u>\$ -</u>

2. The distribution of costs as shown on the Annual Statement of Performance Evaluation Report, supported by the Actual Modernization Cost Certificate submitted to HUD for approval, is in agreement with the PHA's records.

3. All capital fund program costs have been paid and all related liabilities have been discharged through payment.