



**CITY OF CONCORD, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2023**

Prepared by:  
Finance Department

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October 26, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of Concord, North Carolina, for the fiscal year ended June 30, 2023, 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 2023.

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, 2023, 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, 2023, 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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Phone (704) 920-5200 • Fax (704) 920-6951

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

## PROFILE OF THE CITY

The City of Concord is located in the north central portion of Cabarrus County, North Carolina (the "County"). The County is located in the east central part of the Charlotte-Gastonia-Concord MSA. The City, incorporated in 1796, is the County seat and covers an area of approximately 63.627 square miles with an estimated population of 110,886 as of July 1, 2022 per the N.C. Office of State Budget and Management. The City adjoins the City of Charlotte, North Carolina, and is one of six incorporated municipalities in Cabarrus County.

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

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

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

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

WeBuild Concord (formerly Concord Family Enrichment Association) is a nonprofit established by the City of Concord to develop and build affordable housing within Concord and surrounding areas. City Council appoints two members to the WeBuild Concord board, in addition to board seats reserved for the leadership from the departments of Planning and Neighborhood



Development and Housing. WeBuild Concord is included as a component unit in the financial statements under discrete presentation.

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

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

## FACTORS AFFECTING FINANCIAL CONDITION

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

### LOCAL ECONOMY

The unemployment rate for Cabarrus County at June of 2023 was 3.4%, which is a decrease from a rate of 3.7% in June of 2022. The state's unemployment rate for June of 2023 was 3.3%. (Bureau of Labor Statistics)

Budget development for FY 2024 was driven by staffing needs associated with the City's continued growth, changes in service provision, inflationary cost pressures, and general uncertainty about the direction of the economy. Economic changes, like higher interest rates, supply chain issues, and increased costs for goods, have impacted all levels of the community. Local governments are facing fiscal pressures to afford their current needs and services in an environment where prices seem to continually increase.

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 2023. Concord has great access to Interstate 85, which has six existing interchanges in the City. North Carolina Department of Transportation (NCDOT) projects that are programmed with Concord's participation will continue to enhance the City's accessibility. The I-85 project from NC 73 to 29-601 Connector in Rowan County is complete. This project included significant improvements to the interchanges at Exits 58 (US29) and 60 (Copperfield/Dale Earnhardt). The George Liles Parkway extension is complete and links US 29 in Concord directly to I-85, providing enhanced access to approximately 3000 acres of property zoned for business development in the geographic middle of the City. The City partnered with NCDOT to widen Derita Road, running by Concord Regional Airport, as development along that corridor has been accelerated due to the completion of I-485. I-485 has added another direct route to access I-77, in addition to NC 73 and I-85.

Concord has also evolved into a major tourist destination in North Carolina. Concord Mills has one of the highest numbers of visitors of any attraction in North Carolina. Charlotte Motor Speedway, the ZMax Dragway and NASCAR team race shops bring in hundreds of thousands of people that use lodging and restaurants and shop. This has also led to the development of other facilities such as the Embassy Suites Resort/Concord Convention Center, the Great Wolf Lodge and many other limited service hotels.

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

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

The City is engaged in short-range and long-range planning to provide the necessary infrastructure to accommodate the City's future growth. The City, other local governments, and local business leaders cooperate in economic recruiting and development efforts. The Cabarrus Economic Development Commission, which operates with a full-time staff, serves as the primary recruiting and marketing entity for economic development. Due to the availability of sites within commercial and industrial parks with all municipal services available located near major highways and interstates, the City is experiencing continued economic development activity.

## LONG TERM FINANCIAL PLANNING

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

City Council has adopted a City of Concord Strategic Plan 2020-2023 and is currently in the process of updating the Strategic Plan for 2024-2026. This plan will guide staff and the City as we work to accomplish the plans that are contained in the document.

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

The City's downtown is undergoing a metamorphosis, with multiple residential developments underway and an increase in pedestrian friendly amenities. Development (new and infill) is strong in downtown. New businesses and restaurants continue to fill vacancies as soon as they become available. Lansing Melbourne Group (LMG) is constructing three mixed-use Novi projects, representing an estimated \$70 million in private investment. Approximately 294 dwelling units, including 170 affordable/workforce units, are being built. These units provide more options for those who work in the City to live here too. Construction has started on the new Downtown Streetscape, which will widen sidewalks and create additional opportunities for outdoor dining. Means Avenue has been transformed into an open, pedestrian-friendly space for future programming and activities driven by the expansion and renovation of the County courthouse. The Annex project, formerly the home of the City's Planning and Human Resources departments, is now complete. Its lowest level operates as a non-profit center, providing affordable office space to local non-profits. The main and second levels will soon open as retail, restaurant, and office space. Staff are working diligently to promote downtown Concord as an ideal place to live and work.

Funding is proposed in our CIP to continue the implementation of our Master Plans. The City will use a mix of funding sources to pay for these projects – including reserves, operating revenues, and revenue bonds. Water will partner with Kannapolis and Albemarle on a preliminary study to determine the infrastructure needed to expand Albemarle's water treatment plant. This expansion will provide Concord and Kannapolis an additional 5 million gallons per day of treated water from the Yadkin River Basin. Investing in our water infrastructure allows us to be proactive towards future growth while sustaining our current system. Sewer availability has become a hot topic due to limited capacity within WSACC's Rocky River Wastewater Treatment Plant. The plant will be expanded to meet current and future wastewater needs. Until that expansion is completed, the plant's remaining sewer capacity has been allocated to its four member jurisdictions. Concord's Sewer Allocation Policy assures responsible growth while carefully allocating available sewer flow. To do this, Council has changed the sewer allocation methodology to require approval of a preliminary sewer allocation before a project may proceed.

Concord entered into a 20-year agreement with NTE Energy effective January 1, 2019 to purchase power. Savings from this contract allowed Electric to complete five substations, three delivery stations, and construct the Electric Operations Center without having to raise rates. A volatile natural gas market caused a dramatic spike in the City's purchased power costs during fiscal year 2022. This unprecedented increase left Concord at an impasse: either raise base rates or change the Purchased Power Adjustment (PPA). The PPA was created in 2011 to help

Concord manage purchased power cost volatilities throughout the year without having to change base rates. To help pay for the cost increase, the City made the tough decision to reset the purchase power adjustment to zero for the first time since 2016. Rate stabilization funds were also used to help alleviate additional cost increases and prevent base rate changes. The City also did a full cost of service study and is implementing the results of that study in FY24. The PPA is evaluated each quarter to determine if any adjustments need to be made due to volatility in natural gas prices.

Concord-Padgett Regional Airport has partially emerged from the COVID-19 crisis. Flights, parking, and fuel sales have begun to bounce back to pre-pandemic levels. This recovery allowed the Airport to increase fuel sale revenues and continue with maintenance projects. While some projects are still on hold, such as the domicile base for Allegiant Travel Company, there are exciting things coming to the airport. These projects allow the Airport to remain at the front of innovation and efficiency.

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 NCDOT on projects in the City to reduce traffic and congestion concerns. The City maintains over 297 miles of sidewalk and over 764 lane miles of roads. Major projects in the FY24 budget include sidewalk improvements, funding toward the Spring Street concrete street replacement, land and right-of-way acquisition for the intersection improvements at Poplar Tent Rd/Harris Rd, and construction of 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 in 2020. The Plan detailed suggestions for enhancing service, including a consolidation of the City and Cabarrus County's transit systems. In the coming months, both systems will begin the process of planning for consolidation. A study was completed to review governance models, service delivery, staffing structures, financing, public education efforts, and marketing strategies. Discussions are still ongoing for potential implementation of items identified in the study.

The construction of a new Fire Station 6 located at Concord-Padgett Regional Airport will replace an outgrown, existing facility and will share space with the Police Department's new David District. This station will still respond to emergencies at the airport and will now cover development in the Cox Mill/Christenbury Parkway area. Concord Police achieved national accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA) in July 2023. Concord Police staffs 22 SROs and 2 SRO supervisors to cover all elementary, middle, and high schools within City limits.

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. The 1¢ dedicated to Parks & Recreation helps to accelerate site control and increase connectivity. To further enhance and expand our parks, the City placed a \$60 million general obligation bond package on the ballot in November 2022. With the passing of the bond referendum, the City will accelerate projects related to the adopted master plans and address City-wide needs for additional recreation resources. The funding will go towards developing playgrounds, splashpads, a pump track, and more at ten locations 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 design plans for the Academy/Gibson Village area, Wilson Street Park, David Phillips Activity Center park development, and the WW Flowe Complex.

For FY 2023-24, 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 fair value. The City does not expect to realize these gains or losses because the City has historically held investments to maturity.

The objectives of the investment program are to first minimize investment risk and then to maximize investment yield. During the year, the majority of the City's funds were in the City's investment portfolio. Funds were also maintained in the North Carolina Capital Management Trust and Wells Fargo for liquidity and diversity.

As of June 30, 2023, the City's cash resources were invested as follows:

U.S. Government agencies	81.9%
Commercial Paper	12.0%
NCCMT	<u>6.1%</u>
Total	<u>100.0%</u>

The average yield on investments at June 30, 2023 is estimated at 2.21% as compared to 5.01% 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, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 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 168 retired employees receiving benefits, which are being partially funded.

Additional information on the City's pension arrangements and post employment benefits can be found in the notes to the financial statements.

## FISCAL POLICIES

One of the City's most important fiscal policies is the Reserve Policy. This policy ensures that the City always maintain adequate reserves.

### RESERVE POLICY

1. The City will maintain an unassigned General Fund fund balance minimum between 30% and 35% of General Fund expenditures.
2. The City will evaluate ending unassigned General Fund fund balance each year to determine if an amount is available for transfer to the capital reserve fund. Any amount over the unassigned General Fund balance target is deemed available for transfer to the capital reserve account for future capital projects.
3. These policies will be evaluated each year during the budget process.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Concord, North Carolina for its annual comprehensive financial report for the fiscal year ended June 30, 2022.

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-four consecutive years.

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

Respectfully submitted,



Lloyd Wm. Payne, Jr.  
City Manager



Jessica Jones  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Concord  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*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

JC McKenzie

Mayor Pro Tempore

Andy Langford  
W. Brian King  
Betty M. Stocks  
Terry Crawford  
Jennifer P. Hubbard  
John Sweat, Jr.

Lloyd Wm. Payne, Jr.

City Manager

Jessica Jones

Finance Director

VaLerie Kolczynski

City Attorney

Kim Deason

City Clerk

Citizens of Concord  
Represented by Mayor & Council



**City Attorney**  
Valerie Kolczynski  
704-920-5115

**City Manager**  
Lloyd Payne  
704-920-5215

**City Clerk**  
Kim Deason  
704-920-5205


**Asst. City Manager**  
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**  
Douglas Summer  
704-920-5431

**Housing**  
Della Robinson  
704-920-6100

**Parks & Recreation (Interim)**  
Sheila Lowry  
704-920-5611

**Public Affairs**  
Lindsay Manson  
704-920-5210

**Information Technology**  
Michael Hausler  
704-920-5290

**Solid Waste & Recycling**  
Robin Barham  
704-920-5351

**Transportation**  
Phillip Graham  
704-920-5338

**Police (Interim)**  
Jimmy Hughes  
704-920-5007

**Diversity, Equity, & Inclusion**  
Jaime Brown  
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, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Concord ABC Board, which represents 72 percent, 69 percent, and 75 percent respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Concord ABC Board, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*.



### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Other Post-Employment Benefits' Schedule of Changes in the Net OPEB Liability and Related Ratios, City Contributions, and Investment Returns, the Firefighters and Rescue Squad Workers' Pension

Schedules of the Proportionate Share of the Net Pension Liability, and the Local Governmental Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Concord's basic financial statements. The combining and individual fund financial statements, budgetary schedules, ad valorem tax schedules, other schedules, and supplemental financial data schedules (HUD), as well as the accompanying Schedule of Expenditures of Federal and State Awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, ad valorem tax schedules, other schedules, supplemental financial data schedules (HUD), and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023 on our consideration of the City of Concord's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City of Concord's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Concord's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 26, 2023

## 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, 2023. 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 \$1,282,066,425 (*net position*). Of this amount, \$278,641,008 (*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 \$111,182,231, 9 percent. The majority of this growth is attributable to an increase in cash and investments and an increase in capital assets.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$168,954,822 an increase of \$12,570,173 in comparison with the prior year, an 8% increase. Approximately 36 percent of this total amount or \$61,116,006 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 \$61,254,521 or 43 percent of total general fund expenditures and transfers.
- The City holds the following current underlying bond rating:

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

### OVERVIEW OF FINANCIAL STATEMENTS

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

### BASIC FINANCIAL STATEMENTS

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

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

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

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

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

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

The government-wide financial statements include not only the City of Concord itself (known as the primary government), but also a legally separate ABC Board, WeBuild Concord and First Concord Corporation, for which the City of Concord is financially accountable. Financial



information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 32 through 34 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 sixteen individual non-major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and the General Capital Reserve 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, aviation operations, and transit, all of which are considered to be major funds of the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 44 through 47 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 48 through 49 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 50 through 103 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 104 through 111 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 111 through 156 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 157 through 158.

## 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 \$1,282,066,425 as of June 30, 2023.

By far the largest portion of the City's net position (74 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	
	2022	2023	2022	2023	2022	2023
Current and other assets	\$193,461,001	\$195,610,226	\$254,871,617	\$256,426,120	\$448,332,618	\$452,036,346
Capital assets	466,999,596	518,646,158	447,467,144	485,861,566	914,466,740	1,004,507,724
Total Assets	660,460,597	714,256,384	702,338,761	742,287,686	1,362,799,358	1,456,544,070
Deferred outflows of resources	20,767,249	28,151,124	11,497,876	15,325,521	32,265,125	43,476,645
Long-term liabilities outstanding	70,370,711	96,236,899	46,080,995	60,142,535	116,451,706	156,379,434
Other liabilities	42,220,591	26,061,909	30,344,802	18,637,835	72,565,393	44,699,744
Total liabilities	112,591,302	122,298,808	76,425,797	78,780,370	189,017,099	201,079,178
Deferred inflows of resources	17,592,201	7,238,581	17,570,989	9,636,531	35,163,190	16,875,112
Net position:						
Net investment in capital assets	445,135,068	497,858,819	407,277,620	450,426,523	852,412,688	948,285,342
Restricted	54,119,927	55,140,075	-	-	54,119,927	55,140,075
Unrestricted	51,789,348	59,871,225	212,562,231	218,769,783	264,351,579	278,641,008
Total net position	\$551,044,343	\$612,870,119	\$619,839,851	\$669,196,306	\$1,170,884,194	\$1,282,066,425

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, \$278,641,008, 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 \$61,825,776 in net position reported in connection with the City of Concord's governmental type activities and an increase of \$49,356,455 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 \$49,356,455, 8%. The increase was due to an increase in utility revenues and grant revenue.

City of Concord's Changes in Net Position

Table 2

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 9,564,197	\$ 8,974,832	\$ 160,787,775	\$ 183,047,978	\$ 170,351,972	\$ 192,022,810
Operating grants/ contributions	12,327,509	26,849,033	6,194,809	15,133,971	18,522,318	41,983,004
Capital grants/contributions	46,271,355	56,717,868	13,048,417	22,844,344	59,319,772	79,562,212
General revenues:						
Ad valorem taxes	71,237,932	74,645,935	-	-	71,237,932	74,645,935
Other taxes	26,899,548	29,025,343	-	-	26,899,548	29,025,343
Grants and contributions not restricted to specific programs	5,707,828	6,353,443	-	-	5,707,828	6,353,443
Investment earnings	(6,419,857)	1,263,931	(8,212,466)	1,611,934	(14,632,323)	2,875,865
Miscellaneous/Gain(loss) capital asset sales	2,055,778	1,905,707	448,812	855,521	2,504,590	2,761,228
<b>Total revenues</b>	<b>167,644,290</b>	<b>205,736,092</b>	<b>172,267,347</b>	<b>223,493,748</b>	<b>339,911,637</b>	<b>429,229,840</b>
<b>Expenses:</b>						
General government	7,917,494	12,889,305	-	-	7,917,494	12,889,305
Public safety	58,198,076	63,869,676	-	-	58,198,076	63,869,676
Public works	34,148,019	41,732,671	-	-	34,148,019	41,732,671
Cultural & recreational	8,423,646	8,718,316	-	-	8,423,646	8,718,316
Planning & community development	6,222,328	5,306,325	-	-	6,222,328	5,306,325
Administration	998,347	1,260,141	-	-	998,347	1,260,141
Housing assistance payments	4,784,111	5,299,540	-	-	4,784,111	5,299,540
Rehabilitation	2,055,926	2,234,832	-	-	2,055,926	2,234,832
Interest on long term debt	678,918	603,439	-	-	678,918	603,439
Electric	-	-	91,574,771	90,244,107	91,574,771	90,244,107
Water	-	-	24,966,749	27,850,467	24,966,749	27,850,467
Wastewater	-	-	17,366,214	20,100,600	17,366,214	20,100,600
Regional airport	-	-	17,551,407	19,902,319	17,551,407	19,902,319
Stormwater	-	-	4,748,889	6,614,189	4,748,889	6,614,189
Transit	-	-	-	5,964,316	-	5,964,316
Other nonmajor business-type activities	-	-	10,334,299	5,457,366	10,334,299	5,457,366
<b>Total expenses</b>	<b>123,426,865</b>	<b>141,914,245</b>	<b>166,542,329</b>	<b>176,133,364</b>	<b>289,969,194</b>	<b>318,047,609</b>
Increase in net position before transfers	44,217,425	63,821,847	5,725,018	47,360,384	49,942,443	111,182,231
Transfers	4,391,825	(1,996,071)	(4,391,825)	1,996,071	-	-
Increase in net position	48,609,250	61,825,776	1,333,193	49,356,455	49,942,443	111,182,231
Net position, July 1	502,435,093	551,044,343	618,506,658	619,839,851	1,120,941,751	1,170,884,194
<b>Net position, June 30</b>	<b>\$ 551,044,343</b>	<b>\$ 612,870,119</b>	<b>\$ 619,839,851</b>	<b>\$ 669,196,306</b>	<b>\$ 1,170,884,194</b>	<b>\$ 1,282,066,425</b>

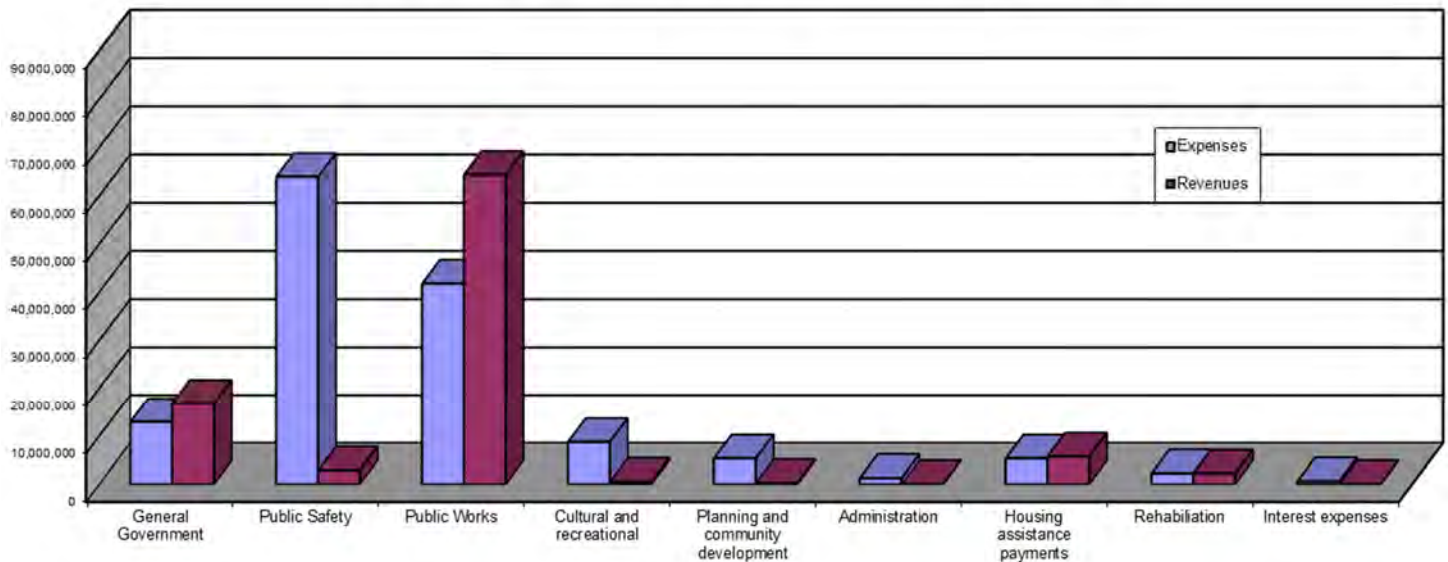
## Governmental Activities

In fiscal year 2023, the net position of governmental activities increased by \$61,825,776, or about 11%. Revenues increased by more than 23% as a result of an increase in 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 \$61,825,776. 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.

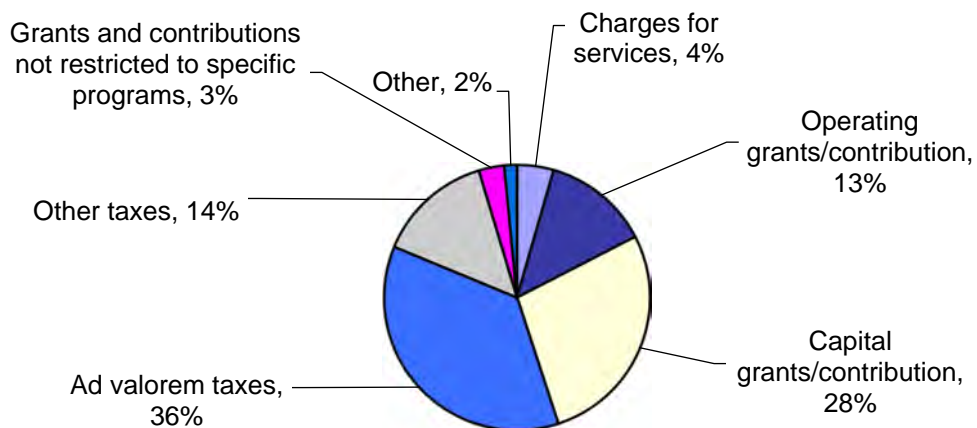
- Ad valorem taxes increased by \$3,408,003 (4.8%) during the year. The City continues to see a steady growth in assessed values.

- Capital grants/contributions increased \$10,446,513 due to an increase in contributions for capital related to infrastructure.
- Investment earnings increased \$7,683,788 due to a large market value loss recorded in the prior year. This was due to the rising interest rate environment and the fact that we hold our investments to maturity.
- Other taxes increased 8%, \$2,125,795 as sales tax revenues continued to grow.
- The total governmental activities increase in expenses was 15%. The City continues to operate as conservatively as possible while maintaining existing services. The increases are primarily related to personnel costs and increasing materials cost due to inflation.

### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities



### Business-type Activities

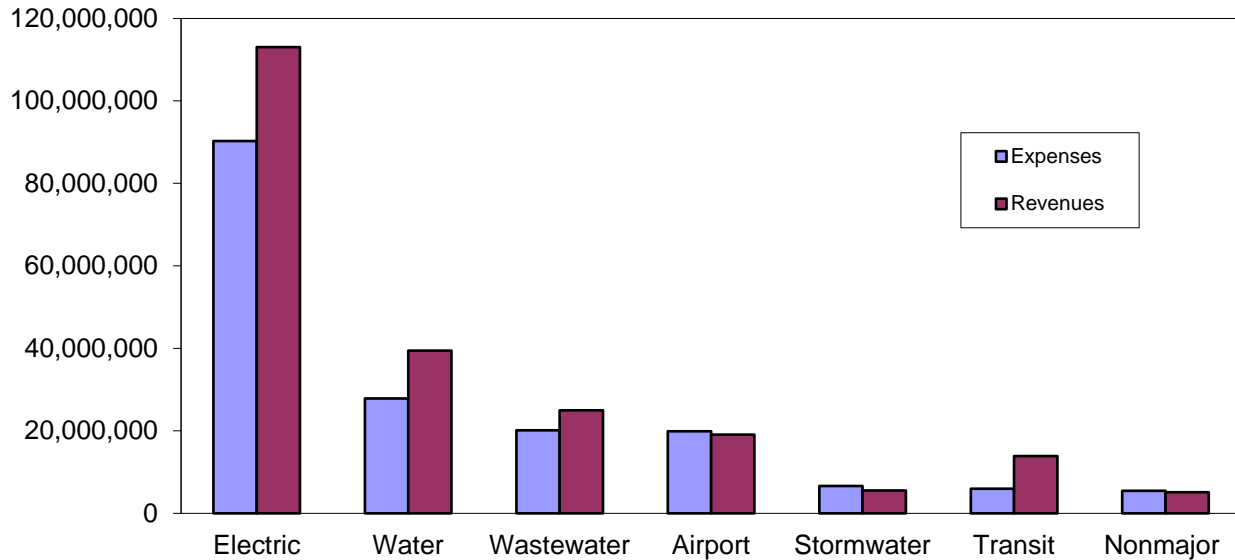
Business type activities increased the City's net position by \$49,356,455 (8%).

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

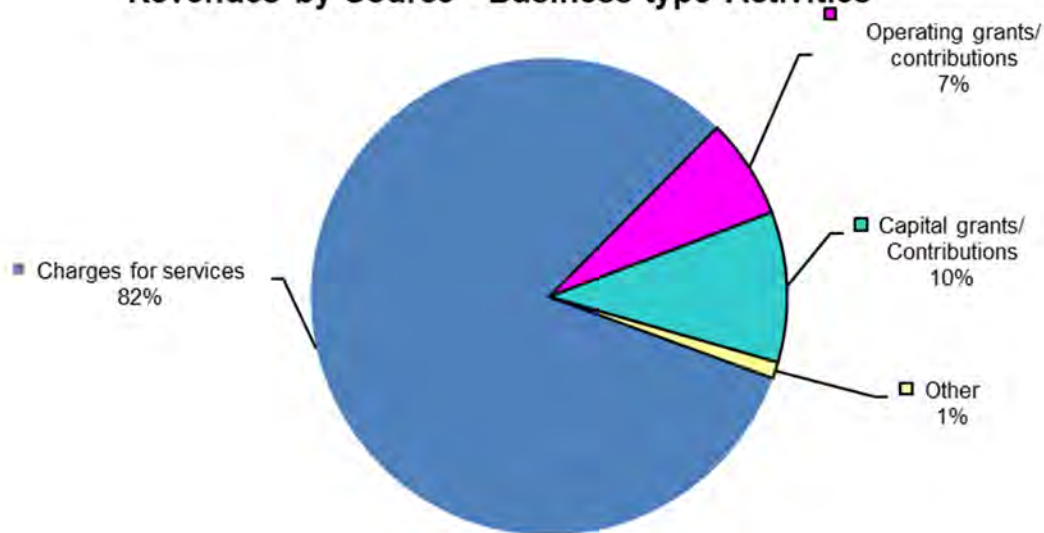
- Charges for services for business-type activities increased by 14%, \$22,260,203.
  - Usage increased 1% for wastewater customers; the City experienced a 1.5% growth in customers. The wastewater division's charges for service also increased 1%, due to the increase in customers and an increase in development related wastewater fees. Line service charges to developers depend on the timing of development. Wastewater operating revenue exceeded operating expenses by more than \$200,000 in FY2023. There were no rate increases.
  - Water charges for service increased over 2.6% which was the result of customer growth (1%) in the system, as well as an increase in usage of 2.9%. 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 FY2023, water operating income exceeded operating expenses by \$2.1 million.
  - Aviation charges for service increased 3.8% when compared to the previous year. This increase was due to rising fuel prices. As the cost of fuel increased, the airport increased the fuel charge to customers as well. The Concord-Padgett Regional Airport (CPRA) continued to experience reduced commercial flights due to the COVID-19 pandemic. Fiscal year ending 2023 resulted in a net operating loss of \$4.6 million. For the fiscal year ending 2023, takeoffs and landings were up 0.3% and the commercial flight customers decreased 19% when compared to last fiscal year.
  - Stormwater charges for service increased 2% when compared to last year's collections. This increase is a result of normal growth in the City's customer base. There were no fee increases in the current fiscal year. Operating expenditures exceeded operating revenues by \$1 million.
  - Electric charges increased 27.4% in fiscal year 2023. This increase was due to an increase in the purchase power adjustment (PPA) that is charged to customers to offset the cost of purchased power. Operating revenues for the electric fund exceeded operating revenues by \$19 million.
- Expenses, before transfers, increased 5.8% 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 decreased by 1.4%, due to a slight decrease in the cost of purchase power.
  - Water operating costs increased 12%, which reflects normal system growth expenses and higher supply cost.
  - Stormwater operating expenses increased 39% due to an increase in internal cost allocations and personnel costs.
  - Wastewater operating expenses increased 16%, which reflects normal system growth expenses and higher supply cost.
  - The airport operating expenses increased 14%; the majority of this increase was associated with rising fuel prices.

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 \$168,954,822, an increase of about 8% in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 36% (\$61,116,006) of the City's ending fund balance. The remaining fund balance is classified as follows to indicate that it is not available for new spending because it has already been obligated: 1) non-spendable inventories, prepaids, and leases (\$228,900), 2) restricted for streets, planning & community development, public safety and state statute stabilization (\$52,792,039), and 3) committed for future capital, planning & community development (\$54,817,877).

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 \$61,254,521 while total fund balance for the general fund was \$92,498,047; representing an increase of \$3,211,568. The City continues to fund the capital reserve fund for major projects. The allocation for fiscal year 2023 was \$9,500,000. 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 43.2% of total general fund expenditures and transfers out, while total fund balance represents 65.2% 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 \$18,391,787. Transfers to other funds increased by \$19,284,223 when compared to the prior year. The majority of the total transfers, \$35,345,980, are for capital projects and debt service. Total departmental expenditure budgets were under projections by 9.6% (\$11,343,597). Ad Valorem collections increased \$3,193,972 (4%) when compared to the prior year.

Other governmental and general fund capital reserve fund balances increased \$9,358,605 due to funds transferred in to be used in future years to complete capital projects.

## **Proprietary Funds**

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

Unrestricted net position of the electric fund, the water fund, the wastewater fund, the regional airport fund, the stormwater fund, and the transit fund at the end of the year were \$94,264,548, \$62,639,985, \$37,787,466, \$10,668,862, \$14,208,452 and \$165,337 respectively. The unrestricted net position of all other enterprise funds was \$3,014,732. The total growth in net position for the proprietary funds was \$49,356,455. Factors affecting the growth are addressed in more detail in the discussion of the City of Concord's business-type activities which begins on page 23 of this document.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

Total amendments to the General Fund increased revenues and expenditures and other financing sources and uses by \$29,077,827, or more than 23%. This is not 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 \$9,500,000. 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 4%. *Actual*



operating expenditures were less than *final budgetary* figures by 10%, resulting in excess of revenues over expenditures (before other financing sources/uses) of \$18,391,787.

## 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, 2023, totals \$1,004,507,724 (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 10% (11% increase for governmental activities and 9% 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 \$25,400,683.
- Streets infrastructure and improvements totaling \$51,067,500.
- New transit vehicles in the amount of \$6,884,440.
- Purchase of vehicles and equipment for general fund totaling \$8,115,762.
- 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 \$9,990,615.
- Upgrades/improvements to the wastewater system in the amount of \$7,761,151.
- North Apron expansion of the airport in the amount of \$1,413,340.
- Streetscape construction in the amount of \$2,704,850.

Additional information on the City of Concord's capital assets can be found in Note 6 of the Basic Financial Statements located on pages 76 through 78.

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Land	\$ 20,475,844	\$ 20,826,569	\$ 42,672,866	\$ 42,678,054	\$ 63,148,710	\$ 63,504,623
Construction in progress	28,621,274	28,776,105	40,726,178	72,452,810	69,347,452	101,228,915
Subscription work in progress	-	-	-	59,258	-	59,258
Buildings and systems Improvements other than buildings	65,331,517	69,144,684	79,721,592	78,870,638	145,053,109	148,015,322
Machinery and equipment	10,565,036	12,722,889	586,411,977	602,276,296	596,977,013	614,999,185
Infrastructure	47,071,516	54,304,622	43,954,966	53,783,843	91,026,482	108,088,465
Software subscriptions	798,717,538	859,744,581	-	-	798,717,538	859,744,581
Sub-total	-	11,685	-	9,176	-	20,861
Sub-total	970,782,725	1,045,531,135	793,487,579	850,130,075	1,764,270,304	1,895,661,210
Less Accum. Depreciation	(503,783,129)	(526,884,977)	(345,949,601)	(364,268,509)	(849,732,730)	(891,153,486)
Total	\$ 466,999,596	\$ 518,646,158	\$ 447,537,978	\$ 485,861,566	\$ 914,537,574	\$ 1,004,507,724

### Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of \$52,357,942 (principal). Of this amount, \$0 comprises debt backed by the full faith and credit of the City and \$23,565,001 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has \$17,640,001 and \$11,152,940 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Installment purchases	\$ 7,002,371	\$ 6,108,914	\$ 6,056,341	\$ 5,044,026	\$ 13,058,712	\$ 11,152,940
Revenue Bonds	148,095	-	27,623,904	23,565,001	27,771,999	23,565,001
Installment notes	14,609,350	13,367,025	4,570,650	4,272,976	19,180,000	17,640,001
Total long-term debt	\$ 21,759,816	\$ 19,475,939	\$ 38,250,895	\$ 32,882,003	\$ 60,010,711	\$ 52,357,942

In the current fiscal year, the City of Concord's total debt decreased by \$7,652,769 (13 percent). There is more information available in Note 8 of this document regarding refunding and advance refunding issues in prior years.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The City's debt as a percentage of assessed value of taxable property is 0.14%. The legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is \$1,101,738,345. The current debt limitation for the City of Concord is \$1,121,214,284, which is significantly greater than the City of Concord's outstanding general obligation debt.

Additional information on the City of Concord's long-term debt can be found in Note 8 on pages 78 through 85 of this report.

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

- Budget development for FY 2024 was driven by staffing needs associated with the City's continued growth, changes in service provision, inflationary cost pressures, and general uncertainty about the direction of the economy. Economic changes, like higher interest rates, supply chain issues, and increased costs for goods, have impacted all levels of the community. Local governments are facing fiscal pressures to afford their current needs and services in an environment where prices seem to continually increase.
- The unemployment rate for Cabarrus County at June of 2023 was 3.4%, which is a decrease from a rate of 3.7% in June of 2022. The state's unemployment rate for June of 2023 was 3.3%.
- Concord's certified population has increased from 79,066 in 2010 to an estimated 110,886 as of July 1, 2022 (per NC Office of State Budget & Management), which represents a growth rate of 40%. The City experienced a 2.5% growth in current year population when compared to the certified population estimate as of July 1, 2021. Concord's most recent estimated population is 110,886 according the United States census estimates. Concord is the 10<sup>th</sup> 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.

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

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2024. The amount of unassigned fund balance in the general fund is \$61,254,521 as of July 1, 2023. Concord has no appropriation from fund balance for the 2024 fiscal year.

The tax base used in the fiscal year 2024 budget preparation represents an estimated 4% increase in real property values from fiscal year 2023 projections. The increase is a result of continued development and growth in the city. One cent on the City's tax rate produces \$1,584,000 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 2024 budget does not change the tax rate of \$0.4800 per \$100 property evaluation.

The City's downtown is undergoing a metamorphosis, with multiple residential developments underway and an increase in pedestrian friendly amenities. Development (new and infill) is strong in downtown. New businesses and restaurants continue to fill vacancies as soon as they become available. Lansing Melbourne Group (LMG) is constructing three mixed-use Novi projects, representing an estimated \$70 million in private investment. Approximately 294 dwelling units, including 170 affordable/workforce units, are being built. These units provide more options for those who work in the City to live here too. Construction has started on the new Downtown Streetscape, which will widen sidewalks and create additional opportunities for outdoor dining. Means Avenue has been transformed into an open, pedestrian-friendly space for future programming and activities driven by the expansion and renovation of the County courthouse. The Annex project, formerly the home of the City's Planning and Human Resources departments, is now complete. Its lowest level operates as a non-profit center, providing affordable office space to local non-profits. The main and second levels will soon open as retail, restaurant, and office space. Staff are working diligently to promote downtown Concord as an ideal place to live and work.

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 Energy effective January 1, 2019 to purchase power. Savings from this contract allowed Electric to complete five substations, three delivery stations, and construct the Electric Operations Center without having to raise rates. A volatile natural gas market caused a dramatic spike in the City's purchased power costs during fiscal year 2022. This unprecedented increase left Concord at an impasse: either raise base rates or change the Purchased Power Adjustment (PPA). The PPA was created in 2011 to help Concord manage purchased power cost volatilities throughout the year without having to change

base rates. To help pay for the cost increase, the City made the tough decision to reset the purchase power adjustment to zero for the first time since 2016. Rate stabilization funds were also used to help alleviate additional cost increases and prevent base rate changes. The City also did a full cost of service study and is implementing the results of that study in FY24. The PPA is evaluated each quarter to determine if any adjustments need to be made due to volatility in natural gas prices.

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 297 miles of sidewalk and over 764 lane miles of roads.

Concord-Padgett Regional Airport has partially emerged from the COVID-19 crisis. Flights, parking, and fuel sales have begun to bounce back to pre-pandemic levels. This recovery allowed the Airport to increase fuel sale revenues and continue with maintenance projects. While some projects are still on hold, such as the domicile base for Allegiant Travel Company, there are exciting things coming to the airport. These projects allow the Airport to remain at the front of innovation and efficiency.

The construction of a new Fire Station 6 located at Concord-Padgett Regional Airport will replace an outgrown, existing facility and will share space with the Police Department's new David District. This station will still respond to emergencies at the airport and will now cover development in the Cox Mill/Christenbury Parkway area.

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), now known as WeBuild Concord, was formed. This non-profit will allow the City to pursue funding opportunities that are not possible under the City's existing Housing Department. The City is continuing to set aside 1¢ of the tax rate 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. The 1¢ dedicated to Parks & Recreation helps to accelerate site control and increase connectivity. To further enhance and expand our parks, the City placed a \$60 million general obligation bond package on the ballot in November 2022. With the passing of the bond referendum, the City will accelerate projects related to the adopted master plans and address City-wide needs for additional recreation resources. The funding will go towards developing playgrounds, splashpads, a pump track, and more at ten locations 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 design plans for the Academy/Gibson Village area, Wilson Street Park, David Phillips Activity Center park development, and the WW Flowe Complex.

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 2024. Below is a list of personnel decisions over the past five years as well as the 2023/24 adoption.

**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.

**FY22/23:** Merit adjustments are available on the evaluation date from 1% to 3% based on evaluation ratings, a 2% market adjustment will be provided to all employees effective July 11, 2022, and a 1.5% career development increase is available to all employees who complete their career development plan.

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

## **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, 2023**

**Exhibit A**  
**Page 1 of 2**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Concord ABC Board	WeBuild Concord
<b>ASSETS</b>					
Cash and investments	\$ 136,099,238	\$ 210,137,605	\$ 346,236,843	\$ 6,486,143	\$ 7,061,886
Receivables, net	14,569,364	29,898,735	44,468,099	-	431,861
Internal balances	9,101,446	(9,101,446)	-	-	-
Inventories	162,731	9,373,301	9,536,032	5,280,380	1,298,873
Prepaid expenses	61,670	25,410	87,080	1,163,065	9,880
Deposits	-	-	-	-	5,000
Restricted assets - cash and investments	35,434,312	8,860,674	44,294,986	-	-
Lease receivable	181,465	7,231,841	7,413,306	-	-
Capital assets:					
Non-depreciable	49,602,674	115,190,122	164,792,796	3,863,583	672,545
Depreciable, net	469,043,484	370,671,444	839,714,928	7,451,965	8,008
Total assets	<u>714,256,384</u>	<u>742,287,686</u>	<u>1,456,544,070</u>	<u>24,245,136</u>	<u>9,488,053</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan (LGRS)	20,794,481	11,015,955	31,810,436	650,087	-
Pension plan (LEOSSA)	2,686,446	-	2,686,446	-	-
OPEB deferrals	4,566,144	2,418,932	6,985,076	-	-
Deferred charge on refunding	104,053	1,890,634	1,994,687	-	-
Total deferred outflows of resources	<u>28,151,124</u>	<u>15,325,521</u>	<u>43,476,645</u>	<u>650,087</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	20,490,445	10,250,504	30,740,949	1,183,616	9,720
Accrued interest payable	-	114,626	114,626	-	-
Advance from grantors	1,306,710	4,566,599	5,873,309	-	-
Unearned revenues	6,276	-	6,276	-	-
Deposits payable from restricted resources	4,258,478	3,706,106	7,964,584	-	-
Non-current liabilities:					
Due within one year:					
Long-term debt	4,551,489	3,793,504	8,344,993	-	-
Installment purchases	887,080	1,012,400	1,899,480	-	-
Lease liability	30,937	103,745	134,682	150,226	8,021

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

**Exhibit A**  
**Page 2 of 2**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Concord ABC Board	WeBuild Concord
<b>LIABILITIES cont.</b>					
Due in more than one year:					
Net pension liability (LRS)	31,895,058	16,896,524	48,791,582	890,218	-
Total pension liability (LEOSSA)	9,279,973	-	9,279,973	-	-
Net OPEB Liability	29,324,409	4,376,247	33,700,656	-	-
Long-term debt	14,969,417	29,589,753	44,559,170	-	-
Long-term installment purchases	5,221,834	4,031,626	9,253,460	-	-
Lease liability	76,702	338,736	415,438	1,188,848	-
Total liabilities	<u>122,298,808</u>	<u>78,780,370</u>	<u>201,079,178</u>	<u>3,412,908</u>	<u>17,741</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals (LRS)	264,478	140,110	404,588	3,761	-
Pension deferrals (LEOSSA)	2,367,730	-	2,367,730	-	-
OPEB Deferrals	4,353,999	2,306,546	6,660,545	-	-
Leases	176,966	7,189,875	7,366,841	-	-
Prepaid taxes	75,408	-	75,408	-	-
Total deferred inflows of resources	<u>7,238,581</u>	<u>9,636,531</u>	<u>16,875,112</u>	<u>3,761</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	497,858,819	450,426,523	948,285,342	10,036,577	
Restricted for:					
Streets	2,348,036	-	2,348,036		
Stabilization by State Statute	49,170,417	-	49,170,417		
Other	3,621,622	-	3,621,622	5,082,967	13,554
Unrestricted	59,871,225	218,769,783	278,641,008	6,359,011	9,456,758
Total net position	<u>\$ 612,870,119</u>	<u>\$ 669,196,306</u>	<u>\$ 1,282,066,425</u>	<u>\$ 21,478,555</u>	<u>\$ 9,470,312</u>

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2023

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Primary Government		Concord ABC Board	WeBuild Concord
					Activities	Business-type Activities	Total		
<b>Primary Government:</b>									
<b>Governmental activities:</b>									
General government	\$ 12,889,305	\$ 2,453,971	\$ 14,311,867	\$ -	\$ 3,876,533	\$ -	\$ 3,876,533	\$ -	\$ -
Public safety	63,869,676	1,641,967	1,212,363	-	(61,015,346)	-	(61,015,346)	-	-
Public works	41,732,671	3,695,681	3,867,466	56,717,868	22,548,344	-	22,548,344	-	-
Cultural and recreational	8,718,316	494,837	-	-	(8,223,479)	-	(8,223,479)	-	-
Planning and community development	5,306,325	244,125	-	-	(5,062,200)	-	(5,062,200)	-	-
Administration	1,260,141	-	-	-	(1,260,141)	-	(1,260,141)	-	-
Housing assistance payments	5,299,540	314,764	5,377,593	-	392,817	-	392,817	-	-
Rehabilitation	2,234,832	129,487	2,079,744	-	(25,601)	-	(25,601)	-	-
Interest expense	603,439	-	-	-	(603,439)	-	(603,439)	-	-
<b>Total governmental activities</b>	<b>141,914,245</b>	<b>8,974,832</b>	<b>26,849,033</b>	<b>56,717,868</b>	<b>(49,372,512)</b>	<b>-</b>	<b>(49,372,512)</b>	<b>-</b>	<b>-</b>
<b>Business-type activities:</b>									
Electric	90,244,107	108,896,096	-	4,122,488	-	22,774,477	22,774,477	-	-
Water	27,850,467	29,434,776	-	9,990,615	-	11,574,924	11,574,924	-	-
Wastewater	20,100,600	20,220,958	-	4,763,780	-	4,884,138	4,884,138	-	-
Regional airport	19,902,319	15,112,385	-	3,967,461	-	(822,473)	(822,473)	-	-
Stormwater	6,614,189	5,523,166	-	-	-	(1,091,023)	(1,091,023)	-	-
Transit	5,964,316	219,582	13,654,762	-	-	7,910,028	7,910,028	-	-
Golf course	2,704,661	3,158,285	-	-	-	453,624	453,624	-	-
Housing	2,752,705	482,730	1,479,209	-	-	(790,766)	(790,766)	-	-
<b>Total business-type activities</b>	<b>176,133,364</b>	<b>183,047,978</b>	<b>15,133,971</b>	<b>22,844,344</b>	<b>-</b>	<b>44,892,929</b>	<b>44,892,929</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 318,047,609</b>	<b>\$ 192,022,810</b>	<b>\$ 41,983,004</b>	<b>\$ 79,562,212</b>	<b>\$ (49,372,512)</b>	<b>\$ 44,892,929</b>	<b>\$ (4,479,583)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component units:</b>									
Concord ABC Board	\$ 22,838,091	\$ 25,960,420	\$ -	\$ -				\$ 3,122,329	
WeBuild Concord	365,789	91,900	8,696,066	-					8,422,177
	<b>\$ 23,203,880</b>	<b>\$ 26,052,320</b>	<b>\$ 8,696,066</b>	<b>\$ -</b>					
<b>General revenues:</b>									
<b>Taxes:</b>									
Ad valorem					74,645,935	-	74,645,935	-	-
Local government sales tax					29,025,343	-	29,025,343	-	-
<b>Grants and contributions not restricted to specific programs:</b>									
Grants					6,353,443	-	6,353,443	-	-
Investment earnings					1,263,931	1,611,934	2,875,865	-	-
Gain (loss) on sale of capital assets					252,028	82,276	334,304	-	-
Miscellaneous					1,653,679	773,245	2,426,924	18,632	-
Transfers					(1,996,071)	1,996,071	-	-	-
<b>Total general revenues and transfers</b>					<b>111,198,288</b>	<b>4,463,526</b>	<b>115,661,814</b>	<b>18,632</b>	<b>-</b>
Change in net position					61,825,776	49,356,455	111,182,231	3,140,961	8,422,177
Net position - beginning					551,044,343	619,839,851	1,170,884,194	18,337,594	1,048,135
Net position - ending					<b>\$ 612,870,119</b>	<b>\$ 669,196,306</b>	<b>\$ 1,282,066,425</b>	<b>\$ 21,478,555</b>	<b>\$ 9,470,312</b>

See Notes to Financial Statements



**CITY OF CONCORD, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2023**

**Exhibit C**

	General Fund	General Fund Capital Reserve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 83,303,398	\$ -	\$ 52,795,840	\$ 136,099,238
Receivables:				
Ad valorem taxes, net	914,920	-	5,764	920,684
Due from other governmental agencies	1,184,054	-	482,264	1,666,318
Sales tax refunds	2,624,259	-	-	2,624,259
Interest	117,852	32,872	79,554	230,278
Due from other funds	9,180,513	-	-	9,180,513
Other, net	8,662,467	-	465,358	9,127,825
Lease receivable	181,465	-	-	181,465
Inventories	162,731	-	-	162,731
Prepaid items	61,024	-	646	61,670
Restricted assets - cash and investments	6,597,109	24,578,267	4,258,936	35,434,312
Total assets	<u>\$ 112,989,792</u>	<u>\$ 24,611,139</u>	<u>\$ 58,088,362</u>	<u>\$ 195,689,293</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 15,069,102	\$ -	\$ 4,841,779	\$ 19,910,881
Advance from grantors	-	-	1,306,710	1,306,710
Due to other funds	-	-	79,068	79,068
Unearned revenues	6,276	-	-	6,276
Deposits payable from restricted assets	4,249,073	-	9,405	4,258,478
Total liabilities	<u>19,324,451</u>	<u>-</u>	<u>6,236,962</u>	<u>25,561,413</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes receivable	914,920	-	5,764	920,684
Leases	176,966	-	-	176,966
Prepaid taxes	75,408	-	-	75,408
Total deferred inflows of resources	<u>1,167,294</u>	<u>-</u>	<u>5,764</u>	<u>1,173,058</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Inventories	162,731	-	-	162,731
Prepays	61,024	-	646	61,670
Leases	4,499	-	-	4,499
Restricted				
Stabilization by State Statute	27,676,449	32,872	21,461,096	49,170,417
Transportation	2,348,036	-	-	2,348,036
Public safety	990,787	-	-	990,787
Planning and community development	-	-	282,799	282,799
Committed				
Future capital purchases	-	24,578,267	27,256,287	51,834,554
Planning and community development	-	-	2,983,323	2,983,323
Unassigned	61,254,521	-	(138,515)	61,116,006
Total fund balances (deficits)	<u>92,498,047</u>	<u>24,611,139</u>	<u>51,845,636</u>	<u>168,954,822</u>
Total liabilities, deferred inflows of resources and fund balances				
	<u>\$ 112,989,792</u>	<u>\$ 24,611,139</u>	<u>\$ 58,088,362</u>	<u>\$ 195,689,293</u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**RECONCILIATION OF BALANCE SHEET TO STATEMENT OF NET POSITION**  
**June 30, 2023**

**Exhibit D**

Fund balances of governmental funds	\$	168,954,822
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	1,045,358,161	
Less accumulated depreciation	<u>(526,818,771)</u>	518,539,390
Right to use asset at historical cost	161,289	
Accumulated amortization	<u>(59,833)</u>	101,456
Subscription asset	11,685	
Accumulated amortization	<u>(6,373)</u>	5,312
Deferred outflows of resources related to pensions (LGERS) are not reported in the governmental funds		20,794,481
Deferred outflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		2,686,446
Deferred outflows of resources related to OPEB are not reported in the governmental funds		4,566,144
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	(13,367,025)	
Governmental installment purchases	(6,108,914)	
Leases	(107,639)	
Total pension liability (LEOSSA)	(9,279,973)	
Net pension liability (LGERS)	(31,895,058)	
Net OPEB liability	(29,324,409)	
Accrued vacation payable	(5,062,176)	
Subscription payable	<u>(5,881)</u>	(95,151,075)
Deferred charge on refunding	229,502	
Less accumulated amortization	<u>(125,449)</u>	104,053
Bond premium	(1,964,825)	
Less accumulated amortization	<u>879,001</u>	(1,085,824)
Deferred inflows of resources related to pensions (LGERS) are not reported in the governmental funds		(264,478)
Deferred inflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		(2,367,730)
Deferred inflows of resources related to OPEB are not reported in the governmental funds		(4,353,999)
Costs of health claims not accrued in the governmental fund statements		(433,519)
Costs of workers' compensation claims reserves not accrued in the governmental fund statements		(146,044)
Earned revenues considered deferred inflows of resources in fund statements		920,684
Net position of governmental activities	<u>\$</u>	<u>612,870,119</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

**Exhibit E**

	General Fund	General Fund Capital Reserve	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Ad valorem taxes	\$ 74,470,823	\$ -	\$ 186,351	\$ 74,657,174
Other taxes	29,025,343	-	-	29,025,343
Unrestricted intergovernmental revenues	6,353,443	-	-	6,353,443
Restricted intergovernmental revenues	6,111,940	-	22,467,990	28,579,930
Licenses and permits	2,658,210	-	-	2,658,210
Investment earnings	522,430	(4,033)	745,534	1,263,931
Investment earnings, restricted	24,961	-	-	24,961
Program income	-	-	1,128,057	1,128,057
Other revenues	5,678,534	-	25,814	5,704,348
Total revenues	<u>124,845,684</u>	<u>(4,033)</u>	<u>24,553,746</u>	<u>149,395,397</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,832,379	-	2,980,449	11,812,828
Public safety	56,941,639	-	-	56,941,639
Public works	22,412,485	-	-	22,412,485
Cultural and recreational	7,576,326	-	-	7,576,326
Planning and community development	3,332,973	-	1,813,335	5,146,308
Administration	-	-	1,260,140	1,260,140
Housing assistance payments	-	-	5,299,540	5,299,540
Rehabilitation	-	-	2,234,832	2,234,832
Capital outlay	6,174,845	-	13,213,945	19,388,790
Debt service:				
Principal	1,074,608	-	1,242,325	2,316,933
Interest expense	108,642	-	598,210	706,852
Total expenditures	<u>106,453,897</u>	<u>-</u>	<u>28,642,776</u>	<u>135,096,673</u>
Excess (deficiency) of revenues over expenditures	<u>18,391,787</u>	<u>(4,033)</u>	<u>(4,089,030)</u>	<u>14,298,724</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	255,834	-	-	255,834
Subscription liability issued	11,685	-	-	11,685
Transfers from other funds	19,898,242	9,500,000	26,195,935	55,594,177
Transfers to other funds	(35,345,980)	(5,852,700)	(16,391,567)	(57,590,247)
Total other financing sources (uses)	<u>(15,180,219)</u>	<u>3,647,300</u>	<u>9,804,368</u>	<u>(1,728,551)</u>
Net change in fund balances	3,211,568	3,643,267	5,715,338	12,570,173
Fund balances - beginning	89,286,479	20,967,872	46,130,298	156,384,649
Fund balances - ending	<u>\$ 92,498,047</u>	<u>\$ 24,611,139</u>	<u>\$ 51,845,636</u>	<u>\$ 168,954,822</u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023**

**Exhibit F**

Net change in fund balances - total government funds	\$	12,570,173
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.		
Expenditures for capital assets	19,377,105	
Capital contributions	56,099,906	
Current year's depreciation	<u>(23,933,411)</u>	51,543,600
Amortization expense for right to use leased asset	<u>(31,217)</u>	(31,217)
Subscription asset capital outlay expenditures which were capitalized	11,685	
Amortization expense for software subscription assets	<u>(6,373)</u>	5,312
Repayment of long term debt principal is considered an expenditure in the governmental funds, but their repayment reduces long-term liabilities in the statement of net position.		
New long-term debt issued	(11,685)	
Principal payments	2,316,933	
Premium	<u>103,412</u>	2,408,660
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	(13,058)	
Change in law enforcement officers special separation allowance and related deferred inflows and deferred outflows	(546,560)	
Change in OPEB liability and related deferred inflows and deferred outflows	(172,374)	
Change in pension liability (LGERS) and related deferred inflows and deferred outflows	(3,761,742)	
Change in long-term compensated absences	<u>(324,446)</u>	(4,818,180)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		(11,242)
Costs of health claims paid in the governmental fund statements		107,861
Costs of workers' compensation claims not accrued in the governmental fund statements		54,615
Basis of property disposed of during the year		(3,806)
Change in net position of governmental activities	<u>\$</u>	<u>61,825,776</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Ad valorem taxes:				
Current year	\$ 72,064,504	\$ 72,064,504	\$ 73,857,327	\$ 1,792,823
Prior years	208,000	208,000	386,710	178,710
Penalties and interest	150,000	150,000	226,786	76,786
	<u>72,422,504</u>	<u>72,422,504</u>	<u>74,470,823</u>	<u>2,048,319</u>
Other taxes:				
Local government sales tax	23,241,601	28,548,679	29,025,343	476,664
	<u>23,241,601</u>	<u>28,548,679</u>	<u>29,025,343</u>	<u>476,664</u>
Unrestricted intergovernmental revenues:				
Officers' fees	20,000	20,000	25,191	5,191
Utilities sales tax	4,976,880	4,976,880	5,837,722	860,842
Beer and wine tax	400,000	490,530	490,530	-
	<u>5,396,880</u>	<u>5,487,410</u>	<u>6,353,443</u>	<u>866,033</u>
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,900,000	2,979,783	2,979,783	-
Cabarrus County schools	1,162,739	1,162,739	1,246,982	84,243
Transportation (federal, state and local)	409,989	421,030	364,741	(56,289)
On-behalf of payments - Fire and Rescue	-	-	32,218	32,218
Other restricted intergovernmental revenues	805,313	1,182,364	1,488,216	305,852
	<u>5,278,041</u>	<u>5,745,916</u>	<u>6,111,940</u>	<u>366,024</u>
Licenses and permits:				
Vehicle licenses	1,820,000	1,850,000	2,085,997	235,997
Zoning permits	260,000	260,000	347,875	87,875
Fire permits and inspections	172,000	172,000	204,239	32,239
Business registration fee	-	-	6,696	6,696
Other	10,500	10,500	13,403	2,903
	<u>2,262,500</u>	<u>2,292,500</u>	<u>2,658,210</u>	<u>365,710</u>
Investment earnings	-	-	522,430	522,430
Investment earnings restricted	-	-	24,961	24,961
	<u>-</u>	<u>-</u>	<u>547,391</u>	<u>547,391</u>
Other general revenues:				
Public safety	186,570	186,570	190,746	4,176
Environmental protection	3,173,341	3,173,341	3,256,000	82,659
Miscellaneous	1,284,875	1,686,353	1,736,951	50,598
Recreational	422,635	422,635	494,837	72,202
	<u>5,067,421</u>	<u>5,468,899</u>	<u>5,678,534</u>	<u>209,635</u>
Total revenues	<u>113,668,947</u>	<u>119,965,908</u>	<u>124,845,684</u>	<u>4,879,776</u>
<b>EXPENDITURES</b>				
General government:				
Governing body:				
Salaries and employee benefits	162,492	193,992	192,532	1,460
Professional services	185,016	235,016	201,098	33,918
Operating expenditures	188,189	196,389	181,673	14,716
Cost allocations	(250,620)	(250,620)	(330,463)	79,843
	<u>285,077</u>	<u>374,777</u>	<u>244,840</u>	<u>129,937</u>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
City Manager's Office:				
Salaries and employee benefits	1,311,963	1,363,556	1,353,178	10,378
Professional services	224,767	254,767	180,371	74,396
Operating expenditures	172,740	179,890	130,779	49,111
Cost allocations	(707,501)	(707,501)	(717,783)	10,282
	<u>1,001,969</u>	<u>1,090,712</u>	<u>946,545</u>	<u>144,167</u>
Public Service Administration department:				
Salaries and employee benefits	195,665	195,665	206,660	(10,995)
Professional services	5,540	5,540	2,799	2,741
Operating expenditures	361,687	411,687	332,045	79,642
Debt service	149,333	149,333	149,332	1
Cost allocations	(538,958)	(538,958)	(536,064)	(2,894)
	<u>173,267</u>	<u>223,267</u>	<u>154,772</u>	<u>68,495</u>
Finance department:				
Salaries and employee benefits	1,380,509	1,380,509	1,379,937	572
Professional services	58,545	58,545	41,492	17,053
Operating expenditures	260,704	269,304	222,418	46,886
Capital outlay	-	12,819	24,504	(11,685)
Debt service	-	-	5,804	(5,804)
Cost allocations	(995,037)	(995,037)	(977,563)	(17,474)
	<u>704,721</u>	<u>726,140</u>	<u>696,592</u>	<u>29,548</u>
Tax department:				
Salaries and employee benefits	100,729	100,729	103,979	(3,250)
Professional services	5,659	5,659	4,492	1,167
Operating expenditures	303,743	343,743	328,351	15,392
Cost allocations	11,885	11,885	12,658	(773)
	<u>422,016</u>	<u>462,016</u>	<u>449,480</u>	<u>12,536</u>
Legal department:				
Salaries and employee benefits	779,437	814,437	813,411	1,026
Professional services	75,000	75,000	106,819	(31,819)
Operating expenditures	56,141	56,141	31,380	24,761
Cost allocations	(508,759)	(508,759)	(531,322)	22,563
	<u>401,819</u>	<u>436,819</u>	<u>420,288</u>	<u>16,531</u>
Human resources:				
Salaries and employee benefits	1,298,226	1,298,226	1,238,181	60,045
Professional services	369,679	369,679	336,343	33,336
Operating expenditures	273,521	273,521	235,611	37,910
Cost allocations	(675,109)	(675,109)	(634,143)	(40,966)
	<u>1,266,317</u>	<u>1,266,317</u>	<u>1,175,992</u>	<u>90,325</u>
Wellness center:				
Professional services	442,701	442,701	307,912	134,789
Operating expenditures	14,195	14,195	13,951	244
Cost allocations	(118,360)	(118,360)	(73,448)	(44,912)
	<u>338,536</u>	<u>338,536</u>	<u>248,415</u>	<u>90,121</u>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Nondepartmental:				
Professional services	24,000	190,245	77,369	112,876
Operating expenditures	2,192,158	2,156,456	2,094,984	61,472
Outside agencies	64,000	2,103,320	2,095,660	7,660
Capital outlay	4,950	4,950	-	4,950
Debt service	-	-	27,252	(27,252)
Cost allocations	400,016	400,016	407,082	(7,066)
	<u>2,685,124</u>	<u>4,854,987</u>	<u>4,702,347</u>	<u>152,640</u>
Total general government	<u>7,278,846</u>	<u>9,773,571</u>	<u>9,039,271</u>	<u>734,300</u>
Public safety:				
Police department:				
Salaries and employee benefits	19,954,058	19,979,058	19,733,685	245,373
Professional services	293,257	293,257	316,360	(23,103)
Operating expenditures	4,694,387	4,663,238	3,713,473	949,765
Capital outlay	1,127,085	1,191,215	830,185	361,030
Cost allocations	1,140,409	1,140,409	1,201,771	(61,362)
	<u>27,209,196</u>	<u>27,267,177</u>	<u>25,795,474</u>	<u>1,471,703</u>
Communications:				
Salaries and employee benefits	1,906,529	1,745,529	1,706,803	38,726
Professional services	8,619	8,619	12,734	(4,115)
Operating expenditures	620,073	645,073	264,434	380,639
Capital outlay	80,000	80,000	71,407	8,593
Cost allocations	(10,892)	(10,892)	32,656	(43,548)
	<u>2,604,329</u>	<u>2,468,329</u>	<u>2,088,034</u>	<u>380,295</u>
Fire department:				
Salaries and employee benefits	22,374,585	22,519,585	22,799,565	(279,980)
Professional services	327,780	327,780	286,306	41,474
Operating expenditures	4,683,651	4,633,651	3,505,879	1,127,772
Capital outlay	4,932,585	4,932,585	3,590,208	1,342,377
Debt service	1,000,862	1,000,862	1,000,862	-
Cost allocations	1,652,896	1,652,896	1,719,509	(66,613)
	<u>34,972,359</u>	<u>35,067,359</u>	<u>32,902,329</u>	<u>2,165,030</u>
Code enforcement:				
Salaries and employee benefits	798,571	798,571	814,317	(15,746)
Professional services	1,698	1,698	1,786	(88)
Operating expenditures	276,758	276,758	207,236	69,522
Capital outlay	82,923	82,923	57,968	24,955
Cost allocations	35,988	35,988	38,213	(2,225)
	<u>1,195,938</u>	<u>1,195,938</u>	<u>1,119,520</u>	<u>76,418</u>
Emergency management:				
Salaries and employee benefits	134,099	140,099	139,088	1,011
Professional services	39,644	39,644	39,691	(47)
Operating expenditures	62,216	62,216	36,231	25,985
Cost allocations	(48,470)	(48,470)	(44,266)	(4,204)
	<u>187,489</u>	<u>193,489</u>	<u>170,744</u>	<u>22,745</u>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2023**

**Exhibit G**  
**Page 4 of 5**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Radio shop:				
Salaries and employee benefits	448,482	448,482	462,321	(13,839)
Professional services	3,395	3,395	3,490	(95)
Operating expenditures	155,702	155,702	109,445	46,257
Cost allocations	(158,579)	(158,579)	(159,088)	509
	<u>449,000</u>	<u>449,000</u>	<u>416,168</u>	<u>32,832</u>
Total Public safety	<u>66,618,311</u>	<u>66,641,292</u>	<u>62,492,269</u>	<u>4,149,023</u>
Public works:				
Traffic services:				
Salaries and employee benefits	419,358	419,358	435,083	(15,725)
Professional services	16,273	16,273	2,674	13,599
Operating expenditures	237,437	237,437	114,953	122,484
Capital outlay	29,330	29,330	23,330	6,000
Cost allocations	47,812	47,812	50,032	(2,220)
	<u>750,210</u>	<u>750,210</u>	<u>626,072</u>	<u>124,138</u>
Transportation signal:				
Salaries and employee benefits	715,465	810,965	755,814	55,151
Professional services	32,485	32,485	21,908	10,577
Operating expenditures	654,831	643,470	422,313	221,157
Capital outlay	275,000	286,361	281,258	5,103
Cost allocations	83,484	83,484	86,909	(3,425)
	<u>1,761,265</u>	<u>1,856,765</u>	<u>1,568,202</u>	<u>288,563</u>
Transportation:				
Salaries and employee benefits	2,733,449	2,727,449	2,703,984	23,465
Professional services	44,254	44,254	10,740	33,514
Operating expenditures	7,437,217	8,251,945	5,074,910	3,177,035
Capital outlay	551,299	878,093	379,064	499,029
Cost allocations	711,552	711,552	752,339	(40,787)
	<u>11,477,771</u>	<u>12,613,293</u>	<u>8,921,037</u>	<u>3,692,256</u>
Fleet services:				
Salaries and employee benefits	1,325,441	1,325,441	1,234,334	91,107
Professional services	424	424	1,021	(597)
Operating expenditures	3,105,681	3,415,807	3,535,032	(119,225)
Capital outlay	30,000	30,000	6,099	23,901
Cost allocations	(4,391,537)	(4,391,537)	(3,743,234)	(648,303)
	<u>70,009</u>	<u>380,135</u>	<u>1,033,252</u>	<u>(653,117)</u>
Solid waste and recycling:				
Salaries and employee benefits	3,208,360	2,956,767	2,835,672	121,095
Professional services	65,388	110,388	115,566	(5,178)
Operating expenditures	6,263,023	6,834,351	6,924,745	(90,394)
Capital outlay	938,993	934,493	630,551	303,942
Cost allocations	327,518	327,518	330,798	(3,280)
	<u>10,803,282</u>	<u>11,163,517</u>	<u>10,837,332</u>	<u>326,185</u>
Cemetery:				
Salaries and employee benefits	548,332	548,332	533,434	14,898
Professional services	37,162	37,162	38,537	(1,375)
Operating expenditures	146,862	146,862	113,114	33,748
Capital outlay	74,487	74,487	49,677	24,810
Cost allocations	59,847	59,847	61,807	(1,960)
	<u>866,690</u>	<u>866,690</u>	<u>796,569</u>	<u>70,121</u>
Total Public works	<u>25,729,227</u>	<u>27,630,610</u>	<u>23,782,464</u>	<u>3,848,146</u>



**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	2,804,995	2,429,995	2,164,566	265,429
Professional services	962,556	908,556	612,476	296,080
Operating expenditures	2,879,737	3,329,737	1,935,604	1,394,133
Capital outlay	20,000	20,000	17,820	2,180
Cost allocations	2,803,036	2,803,036	2,863,680	(60,644)
	<u>9,470,324</u>	<u>9,491,324</u>	<u>7,594,146</u>	<u>1,897,178</u>
Total Cultural and recreational	<u>9,470,324</u>	<u>9,491,324</u>	<u>7,594,146</u>	<u>1,897,178</u>
Planning and community development:				
Planning department:				
Salaries and employee benefits	2,059,491	2,059,491	1,965,753	93,738
Professional services	647,597	647,597	502,178	145,419
Operating expenditures	789,939	816,167	397,850	418,317
Capital outlay	-	285,000	212,774	72,226
Cost allocations	452,442	452,442	467,192	(14,750)
	<u>3,949,469</u>	<u>4,260,697</u>	<u>3,545,747</u>	<u>714,950</u>
Total Planning and community development	<u>3,949,469</u>	<u>4,260,697</u>	<u>3,545,747</u>	<u>714,950</u>
Total expenditures	<u>113,046,177</u>	<u>117,797,494</u>	<u>106,453,897</u>	<u>11,343,597</u>
Excess (deficiency) of revenues over expenditures	<u>622,770</u>	<u>2,168,414</u>	<u>18,391,787</u>	<u>16,223,373</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Fund balance appropriated	5,465,623	11,796,356	-	(11,796,356)
Subscription liability issued	-	-	11,685	11,685
Sale of capital assets	-	218,183	255,834	37,651
Transfers from other funds	4,931,077	21,163,027	19,898,242	(1,264,785)
Transfers to other funds	(11,019,470)	(35,345,980)	(35,345,980)	-
Total other financing sources (uses)	<u>(622,770)</u>	<u>(2,168,414)</u>	<u>(15,180,219)</u>	<u>(13,011,805)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>3,211,568</u>	<u>\$ 3,211,568</u>
Fund balances - beginning			89,286,479	
Fund balances - ending			<u>\$ 92,498,047</u>	

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2023

Exhibit H

	Major Enterprise Funds						Total Nonmajor Funds	Total Enterprise Funds	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Transit Fund			
<b>ASSETS</b>									
Current Assets									
Cash and investments	\$ 80,109,033	\$ 60,533,820	\$ 37,165,247	\$ 13,331,113	\$ 14,528,827	\$ -	\$ 4,231,773	\$ 209,899,813	\$ 237,792
Receivables:									
Accounts receivable, net	13,142,799	3,108,633	2,309,355	357,533	573,148	1,007,571	8,029	20,507,068	-
Due from other governmental agencies	-	45,432	-	332,165	-	8,678,228	21,824	9,077,649	-
Interest	122,414	90,378	50,249	29,176	19,744	-	2,057	314,018	-
Lease receivable	-	2,750,512	-	4,481,329	-	-	-	7,231,841	-
Inventories	8,144,568	819,236	82,330	94,334	17,056	-	166,628	9,324,152	49,149
Prepaid expenses	7,300	400	1,345	-	1,975	2,910	11,480	25,410	-
Total current assets	<u>101,526,114</u>	<u>67,348,411</u>	<u>39,608,526</u>	<u>18,625,650</u>	<u>15,140,750</u>	<u>9,688,709</u>	<u>4,441,791</u>	<u>256,379,951</u>	<u>286,941</u>
Noncurrent Assets									
Restricted assets - cash and investments	2,795,556	1,164,402	65,635	4,703,570	-	-	131,510	8,860,673	1
Capital assets	223,958,717	214,189,015	154,820,043	137,293,647	69,055,343	18,925,155	19,352,233	837,594,153	12,535,920
Less accumulated depreciation	(102,476,158)	(93,772,796)	(69,443,464)	(47,930,337)	(28,795,780)	(8,126,543)	(7,402,939)	(357,948,017)	(6,320,490)
Total noncurrent assets	<u>124,278,115</u>	<u>121,580,621</u>	<u>85,442,214</u>	<u>94,066,880</u>	<u>40,259,563</u>	<u>10,798,612</u>	<u>12,080,804</u>	<u>488,506,809</u>	<u>6,215,431</u>
Total assets	<u>225,804,229</u>	<u>188,929,032</u>	<u>125,050,740</u>	<u>112,692,530</u>	<u>55,400,313</u>	<u>20,487,321</u>	<u>16,522,595</u>	<u>744,886,760</u>	<u>6,502,372</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Pension deferrals (LGRS)	2,175,834	1,914,988	842,977	1,367,849	572,588	171,776	343,553	7,389,565	3,626,390
OPEB deferrals	477,779	420,502	185,105	300,358	125,731	37,719	75,439	1,622,633	796,299
Deferred charge on refunding	646,603	1,020,516	223,515	-	-	-	-	1,890,634	-
Total deferred outflows of resources	<u>3,300,216</u>	<u>3,356,006</u>	<u>1,251,597</u>	<u>1,668,207</u>	<u>698,319</u>	<u>209,495</u>	<u>418,992</u>	<u>10,902,832</u>	<u>4,422,689</u>
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable and accrued liabilities	5,633,714	924,607	1,223,654	696,703	496,959	355,399	474,322	9,805,358	445,146
Current portion of long-term debt	972,574	1,582,225	230,296	1,152,321	50,133	29,948	37,301	4,054,798	751,106
Current portion of lease liability	-	-	-	-	-	-	103,745	103,745	-
Accrued interest	27,590	45,908	9,163	17,961	-	-	-	100,622	14,004
Advance from grantors	-	-	-	4,566,599	-	-	-	4,566,599	-
Due to other funds	-	-	-	-	-	8,817,311	284,135	9,101,446	-
Total current liabilities	<u>6,633,878</u>	<u>2,552,740</u>	<u>1,463,113</u>	<u>6,433,584</u>	<u>547,092</u>	<u>9,202,658</u>	<u>899,503</u>	<u>27,732,568</u>	<u>1,210,256</u>
Noncurrent liabilities:									
Net pension liability (LGRS)	3,337,344	2,937,253	1,292,977	2,098,038	878,249	263,474	526,949	11,334,284	5,562,240
Net OPEB liability	206,423	185,987	136,337	1,762,977	92,559	216,936	520,503	3,121,722	1,254,525
Long-term debt due after one year	8,289,399	14,116,400	2,663,612	4,084,846	19,496	11,646	14,506	29,199,905	4,421,474
Long-term lease liability due after one year	-	-	-	-	-	-	338,736	338,736	-
Deposits payable from restricted assets	2,662,693	862,525	375	136,971	-	-	43,542	3,706,106	-
Total noncurrent liabilities	<u>14,495,859</u>	<u>18,102,165</u>	<u>4,093,301</u>	<u>8,082,832</u>	<u>990,304</u>	<u>492,056</u>	<u>1,444,236</u>	<u>47,700,753</u>	<u>11,238,239</u>
Total liabilities	<u>21,129,737</u>	<u>20,654,905</u>	<u>5,556,414</u>	<u>14,516,416</u>	<u>1,537,396</u>	<u>9,694,714</u>	<u>2,343,739</u>	<u>75,433,321</u>	<u>12,448,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Pension deferrals (LGRS)	27,674	24,356	10,722	17,397	7,283	2,185	4,370	93,987	46,123
OPEB deferrals	455,581	400,965	176,504	286,403	119,890	35,967	71,934	1,547,244	759,302
Leases	-	2,617,463	-	4,572,412	-	-	-	7,189,875	-
Total deferred inflows of resources	<u>483,255</u>	<u>3,042,784</u>	<u>187,226</u>	<u>4,876,212</u>	<u>127,173</u>	<u>38,152</u>	<u>76,304</u>	<u>8,831,106</u>	<u>805,425</u>
<b>NET POSITION</b>									
Net investment in capital assets	113,226,905	105,947,364	82,771,231	84,299,247	40,225,611	10,798,613	11,506,812	448,775,783	1,650,740
Unrestricted	94,264,548	62,639,985	37,787,466	10,668,862	14,208,452	165,337	3,014,732	222,749,382	(3,979,599)
Total net position	<u>\$ 207,491,453</u>	<u>\$ 168,587,349</u>	<u>\$ 120,558,697</u>	<u>\$ 94,968,109</u>	<u>\$ 54,434,063</u>	<u>\$ 10,963,950</u>	<u>\$ 14,521,544</u>	<u>671,525,165</u>	<u>\$ (2,328,859)</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								(2,328,859)	
Net position of business-type activities								<u>\$ 669,196,306</u>	

CITY OF CONCORD, NORTH CAROLINA  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2023**

Exhibit I

	Major Enterprise Funds						Total Nonmajor Funds	Total Enterprise Funds	Business-type
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Transit Fund			Internal Service Fund
<b>OPERATING REVENUES</b>									
Charges for services	\$ 107,396,902	\$ 27,365,100	\$ 18,851,097	\$ 15,043,140	\$ 5,494,909	\$ 219,582	\$ 2,454,793	\$ 176,825,523	\$ 19,391,661
Other operating revenues	1,499,194	2,069,676	1,369,861	69,245	28,257	-	1,186,222	6,222,455	-
Total operating revenues	<u>108,896,096</u>	<u>29,434,776</u>	<u>20,220,958</u>	<u>15,112,385</u>	<u>5,523,166</u>	<u>219,582</u>	<u>3,641,015</u>	<u>183,047,978</u>	<u>19,391,661</u>
<b>OPERATING EXPENSES</b>									
General and administrative	5,032,262	-	-	-	-	693,181	1,498,848	7,224,291	10,625,914
Professional services	-	-	-	-	-	4,172,897	1,025,027	5,197,924	2,733,149
Water plants and lakes	-	12,901,716	-	-	-	-	-	12,901,716	-
Water line operation and maintenance	-	9,413,675	-	-	-	-	-	9,413,675	-
Wastewater line and plant	-	-	16,030,006	-	-	-	-	16,030,006	-
Purchased power	66,595,595	-	-	-	-	-	-	66,595,595	-
Power line and plant	14,134,095	-	-	-	-	-	-	14,134,095	-
Airport operations and maintenance	-	-	-	16,082,373	-	-	-	16,082,373	-
Stormwater operation and maintenance	-	-	-	-	4,643,428	-	-	4,643,428	-
Utilities	-	-	-	-	-	-	380,192	380,192	-
Housing maintenance and repairs	-	-	-	-	-	-	316,814	316,814	-
Operating supplies	-	-	-	-	-	611,871	-	611,871	-
Other operating costs	-	-	-	-	-	(30)	1,566,706	1,566,676	5,058,280
Depreciation and amortization	4,130,005	4,944,385	3,949,081	3,677,236	1,970,761	486,397	666,071	19,823,936	605,957
Total operating expenses	<u>89,891,957</u>	<u>27,259,776</u>	<u>19,979,087</u>	<u>19,759,609</u>	<u>6,614,189</u>	<u>5,964,316</u>	<u>5,453,658</u>	<u>174,922,592</u>	<u>19,023,300</u>
Operating income (loss)	<u>19,004,139</u>	<u>2,175,000</u>	<u>241,871</u>	<u>(4,647,224)</u>	<u>(1,091,023)</u>	<u>(5,744,734)</u>	<u>(1,812,643)</u>	<u>8,125,386</u>	<u>368,361</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>									
Operating subsidy	-	-	-	-	-	13,654,762	1,479,209	15,133,971	-
Investment earnings	819,133	389,327	280,371	26,980	97,947	-	(1,824)	1,611,934	-
Interest expense	(352,150)	(590,691)	(121,513)	(142,710)	-	-	(3,708)	(1,210,772)	(184,510)
Gain (loss) on sale of capital assets	12,776	10,350	25,999	-	35,151	-	(2,000)	82,276	-
Other	-	-	-	338	-	439,692	149,364	589,394	-
Total nonoperating revenues (expenses)	<u>479,759</u>	<u>(191,014)</u>	<u>184,857</u>	<u>(115,392)</u>	<u>133,098</u>	<u>14,094,454</u>	<u>1,621,041</u>	<u>16,206,803</u>	<u>(184,510)</u>
Income (loss) before contributions and transfers	<u>19,483,898</u>	<u>1,983,986</u>	<u>426,728</u>	<u>(4,762,616)</u>	<u>(957,925)</u>	<u>8,349,720</u>	<u>(191,602)</u>	<u>24,332,189</u>	<u>183,851</u>
Capital contributions	4,122,488	9,990,615	4,763,780	3,967,461	-	-	-	22,844,344	-
Transfers in	-	-	-	861,659	-	1,338,831	445,958	2,646,448	-
Transfers out	(650,377)	-	-	-	-	-	-	(650,377)	-
Change in net position	<u>22,956,009</u>	<u>11,974,601</u>	<u>5,190,508</u>	<u>66,504</u>	<u>(957,925)</u>	<u>9,688,551</u>	<u>254,356</u>	<u>49,172,604</u>	<u>183,851</u>
Total net position - beginning	<u>184,535,444</u>	<u>156,612,748</u>	<u>115,368,189</u>	<u>94,901,605</u>	<u>55,391,988</u>	<u>1,275,399</u>	<u>14,267,188</u>	<u>(2,512,710)</u>	<u>(2,512,710)</u>
Total net position - ending	<u>\$ 207,491,453</u>	<u>\$ 168,587,349</u>	<u>\$ 120,558,697</u>	<u>\$ 94,968,109</u>	<u>\$ 54,434,063</u>	<u>\$ 10,963,950</u>	<u>\$ 14,521,544</u>	<u>\$ 183,851</u>	<u>\$ (2,328,859)</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds								183,851	
Change in net position of business-type activities								<u>\$ 49,356,455</u>	

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2023

Exhibit J

	Major Enterprise Funds							Total Enterprise Funds	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Transit Fund	Total Nonmajor Enterprise Funds		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from customers	\$ 107,264,686	\$ 29,768,449	\$ 20,339,251	\$ 16,266,069	\$ 5,509,263	\$ (5,736,490)	\$ 3,930,550	\$ 177,341,778	\$ 19,391,663
Payments to employees	(8,272,994)	(5,571,135)	(2,677,649)	(3,449,328)	(1,909,685)	(607,645)	(570,291)	(23,058,727)	(10,300,554)
Payments to suppliers	(84,810,446)	(16,484,193)	(12,938,607)	(11,740,779)	(2,741,468)	(4,900,260)	(4,227,193)	(137,842,946)	(7,660,504)
Net cash provided (used) by operating activities	14,181,246	7,713,121	4,722,995	1,075,962	858,110	(11,244,395)	(866,934)	16,440,105	1,430,605
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Due to (from) other funds	-	-	-	-	-	3,135,242	(86,639)	3,048,603	(480,823)
Transfers in	-	-	-	861,659	-	1,338,831	445,958	2,646,448	-
Transfers out	(650,377)	-	-	-	-	-	-	(650,377)	-
Operating grants received	-	-	-	-	-	13,654,762	1,479,209	15,133,971	-
Net cash provided (used) by noncapital financing activities	(650,377)	-	-	861,659	-	18,128,835	1,838,528	20,178,645	(480,823)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Principal payment on long-term debt	(1,111,846)	(1,811,533)	(1,135,526)	(1,012,315)	-	-	-	(5,071,220)	(297,675)
Interest paid	(355,200)	(596,695)	(123,420)	(145,938)	-	-	(3,707)	(1,224,960)	(185,732)
Lease/subscription liability payments made	-	-	-	(6,107)	-	-	(9,552)	(15,659)	-
Acquisition and construction of capital assets	(27,144,043)	(2,342,432)	(3,610,887)	(2,530,331)	(1,036,550)	(6,884,440)	(45,298)	(43,593,981)	(228,582)
Subscription liability issued	-	-	-	9,176	-	-	-	9,176	-
Capital contributions	4,122,488	-	-	3,967,461	-	-	-	8,089,949	-
Proceeds from the sale of capital assets	12,776	10,350	46,999	-	35,151	-	-	105,276	-
Net cash provided (used) by capital and related financing activities	(24,475,825)	(4,740,310)	(4,822,834)	281,946	(1,001,399)	(6,884,440)	(58,557)	(41,701,419)	(711,989)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Earnings on investments	823,499	378,187	277,508	23,795	96,897	-	(2,242)	1,597,644	-
Net cash provided (used) by investing activities	823,499	378,187	277,508	23,795	96,897	-	(2,242)	1,597,644	-
Net increase (decrease) in cash and cash equivalents	(10,121,457)	3,350,998	177,669	2,243,362	(46,392)	-	910,795	(3,485,025)	237,793
Cash and cash equivalents:									
Beginning	93,026,046	58,347,224	37,053,213	15,791,321	14,575,219	-	3,452,488	222,245,511	-
Ending	\$ 82,904,589	\$ 61,698,222	\$ 37,230,882	\$ 18,034,683	\$ 14,528,827	\$ -	\$ 4,363,283	\$ 218,760,486	\$ 237,793
<b>Noncash investing, capital and financing activities:</b>									
The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of \$14,754,395 representing donated capital assets.									
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>									
Operating income (loss)	\$ 19,004,139	\$ 2,175,000	\$ 241,871	\$ (4,647,224)	\$ (1,091,023)	\$ (5,744,734)	\$ (1,812,643)	\$ 8,125,386	\$ 368,361
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation and amortization	4,130,005	4,944,385	3,949,081	3,677,236	1,970,761	486,397	666,071	19,823,936	605,957
Other income	-	-	-	338	-	439,692	96,757	536,787	-
Changes in assets, deferred outflows of resources, deferred inflows of resources and liabilities:									
(Increase) decrease in:									
Accounts receivable	(1,684,551)	284,750	118,219	36,996	(13,904)	(718,431)	7,324	(1,969,597)	-
Due from other governmental agencies	-	69,410	-	1,016,455	-	(5,677,333)	185,881	(4,405,587)	-
Lease receivable	-	(47,007)	-	1,007,591	-	-	-	960,584	-
Inventories and prepaid expenses	(2,029,246)	73,506	(11,850)	16,260	(6,149)	(2,910)	(41,862)	(2,002,251)	(9,207)
Deferred outflows of resources for pensions (LGERS)	(711,254)	(695,517)	(281,858)	(529,209)	(191,756)	(56,311)	(114,649)	(2,580,554)	(1,234,039)
Deferred outflows of resources for OPEB	(19,083)	(38,572)	(9,367)	(37,703)	(6,458)	(1,556)	(3,748)	(116,487)	(47,032)
Increase (decrease) in:									
Accounts payable and accrued expenses	(5,624,522)	(144,462)	371,655	609,770	6,794	(59,330)	9,494	(4,830,601)	(195,166)
Vacation accrual	(15,542)	(20,159)	37,082	(5,603)	(10,277)	4,690	(15,028)	(24,837)	49,456
Net pension liability (LGERS)	2,383,696	2,143,206	927,610	1,551,966	630,274	188,290	377,900	8,202,942	4,004,483
Net OPEB liability	129,797	114,237	(71,689)	81,597	(58,438)	10,247	1,556	207,307	216,329
Deferred inflows of resources for pensions (LGERS)	(1,336,198)	(1,111,261)	(511,813)	(763,575)	(347,362)	(105,340)	(208,794)	(4,384,343)	(2,181,724)
Deferred inflows of resources for OPEB	(99,136)	(60,916)	(36,022)	(31,236)	(24,352)	(7,766)	(14,764)	(274,192)	(146,813)

Deferred inflows of resources for leases	-	(28,712)	-	(918,674)	-	-	-	(947,386)	-
Deposits	53,141	55,233	75	10,977	-	-	(429)	118,997	-
Net cash provided (used) by operating activities	<u>\$ 14,181,246</u>	<u>\$ 7,713,121</u>	<u>\$ 4,722,994</u>	<u>\$ 1,075,962</u>	<u>\$ 858,110</u>	<u>\$ (11,244,395)</u>	<u>\$ (866,934)</u>	<u>\$ 16,440,104</u>	<u>\$ 1,430,605</u>
Non-Cash Capital and Related Financing Activities:									
Right to use asset acquired in exchange for lease liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,589</u>	<u>\$ 478,589</u>	<u>\$ -</u>
Subscription assets acquired in exchange for subscription liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,434</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,434</u>	<u>\$ -</u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**June 30, 2023**

**Exhibit K**

	<u>Other Postemployment Benefit Trust Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 15,755,264
Total assets	<u>15,755,264</u>
<b>NET POSITION</b>	
Net position restricted for postemployment benefits other than pensions	\$ 15,755,264
Total net position	<u><u>15,755,264</u></u>

See Notes to Financial Statements

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Fiscal Year Ended June 30, 2023**

**Exhibit L**

	<u>Other Postemployment Benefit Trust Fund</u>
<b>Additions:</b>	
Employer contributions	\$ 1,779,250
Member contributions	276,621
Total contributions	<u>2,055,871</u>
Investment income (loss)	362,002
Total additions	<u>2,417,873</u>
 <b>Deductions:</b>	
Benefits	<u>1,822,362</u>
Total deductions	<u>1,822,362</u>
Net increase (decrease) in fiduciary net position	595,511
Net Position -- beginning of the year	<u>15,159,753</u>
Net Position -- end of the year	<u><u>\$ 15,755,264</u></u>

See Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

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**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 units, on the other hand, are reported in separate columns in the City's financial statements to emphasize that it is legally separate from the City.

BLENDING COMPONENT UNIT – FIRST CONCORD CORPORATION

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

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

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

DISCRETELY PRESENTED COMPONENT UNIT – WEBUILD CONCORD

WeBuild Concord (formerly Concord Family Enrichment Association) is a nonprofit established by the City of Concord to develop and build affordable housing within Concord and surrounding areas. City Council appoints two members to the WeBuild board, in addition to board seats reserved for the leadership from the departments of Planning and Neighborhood Development and Housing. CFEA, which has a June 30 year end and is presented as if it is a governmental fund (discrete presentation). Complete financial statements for WeBuild Concord may be obtained from the entity's administrative offices at WeBuild Concord, 4 Barbrick Ave. SW, Suite 10, Concord, NC 28025.

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

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

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



NOTES TO FINANCIAL STATEMENTS

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

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

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

The government reports the following major governmental funds:

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

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

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

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

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

The government reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following fund types:

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

NOTES TO FINANCIAL STATEMENTS

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

In accordance with North Carolina General Statutes, all governmental funds of the City are maintained during the year using the modified accrual basis of accounting. The governmental fund financial statements are reported on this same basis and use the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual (i.e., when they are “measurable” and “available”); “measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay the liabilities of the current period. In addition, expenditures are recorded when the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

NOTES TO FINANCIAL STATEMENTS

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

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Housing Assistance Fund, the Emergency Housing Assistance Fund, the Market Rate Units Fund, the FSS Forfeitures 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 Home ARP Fund, the Affordable Housing Fund, the American Rescue Plan Fund, the Opioid Settlement 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.

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

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

June 1 – The budget and the budget message shall be submitted to the governing board. The public hearing on the budget shall be scheduled at this time.

July 1 – The budget ordinance shall be adopted by the governing board.

As required by G.S. 159-26(d), the City maintains encumbrance accounts, which are considered to be “budgetary accounts.” Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result in unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities.

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

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

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

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

The City's investments with a maturity of more than one year at acquisition and non-money market investments are reported at cost or amortized cost, which approximates their fair value as determined by quoted market prices. The NCCMT Government Portfolio, a SEC-registered 2a-7 money market mutual fund, 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 involve inputs – other than quoted prices – included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of 0.7 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 8.7 years at June 30, 2023. 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, 2023 the fair value of the funds was \$31.815788 per share. Fair value of this BlackRock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

**CASH AND CASH EQUIVALENTS**

The City maintains a cash and investment pool that is used by all funds, except First Concord Corporation, to facilitate disbursement and investment and to maximize investment income. Each fund type's portion of these pools is displayed on the combined balance sheet as "Cash and investments". Interest earned is distributed to the various funds based on the proportionate share of investments.

Since the cash management pools operate as demand deposit accounts, amounts invested in the pool by the proprietary fund types are considered cash and cash equivalents for the purpose of the statement of cash flows with respect to those funds.

**RESTRICTED ASSETS**

The unexpended proceeds for the 2021 installment financing issued by the City and deposits on hand are classified as restricted assets for the respective funds because their use is completely restricted to the purpose for which the loan was originally issued, and the deposits will be used for. Monies set aside for debt service, extension, and replacement fund as required by the bond documents or designated for future projects are also classified as restricted assets. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing, or widening of local streets per G.S. 136-41.1 through 136-41.4. Grant monies received in advance of allowable expenditures are also classified as restricted cash.

NOTES TO FINANCIAL STATEMENTS

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

<u>City of Concord Restricted Cash:</u>	
Governmental Activities	
General Fund	
Streets	\$ 2,348,036
Customer deposits	4,249,073
Other governmental funds	
Unexpended loan proceeds	89,059
Debt service, extension, and replacement	1
Customer deposits	9,405
Opioid settlement funds	182,959
Advance from Grantors	1,306,710
Restricted by awarding agency	202,408
Future capital projects	<u>27,046,661</u>
Total governmental activities	<u>\$ 35,434,312</u>
Business-type Activities	
Electric Fund	
Customer deposits	\$ 2,662,693
Debt service, extension, and replacement	132,863
Water Fund	
Customer deposits	862,525
Debt service, extension, and replacement	301,877
Wastewater Fund	
Customer deposits	375
Debt service, extension, and replacement	65,260
Regional Airport Fund	
Customer deposits	136,971
Advance from Grantor	4,566,599
Nonmajor enterprise funds	
Debt service, extension, and replacement	1
Customer deposits	43,542
Restricted by awarding agency	<u>87,968</u>
Total business-type activities	<u>\$ 8,860,674</u>
Total Restricted Cash	<u>\$ 44,294,986</u>

AD VALOREM TAXES RECEIVABLE

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the City levies ad valorem taxes on property other than motor vehicles on July 1<sup>st</sup>, the beginning of the fiscal year. The taxes are due September 1<sup>st</sup> (Lien Date); however, interest does not accrue until the following January 6<sup>th</sup>, and property becomes subject to lien. Liens are published the following May. The taxes levied are based on the assessed values as of January 1<sup>st</sup>.

LEASE RECEIVABLE

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

NOTES TO FINANCIAL STATEMENTS

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

ALLOWANCES FOR DOUBTFUL ACCOUNTS

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

INVENTORIES AND PREPAID ITEMS

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

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 service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

NOTES TO FINANCIAL STATEMENTS

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

RIGHT TO USE ASSETS

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

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, pension and OPEB deferrals for the 2023 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 assets that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, leases, and pension and OPEB deferrals.

LONG-TERM DEBT

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

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

COMPENSATED ABSENCES

The vacation policies of the City and the ABC Board provide for the accumulation of up to thirty-six (36) days earned vacation leave with such leave being fully vested when earned. All vacation pay is accrued when incurred in the government-wide, proprietary funds and the ABC Board financial statements. Current maturities of accrued vacation pay have been determined based on the annualized vacation taken in the first quarter of the current fiscal year. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For 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 been reported is accrued in the individual funds.

OPIOID SETTLEMENT FUNDS

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The City received \$133,631 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the City created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. Payments to be received after July 1, 2023 will be redirected to Cabarrus County.

NET POSITION AND FUND BALANCES

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

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

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.



NOTES TO FINANCIAL STATEMENTS

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

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

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Restricted Fund Balance – This classification includes amounts that are restricted for specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted for Transportation – Powell Bill portion of fund balance that is restricted by revenue source for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain police department drug enforcement related expenditures.

Restricted for Planning and community development – portion of fund balance that is restricted by revenue source for certain planning and community development related programs.

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.

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.

NOTES TO FINANCIAL STATEMENTS

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

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

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

**DEFINED BENEFIT PENSION AND OPEB PLANS**

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

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

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

**USE OF ESTIMATES**

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

**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 \$920,684 adjustment reflected on the reconciliation represents these ad valorem taxes outstanding at year end.

NOTES TO FINANCIAL STATEMENTS

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements (Continued)**

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 \$11,242 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, 2023 and June 30, 2022.

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

**Note 3. Cash and Investments**

Deposits – All of the City’s, the ABC Board’s and WeBuild’s deposits are either insured or collateralized by using one of two methods. Under the dedicated method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the City’s, the ABC Board’s, or WeBuild’s agents in these units’ names. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, the ABC Board and WeBuild, these deposits are considered to be held by their agents in the entities’ names. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City, the ABC Board, WeBuild or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City, the ABC Board or WeBuild under the pooling method, the potential exists for the under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method. The City, the ABC Board and WeBuild have no formal policy regarding custodial credit risk for deposits but rely on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2023, the City’s deposits had a carrying amount of \$22,104,587 and a bank balance of \$23,665,665. Of the bank balance, \$17,000,000 was covered by federal depository insurance and \$6,665,665 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of \$9,350 at June 30, 2023.

At June 30, 2023, the carrying amount of deposits for the ABC Board was \$6,486,143 and the bank balance was \$7,315,787. At June 30, 2023, the carrying amount of deposits for WeBuild was \$7,061,101 and the bank balance was \$7,069,263. All of the bank balances were covered by federal depository insurance or collateralized deposits.

On June 30, 2023, the City’s investment balances were as follows:

	Valuation		Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years	More than 3 Years
	Measurement Method	Reported Value				
U. S. Government agencies	Fair Value Level 1	\$ 301,922,998	\$ 61,185,767	\$48,781,281	\$76,771,916	\$ 115,184,034
Commercial paper	Cost	44,197,728	44,197,728	-	-	-
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level 1	22,297,166	22,297,166	N/A	N/A	N/A
<b>Total</b>		<b>\$ 368,417,892</b>	<b>\$ 127,680,661</b>	<b>\$48,781,281</b>	<b>\$76,771,916</b>	<b>\$ 115,184,034</b>

\* 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.

NOTES TO FINANCIAL STATEMENTS

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

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, 2023, the City’s investments in commercial paper consisted of nine different issuers. All were rated A1 or A1+ by Standard & Poor’s and P1 by Moody’s. The City’s investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Pooors and AAAMf by Moody’s Investor Service as of June 30, 2023. The City’s investments in US Government Agencies (FHLMC, Federal Home Loan Bank, Federal Farm Credit, and FNMA) are rated AA+ by Standard & Poor’s and Aaa by Moody’s Investors Service.

Concentration of Credit Risk – As noted above under Interest Rate Risk, the City’s investment policy limits the amount the City may invest in any one issuer. More than 5 percent of the City’s investments are in the Federal Home Loan Bank, Federal Farm Credit, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation. These investments are 26%, 24%, 19%, and 10% respectively, of the City’s total investments.

OPEB Trust Fund

At June 30, 2023, the City’s Health Care Plan had \$15,755,264 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) 15.02%, the State Treasurer’s Bond Index Fund (BIF) 66%, and BlackRock’s MSCI ACWI EQ Index Non-Lendable Class B Fund 18.98% (the equities were split with 62.2% in domestic securities and 37.8% 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 involve inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of 0.7 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 June 30, 2023, the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.7 years.

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, 2023 the fair value of the funds was \$31.815788 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.

NOTES TO FINANCIAL STATEMENTS

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

*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 0.7 years at June 30, 2023. The State Treasurer’s BIF is unrated and had a weighted average maturity of 8.7 years at June 30, 2023.

*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, 2023, the ABC Board and WeBuild did not have any investments.

**Note 4. Receivables and Allowances for Doubtful Amounts**

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

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Accounts receivable, net	\$ -	\$ 20,507,068
Ad valorem taxes, net	920,684	-
Due from other governmental agencies	1,666,318	9,077,649
Sales tax refunds	2,624,259	-
Interest	230,278	314,018
Lease	181,465	7,231,841
Other	9,127,825	-
	<u>\$ 14,750,829</u>	<u>\$ 37,130,576</u>

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

Governmental Activities, allowance for doubtful ad valorem taxes	<u>\$ 306,895</u>
Governmental Activities, allowance for doubtful other receivables	<u>\$ 349,086</u>
Business-type Activities, allowance for doubtful accounts receivable	<u>\$ 211,561</u>

**Note 5. Leases Receivable**

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 12/01/2021, City of Concord, NC entered into a 38-month lease as Lessor for the use of Airport - Office - ATP-USA - Unit 212. An initial lease receivable was recorded in the amount of \$6,808.52. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$176.70. The lease has an interest rate of 0.8770%. The building’s estimated useful life was 199 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$2,150.06 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 07/01/2021, City of Concord, NC entered into a 42-month lease as Lessor for the use of Airport - Office - ATP-USA - Unit 209. An initial lease receivable was recorded in the amount of \$14,722.54. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$333.64. The lease has an interest rate of 0.8930%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$4,186.50 during the fiscal year.

On 10/01/2021, City of Concord, NC entered into a 40-month lease as Lessor for the use of Airport - Office - ATP-USA - Unit 208. An initial lease receivable was recorded in the amount of \$12,051.90. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$302.25. The lease has an interest rate of 0.7430%. The building's estimated useful life was 201 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$3,615.57 during the fiscal year.

On 09/01/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Office - Victory Lane Aviation LLC - Office Lease Agreement. An initial lease receivable was recorded in the amount of \$29,105.08. As of 06/30/2023, the value of the lease receivable is \$21,375.89. The lessee is required to make monthly fixed payments of \$814.24. The lease has an interest rate of 2.1840%. The building's estimated useful life was 1118 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$21,020.34, and City of Concord, NC recognized lease revenue of \$8,084.75 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 503-month lease as Lessor for the use of Water - Tower Lease - Verizon. An initial lease receivable was recorded in the amount of \$975,483.38. On 6/1/2023, the city entered into an amended agreement and, as a result, the value of the lease receivable is \$995,695.70 as of 6/30/2023. The lessee is required to make monthly fixed payments of \$3,063.00. The lease has an interest rate of 3.7300%. The infrastructure estimated useful life was 600 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$971,107.88, and City of Concord, NC recognized lease revenue of \$58,801.53 during the fiscal year. The lessee has 7 extension option(s), each for 60 months.

On 02/01/2023, City of Concord, NC entered into a 171-month lease as Lessor for the use of Planning - Building - Zato LLC - Church Street. An initial lease receivable was recorded in the amount of \$108,601.69. As of 06/30/2023, the value of the lease receivable is \$106,940.74. The lessee is required to make monthly fixed payments of \$533.00. The lease has an interest rate of 2.7980%. The building's estimated useful life was 413 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$105,426.82, and City of Concord, NC recognized lease revenue of \$3,174.87 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 07/01/2022, City of Concord, NC entered into a 244-month lease as Lessor for the use of Airport - Ground - Pelican Holdings. An initial lease receivable was recorded in the amount of \$56,931.99. As of 06/30/2023, the value of the lease receivable is \$53,767.27. The lessee is required to make monthly fixed payments of \$320.36. The lease has an interest rate of 3.3220%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$54,132.05, and City of Concord, NC recognized lease revenue of \$2,799.93 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 08/10/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - James Deal (Premier Development Aviation LLC)- N350SY. An initial lease receivable was recorded in the amount of \$2,905.25. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$56.77. The lease has an interest rate of 0.7270%. The Land estimated useful life was 179 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$729.00 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 09/03/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - RBC Aero (Brett Benson) - N2016D. An initial lease receivable was recorded in the amount of \$11,048.88. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$285.00. The lease has an interest rate of 0.6870%. The building's estimated useful life was 202 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$306.91 during the fiscal year.

On 12/17/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Barringer Aviation LLC - N521AD. An initial lease receivable was recorded in the amount of \$12,586.58. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$170.81. The lease has an interest rate of 0.6600%. The building's estimated useful life was 163 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$2,154.15 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 256-month lease as Lessor for the use of Airport - Ground - Fly Carolina, LLC (Flight Inc). An initial lease receivable was recorded in the amount of \$95,481.01. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$644.93. The lease has an interest rate of 1.6810%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$12.03 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Hangar - Thomas Kipp - N4883S. An initial lease receivable was recorded in the amount of \$9,269.68. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.6560%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$510.82 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 35-month lease as Lessor for the use of Airport - Hangar - Gary Fox - N721WB. An initial lease receivable was recorded in the amount of \$14,406.84. As of 06/30/2023, the value of the lease receivable is \$0.00. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$821.68 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 253-month lease as Lessor for the use of Water - Tower Lease - AT&T(Suez/Utility Service Comm Co). An initial lease receivable was recorded in the amount of \$1,818,899.15. As of 06/30/2023, the value of the lease receivable is \$1,754,815.96. The lessee is required to make monthly fixed payments of \$6,683.67. The lease has an interest rate of 2.3980%. The Equipment estimated useful life was 600 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,646,355.36, and City of Concord, NC recognized lease revenue of \$86,271.90 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 11/03/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Transport Partners - N709CC. An initial lease receivable was recorded in the amount of \$6,081.93. As of 06/30/2023, the value of the lease receivable is \$4,604.50. The lessee is required to make monthly fixed payments of \$163.33. The lease has an interest rate of 2.4330%. The Land estimated useful life was 164 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,741.65, and City of Concord, NC recognized lease revenue of \$1,340.28 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 02/24/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - James Leopard - N7798W. An initial lease receivable was recorded in the amount of \$2,808.69. As of 06/30/2023, the value of the lease receivable is \$1,484.51. The lessee is required to make monthly fixed payments of \$14.29. The lease has an interest rate of 1.7222%. The Land estimated useful life was 173 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,542.18, and City of Concord, NC recognized lease revenue of \$936.23 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 68-month lease as Lessor for the use of Gen Fund - Dominion Energy (formerly PSNC) Tower Lease. An initial lease receivable was recorded in the amount of \$110,531.36. As of 06/30/2023, the value of the lease receivable is \$74,524.56. The lessee is required to make monthly fixed payments of \$1,464.33. The lease has an interest rate of 1.2170%. The Land estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$71,539.40, and City of Concord, NC recognized lease revenue of \$19,495.98 during the fiscal year. The lessee has 1 extension option(s), each for 60 months.

On 01/25/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Concord Aircraft LLC (Concord Aviation -Jurgen)- N617RM. An initial lease receivable was recorded in the amount of \$22,446.43. As of 06/30/2023, the value of the lease receivable is \$11,184.35. The lessee is required to make monthly fixed payments of \$143.61. The lease has an interest rate of 1.3670%. The building's estimated useful life was 198 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$11,722.03, and City of Concord, NC recognized lease revenue of \$7,482.14 during the fiscal year.

On 01/19/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Hypothetical Destinations LLC. An initial lease receivable was recorded in the amount of \$8,996.60. As of 06/30/2023, the value of the lease receivable is \$4,462.58. The lessee is required to make monthly fixed payments of \$156.37. The lease has an interest rate of 1.4060%. The building's estimated useful life was 198 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,648.24, and City of Concord, NC recognized lease revenue of \$2,998.87 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Tiedown - Victory Lane Aviation LLC N8410L. An initial lease receivable was recorded in the amount of \$2,682.54. As of 06/30/2023, the value of the lease receivable is \$786.73. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$779.66, and City of Concord, NC recognized lease revenue of \$951.44 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - DFR Motors LLC (David Grimm) - N8935M. An initial lease receivable was recorded in the amount of \$11,042.56. As of 06/30/2023, the value of the lease receivable is \$3,397.63. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$3,680.85, and City of Concord, NC recognized lease revenue of \$3,680.85 during the fiscal year.

On 12/08/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Western Piedmont Metals Inc (EAM Management) - N27AX. An initial lease receivable was recorded in the amount of \$26,836.04. As of 06/30/2023, the value of the lease receivable is \$11,408.30. The lessee is required to make monthly fixed payments of \$604.00. The lease has an interest rate of 0.8770%. The building's estimated useful life was 199 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$12,846.51, and City of Concord, NC recognized lease revenue of \$8,945.35 during the fiscal year.



NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 11/10/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Andrew Dauber (Aviation Services Group) - N4042M. An initial lease receivable was recorded in the amount of \$14,764.04. As of 06/30/2023, the value of the lease receivable is \$6,325.46. The lessee is required to make monthly fixed payments of \$290.50. The lease has an interest rate of 0.8770%. The building's estimated useful life was 200 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$6,684.83, and City of Concord, NC recognized lease revenue of \$4,921.35 during the fiscal year.

On 08/01/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Twin G Aviation LLC - N3306Q. An initial lease receivable was recorded in the amount of \$10,751.79. As of 06/30/2023, the value of the lease receivable is \$7,244.10. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 2.5750%. The building's estimated useful life was 47 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$7,466.52, and City of Concord, NC recognized lease revenue of \$3,285.27 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 327-month lease as Lessor for the use of Airport - Ground - Concord Aviation Property, LLC. An initial lease receivable was recorded in the amount of \$100,524.27. As of 06/30/2023, the value of the lease receivable is \$94,271.90. The lessee is required to make monthly fixed payments of \$367.42. The lease has an interest rate of 1.3750%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$93,167.34, and City of Concord, NC recognized lease revenue of \$3,678.46 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 07/01/2021, City of Concord, NC entered into a 32-month lease as Lessor for the use of Airport - Hangar - Justin Carroll - N4816S. An initial lease receivable was recorded in the amount of \$8,346.29. As of 06/30/2023, the value of the lease receivable is \$2,035.32. The lessee is required to make monthly fixed payments of \$255.00. The lease has an interest rate of 0.6160%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,270.12, and City of Concord, NC recognized lease revenue of \$3,038.08 during the fiscal year.

On 03/25/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Parfait LTD LLC - N9260V. An initial lease receivable was recorded in the amount of \$2,784.23. As of 06/30/2023, the value of the lease receivable is \$1,550.36. The lessee is required to make monthly fixed payments of \$18.06. The lease has an interest rate of 2.3380%. The Land estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,608.67, and City of Concord, NC recognized lease revenue of \$928.08 during the fiscal year.

On 03/25/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Bravo Aero LLC - N66023. An initial lease receivable was recorded in the amount of \$2,784.16. As of 06/30/2023, the value of the lease receivable is \$1,551.38. The lessee is required to make monthly fixed payments of \$17.00. The lease has an interest rate of 2.3380%. The Land estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,608.63, and City of Concord, NC recognized lease revenue of \$928.05 during the fiscal year.

On 02/22/2022, City of Concord, NC entered into a 629-month lease as Lessor for the use of Airport - Ground - 7475 Zephyr Place LLC. An initial lease receivable was recorded in the amount of \$213,554.41. As of 06/30/2023, the value of the lease receivable is \$211,664.25. The lessee is required to make monthly fixed payments of \$123.58. The lease has an interest rate of 2.2680%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$208,020.04, and City of Concord, NC recognized lease revenue of \$4,074.39 during the fiscal year. The lessee has 1 extension option(s), each for 315 months.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 07/01/2021, City of Concord, NC entered into a 43-month lease as Lessor for the use of Airport - Hangar - ATP-USA - Hangar A (East Side). An initial lease receivable was recorded in the amount of \$248,093.05. As of 06/30/2023, the value of the lease receivable is \$106,236.69. The lessee is required to make monthly fixed payments of \$5,500.00. The lease has an interest rate of 0.8930%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$109,622.51, and City of Concord, NC recognized lease revenue of \$69,235.27 during the fiscal year.

On 06/01/2022, City of Concord, NC entered into a 60-month lease as Lessor for the use of Airport - Hangar - Fly Carolina LLC (Flight Inc). An initial lease receivable was recorded in the amount of \$416,143.62. As of 06/30/2023, the value of the lease receivable is \$334,362.21. The lessee is required to make monthly fixed payments of \$7,050.00. The lease has an interest rate of 2.6780%. The building's estimated useful life was 157 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$325,979.17, and City of Concord, NC recognized lease revenue of \$83,228.72 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 20-month lease as Lessor for the use of Airport - Hangar - Aerowood Aviation LLC - 8700 Aviation Blvd. An initial lease receivable was recorded in the amount of \$117,686.08. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$5,400.00. The lease has an interest rate of 0.5140%. The building's estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$0.00, and City of Concord, NC recognized lease revenue of \$49,131.08 during the fiscal year.

On 07/09/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - United American Steel Company, Inc - N901FA. An initial lease receivable was recorded in the amount of \$12,581.35. As of 06/30/2023, the value of the lease receivable is \$4,045.16. The lessee is required to make monthly fixed payments of \$176.50. The lease has an interest rate of 0.6790%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,286.98, and City of Concord, NC recognized lease revenue of \$4,193.78 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Tiedown - Hellix LLC - N69937. An initial lease receivable was recorded in the amount of \$3,477.25. As of 06/30/2023, the value of the lease receivable is \$879.81. The lessee is required to make monthly fixed payments of \$105.00. The lease has an interest rate of 0.6320%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$978.63, and City of Concord, NC recognized lease revenue of \$1,249.31 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 415-month lease as Lessor for the use of Airport - Ground - Land Air & Sea, LLC. An initial lease receivable was recorded in the amount of \$269,132.08. As of 06/30/2023, the value of the lease receivable is \$266,523.36. The lessee is required to make monthly fixed payments of \$612.67. The lease has an interest rate of 2.4810%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$253,585.29, and City of Concord, NC recognized lease revenue of \$7,773.39 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Concord, NC entered into a 31-month lease as Lessor for the use of Airport - Hangar - Hudson Aviation/William Clay Presley - N1549H. An initial lease receivable was recorded in the amount of \$12,748.84. As of 06/30/2023, the value of the lease receivable is \$2,484.74. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,878.77, and City of Concord, NC recognized lease revenue of \$4,935.04 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 07/01/2021, City of Concord, NC entered into a 35-month lease as Lessor for the use of Airport - Hangar - Orchard Road Aviation/Jack Purcell - N226RP. An initial lease receivable was recorded in the amount of \$10,739.06. As of 06/30/2023, the value of the lease receivable is \$3,397.63. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$3,375.13, and City of Concord, NC recognized lease revenue of \$3,681.96 during the fiscal year.

On 05/27/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Harrah Enterprise LTD - N2505J. An initial lease receivable was recorded in the amount of \$3,648.93. As of 06/30/2023, the value of the lease receivable is \$2,240.66. The lessee is required to make monthly fixed payments of \$105.00. The lease has an interest rate of 2.4410%. The Land estimated useful life was 170 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,317.75, and City of Concord, NC recognized lease revenue of \$1,216.31 during the fiscal year.

On 05/01/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar/Office - Blanket Aero. An initial lease receivable was recorded in the amount of \$319,298.58. As of 06/30/2023, the value of the lease receivable is \$193,390.51. The lessee is required to make monthly fixed payments of \$8,895.56. The lease has an interest rate of 2.6230%. The building's estimated useful life was 230 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$195,126.91, and City of Concord, NC recognized lease revenue of \$106,432.86 during the fiscal year.

On 05/01/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar/Office - Niles Management Group LLC. An initial lease receivable was recorded in the amount of \$146,926.31. As of 06/30/2023, the value of the lease receivable is \$89,229.02. The lessee is required to make monthly fixed payments of \$4,136.71. The lease has an interest rate of 2.6230%. The building's estimated useful life was 158 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$89,788.30, and City of Concord, NC recognized lease revenue of \$48,975.44 during the fiscal year.

On 04/01/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Office - ATP-USA - Office EW3. An initial lease receivable was recorded in the amount of \$28,603.31. As of 06/30/2023, the value of the lease receivable is \$16,183.93. The lessee is required to make monthly fixed payments of \$775.00. The lease has an interest rate of 0.0000%. The building's estimated useful life was 123 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$16,685.27, and City of Concord, NC recognized lease revenue of \$9,534.44 during the fiscal year.

On 03/17/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Kyle Busch Group LLC - N518KB. An initial lease receivable was recorded in the amount of \$48,753.38. As of 06/30/2023, the value of the lease receivable is \$26,754.31. The lessee is required to make monthly fixed payments of \$675.00. The lease has an interest rate of 2.0460%. The building's estimated useful life was 232 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$27,807.48, and City of Concord, NC recognized lease revenue of \$16,251.13 during the fiscal year.

On 03/08/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Victory Air LLC - N# Varies. An initial lease receivable was recorded in the amount of \$10,527.48. As of 06/30/2023, the value of the lease receivable is \$5,682.92. The lessee is required to make monthly fixed payments of \$232.26. The lease has an interest rate of 1.7620%. The Land estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$5,916.83, and City of Concord, NC recognized lease revenue of \$3,509.16 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 03/02/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Alpha One Air Service - N6909T. An initial lease receivable was recorded in the amount of \$2,810.85. As of 06/30/2023, the value of the lease receivable is \$1,579.30. The lessee is required to make monthly fixed payments of \$77.42. The lease has an interest rate of 1.6750%. The Land estimated useful life was 172 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,564.18, and City of Concord, NC recognized lease revenue of \$936.95 during the fiscal year.

On 02/04/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Victory Lane Aviation LLC - D-02. An initial lease receivable was recorded in the amount of \$9,851.34. As of 06/30/2023, the value of the lease receivable is \$5,279.84. The lessee is required to make monthly fixed payments of \$250.00. The lease has an interest rate of 1.5800%. The building's estimated useful life was 233 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$5,226.68, and City of Concord, NC recognized lease revenue of \$3,283.78 during the fiscal year.

On 01/06/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Robert James Gordon - N681GP. An initial lease receivable was recorded in the amount of \$9,896.60. As of 06/30/2023, the value of the lease receivable is \$4,759.49. The lessee is required to make monthly fixed payments of \$234.84. The lease has an interest rate of 1.2640%. The building's estimated useful life was 234 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,994.12, and City of Concord, NC recognized lease revenue of \$3,298.87 during the fiscal year.

On 01/06/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Edward Brady - N123VB. An initial lease receivable was recorded in the amount of \$10,956.95. As of 06/30/2023, the value of the lease receivable is \$5,269.44. The lessee is required to make monthly fixed payments of \$260.00. The lease has an interest rate of 1.2640%. The building's estimated useful life was 198 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$5,529.20, and City of Concord, NC recognized lease revenue of \$3,652.32 during the fiscal year.

On 01/06/2022, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Samuel Nauhaus - N1541J. An initial lease receivable was recorded in the amount of \$9,896.60. As of 06/30/2023, the value of the lease receivable is \$4,759.49. The lessee is required to make monthly fixed payments of \$234.84. The lease has an interest rate of 1.2640%. The building's estimated useful life was 234 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,994.12, and City of Concord, NC recognized lease revenue of \$3,298.87 during the fiscal year.

On 12/02/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Benjamin Barbour - N19916. An initial lease receivable was recorded in the amount of \$2,843.50. As of 06/30/2023, the value of the lease receivable is \$1,274.62. The lessee is required to make monthly fixed payments of \$77.42. The lease has an interest rate of 0.8770%. The Land estimated useful life was 175 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,345.39, and City of Concord, NC recognized lease revenue of \$947.83 during the fiscal year.

On 12/01/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Randy Humphrey Inc - N824VA. An initial lease receivable was recorded in the amount of \$14,750.63. As of 06/30/2023, the value of the lease receivable is \$6,598.93. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.8770%. The building's estimated useful life was 199 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$6,965.58, and City of Concord, NC recognized lease revenue of \$4,916.88 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 11/25/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - William N Riley - N13DE. An initial lease receivable was recorded in the amount of \$2,843.49. As of 06/30/2023, the value of the lease receivable is \$1,335.29. The lessee is required to make monthly fixed payments of \$16.00. The lease has an interest rate of 0.8770%. The Land estimated useful life was 176 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,326.96, and City of Concord, NC recognized lease revenue of \$947.83 during the fiscal year.

On 09/11/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Timothy Long - N9620J. An initial lease receivable was recorded in the amount of \$2,850.34. As of 06/30/2023, the value of the lease receivable is \$1,062.12. The lessee is required to make monthly fixed payments of \$53.33. The lease has an interest rate of 0.7110%. The Land estimated useful life was 178 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,134.86, and City of Concord, NC recognized lease revenue of \$950.11 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Hangar - Eric Bellsey - N6894V. An initial lease receivable was recorded in the amount of \$9,151.05. As of 06/30/2023, the value of the lease receivable is \$2,233.90. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,495.74, and City of Concord, NC recognized lease revenue of \$3,327.65 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Hangar - Anthony Durrah Sr - N55563. An initial lease receivable was recorded in the amount of \$9,151.05. As of 06/30/2023, the value of the lease receivable is \$2,233.90. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,495.74, and City of Concord, NC recognized lease revenue of \$3,327.65 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 159-month lease as Lessor for the use of Airport - Office/Storage/Ground - Hendrick Motorsports, Inc. An initial lease receivable was recorded in the amount of \$3,162,689.81. As of 06/30/2023, the value of the lease receivable is \$2,578,507.78. The lessee is required to make monthly fixed payments of \$25,036.71. The lease has an interest rate of 0.7270%. The building's estimated useful life was 192 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,687,692.60, and City of Concord, NC recognized lease revenue of \$237,498.61 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, City of Concord, NC entered into a 354-month lease as Lessor for the use of Airport - Ground - JW Venture Aviation, LLC. An initial lease receivable was recorded in the amount of \$166,465.93. As of 06/30/2023, the value of the lease receivable is \$159,564.82. The lessee is required to make monthly fixed payments of \$575.75. The lease has an interest rate of 2.3000%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$155,191.78, and City of Concord, NC recognized lease revenue of \$5,637.07 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 10/20/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Steven Stemmer - N777TL. An initial lease receivable was recorded in the amount of \$11,013.55. As of 06/30/2023, the value of the lease receivable is \$4,809.63. The lessee is required to make monthly fixed payments of \$120.00. The lease has an interest rate of 0.9090%. The building's estimated useful life was 201 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,782.73, and City of Concord, NC recognized lease revenue of \$3,671.18 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 07/01/2021, City of Concord, NC entered into a 162-month lease as Lessor for the use of Airport - Ground - Classic Aviation, LLC. An initial lease receivable was recorded in the amount of \$33,863.46. As of 06/30/2023, the value of the lease receivable is \$29,763.80. The lessee is required to make monthly fixed payments of \$186.71. The lease has an interest rate of 0.8930%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$28,848.72, and City of Concord, NC recognized lease revenue of \$2,507.37 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 09/04/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Mark Horn - N6374W. An initial lease receivable was recorded in the amount of \$2,851.34. As of 06/30/2023, the value of the lease receivable is \$1,043.79. The lessee is required to make monthly fixed payments of \$72.00. The lease has an interest rate of 0.6870%. The Land estimated useful life was 178 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,116.78, and City of Concord, NC recognized lease revenue of \$950.45 during the fiscal year.

On 11/17/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Tiedown - Joseph Long - N8390W. An initial lease receivable was recorded in the amount of \$2,843.48. As of 06/30/2023, the value of the lease receivable is \$1,235.19. The lessee is required to make monthly fixed payments of \$37.33. The lease has an interest rate of 0.8770%. The Land estimated useful life was 176 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,305.90, and City of Concord, NC recognized lease revenue of \$947.83 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 32-month lease as Lessor for the use of Airport - Tiedown - Alpha One Air Service - N5592G. An initial lease receivable was recorded in the amount of \$2,601.51. As of 06/30/2023, the value of the lease receivable is \$625.00. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$697.97, and City of Concord, NC recognized lease revenue of \$951.77 during the fiscal year.

On 11/19/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - YFLY, Inc - N74MJ. An initial lease receivable was recorded in the amount of \$14,750.56. As of 06/30/2023, the value of the lease receivable is \$6,434.85. The lessee is required to make monthly fixed payments of \$166.00. The lease has an interest rate of 0.8770%. The building's estimated useful life was 200 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$6,801.65, and City of Concord, NC recognized lease revenue of \$4,916.85 during the fiscal year.

On 09/03/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Sky Blue Aviation LLC - N636GT. An initial lease receivable was recorded in the amount of \$11,048.96. As of 06/30/2023, the value of the lease receivable is \$4,034.41. The lessee is required to make monthly fixed payments of \$289.33. The lease has an interest rate of 0.6870%. The buildings estimated useful life was 202 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,317.28, and City of Concord, NC recognized lease revenue of \$3,682.99 during the fiscal year.

On 09/02/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Preston Hagman - N600TH. An initial lease receivable was recorded in the amount of \$14,791.36. As of 06/30/2023, the value of the lease receivable is \$5,387.17. The lessee is required to make monthly fixed payments of \$401.17. The lease has an interest rate of 0.6870%. The building's estimated useful life was 202 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$5,765.89, and City of Concord, NC recognized lease revenue of \$4,930.45 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 07/01/2021, City of Concord, NC entered into a 34-month lease as Lessor for the use of Airport - Hangar - Lucky 8 Aviation LLC - N88WF. An initial lease receivable was recorded in the amount of \$8,733.82. As of 06/30/2023, the value of the lease receivable is \$2,693.51. The lessee is required to make monthly fixed payments of \$255.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,669.84, and City of Concord, NC recognized lease revenue of \$3,031.99 during the fiscal year.

On 09/20/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Kenny Campbell - N459BA. An initial lease receivable was recorded in the amount of \$9,976.20. As of 06/30/2023, the value of the lease receivable is \$3,800.83. The lessee is required to make monthly fixed payments of \$102.67. The lease has an interest rate of 0.7110%. The building's estimated useful life was 238 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,055.14, and City of Concord, NC recognized lease revenue of \$3,325.40 during the fiscal year.

On 07/12/2021, City of Concord, NC entered into a 36-month lease as Lessor for the use of Airport - Hangar - Concord Flying Club, LLC - N773ME. An initial lease receivable was recorded in the amount of \$14,789.70. As of 06/30/2023, the value of the lease receivable is \$5,107.39. The lessee is required to make monthly fixed payments of \$267.80. The lease has an interest rate of 0.6950%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$5,080.54, and City of Concord, NC recognized lease revenue of \$4,929.90 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Tiedown - Stephanie Korngay - N6HR. An initial lease receivable was recorded in the amount of \$2,659.02. As of 06/30/2023, the value of the lease receivable is \$683.33. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$755.94, and City of Concord, NC recognized lease revenue of \$951.54 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 32-month lease as Lessor for the use of Airport - Tiedown - Ncincilili Titi - N325PL. An initial lease receivable was recorded in the amount of \$2,549.19. As of 06/30/2023, the value of the lease receivable is \$571.91. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$645.23, and City of Concord, NC recognized lease revenue of \$951.98 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 224-month lease as Lessor for the use of Airport - Ground - VS Management, LLC. An initial lease receivable was recorded in the amount of \$43,608.95. As of 06/30/2023, the value of the lease receivable is \$39,826.42. The lessee is required to make monthly fixed payments of \$222.97. The lease has an interest rate of 2.3000%. The Land had an unlimited life span as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$38,936.56, and City of Concord, NC recognized lease revenue of \$2,336.19 during the fiscal year. The lessee has 1 extension option(s), each for 120 months.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Tiedown - Victory Lane Aviation LLC - N117TS. An initial lease receivable was recorded in the amount of \$2,682.54. As of 06/30/2023, the value of the lease receivable is \$786.73. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$779.66, and City of Concord, NC recognized lease revenue of \$951.44 during the fiscal year.

NOTES TO FINANCIAL STATEMENTS

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**Note 5. Leases Receivable (Continued)**

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Tiedown - Victory Lane Aviation LLC - N110SQ. An initial lease receivable was recorded in the amount of \$2,682.54. As of 06/30/2023, the value of the lease receivable is \$786.73. The lessee is required to make monthly fixed payments of \$80.00. The lease has an interest rate of 0.7270%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$779.66, and City of Concord, NC recognized lease revenue of \$951.44 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Hangar - Trojan Boys, LLC - N745W. An initial lease receivable was recorded in the amount of \$13,942.82. As of 06/30/2023, the value of the lease receivable is \$3,696.20. The lessee is required to make monthly fixed payments of \$415.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,071.80, and City of Concord, NC recognized lease revenue of \$4,935.51 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 34-month lease as Lessor for the use of Airport - Hangar - Skin LLC (Gary Slaughter) - N224AB. An initial lease receivable was recorded in the amount of \$10,688.45. As of 06/30/2023, the value of the lease receivable is \$3,038.35. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$3,317.10, and City of Concord, NC recognized lease revenue of \$3,685.67 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 34-month lease as Lessor for the use of Airport - Tiedown - Reginald Jones - N485DS. An initial lease receivable was recorded in the amount of \$3,630.57. As of 06/30/2023, the value of the lease receivable is \$1,039.56. The lessee is required to make monthly fixed payments of \$105.00. The lease has an interest rate of 0.7270%. The Land estimated useful life was 180 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,133.90, and City of Concord, NC recognized lease revenue of \$1,248.33 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 41-month lease as Lessor for the use of Airport - Hangar - Helivision, LLC - Hangar 4. An initial lease receivable was recorded in the amount of \$210,988.90. As of 06/30/2023, the value of the lease receivable is \$90,557.32. The lessee is required to make monthly fixed payments of \$4,944.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 348 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$87,483.20, and City of Concord, NC recognized lease revenue of \$61,752.85 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 33-month lease as Lessor for the use of Airport - Hangar - Healthcare Consolidated LLC - N327R. An initial lease receivable was recorded in the amount of \$21,097.65. As of 06/30/2023, the value of the lease receivable is \$5,390.45. The lessee is required to make monthly fixed payments of \$636.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$5,967.86, and City of Concord, NC recognized lease revenue of \$7,564.90 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 35-month lease as Lessor for the use of Airport - Hangar - Gary Fox - N235TM. An initial lease receivable was recorded in the amount of \$10,769.41. As of 06/30/2023, the value of the lease receivable is \$3,120.50. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building's estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$3,398.71, and City of Concord, NC recognized lease revenue of \$3,685.35 during the fiscal year.



NOTES TO FINANCIAL STATEMENTS

**Note 5. Leases Receivable (Continued)**

On 07/01/2021, City of Concord, NC entered into a 32-month lease as Lessor for the use of Airport - Hangar - DRLN Aviation LLC - N1016N. An initial lease receivable was recorded in the amount of \$9,878.14. As of 06/30/2023, the value of the lease receivable is \$2,216.16. The lessee is required to make monthly fixed payments of \$310.00. The lease has an interest rate of 0.7270%. The building’s estimated useful life was 204 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$2,500.28, and City of Concord, NC recognized lease revenue of \$3,688.93 during the fiscal year.

On 07/01/2021, City of Concord, NC entered into a 31-month lease as Lessor for the use of Airport - Hangar - Dennis Doster - N1194N. An initial lease receivable was recorded in the amount of \$8,619.95. As of 06/30/2023, the value of the lease receivable is \$1,695.03. The lessee is required to make monthly fixed payments of \$280.00. The lease has an interest rate of 0.7270%. The building’s estimated useful life was 240 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$1,953.61, and City of Concord, NC recognized lease revenue of \$3,333.17 during the fiscal year.

Inflows of Resources not Previously Included within the Lease Receivable

Business-Type Activities	Inflow of Resources						
	Lease	Start Date	End Date	Variable Receipts	Other Receipts	Payable To	Purpose
Airport–Ground–Classic Aviation, LLC		07/01/2021	01/02/2035	112	0	Aviation Fund	Aviation

Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	22,863	3,741	26,604
2025	23,198	3,406	26,604
2026	23,539	3,065	26,604
2027	19,581	2,733	22,304
2028	5,488	2,512	8,000
2029-2033	34,734	10,066	44,800
2034-2038	52,062	3,071	55,133

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	852,919	149,740	1,002,659
2025	658,466	120,173	778,639
2026	378,358	112,408	490,767
2027	378,857	106,717	485,574
2028	301,435	102,176	403,611
2029-2033	1,633,214	453,028	2,086,242
2034-2038	991,678	350,563	1,342,241
2039-2043	760,707	252,254	1,012,961
2044-2048	262,869	190,198	453,066
2049-2053	291,214	146,999	438,213
2054-2058	305,377	97,208	402,585
2059-2063	347,329	40,253	387,582
2064-2068	29,144	6,271	35,416
2069-2073	32,640	2,775	35,416
2074-2075	7,632	101	7,733

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	July 1, 2022	Increases	Decreases	Transfers	June 30, 2023
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 20,475,844	\$ 350,725	\$ -	\$ -	\$ 20,826,569
Construction in progress	28,621,274	15,749,475	(15,594,644)	-	\$ 28,776,105
Total capital assets, not being depreciated	49,097,118	16,100,200	(15,594,644)	-	49,602,674
Capital assets, being depreciated:					
Buildings	65,331,517	3,651,878	-	-	68,983,395
Improvements other than buildings	10,565,036	2,157,853	-	-	12,722,889
Machinery and equipment	47,071,516	8,134,681	(856,421)	(45,154)	54,304,622
Infrastructure	798,717,538	61,027,043	-	-	859,744,581
Right-to-use leased buildings	161,289	-	-	-	161,289
Software subscriptions	-	11,685	-	-	11,685
Total capital assets, being depreciated	921,846,896	74,983,140	(856,421)	(45,154)	995,928,461
Accumulated depreciation:					
Buildings	35,318,539	2,323,442	-	-	37,641,981
Improvements other than buildings	3,968,387	494,725	-	-	4,463,112
Machinery and equipment	32,894,603	3,790,934	(852,615)	(45,154)	35,787,768
Infrastructure	431,601,600	17,324,310	-	-	448,925,910
Right-to-use leased buildings	28,616	31,217	-	-	59,833
Software subscriptions	-	6,373	-	-	6,373
Total accumulated depreciation	503,811,745	23,971,001	(852,615)	(45,154)	526,884,977
Total capital assets, being depreciated, net	418,035,151	\$51,012,139	\$ (3,806)	\$ -	469,043,484
Governmental activities capital assets, net	\$ 467,132,269				\$ 518,646,158
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 42,672,866	\$ 5,188	\$ -	\$ -	\$ 42,678,054
Construction in progress	40,726,178	33,573,738	(1,847,106)	-	72,452,810
Subscription work in progress	-	59,258	-	-	59,258
Total capital assets, not being depreciated	83,399,044	33,638,184	(1,847,106)	-	115,190,122
Capital assets, being depreciated:					
Buildings	79,721,592	23,962	(874,916)	-	78,870,638
Improvements other than buildings	586,411,977	15,864,319	-	-	602,276,296
Machinery and equipment	43,741,118	10,865,424	(1,383,858)	45,154	53,267,838
Right-to-use leased equipment	213,848	478,589	(176,432)	-	516,005
Software subscriptions	-	9,176	-	-	9,176
Total capital assets, being depreciated	710,088,535	27,241,470	(2,435,206)	45,154	734,939,953
Accumulated depreciation:					
Buildings	38,711,524	2,541,883	(874,916)	-	40,378,491
Improvements other than buildings	274,393,474	14,764,717	-	-	289,158,191
Machinery and equipment	32,701,589	3,297,742	(1,383,858)	45,154	34,660,627
Right-to-use leased equipment	143,014	99,112	(176,432)	-	65,694
Software subscriptions	-	5,506	-	-	5,506
Total accumulated depreciation	345,949,601	20,708,960	(2,435,206)	45,154	364,268,509
Total capital assets, being depreciated, net	364,138,934	\$ 6,532,510	\$ -	\$ -	370,671,444
Business-type activities capital assets, net	\$ 447,537,978				\$ 485,861,566

**CITY OF CONCORD, NORTH CAROLINA**

**NOTES TO FINANCIAL STATEMENTS**

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

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

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

Governmental activities:

General government	\$ 820,768
Public safety	3,572,806
Public works	18,556,552
Culture and recreational	952,721
Planning and community development	68,154
Total depreciation expense – governmental activities	<u>\$ 23,971,001</u>

Business-type activities:

Electric	\$ 4,177,970
Water	5,024,704
Wastewater	3,972,969
Regional airport	3,677,236
Stormwater	1,970,761
Transit	486,397
Other nonmajor business-type activities	765,183
Capital assets held by the government’s internal service funds are charged to the various functions based on their usage of the assets	633,740
Total depreciation expense – business-type activities	<u>\$ 20,708,960</u>

Activity for the ABC Board for the year ended June 30, 2023, was as follows:

<b>Component unit:</b>	<b>July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2023</b>
Capital assets not being depreciated:				
Land	\$ 2,080,326	\$ -	\$ -	\$ 2,080,326
Construction in progress	10,895	1,772,362	-	1,783,257
Total capital assets not being depreciated	<u>2,091,221</u>	<u>-</u>	<u>1,772,362</u>	<u>-</u>
Capital assets, being depreciated:				
Buildings	6,469,516	-	-	6,469,516
Improvements other than buildings	755,041	-	-	755,041
Machinery and equipment	844,270	13,506	-	857,776
Right-to-use leased buildings	1,617,949	-	-	1,617,949
Total capital assets, being depreciated	<u>9,686,776</u>	<u>13,506</u>	<u>-</u>	<u>9,700,282</u>
Accumulated depreciation	1,772,723	475,594	-	2,248,317
Total capital assets, being depreciated, net	<u>7,914,053</u>	<u>\$ (462,088)</u>	<u>\$ -</u>	<u>7,451,965</u>
Component unit capital assets, net	<u>\$ 10,005,274</u>			<u>\$ 11,315,548</u>

NOTES TO FINANCIAL STATEMENTS

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

Activity for WeBuild Concord for the year ended June 30, 2023, was as follows:

	July 1, 2022	Increases	Decreases	June 30, 2023
<b>Component unit:</b>				
Capital assets not being depreciated:				
Construction in progress	-	672,545	-	672,545
Total capital assets not being depreciated	-	672,545	-	672,545
Capital assets, being depreciated:				
Right-to-use leased buildings	-	13,383	-	13,383
Total capital assets, being depreciated	-	13,383	-	13,383
Accumulated depreciation	-	5,375	-	5,375
Total capital assets, being depreciated, net	-	\$ 8,008	\$ -	8,008
Component unit capital assets, net	\$ -			\$ 680,553

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

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

	Governmental Activities	Business-type Activities
Accounts payable	\$ 6,811,117	\$ 8,906,338
Accrued payroll and payroll related liabilities	12,888,087	702,439
Accrued sales tax payable	2,851	417,716
Other accrued liabilities	788,390	224,011
	\$ 20,490,445	\$ 10,250,504

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

**Note 8. Long-Term Debt**

Direct placement installment purchases: The City has various direct placement installment purchase contracts to finance equipment additions throughout the City's departments and funds. These contracts range between 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	2,319,467	5,104,550
	\$ 3,033,150	\$ 12,772,670

NOTES TO FINANCIAL STATEMENTS

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

Direct placement installment purchases payable at June 30, 2023 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	\$ 1,148,914
\$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	4,960,000
	\$ 6,108,914

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	\$ 318,750
\$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	3,119,000
\$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	1,606,276
	\$ 5,044,026

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
2024	887,080	92,994	1,012,400	117,132
2025	880,382	78,714	881,785	89,916
2026	873,729	64,570	789,734	71,102
2027	866,882	50,563	790,161	53,387
2028	740,842	36,697	624,946	35,627
2029-2033	1,860,000	53,196	945,000	34,437
	\$ 6,108,914	\$ 376,733	\$ 5,044,026	\$ 401,601

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, 2023 are as follows:

Business-type activities:

\$17,635,000, Utilities Systems Refunding Revenue Bonds Series 2012 due in annual installments of \$760,000 to \$1,390,000 through December 2028; interest from 2.00% to 5.00%.	7,690,000
\$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%.	15,875,000
	\$ 23,565,000



NOTES TO FINANCIAL STATEMENTS

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

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, 2023 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, 2023 was \$393,548.

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, 2023 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, 2023 was \$1,497,086.

Direct placement loan and installment notes: Direct placement loan and installment notes payable at June 30, 2023 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.	<u>\$ 13,367,025</u>
	<u>\$ 13,367,025</u>

Business-type activities:

\$6,440,175 (of \$29,340,000 issue), 2014A Limited Obligation Bonds due in annual installments of \$138,600 to \$467,775 through June 1, 2034, plus interest due semiannually at 2% to 5% financed through First Concord Corporation, to be paid from Internal Service Fund.	<u>\$ 4,272,975</u>
	<u>\$ 4,272,975</u>

Annual debt service requirements to maturity for direct placement loan and installment notes are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	1,276,575	541,185	313,425	170,846
2025	1,305,825	477,356	329,175	155,175
2026	1,340,075	412,065	344,925	138,716
2027	1,377,750	345,061	362,250	121,470
2028	1,391,725	303,729	373,275	110,602
2029-2033	5,657,850	799,125	2,082,150	333,538
2034-2038	1,017,225	35,603	467,775	16,372
	<u>\$ 13,367,025</u>	<u>\$ 2,914,124</u>	<u>\$ 4,272,975</u>	<u>\$ 1,046,719</u>

NOTES TO FINANCIAL STATEMENTS

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

Advance Refunding Bonds: In December 2014, the City issued \$14,175,000 of Limited Obligation refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's series 2005 Certificates of Participation. The refunding debt was issued at a net interest cost of 2.81%. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2023 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, 2023 was \$104,053.

Leases Payable

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, City of Concord, NC entered into a 27-month lease as Lessee for the use of Golf - Equipment - DLL Financial LLC - Golf Carts. An initial lease liability was recorded in the amount of \$176,431.82. As of 06/30/2023, the value of the lease liability is \$0. City of Concord, NC is required to make monthly fixed payments of \$6,614.03. The lease has an interest rate of 0.8930%. The Equipment estimated useful life was 16 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$0.00 with accumulated amortization of \$0.00.

On 02/01/2023, City of Concord, NC entered into a 54-month lease as Lessee for the use of Golf - Equipment - DLL Financial - Golf Carts 101-0564846-000. An initial lease liability was recorded in the amount of \$478,588.82. As of 06/30/2023, the value of the lease liability is \$427,261.70. City of Concord, NC is required to make monthly fixed payments of \$9,397.22. The lease has an interest rate of 2.6820%. The Equipment estimated useful life was 54 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$478,588.82 with accumulated amortization of \$44,313.78 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, City of Concord, NC entered into a 42-month lease as Lessee for the use of Golf - Equipment - DLL Financial LLC - Utility Carts. An initial lease liability was recorded in the amount of \$37,415.99. As of 06/30/2023, the value of the lease liability is \$15,219.15. City of Concord, NC is required to make monthly fixed payments of \$961.61. The lease has an interest rate of 0.5140%. The Equipment estimated useful life was 54 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$37,415.99 with accumulated amortization of \$21,380.57 is included with Equipment on the Lease Class activities table found below.

On 08/01/2021, City of Concord, NC entered into a 61-month lease as Lessee for the use of Gen Fund - Bldg Commercial Space - RCG Sixty Six LLC. An initial lease liability was recorded in the amount of \$161,288.94. As of 06/30/2023, the value of the lease liability is \$107,638.37. City of Concord, NC is required to make monthly fixed payments of \$2,500.00. The lease has an interest rate of 0.8930%. The building's estimated useful life was 240 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$161,288.94 with accumulated amortization of \$59,832.99 is included with Buildings on the Lease Class activities table found below. City of Concord, NC has 1 extension option(s), each for 60 months.



NOTES TO FINANCIAL STATEMENTS

Note 8. Long-Term Debt (Continued)

Amount of Lease Assets by Major Classes of Underlying Asset			
Asset Class	As of Fiscal Year-end		
	Lease Asset Value	Accumulated Amortization	
Equipment	516,005	65,694	
Buildings	161,289	59,833	
Total Leases	677,294	125,527	

Principal and Interest Requirements to Maturity				
Fiscal Year	Principal Payments	Business-Type Activities		Total Payments
		Interest Payments		
2024	103,745	9,510		113,255
2025	110,496	7,663		118,159
2026	107,966	4,801		112,767
2027	110,898	1,869		112,767
2028	9,376	21		9,397

Fiscal Year	Governmental Activities			Total Payments
	Principal Payments	Interest Payments		
2024	30,937	813		31,750
2025	32,171	532		32,703
2026	33,444	239		33,683
2027	11,087	13		11,100

Subscriptions Payable

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

On 07/01/2022, City of Concord, NC entered into a 20-month subscription for the use of Airport - GateKeeper Systems, Inc. (App-139). An initial subscription liability was recorded in the amount of \$9,176.18. As of 06/30/2023, the value of the subscription liability is \$3,068.93. City of Concord, NC is required to make semi-annual fixed payments of \$3,100.00. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 of \$9,176.18 with accumulated amortization of \$5,505.71 is included with Software on the Subscription Class activities table found below.

On 07/01/2022, City of Concord, NC entered into a 22-month subscription for the use of Finance - Debtbook (Fifth Asset). An initial subscription liability was recorded in the amount of \$11,684.55. As of 06/30/2023, the value of the subscription liability is \$5,880.97. City of Concord, NC is required to make annual fixed payments of \$6,000.00. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 of \$11,684.55 with accumulated amortization of \$6,373.39 is included with Software on the Subscription Class activities table found below.

NOTES TO FINANCIAL STATEMENTS

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

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Software	20,861	11,879
Total Subscriptions	20,861	11,879

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Business-Type Activities		Total Payments
		Interest Payments		
2024	3,069	31		3,100

Fiscal Year	Principal Payments	Governmental Activities		Total Payments
		Interest Payments		
2024	5,881	119		6,000

A summary of changes in long-term debt follows:

	July 1, 2022	Additions	Reductions	June 30, 2023
Governmental activities:				
Direct placement installment purchases	\$ 7,002,371	\$ -	\$ 893,457	\$ 6,108,914
Less current maturities				887,080
Long-term direct placement installment purchases				\$ 5,221,834
Bond payables:				
Direct placement installment notes	\$ 14,609,350	\$ -	\$ 1,242,325	\$ 13,367,025
Plus premium on limited obligation bonds	1,189,236	-	103,412	1,085,824
Direct placement revenue bonds	148,095	-	148,095	-
Total bond payable	\$ 15,946,681	\$ -	\$ 1,493,832	14,452,849
Compensated absences	\$ 4,737,730	\$ 3,284,094	\$ 2,959,648	5,062,176
Total pension liability (LEOSSA)	\$ 11,546,707	\$ -	\$ 2,266,734	9,279,973
Net OPEB liability	\$ 28,083,931	\$ 1,240,476	\$ -	29,324,407
Net pension liability (LGERS)	\$ 8,501,053	\$ 23,394,004	\$ -	31,895,057
Leases	\$ 134,891	\$ -	\$ 27,252	107,639
Subscriptions	\$ -	\$ 11,685	\$ 5,804	5,881
Less current maturities:				
Direct placement installment notes				1,276,575
Leases				30,937
Subscriptions				5,881
Compensated absences				3,269,033
Long-term debt				\$ 85,545,556

NOTES TO FINANCIAL STATEMENTS

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

	July 1, 2022	Additions	Reductions	June 30, 2023
Business-type activities:				
Direct placement Installment purchases	\$ 6,056,341	\$ -	\$ 1,012,315	\$ 5,044,026
Less current maturities				1,012,400
Long-term direct placement installment purchases				<u>\$ 4,031,626</u>
Bond payables:				
Direct placement installment notes	\$ 4,570,650	\$ -	\$ 297,674	\$ 4,272,976
Plus premium on limited obligation bonds	319,497	-	27,783	291,714
Direct placement revenue bonds	27,623,904	-	4,058,903	23,565,001
Plus premium on revenue bonds	3,605,901	-	302,639	3,303,262
Total bond payable	<u>\$ 36,119,952</u>	<u>\$ -</u>	<u>\$ 4,686,999</u>	31,432,953
Compensated absences	<u>\$ 1,922,618</u>	<u>\$ 1,815,933</u>	<u>\$ 1,791,316</u>	1,947,235
Net OPEB liability	<u>\$ 3,952,611</u>	<u>\$ 657,145</u>	<u>\$ 233,509</u>	4,376,247
Net pension liability (LGERS)	<u>\$ 4,689,099</u>	<u>\$ 12,207,425</u>		16,896,524
Leases	<u>\$ 125,164</u>	<u>\$ 478,590</u>	<u>\$ 161,273</u>	442,481
Subscriptions	<u>\$ -</u>	<u>\$ 9,176</u>	<u>\$ 6,107</u>	3,069
Less current maturities:				
Direct placement installment notes				313,425
Direct placement revenue bonds				2,075,001
Leases				103,745
Subscriptions				3,069
Compensated absences				<u>1,402,009</u>
Long-term debt				<u>\$ 55,232,886</u>

**Note 9. Interfund Receivables, Payables and Transfers**

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, 2023 was \$1,101,738,345.

A schedule of interfund receivables and payables at June 30, 2023 are as follows:

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

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 79,068
General Fund	Nonmajor enterprise funds	284,135
General Fund	From Transit fund	<u>8,817,310</u>
		<u>\$ 9,180,513</u>

NOTES TO FINANCIAL STATEMENTS

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

A schedule of interfund transfers at June 30, 2023 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	\$ 650,377
From the General Fund to the General Fund Capital Projects Fund for various capital projects	10,355,626
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	3,605,745
From the General Fund to the Transit Fund for current operating needs	1,338,831
From the General Fund to the Regional Airport Fund for current operating needs	861,659
From the General Fund to the General Fund Capital Reserve Fund for future capital projects	9,500,000
From the General Fund to the Municipal Service District Fund for current operating needs	75,000
From the General Fund to the Parks & Recreation Capital Reserve for future capital projects	1,442,298
From the General Fund to the Affordable Housing Fund for various capital projects	1,442,298
From the General Fund to the American Rescue Plan Fund for various capital projects	6,231,950
From the General Fund to the Housing Assistance Fund for current operating needs	55,915
From the General Fund to the Housing Department Operating fund for current operating needs	436,658
From the Market Rate Units Fund to the Home Special Revenue Fund to pay for properties transferred to the Market Rate Units Fund	31,006
From the Market Rate Units Fund to the Housing Assistance Fund to pay management fees for properties	2,622
From the Market Rate Units Fund to the Housing Department Operating Fund to pay management fees for properties	9,300
From the General Capital Reserve Fund to the General Fund Capital Project Fund for various capital projects	1,572,000
From the General Capital Reserve Fund to the General Fund for capital projects	4,280,700
From the American Rescue Plan Fund to the General Fund to reimburse eligible expenses	14,967,165
From Parks & Recreation Capital Reserve to Parks & Recreation Capital Project Fund for various capital projects	1,381,475
	<u>\$ 58,240,625</u>

**Note 10. Pension Plan Obligations**

A. Local Governmental Employee’s Retirement System

(1) Plan description:

The City of Concord and the ABC Board are participating employers in the statewide Local Governmental Employees’ Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees’ Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State’s ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

NOTES TO FINANCIAL STATEMENTS

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

(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, 2023, was 13.04% of compensation for law enforcement officers and 12.14% 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 \$8,430,813 for the year ended June 30, 2023. Contributions to the pension plan from the ABC Board were \$163,594 for the year ended June 30, 2023.

(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, 2023, the City reported a liability of \$48,791,582 for its proportionate share of the net pension liability. At June 30, 2023, the ABC Board reported a liability of \$890,218 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

NOTES TO FINANCIAL STATEMENTS

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

The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023, the City’s proportion was 0.86488%, which was an increase of 0.00480% from its proportion as of June 30, 2022.

For the year ended June 30, 2023, the City recognized pension expense of \$14,019,318. At June 30, 2023, 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	\$ 2,102,385	\$ 206,127
Changes of assumptions	4,868,306	-
Net difference between projected and actual earnings on pension plan investments	16,126,129	-
Changes in proportion and differences between City contributions and proportionate share of contributions	282,803	198,461
City contributions subsequent to the measurement date	8,430,813	-
Total	\$ 31,810,436	\$ 404,588

\$8,430,813 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, 2024. 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:	
2024	\$ 7,395,485
2025	6,147,608
2026	1,749,152
2027	7,682,790
2028	-
Thereafter	-
	\$ 22,975,035

(6) Actuarial assumptions:

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 percent to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

NOTES TO FINANCIAL STATEMENTS

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period December 31, 2019 through January 28, 2021.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

(7) Discount rate:

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

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

(8) Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate:

The following presents the City’s proportionate share of the net pension liability calculated using the discounted rate of 6.50 percent, as well as what the City’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City’s proportionate share of the net pension liability (asset)	\$ 88,062,523	\$ 48,791,582	\$ 16,430,048

(9) Pension plan fiduciary net position:

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

**B. Law Enforcement Officers’ Special Separation Allowance:**

(1) Plan description:

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

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2021, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	25
Terminated plan members entitled to but not yet receiving ben	-
Active plan members	<u>176</u>
Total	<u><u>201</u></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, 2021 valuation. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	4.31 percent



NOTES TO FINANCIAL STATEMENTS

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

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 \$499,454 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, 2023, the City reported a total pension liability of \$9,279,973. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the City recognized pension expense of \$1,116,502.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 912,292	\$ 702,265
Changes of assumptions and other inputs	1,494,007	1,665,465
City benefit payments subsequent to the measurement date	280,147	
Total	\$ 2,686,446	\$ 2,367,730

\$280,147 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, 2024.

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:	
2024	\$ 291,802
2025	316,053
2026	205,293
2027	(366,869)
2028	(407,710)
Thereafter	-
	\$ 38,569

(6) Sensitivity of the City's total pension liability to changes in the discount rate:

The following presents the City's total pension liability calculated using the discount rate of 4.31 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.31 percent) or one percentage point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
City's proportionate share of the total pension liability (asset)	\$10,067,688	\$9,279,973	\$8,563,397

NOTES TO FINANCIAL STATEMENTS

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

(7) Schedule of changes in total pension liability:

Beginning balance	\$ 11,546,707
Service Cost	513,038
Interest on the total pension liability	254,182
Change in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(828,536)
Changes of assumptions or other inputs	(1,705,964)
Benefit payments	(499,454)
Other changes	-
Ending balance of the total pension liability	<u>\$ 9,279,973</u>

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study for the five year period ending December 31, 2019.

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 14,019,318	\$ 1,116,502	\$15,135,820
Pension Liability	48,791,582	9,279,973	58,071,555
Proportionate share of the net pension liability	0.86488%	n/a	
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	2,102,385	912,292	3,014,677
Changes of assumptions	4,868,306	1,494,007	6,362,313
Net difference between projected and actual earnings on plan investments	16,126,129	-	16,126,129
Changes in proportion and differences between contributions and proportionate share of contributions	282,803	-	282,803
Benefit payments and administrative costs paid subsequent to the measurement date	8,430,813	280,147	8,710,960
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	206,127	702,265	908,392
Changes of assumptions	-	1,665,465	1,665,465
Changes in proportion and differences between contributions and proportionate share of contributions	198,461	-	198,461

D. Supplemental Retirement Income Plan for Law Enforcement Officers

(1) Plan description:

The City contributes to the Supplemental Retirement Income Plan (“Plan”), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

NOTES TO FINANCIAL STATEMENTS

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

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

(2) Funding policy:

Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$889,561, which consisted of \$602,960 from the City and \$286,601 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 4% of each employee's salary, and all amounts contributed are vested immediately. The city's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$3,545,692, which consisted of \$2,255,341 from the City and \$1,290,351 from the employees. Contribution requirements are established and may be amended by the City Council.

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

(1) Plan description:

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

(2) Benefits provided:

FRSWPF provides retirement and survivor benefits. The present retirement benefit is \$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.

NOTES TO FINANCIAL STATEMENTS

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

(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, 2023, the State contributed \$19,352,000 to the plan. The City of Concord's proportionate share of the State's contribution is \$122,852.

(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, 2023, the City reported no liability for its proportionate share of the net pension asset, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was \$124,819. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023 and at June 30, 2022 was 0%.

For the year ended June 30, 2023, the City recognized pension expense of \$32,218 and revenue of \$32,218 for support provided by the State. At June 30, 2023, the City reported no deferred outflows of resources and no deferred inflows of resources related to pensions.

(6) Actuarial assumptions:

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Not applicable
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

For more information regarding actuarial assumptions, including mortality tables, the actuarial experience study, the consideration of future ad hoc COLA amounts, the development of the projected long-term investment returns, and the asset allocation policy, refer to the discussion of actuarial assumptions for the LGERS plan in section A of this note.

(7) Discount rate:

The discount rate used to determine the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

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

(8) Pension plan fiduciary net position:

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

**Note 11. Other Postemployment Benefits**

(1) Plan administration:

Under the terms of a City resolution, the City administers a Health Care Plan as a single-employer defined benefit plan. As of July 1, 2004, this plan provides postemployment benefits other than pensions (OPEB) to retirees of the City provided they have ten (10) years of service with the City of Concord. Retirees hired prior to July 1, 2004 receive the same benefits as active employees. The Health Care Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The City has elected to partially pay the future overall cost of coverage for these benefits. Also, the City’s retirees can purchase coverage for their dependents at the City’s group rates. The plan, which has a June 30, 2023 year end, does not issue a stand-alone report. Management of the Health Care Plan is vested in the City of Concord City Council.

(2) Plan membership:

Membership of the Health Care Plan consisted of the following at June 30, 2022, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	168
Terminated plan members entitled to but not yet receiving	-
Active plan members	<u>1,075</u>
Total	<u>1,243</u>

(3) Benefits provided:

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

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

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

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

(4) Contributions:

The City Council establishes the contribution requirements of plan members which may be amended by Council. The City Council establishes rates as part of the annual budget process. Plan members contribute to the plan based on coverage level elected as well as years of creditable service. Plan member rates ranged from \$0 to \$22,200. 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 \$3,164,417. The Fund is accounted for as a trust fund.

NOTES TO FINANCIAL STATEMENTS

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

(5) Investments:

The Health Care Plan does not have a formal policy in regard to the allocation of invested assets. It is the informal policy of the City to pursue an investment strategy that reduces risk through the diversification of the portfolio across distinct asset classes. Investments are valued at fair value. The following was the City’s target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 and June 30, 2022:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	2023	2022	2023	2022
STIF	15%	15%	0.83%	0.83%
Equity Index	19%	17%	1.05%	0.99%
Bond Index	66%	68%	3.62%	3.68%
Total	100%	100%		

For the year ended June 30, 2023, the annual money weighted rate of return on investments, net of investment expense, was 2.39 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, 2023 were as follows:

Total OPEB Liability	\$49,455,920
Plan fiduciary net position	<u>15,755,264</u>
City's net OPEB liability	<u>\$33,700,656</u>
Plan fiduciary net position as a percentage of the total OPEB liability	31.86%

(7) Actuarial assumptions:

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.25 to 8.41 percent, including inflation
Investment rate of return	5.50 percent, net of OPEB plan investment expense, including price inflation
Healthcare cost trend rates	7.00 percent for 2022 decreasing to an ultimate rate of 4.50 percent by 2032

The total OPEB liabilities were rolled forward to June 30, 2023 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 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, 2022 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2022 valuation.

NOTES TO FINANCIAL STATEMENTS

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

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

(8) Discount rate:

The discount rate used to measure the total OPEB liability was 5.50 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, the total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- In all years, the employer is assumed to contribute the average of the last 5 years of contributions to the Plan through deposits to the Trust and pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan’s fiduciary net position was projected to not be depleted.

The fiduciary net position projections are based upon the Plan’s financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the fiduciary net position projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan’s ability to make benefit payments in future years.

(9) Sensitivity of the City’s net OPEB liability to changes in the discount rate:

The following presents the net OPEB liability of the City at June 30, 2023, 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	\$38,693,309	\$33,700,656	\$29,301,212

(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	\$28,332,785	\$33,700,656	\$40,052,733

NOTES TO FINANCIAL STATEMENTS

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

(11) Changes in net OPEB liability, OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB:

At June 30, 2023, the city reported a net OPEB liability of \$33,700,656. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2023, the components of the OPEB liability of the City were as follows:

	Increase (Decrease)		
	Plan		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2022	\$47,196,295	\$15,159,753	\$32,036,542
Changes for the year			
Service cost	1,535,189	-	1,535,189
Interest	2,516,275	-	2,516,275
Difference between expected and actual experience	(556,789)	-	(556,789)
Changes of assumptions	1,695,858	-	1,695,858
Contributions	-	3,164,417	(3,164,417)
Net investment income	-	362,002	(362,002)
Benefit payments	(2,930,908)	(2,930,908)	-
Net changes	2,259,625	595,511	1,664,114
Balances at June 30, 2023	\$49,455,920	\$15,755,264	\$33,700,656

(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, 2023, the City recognized OPEB expense of \$3,175,906. At June 30, 2023, 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	\$ 2,456,909	\$ 2,742,705
Changes of assumptions or other inputs	2,904,754	3,917,840
Net difference between projected and actual earnings on plan investments	1,623,413	-
Total	\$ 6,985,076	\$ 6,660,545



NOTES TO FINANCIAL STATEMENTS

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (33,221)
2025	(32,927)
2026	18,313
2027	(193,844)
2028	171,795
Thereafter	<u>394,415</u>
	<u>\$ 324,531</u>

**Note 12. Other Employment Benefits**

The City has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 or be less than \$25,000. Because all death benefit payments are made from the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. The City has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The City considers these contributions to be immaterial.

**Note 13. Deferred Outflows and Inflows of Resources**

The City has several deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Contributions to pension plan (LGERS) in current fiscal year	\$ 8,430,813
Benefit payments made for LEOSSA	280,147
Differences between expected and actual experience (LGERS)	2,102,385
Differences between expected and actual experience (LEOSSA)	912,292
Differences between expected and actual experience (OPEB)	2,456,909
Changes of assumptions (LGERS)	4,868,306
Changes of assumptions (LEOSSA)	1,494,007
Changes of assumptions (OPEB)	2,904,754
Net difference between projected and actual earnings on pension plan investments (LGERS)	16,126,129
Net difference between projected and actual earnings on plan investments (OPEB)	1,623,413
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	282,803
Charge on refunding	<u>1,994,687</u>
	<u>\$ 43,476,645</u>

NOTES TO FINANCIAL STATEMENTS

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

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

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid taxes	\$ 75,408	\$ 75,408
Taxes Receivable, less penalties	-	914,920
Leases	7,366,841	176,966
Differences between expected and actual experience (LGERS)	206,127	-
Differences between expected and actual experience (LEOSSA)	702,265	-
Changes in proportion and difference between City contributions and proportionate share of contributions (LGERS)	198,461	-
Changes of assumptions (LEOSSA)	1,665,465	-
Differences between expected and actual experience (OPEB)	2,742,705	-
Changes of assumptions (OPEB)	3,917,840	-
Difference between projected and actual investment earnings (LGERS)	-	-
Difference between projected and actual investment earnings (OPEB)	-	-
	<u>\$ 16,875,112</u>	<u>\$ 1,167,294</u>

**Note 14. Commitments and Contingencies**

The City had commitments on contracts of approximately \$45 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, 2023, 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, 2023. 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.

NOTES TO FINANCIAL STATEMENTS

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**Note 15. Fund Balance**

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance – General Fund	\$ 92,498,047
Less:	
Inventories	162,731
Prepays	61,024
Leases	4,499
Stabilization by State Statute	27,676,449
Streets – Powell Bill	2,348,036
Public Safety	<u>990,787</u>
Remaining Fund Balance	<u>\$ 61,254,521</u>

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

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2023 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental activities:	
General Fund	\$ 5,907,304
Nonmajor Funds	<u>20,433,920</u>
Total governmental activities	<u>\$ 26,341,224</u>
Business-type activities:	
Electric Fund	\$ 15,382,410
Water Fund	4,204,832
Wastewater Fund	3,276,069
Regional Airport Fund	3,594,784
Stormwater Fund	1,165,825
Nonmajor Funds	<u>1,155,834</u>
Total business-type activities	<u>\$ 28,779,754</u>

**Note 16. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. The City is fully insured through several insurance companies and is self-funded for workers’ compensation and health benefits. Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported (IBNR). The City’s claims incurred, but not reported, are considered a current liability and are included in accounts payable of the fund they were generated by.

NOTES TO FINANCIAL STATEMENTS

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

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	<u>2023</u>	<u>2022</u>
Unpaid claims, beginning	\$ 840,000	\$ 668,000
Incurred claims and premiums	10,423,310	9,056,413
Claims and premiums paid	<u>(10,588,310)</u>	<u>(8,884,413)</u>
Balance, end of year	<u>\$675,000</u>	<u>\$ 840,000</u>

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 obtains auto liability coverage of \$1 million per occurrence. The City obtains umbrella liability of \$4 million per occurrence, with a \$4 million aggregate limit. Building and personal property is insured through blanket coverage up to \$263,055,803 which includes coverage for Terrorism. Inland Marine scheduled equipment is insured to \$4,707,275; 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 to include the following: crime; cyber liability; excess workers’ compensation; boiler and machinery; fine arts; aviation drone, equipment floater; airport liability; earthquake; and pollution control. 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 Federal Emergency Management Agency (“FEMA”) flood Zone A and B.

In accordance with G.S. 159-29, criminal loss conducted by the City’s employee is insured through criminal activities insurance at \$250,000 and cyber activities insurance at \$1,000,000. The finance officer is individually bonded for \$1,000,000.

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

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

NOTES TO FINANCIAL STATEMENTS

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**Note 17. Jointly Governed Organization**

The City is a member of the Water and Sewer Authority of Cabarrus County (“WSACC”). WSACC was organized by the governing bodies of the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mount Pleasant, and the County of Cabarrus in order to operate and maintain a regional interceptor wastewater system and regional wastewater treatment plant. WSACC is a public corporation of the State of North Carolina under Section 162A-3 of the North Carolina Water and Wastewater Authority Act. WSACC is a jointly governed organization governed by a board appointed by the organizing bodies as follows: two members by the Cabarrus County Board of Commissioners, two members by the City of Concord City Council, two members by the City of Kannapolis City Council, one member by the Town of Harrisburg Town Council, one member by the Town of Mount Pleasant Board of Commissioners, and one member by the Cabarrus County Board of Commissioners upon advice from the other political jurisdictions. The City of Concord paid WSACC approximately \$9.5 million for wastewater treatment and raw water charges during the year ended June 30, 2023.

**Note 18. Stewardship, Compliance and Accountability**

Noncompliance with North Carolina General Statutes

A budget was not adopted for the Emergency Housing Vouchers Fund which resulted in noncompliance with State law [G.S. 159-8(a)]. State law prohibits local governments or public authorities from expending any moneys, regardless of their source, except in accordance with a budget ordinance or project ordinance. Procedures have been put into place to ensure that all funds are reviewed each year to ensure budgets are adopted or amended to account for all anticipated expenditures for the fund.

**Note 19. GASB Statement No. 96**

For the year ended 6/30/2023, the financial statements include the adoption of Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

**Note 20. Subsequent Events**

A lawsuit related to malicious prosecution, wrongful conviction due process violations and obstruction is in mediation and settlement negotiations are ongoing. 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 excessive force is ongoing. At the time of report release, the City agreed to a reasonable settlement after negotiations. The tentative settlement in the amount of \$1,400,000 was approved by the Court on October 16 is only awaiting the filed Order.

In FY 2020/2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The City was allocated \$16,255,872 of fiscal recovery funds to be paid in two equal installments. The first installment of \$8,127,936 was received in May 2021 and the second installment was received in June 2022. City staff and the City Council elected to use \$10,000,000 of the ARPA funds for revenue replacement and \$6,255,872 for expansion full time equivalent positions. Revenue replacement funds and expansion full-time equivalent funds in the amount of \$14,991,087 were transferred to the General Fund in fiscal year 2023. \$1,264,785 remains unspent as of June 30, 2023.

Management has evaluated subsequent events through October 26, 2023, the date the financial statements were available to be issued.

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

**Exhibit M**

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

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

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

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

**Exhibit N**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 9,279,973	\$ 11,546,707	\$ 10,975,270	\$ 7,492,727	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329
Covered-employee payroll	11,435,476	12,081,261	10,806,615	9,731,892	8,995,596	8,776,412	8,918,792
Total pension liability as a percentage of covered employee payroll	81.15%	95.58%	101.56%	76.99%	75.12%	81.36%	75.64%

Notes to the schedules:

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

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>							
Service cost at end of year	\$ 1,535,189	\$ 1,486,865	\$ 1,430,363	\$ 1,936,062	\$ 1,974,188	\$ 2,042,623	\$ 2,212,156
Interest on the Total OPEB Liability	2,516,275	2,418,211	2,150,028	1,721,864	1,746,485	1,572,140	1,347,782
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	(556,789)	752,280	3,020,426	(278,653)	(4,943,630)	(19,092)	-
Changes of assumptions or other inputs	1,695,858	-	788,784	(6,507,379)	2,183,220	(1,287,975)	(2,588,027)
Benefit payments	(2,930,908)	(2,819,344)	(2,215,819)	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
<b>Net change in Total OPEB Liability</b>	<b>2,259,625</b>	<b>1,838,012</b>	<b>5,173,782</b>	<b>(4,563,993)</b>	<b>(1,007,786)</b>	<b>894,753</b>	<b>(802,452)</b>
<b>Total OPEB Liability - beginning</b>	<b>47,196,295</b>	<b>45,358,283</b>	<b>40,184,501</b>	<b>44,748,494</b>	<b>45,756,280</b>	<b>44,861,527</b>	<b>45,663,979</b>
<b>Total OPEB Liability - ending</b>	<b>\$ 49,455,920</b>	<b>\$ 47,196,295</b>	<b>\$ 45,358,283</b>	<b>\$ 40,184,501</b>	<b>\$ 44,748,494</b>	<b>\$ 45,756,280</b>	<b>\$ 44,861,527</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 3,164,417	\$ 4,681,648	\$ 6,394,913	\$ 5,185,637	\$ 4,968,049	\$ 2,512,943	\$ 1,874,363
Contributions - non-employer	-	-	-	-	-	-	-
Contributions - active member	-	-	-	-	-	-	-
Net investment income	362,002	(1,268,477)	722,116	406,183	218,453	6,375	29,405
Benefit payments	(2,930,908)	(2,819,344)	(2,215,819)	(1,435,887)	(1,968,049)	(1,412,943)	(1,774,363)
Administrative expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Net change in Plan Fiduciary Net Position</b>	<b>595,511</b>	<b>593,827</b>	<b>4,901,210</b>	<b>4,155,933</b>	<b>3,218,453</b>	<b>1,106,375</b>	<b>129,405</b>
<b>Plan Fiduciary Net Position - beginning</b>	<b>15,159,753</b>	<b>14,565,926</b>	<b>9,664,716</b>	<b>5,508,783</b>	<b>2,290,330</b>	<b>1,183,955</b>	<b>1,054,550</b>
<b>Plan Fiduciary Net Position - ending</b>	<b>\$ 15,755,264</b>	<b>\$ 15,159,753</b>	<b>\$ 14,565,926</b>	<b>\$ 9,664,716</b>	<b>\$ 5,508,783</b>	<b>\$ 2,290,330</b>	<b>\$ 1,183,955</b>
<b>Net OPEB Liability - ending</b>	<b>\$ 33,700,656</b>	<b>\$ 32,036,542</b>	<b>\$ 30,792,357</b>	<b>\$ 30,519,785</b>	<b>\$ 39,239,711</b>	<b>\$ 43,465,950</b>	<b>\$ 43,677,572</b>
Plan fiduciary net position as a percentage of the total OPEB liability	31.86%	32.12%	32.11%	24.05%	12.31%	5.01%	2.64%
Covered payroll	\$ 62,622,170	\$ 57,114,656	\$ 57,114,656	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170
Net OPEB liability as a percentage of covered payroll	53.82%	56.09%	53.91%	64.19%	82.53%	102.78%	103.28%

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



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

**Exhibit P**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Actuarially determined contribution	\$ 3,709,089	\$ 3,709,089	\$ 3,574,034	\$ 3,574,034	\$ 3,356,018	\$ 3,356,018	\$ 2,741,358	\$ 2,809,363
Contributions in relation to the Actuarially Determined Contribution	3,164,417	4,681,648	6,394,913	5,185,637	4,968,049	2,512,943	1,874,363	2,063,924
Contribution deficiency (excess)	\$ 544,672	\$ (972,559)	\$ (2,820,879)	\$ (1,611,603)	\$ (1,612,031)	\$ 843,075	\$ 866,995	\$ 745,439
Covered payroll	\$ 62,622,170	\$ 57,114,656	\$ 57,114,656	\$ 47,543,460	\$ 47,543,460	\$ 42,290,170	\$ 42,290,170	\$ 42,290,170
Contributions as a percentage of covered payroll	5.05%	8.20%	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	24 years
Asset valuation method	Market value
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.25% to 8.41%, including wage inflation
Investment rate of return	5.50%, net of OPEB plan investment expense, including price inflation
Healthcare cost trends	7.00% initial, decreasing to an ultimate rate of 4.50% by 2032

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**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual rate of return, net of investment expense	2.39%	-8.61%	7.22%	6.72%	7.22%	0.09%	2.80%

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

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

Exhibit R

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Concord's proportion of the net pension liability (asset) (%)	0.86488%	0.86008%	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) (\$)	\$ 48,791,582	\$ 13,190,152	\$ 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	\$ 62,974,774	\$ 59,664,044	\$ 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	77.48%	22.11%	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**	84.14%	95.51%	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.

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

Exhibit S

Local Government Employees' Retirement System

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 8,430,813	\$ 7,245,413	\$ 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	8,430,813	7,245,413	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	68,559,068	62,974,774	59,664,044	56,280,529	51,963,152	47,797,392	46,456,219	44,675,120	43,605,721	42,959,454
Contributions as a percentage of covered payroll	12.30%	11.51%	10.32%	9.13%	8.07%	7.68%	7.21%	6.62%	6.95%	6.93%

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

Exhibit T

Firefighters' and Rescue Squad Workers' Pension

	2023	2022	2021	2020	2019	2018	2017	2016
Concord's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Concord's proportion of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with City of Concord	124,819	(175,249)	192,536	91,528	113,784	109,722	90,853	76,707
Total	\$ 124,819	\$ (175,249)	\$ 192,536	\$ 91,528	\$ 113,784	\$ 109,722	\$ 90,853	\$ 76,707
Concord's covered payroll during the measurement period	\$ 14,540,555	\$ 13,520,608	\$ 12,335,452	\$ 11,584,123	\$ 10,566,344	\$ 9,640,787	\$ 8,955,485	\$ 8,635,910
Concord's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.86%	-1.29%	1.56%	0.79%	1.08%	1.14%	1.01%	0.89%
Plan fiduciary net position as a percentage of the total pension liability (asset)	89.69%	89.69%	89.35%	84.94%	91.40%	93.42%	92.76%	91.45%

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

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

**CITY OF CONCORD, NORTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2023**

**Statement 1**

	Special revenue funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 3,260,705	\$ 52,003,529	\$ 55,264,234
Receivables:			
Ad valorem taxes, net	5,764	-	5,764
Due from other governmental agencies	230,332	251,932	482,264
Interest	6,650	72,904	79,554
Other, net	59,764	405,594	465,358
Prepaid items	646	-	646
Restricted assets -cash and investments	1,701,482	89,060	1,790,542
Total assets	<u>\$ 5,265,343</u>	<u>\$ 52,823,019</u>	<u>\$ 58,088,362</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 229,771	\$ 4,612,008	\$ 4,841,779
Advance from grantors	1,306,710	-	1,306,710
Due to other funds	79,068	-	79,068
Deposits payable from restricted assets	9,405	-	9,405
Total liabilities	<u>1,624,954</u>	<u>4,612,008</u>	<u>6,236,962</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property taxes receivable	5,764	-	5,764
Total deferred inflows of resources	<u>5,764</u>	<u>-</u>	<u>5,764</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable			
Prepays	646	-	646
Restricted			
Planning and community development	282,799	-	282,799
Stabilization by State Statute	506,372	20,954,724	21,461,096
Committed			
Future capital purchases	-	27,256,287	27,256,287
Planning and community development	2,983,323	-	2,983,323
Unassigned	(138,515)	-	(138,515)
Total fund balances (deficits)	<u>3,634,625</u>	<u>48,211,011</u>	<u>51,845,636</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,265,343</u>	<u>\$ 52,823,019</u>	<u>\$ 58,088,362</u>

CITY OF CONCORD, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 June 30, 2023

Statement 2

	American Rescue Plan	Opioid Settlement	Housing Assistance	FSS Escrow Forfeitures	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Home ARP Grant	Affordable Housing Fund	Municipal Service District	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>												
Cash and investments	\$ 2,468,394	\$ -	\$ 88,899	\$ -	\$ -	\$ 183,509	\$ -	\$ -	\$ 30	\$ 380,820	\$ 139,053	\$ 3,260,705
Receivables:												
Ad valorem taxes, net	-	-	-	-	-	-	-	-	-	-	5,764	5,764
Due from other governmental agencies	-	-	66,194	-	3,738	-	20,199	138,638	-	-	1,563	230,332
Interest	4,992	245	368	32	54	256	-	-	-	511	192	6,650
Other, net	-	-	59,196	-	-	568	-	-	-	-	-	59,764
Prepaid items	-	-	378	-	-	-	198	-	-	-	70	646
Restricted assets -cash and investments	<u>1,264,785</u>	<u>182,959</u>	<u>180,238</u>	<u>22,170</u>	<u>41,925</u>	<u>9,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,701,482</u>
Total assets	<u>\$ 3,738,171</u>	<u>\$ 183,204</u>	<u>\$ 395,273</u>	<u>\$ 22,202</u>	<u>\$ 45,717</u>	<u>\$ 193,738</u>	<u>\$ 20,397</u>	<u>\$ 138,638</u>	<u>\$ 30</u>	<u>\$ 381,331</u>	<u>\$ 146,642</u>	<u>\$ 5,265,343</u>
<b>LIABILITIES</b>												
Accounts payable and accrued liabilities	\$ 9,732	\$ -	\$ 198,116	\$ -	\$ 725	\$ 20	\$ 6,508	\$ 753	\$ -	\$ 4,370	\$ 9,547	\$ 229,771
Advance from grantors	1,264,785	-	-	-	41,925	-	-	-	-	-	-	1,306,710
Due to other funds	-	-	-	-	202	-	13,889	64,977	-	-	-	79,068
Deposits payable from restricted assets	-	-	-	-	-	9,405	-	-	-	-	-	9,405
Total liabilities	<u>1,274,517</u>	<u>-</u>	<u>198,116</u>	<u>-</u>	<u>42,852</u>	<u>9,425</u>	<u>20,397</u>	<u>65,730</u>	<u>-</u>	<u>4,370</u>	<u>9,547</u>	<u>1,624,954</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	5,764	5,764
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,764</u>	<u>5,764</u>
<b>FUND BALANCES (DEFICITS)</b>												
Nonspendable												
Prepays	-	-	378	-	-	-	198	-	-	-	70	646
Restricted												
Planning and community development	-	189,910	70,689	22,170	-	-	-	-	30	-	-	282,799
Stabilization by State Statute	32,443	245	126,090	32	3,792	824	60,199	143,148	-	137,844	1,755	506,372
Committed												
Planning and community development	2,431,211	-	-	-	-	183,489	-	-	-	239,117	129,506	2,983,323
Unassigned	<u>-</u>	<u>(6,951)</u>	<u>-</u>	<u>-</u>	<u>(927)</u>	<u>-</u>	<u>(60,397)</u>	<u>(70,240)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(138,515)</u>
Total fund balances (deficits)	<u>2,463,654</u>	<u>183,204</u>	<u>197,157</u>	<u>22,202</u>	<u>2,865</u>	<u>184,313</u>	<u>-</u>	<u>72,908</u>	<u>30</u>	<u>376,961</u>	<u>131,331</u>	<u>3,634,625</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,738,171</u>	<u>\$ 183,204</u>	<u>\$ 395,273</u>	<u>\$ 22,202</u>	<u>\$ 45,717</u>	<u>\$ 193,738</u>	<u>\$ 20,397</u>	<u>\$ 138,638</u>	<u>\$ 30</u>	<u>\$ 381,331</u>	<u>\$ 146,642</u>	<u>\$ 5,265,343</u>

CITY OF CONCORD, NORTH CAROLINA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 June 30, 2023

Statement 3

	Parks	Parks Capital Reserve	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>						
Cash and investments	\$ 7,271,657	\$ 417,741	\$ 25,246,216	\$ 18,291,913	\$ 776,002	\$ 52,003,529
Receivables:						
Due from other governmental agencies	-	-	251,932	-	-	251,932
Interest	9,723	559	33,767	27,816	1,039	72,904
Other, net	-	-	405,594	-	-	405,594
Restricted assets -cash and investments	-	-	-	1	89,059	89,060
Total assets	<u>\$ 7,281,380</u>	<u>\$ 418,300</u>	<u>\$ 25,937,509</u>	<u>\$ 18,319,730</u>	<u>\$ 866,100</u>	<u>\$ 52,823,019</u>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 503,182	\$ -	\$ 3,648,917	\$ 353,589	\$ 106,320	\$ 4,612,008
Total liabilities	<u>503,182</u>	<u>-</u>	<u>3,648,917</u>	<u>353,589</u>	<u>106,320</u>	<u>4,612,008</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted						
Stabilization by State Statute	1,903,004	559	7,608,803	11,161,640	280,718	20,954,724
Committed						
Future capital purchases	4,875,194	417,741	14,679,789	6,804,501	479,062	27,256,287
Total fund balances (deficits)	<u>6,778,198</u>	<u>418,300</u>	<u>22,288,592</u>	<u>17,966,141</u>	<u>759,780</u>	<u>48,211,011</u>
Total liabilities and fund balances (deficits)	<u>\$ 7,281,380</u>	<u>\$ 418,300</u>	<u>\$ 25,937,509</u>	<u>\$ 18,319,730</u>	<u>\$ 866,100</u>	<u>\$ 52,823,019</u>



**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

**Statement 4**

	Special revenue funds	Capital projects funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 186,351	\$ -	\$ 186,351
Restricted intergovernmental revenues	21,959,114	508,876	22,467,990
Investment earnings	589,680	155,854	745,534
Program income	688,375	439,682	1,128,057
Other revenues	25,814	-	25,814
Total revenues	<u>23,449,334</u>	<u>1,104,412</u>	<u>24,553,746</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,980,449	-	2,980,449
Planning and community development	1,813,335	-	1,813,335
Administration	743,914	516,226	1,260,140
Housing assistance payments	5,299,540	-	5,299,540
Rehabilitation	2,234,832	-	2,234,832
Capital outlay	105,598	13,108,347	13,213,945
Debt service:			
Principal	-	1,242,325	1,242,325
Interest expense	-	598,210	598,210
Total expenditures	<u>13,177,668</u>	<u>15,465,108</u>	<u>28,642,776</u>
Excess (deficiency) of revenues over expenditures	<u>10,271,666</u>	<u>(14,360,696)</u>	<u>(4,089,030)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	7,838,791	18,357,144	26,195,935
Transfers to other funds	(15,010,092)	(1,381,475)	(16,391,567)
Total other financing sources (uses)	<u>(7,171,301)</u>	<u>16,975,669</u>	<u>9,804,368</u>
Net change in fund balances	3,100,365	2,614,973	5,715,338
Fund balances - beginning	534,260	45,596,038	46,130,298
Fund balances - ending	<u>\$ 3,634,625</u>	<u>\$ 48,211,011</u>	<u>\$ 51,845,636</u>

CITY OF CONCORD, NORTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2023**

Statement 5

	American Rescue Plan	Opioid Settlement	Housing Assistance	FSS Escrow Forfeitures	Emergency Housing Assistance	Market Rate Units	Community Development	Home	Home ARP Grant	Affordable Housing Fund	Municipal Service District	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>												
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,351	\$ 186,351
Restricted intergovernmental revenues	14,311,867	189,910	5,366,698	-	10,895	-	566,992	1,512,286	466	-	-	21,959,114
Investment earnings	584,158	(6,706)	(4,464)	(939)	4,117	(90)	-	10,957	-	6,459	(3,812)	589,680
Program income	-	-	314,763	-	-	118,213	90,001	39,486	-	125,912	-	688,375
Other revenues	1,362	-	-	23,141	-	892	-	-	30	-	389	25,814
Total revenues	<u>14,897,387</u>	<u>183,204</u>	<u>5,676,997</u>	<u>22,202</u>	<u>15,012</u>	<u>119,015</u>	<u>656,993</u>	<u>1,562,729</u>	<u>496</u>	<u>132,371</u>	<u>182,928</u>	<u>23,449,334</u>
<b>EXPENDITURES</b>												
Current:												
General government	2,980,449	-	-	-	-	-	-	-	-	-	-	2,980,449
Planning and community development	-	-	-	-	-	-	-	-	-	1,650,251	163,084	1,813,335
Administration	-	-	463,844	-	4,025	30,963	131,957	112,659	466	-	-	743,914
Housing assistance payments	-	-	5,210,120	-	89,420	-	-	-	-	-	-	5,299,540
Rehabilitation	-	-	-	-	-	-	525,036	1,709,796	-	-	-	2,234,832
Capital outlay	105,598	-	-	-	-	-	-	-	-	-	-	105,598
Total expenditures	<u>3,086,047</u>	<u>-</u>	<u>5,673,964</u>	<u>-</u>	<u>93,445</u>	<u>30,963</u>	<u>656,993</u>	<u>1,822,455</u>	<u>466</u>	<u>1,650,251</u>	<u>163,084</u>	<u>13,177,668</u>
Excess (deficiency) of revenues over expenditures	<u>11,811,340</u>	<u>183,204</u>	<u>3,033</u>	<u>22,202</u>	<u>(78,433)</u>	<u>88,052</u>	<u>-</u>	<u>(259,726)</u>	<u>30</u>	<u>(1,517,880)</u>	<u>19,844</u>	<u>10,271,666</u>
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers from other funds	6,231,950	-	58,537	-	-	-	-	31,006	-	1,442,298	75,000	7,838,791
Transfers to other funds	(14,967,165)	-	-	-	-	(42,927)	-	-	-	-	-	(15,010,092)
Total other financing sources (uses)	<u>(8,735,215)</u>	<u>-</u>	<u>58,537</u>	<u>-</u>	<u>-</u>	<u>(42,927)</u>	<u>-</u>	<u>31,006</u>	<u>-</u>	<u>1,442,298</u>	<u>75,000</u>	<u>(7,171,301)</u>
Net change in fund balances	3,076,125	183,204	61,570	22,202	(78,433)	45,125	-	(228,720)	30	(75,582)	94,844	3,100,365
Fund balances - beginning	(612,471)	-	135,587	-	81,298	139,188	-	301,628	-	452,543	36,487	534,260
Fund balances - ending	<u>\$ 2,463,654</u>	<u>\$ 183,204</u>	<u>\$ 197,157</u>	<u>\$ 22,202</u>	<u>\$ 2,865</u>	<u>\$ 184,313</u>	<u>\$ -</u>	<u>\$ 72,908</u>	<u>\$ 30</u>	<u>\$ 376,961</u>	<u>\$ 131,331</u>	<u>\$ 3,634,625</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**For the Year Ended June 30, 2023**

**Statement 6**

	Parks	Parks Capital Reserve	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>						
Restricted intergovernmental revenues	\$ -	\$ -	\$ 508,876	\$ -	\$ -	\$ 508,876
Investment earnings	113,590	(88)	27,066	35,829	(20,543)	155,854
Program income	-	-	439,682	-	-	439,682
Total revenues	<u>113,590</u>	<u>(88)</u>	<u>975,624</u>	<u>35,829</u>	<u>(20,543)</u>	<u>1,104,412</u>
<b>EXPENDITURES</b>						
Current:						
Administration	165,370	-	297,052	79,292	(25,488)	516,226
Capital outlay	2,934,569	-	4,121,976	5,825,711	226,091	13,108,347
Debt service:						
Principal	-	-	-	1,242,325	-	1,242,325
Interest expense	-	-	-	598,210	-	598,210
Total expenditures	<u>3,099,939</u>	<u>-</u>	<u>4,419,028</u>	<u>7,745,538</u>	<u>200,603</u>	<u>15,465,108</u>
Excess (deficiency) of revenues over expenditures	<u>(2,986,349)</u>	<u>(88)</u>	<u>(3,443,404)</u>	<u>(7,709,709)</u>	<u>(221,146)</u>	<u>(14,360,696)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	1,381,475	1,442,298	3,605,745	11,927,626	-	18,357,144
Transfers to other funds	-	(1,381,475)	-	-	-	(1,381,475)
Total other financing sources (uses)	<u>1,381,475</u>	<u>60,823</u>	<u>3,605,745</u>	<u>11,927,626</u>	<u>-</u>	<u>16,975,669</u>
Net change in fund balances	(1,604,874)	60,735	162,341	4,217,917	(221,146)	2,614,973
Fund balances - beginning	8,383,072	357,565	22,126,251	13,748,224	980,926	45,596,038
Fund balances - ending	<u>\$ 6,778,198</u>	<u>\$ 418,300</u>	<u>\$ 22,288,592</u>	<u>\$ 17,966,141</u>	<u>\$ 759,780</u>	<u>\$ 48,211,011</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**June 30, 2023**

**Statement 7**

	Golf Course Fund	Housing Department Operating Fund	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 2,888,514	\$ 1,343,259	\$ 4,231,773
Receivables:			
Accounts receivable, net	-	8,029	8,029
Due from other governmental agencies	-	21,824	21,824
Interest	-	2,057	2,057
Inventories	166,628	-	166,628
Prepaid items	11,102	378	11,480
Total current assets	<u>3,066,244</u>	<u>1,375,547</u>	<u>4,441,791</u>
Noncurrent Assets			
Restricted assets -cash and investments	-	131,510	131,510
Capital assets	10,853,876	8,498,357	19,352,233
Less accumulated depreciation	(864,823)	(6,538,118)	(7,402,941)
Total noncurrent assets	<u>9,989,053</u>	<u>2,091,749</u>	<u>12,080,802</u>
Total assets	<u>13,055,297</u>	<u>3,467,296</u>	<u>16,522,593</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	-	343,553	343,553
OPEB deferrals	-	75,439	75,439
Total deferred outflows of resources	<u>-</u>	<u>418,992</u>	<u>418,992</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued liabilities	330,130	144,190	474,320
Current portion of long-term debt	-	37,301	37,301
Current portion of lease liability	103,745	-	103,745
Due to other funds	-	284,135	284,135
Total current liabilities	<u>433,875</u>	<u>465,626</u>	<u>899,501</u>
Noncurrent Liabilities			
Net pension liability (LGERS)	-	526,949	526,949
Net OPEB liability	-	520,503	520,503
Long-term debt due after one year	-	14,506	14,506
Long-term lease liability due after one year	338,736	-	338,736
Deposits payable from restricted assets	-	43,542	43,542
Total noncurrent liabilities	<u>338,736</u>	<u>1,105,500</u>	<u>1,444,236</u>
Total liabilities	<u>772,611</u>	<u>1,571,126</u>	<u>2,343,737</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	-	4,370	4,370
OPEB deferrals	-	71,934	71,934
Total deferred inflows of resources	<u>-</u>	<u>76,304</u>	<u>76,304</u>
<b>NET POSITION</b>			
Net investment in capital assets	9,546,573	1,960,239	11,506,812
Unrestricted	2,736,113	278,619	3,014,732
Total net position	<u>\$ 12,282,686</u>	<u>\$ 2,238,858</u>	<u>\$ 14,521,544</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2023**

**Statement 8**

	Golf Course Fund	Housing Department Operating Fund	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,972,063	\$ 482,730	\$ 2,454,793
Other operating revenues	1,186,222	-	1,186,222
Total operating revenues	<u>3,158,285</u>	<u>482,730</u>	<u>3,641,015</u>
<b>OPERATING EXPENSES</b>			
General and administrative	-	1,498,848	1,498,848
Professional services	1,025,027	-	1,025,027
Utilities	-	380,192	380,192
Maintenance and repairs	-	316,814	316,814
Other operating costs	1,566,706	-	1,566,706
Depreciation and amortization	112,928	553,143	666,071
Total operating expenses	<u>2,704,661</u>	<u>2,748,997</u>	<u>5,453,658</u>
Operating income (loss)	<u>453,624</u>	<u>(2,266,267)</u>	<u>(1,812,643)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Operating subsidy	-	1,479,209	1,479,209
Investment earnings	-	(1,824)	(1,824)
Interest expense	-	(3,708)	(3,708)
Gain (loss) on sale of capital assets	(2,000)	-	(2,000)
Other	52,607	96,757	149,364
Total nonoperating revenues (expenses)	<u>50,607</u>	<u>1,570,434</u>	<u>1,621,041</u>
Income (loss) before transfers	<u>504,231</u>	<u>(695,833)</u>	<u>(191,602)</u>
Transfers in	-	445,958	445,958
Change in net position	504,231	(249,875)	254,356
Total net position - beginning	11,778,455	2,488,733	14,267,188
Total net position - ending	<u>\$ 12,282,686</u>	<u>\$ 2,238,858</u>	<u>\$ 14,521,544</u>

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**For the Year Ended 6/30/2023**

**Statement 9**

	Golf Course Fund	Housing Department Operating Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 3,164,077	\$ 766,473	\$ 3,930,550
Payments to employees	-	(570,291)	(570,291)
Payments to suppliers	(2,455,963)	(1,771,230)	(4,227,193)
Net cash provided (used) by operating activities	<u>708,114</u>	<u>(1,575,048)</u>	<u>(866,934)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Due to (from) other funds	-	(86,639)	(86,639)
Transfers in	-	445,958	445,958
Operating grants received	-	1,479,209	1,479,209
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>1,838,528</u>	<u>1,838,528</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Interest paid	-	(3,707)	(3,707)
Lease liability payments made	(9,552)	-	(9,552)
Acquisition and construction of capital assets	(45,298)	-	(45,298)
Proceeds from the sale of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(54,850)</u>	<u>(3,707)</u>	<u>(58,557)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Earnings on investments	-	(2,242)	(2,242)
Net cash provided (used) by investing activities	<u>-</u>	<u>(2,242)</u>	<u>(2,242)</u>
Net increase (decrease) in cash and cash equivalents	653,264	257,531	910,795
Balances - beginning of year	2,235,250	1,217,238	3,452,488
Balances - end of the year	<u>\$ 2,888,514</u>	<u>\$ 1,474,769</u>	<u>\$ 4,363,283</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 453,624	\$ (2,266,267)	\$ (1,812,643)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	112,928	553,143	666,071
Other income	-	96,757	96,757
Changes in assets and liabilities:			
Accounts receivable	5,791	1,533	7,324
Due from other governmental agencies	-	185,881	185,881
Inventories and prepaid expenses	(42,542)	680	(41,862)
Deferred outflows of resources for pensions (LGRS)	-	(114,649)	(114,649)
Deferred outflows of resources for OPEB	-	(3,748)	(3,748)
Accounts payable and accrued expenses	178,313	(168,819)	9,494
Vacation accrual	-	(15,028)	(15,028)
Net pension liability (LGRS)	-	377,900	377,900
Net OPEB liability	-	1,556	1,556
Deferred inflows of resources for pensions (LGRS)	-	(208,794)	(208,794)
Deferred inflows of resources of OPEB	-	(14,764)	(14,764)
Deposits	-	(429)	(429)
Net cash provided (used) by operating activities	<u>\$ 708,114</u>	<u>\$ (1,575,048)</u>	<u>\$ (866,934)</u>
<b>Non-Cash Capital and Related Financing Activities:</b>			
Right to use asset acquired in exchange for lease liability	<u>\$ 478,589</u>	<u>\$ -</u>	<u>\$ 478,589</u>

CITY OF CONCORD, NORTH CAROLINA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF FUNCTION AND ACTIVITY  
 June 30, 2023

Statement 10

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Software Subscriptions	Infrastructure	Construction in Progress	Total
General Government								
Administration	\$ 2,824,365	\$ 17,356,264	\$ 899,114	\$ 2,377,333	\$ -	\$ 1,870,391	\$ -	\$ 25,327,467
Finance	-	-	-	425,590	11,685	-	-	437,275
Tax office	-	-	-	81,896	-	-	-	81,896
Human resources	-	421,736	-	106,886	-	-	-	528,622
<b>Total general government</b>	<b>2,824,365</b>	<b>17,778,000</b>	<b>899,114</b>	<b>2,991,705</b>	<b>11,685</b>	<b>1,870,391</b>	<b>-</b>	<b>26,375,260</b>
Public Safety								
Communications	-	-	-	1,778,949	-	-	-	1,778,949
Police	-	14,586,391	24,000	10,793,324	-	-	-	25,403,715
Fire	2,306,087	17,299,563	441,098	17,816,130	-	101,802	16,186,308	54,150,988
<b>Total public safety</b>	<b>2,306,087</b>	<b>31,885,954</b>	<b>465,098</b>	<b>30,388,403</b>	<b>-</b>	<b>101,802</b>	<b>16,186,308</b>	<b>81,333,652</b>
Public Works								
Streets	2,920,645	4,850,501	854,961	7,256,378	-	850,020,729	3,473,081	869,376,295
Sanitation	-	3,719,898	206,147	10,386,814	-	-	53,472	14,366,331
Cemeteries	-	-	191,522	400,941	-	168,239	164,734	925,436
Transportation	50,987	-	-	-	-	6,843,848	-	6,894,835
Fleet Services	-	702,705	-	586,214	-	-	448,296	1,737,215
<b>Total public works</b>	<b>2,971,632</b>	<b>9,273,104</b>	<b>1,252,630</b>	<b>18,630,347</b>	<b>-</b>	<b>857,032,816</b>	<b>4,139,583</b>	<b>893,300,112</b>
Cultural and Recreational								
Parks and recreation	12,183,379	9,488,820	9,655,146	2,114,212	-	66,306	4,308,315	37,816,178
Planning and Community Development								
Planning and zoning	541,106	718,806	450,901	179,954	-	673,267	4,141,899	6,705,933
<b>Total capital assets</b>	<b>\$ 20,826,569</b>	<b>\$ 69,144,684</b>	<b>\$ 12,722,889</b>	<b>\$ 54,304,621</b>	<b>\$ 11,685</b>	<b>\$ 859,744,582</b>	<b>\$ 28,776,105</b>	<b>\$ 1,045,531,135</b>

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

## SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

June 30, 2023

Function/Activity	June 30, 2022	Additions	Retirements/ Transfers	June 30, 2023
General Government				
Administration	\$ 25,200,275	\$ 175,031	\$ 47,839	\$ 25,327,467
Finance	412,771	24,504	-	437,275
Tax office	81,896	-	-	81,896
Human resources	528,622	-	-	528,622
<b>Total general government</b>	<b>26,223,564</b>	<b>199,535</b>	<b>47,839</b>	<b>26,375,260</b>
Public Safety				
Communications	1,707,542	71,407	-	1,778,949
Police	25,230,283	888,153	714,720	25,403,716
Fire	50,334,688	3,918,101	101,802	54,150,987
<b>Total public safety</b>	<b>77,272,513</b>	<b>4,877,661</b>	<b>816,522</b>	<b>81,333,652</b>
Public Works				
Streets	808,470,762	31,975,758	(28,929,777)	869,376,297
Sanitation	11,135,993	8,277,376	5,047,038	14,366,331
Cemeteries	873,700	51,736	1	925,435
Transportation	6,894,835	-	-	6,894,835
Fleet services	1,420,549	333,824	17,159	1,737,214
<b>Total public works</b>	<b>828,795,839</b>	<b>40,638,694</b>	<b>(23,865,579)</b>	<b>893,300,112</b>
Cultural and Recreational				
Parks and recreation	34,863,789	4,349,926	1,397,537	37,816,178
Planning and Community Development				
Planning and zoning	3,788,309	2,917,624	-	6,705,933
<b>Total capital assets</b>	<b>\$ 970,944,014</b>	<b>\$ 52,983,440</b>	<b>\$ (21,603,681)</b>	<b>\$ 1,045,531,135</b>



CITY OF CONCORD, NORTH CAROLINA  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
GENERAL CAPITAL RESERVE PROJECT FUND  
From Inception and for the Year Ended June 30, 2023

Statement 12

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 1,168,055	\$ 347,539	\$ (4,033)	\$ 343,506
Total revenues	<u>1,168,055</u>	<u>347,539</u>	<u>(4,033)</u>	<u>343,506</u>
<b>EXPENDITURES</b>				
Capital outlay	25,435,687	-	-	-
Total expenditures	<u>25,435,687</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(24,267,632)</u>	<u>347,539</u>	<u>(4,033)</u>	<u>343,506</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	30,120,332	20,620,333	9,500,000	30,120,333
Transfers to other funds	(5,852,700)	-	(5,852,700)	(5,852,700)
Total other financing sources (uses)	<u>24,267,632</u>	<u>20,620,333</u>	<u>3,647,300</u>	<u>24,267,633</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 20,967,872</u>	3,643,267	<u>\$ 24,611,139</u>
Fund balances - beginning			20,967,872	
Fund balances - ending			<u>\$ 24,611,139</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**AMERICAN RESCUE PLAN FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 13**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 16,255,872	\$ 679,220	\$ 14,311,867	\$ 14,991,087
Investment earnings	-	(612,471)	584,158	(28,313)
Other revenues	-	-	1,362	1,362
Total revenues	<u>16,255,872</u>	<u>66,749</u>	<u>14,897,387</u>	<u>14,964,136</u>
<b>EXPENDITURES</b>				
General government	6,231,950	537,624	2,980,449	3,518,073
Capital outlay	-	117,675	105,598	223,273
Total expenditures	<u>6,231,950</u>	<u>655,299</u>	<u>3,086,047</u>	<u>3,741,346</u>
Excess (deficiency) of revenues over expenditures	<u>10,023,922</u>	<u>(588,550)</u>	<u>11,811,340</u>	<u>11,222,790</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	6,231,950	-	6,231,950	6,231,950
Transfers to other funds	(16,255,872)	(23,921)	(14,967,165)	(14,991,086)
Total other financing sources (uses)	<u>(10,023,922)</u>	<u>(23,921)</u>	<u>(8,735,215)</u>	<u>(8,759,136)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (612,471)</u>	<u>3,076,125</u>	<u>\$ 2,463,654</u>
Fund balances - beginning			(612,471)	
Fund balances - ending			<u>\$ 2,463,654</u>	

CITY OF CONCORD, NORTH CAROLINA  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 OPIOID SETTLEMENT FUND  
 From Inception and for the Year Ended June 30, 2023

Statement 14

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 1,464,853	\$ -	\$ 189,910	\$ 189,910
Investment earnings	-	-	(6,706)	(6,706)
Total revenues	<u>1,464,853</u>	<u>-</u>	<u>183,204</u>	<u>183,204</u>
<b>EXPENDITURES</b>				
Administration	<u>1,464,853</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,464,853</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>183,204</u>	<u>183,204</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>183,204</u>	<u>\$ 183,204</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ 183,204</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**HOUSING ASSISTANCE**  
**For the Year Ended June 30, 2023**

**Statement 15**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 4,513,121	\$ 5,281,065	\$ 5,366,698	\$ 85,633
Investment earnings	-	-	(4,464)	(4,464)
Program income	740,500	740,500	314,763	(425,737)
Total revenues	<u>5,253,621</u>	<u>6,021,565</u>	<u>5,676,997</u>	<u>(344,568)</u>
<b>EXPENDITURES</b>				
Administration	430,691	442,141	463,844	(21,703)
Housing assistance payments	4,879,315	5,638,250	5,210,120	428,130
Total expenditures	<u>5,310,006</u>	<u>6,080,391</u>	<u>5,673,964</u>	<u>406,427</u>
Excess (deficiency) of revenues over expenditures	(56,385)	(58,826)	3,033	61,859
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	59,266	58,826	58,537	(289)
Appropriated to fund balance	(2,881)	-	-	-
Total other financing sources (uses)	<u>56,385</u>	<u>58,826</u>	<u>58,537</u>	<u>(289)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	61,570	<u>\$ 61,570</u>
Fund balances - beginning			135,587	
Fund balances - ending			<u>\$ 197,157</u>	

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

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For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ (939)	\$ (939)
Other revenues	-	19,492	23,141	3,649
Total revenues	-	19,492	22,202	2,710
<b>EXPENDITURES</b>				
Administration	-	19,492	-	19,492
Total expenditures	-	19,492	-	19,492
Excess (deficiency) of revenues over expenditures	-	-	22,202	22,202
Net change in fund balances	\$ -	\$ -	22,202	\$ 22,202
Fund balances - beginning			-	
Fund balances - ending			\$ 22,202	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**EMERGENCY HOUSING ASSISTANCE**  
**For the Year Ended June 30, 2023**

**Statement 17**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ -	\$ -	\$ 10,895	\$ 10,895
Investment earnings	-	-	4,117	4,117
Total revenues	-	-	15,012	15,012
<b>EXPENDITURES</b>				
Administration	-	-	4,025	(4,025)
Housing assistance payments	-	-	89,420	(89,420)
Total expenditures	-	-	93,445	(93,445)
Excess (deficiency) of revenues over expenditures	-	-	(78,433)	(78,433)
Net change in fund balances	\$ -	\$ -	(78,433)	\$ (78,433)
Fund balances - beginning			81,298	
Fund balances - ending			\$ 2,865	

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

## MARKET RATE UNITS

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 67,019	\$ 127,782	\$ 118,213	\$ (9,569)
Other revenues	100	600	892	292
Investment earnings	-	-	(90)	(90)
Total revenues	<u>67,119</u>	<u>128,382</u>	<u>119,015</u>	<u>(9,367)</u>
<b>EXPENDITURES</b>				
Administration	<u>29,411</u>	<u>84,314</u>	<u>30,963</u>	<u>53,351</u>
Total expenditures	<u>29,411</u>	<u>84,314</u>	<u>30,963</u>	<u>53,351</u>
Excess (deficiency) of revenues over expenditures	<u>37,708</u>	<u>44,068</u>	<u>88,052</u>	<u>43,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	<u>(37,708)</u>	<u>(44,068)</u>	<u>(42,927)</u>	<u>1,141</u>
Total other financing sources (uses)	<u>(37,708)</u>	<u>(44,068)</u>	<u>(42,927)</u>	<u>1,141</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	45,125	<u>\$ 45,125</u>
Fund balances - beginning			<u>139,188</u>	
Fund balances - ending			<u>\$ 184,313</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT GRANT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 19**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 5,701,565	\$ 4,378,260	\$ 566,992	\$ 4,945,252
Program income	111,212	109,212	90,001	199,213
Total revenues	5,812,777	4,487,472	656,993	5,144,465
<b>EXPENDITURES</b>				
Administration	781,939	649,937	131,957	781,894
Rehabilitation	4,958,326	3,765,023	525,036	4,290,059
Total expenditures	5,740,265	4,414,960	656,993	5,071,953
Excess (deficiency) of revenues over expenditures	72,512	72,512	-	72,512
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(72,512)	(72,512)	-	(72,512)
Total other financing sources (uses)	(72,512)	(72,512)	-	(72,512)
Net change in fund balances	\$ -	\$ -	-	\$ -
Fund balances - beginning			-	
Fund balances - ending			\$ -	



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOME FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 20**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 9,381,620	\$ 3,115,092	\$ 1,512,286	\$ 4,627,378
Program income	1,145,154	1,045,154	39,486	1,084,640
Investment earnings	8,145	(220)	10,957	10,737
Total revenues	<u>10,534,919</u>	<u>4,160,026</u>	<u>1,562,729</u>	<u>5,722,755</u>
<b>EXPENDITURES</b>				
Administration	1,013,521	711,495	112,659	824,154
Rehabilitation	9,950,471	3,544,969	1,709,796	5,254,765
Total expenditures	<u>10,963,992</u>	<u>4,256,464</u>	<u>1,822,455</u>	<u>6,078,919</u>
Excess (deficiency) of revenues over expenditures	<u>(429,073)</u>	<u>(96,438)</u>	<u>(259,726)</u>	<u>(356,164)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	429,073	398,066	31,006	429,072
Total other financing sources (uses)	<u>429,073</u>	<u>398,066</u>	<u>31,006</u>	<u>429,072</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 301,628</u>	<u>(228,720)</u>	<u>\$ 72,908</u>
Fund balances - beginning			<u>301,628</u>	
Fund balances - ending			<u>\$ 72,908</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOME ARP GRANT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 21**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 4,772,338	\$ 1,500	\$ 466	\$ 1,966
Other revenues	-	-	30	30
Total revenues	<u>4,772,338</u>	<u>1,500</u>	<u>496</u>	<u>1,996</u>
<b>EXPENDITURES</b>				
Administration	715,850	1,500	466	1,966
Rehabilitation	4,056,488	-	-	-
Total expenditures	<u>4,772,338</u>	<u>1,500</u>	<u>466</u>	<u>1,966</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>30</u>	<u>\$ 30</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ 30</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**AFFORDABLE HOUSING FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 22**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 2,150	\$ (12,066)	\$ 6,459	\$ (5,607)
Program income	477,797	351,885	125,912	477,797
Total revenues	479,947	339,819	132,371	472,190
<b>EXPENDITURES</b>				
Planning and community development	4,967,869	2,948,100	1,650,251	4,598,351
Capital outlay	15,200	-	-	-
Total expenditures	4,983,069	2,948,100	1,650,251	4,598,351
Excess (deficiency) of revenues over expenditures	(4,503,122)	(2,608,281)	(1,517,880)	(4,126,161)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	4,503,122	3,060,824	1,442,298	4,503,122
Total other financing sources (uses)	4,503,122	3,060,824	1,442,298	4,503,122
Net change in fund balances	\$ -	\$ 452,543	(75,582)	\$ 376,961
Fund balances - beginning			452,543	
Fund balances - ending			\$ 376,961	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**MUNICIPAL SERVICE DISTRICT**  
**For the Year Ended June 30, 2023**

**Statement 23**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Ad valorem taxes	\$ 130,653	\$ 130,653	\$ 186,351	\$ 55,698
Other revenues	10,000	10,000	389	(9,611)
Investment earnings	-	-	(3,812)	(3,812)
Total revenues	<u>140,653</u>	<u>140,653</u>	<u>182,928</u>	<u>42,275</u>
<b>EXPENDITURES</b>				
Planning and community development	243,304	215,653	163,084	52,569
Total expenditures	<u>243,304</u>	<u>215,653</u>	<u>163,084</u>	<u>52,569</u>
Excess (deficiency) of revenues over expenditures	<u>(102,651)</u>	<u>(75,000)</u>	<u>19,844</u>	<u>94,844</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated from fund balance	27,651	-	-	-
Transfers from other funds	75,000	75,000	75,000	-
Total other financing sources (uses)	<u>102,651</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>94,844</u>	<u>\$ 94,844</u>
Fund balances - beginning			<u>36,487</u>	
Fund balances - ending			<u>\$ 131,331</u>	

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

ADDITIONAL VEHICLE TAX

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Program income	\$ 400,000	\$ -	\$ -	\$ -
Total revenues	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(400,000)	-	-	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances - beginning			-	
Fund balances - ending			<u>\$ -</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**COMPARATIVE GOVERNMENTAL SCHEDULE BUDGET AND ACTUAL BY PROJECT ACTIVITY**  
**PARKS AND RECREATION CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 25**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 2,548,114	\$ 30,000	\$ -	\$ 30,000
Investment earnings	-	(343,855)	113,590	(230,265)
Other revenues	5,000	5,000	-	5,000
Total revenues	<u>2,553,114</u>	<u>(308,855)</u>	<u>113,590</u>	<u>(195,265)</u>
<b>EXPENDITURES</b>				
Administration	-	-	165,370	165,370
Capital outlay	17,110,075	3,858,559	2,934,569	6,793,128
Total expenditures	<u>17,110,075</u>	<u>3,858,559</u>	<u>3,099,939</u>	<u>6,958,498</u>
Excess (deficiency) of revenues over expenditures	<u>(14,556,961)</u>	<u>(4,167,414)</u>	<u>(2,986,349)</u>	<u>(7,153,763)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	625,000	-	-	-
Transfers from other funds	13,931,961	12,550,486	1,381,475	13,931,961
Total other financing sources (uses)	<u>14,556,961</u>	<u>12,550,486</u>	<u>1,381,475</u>	<u>13,931,961</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 8,383,072</u>	<u>(1,604,874)</u>	<u>\$ 6,778,198</u>
Fund balances - beginning			8,383,072	
Fund balances - ending			<u>\$ 6,778,198</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**PARKS CAPITAL RESERVE PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 26**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (13,040)	\$ (88)	\$ (13,128)
Total revenues	-	(13,040)	(88)	(13,128)
<b>EXPENDITURES</b>				
Capital outlay	431,428	-	-	-
Total expenditures	431,428	-	-	-
Excess (deficiency) of revenues over expenditures	(431,428)	(13,040)	(88)	(13,128)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	1,812,903	370,605	1,442,298	1,812,903
Transfers to other funds	(1,381,475)	-	(1,381,475)	(1,381,475)
Total other financing sources (uses)	431,428	370,605	60,823	431,428
Net change in fund balances	\$ -	\$ 357,565	60,735	\$ 418,300
Fund balances - beginning			357,565	
Fund balances - ending			\$ 418,300	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**TRANSPORTATION CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 27**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 5,985,673	\$ 2,156,335	\$ 508,876	\$ 2,665,211
Investment earnings	1,455,292	653,357	27,066	680,423
Program income	2,824,207	2,529,490	439,682	2,969,172
Other revenues	350,000	350,000	-	350,000
Total revenues	<u>10,615,172</u>	<u>5,689,182</u>	<u>975,624</u>	<u>6,664,806</u>
<b>EXPENDITURES</b>				
Administration	-	-	297,052	297,052
Capital outlay	39,776,763	9,118,775	4,121,976	13,240,751
Total expenditures	<u>39,776,763</u>	<u>9,118,775</u>	<u>4,419,028</u>	<u>13,537,803</u>
Excess (deficiency) of revenues over expenditures	<u>(29,161,591)</u>	<u>(3,429,593)</u>	<u>(3,443,404)</u>	<u>(6,872,997)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	29,161,591	25,555,844	3,605,745	29,161,589
Total other financing sources (uses)	<u>29,161,591</u>	<u>25,555,844</u>	<u>3,605,745</u>	<u>29,161,589</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 22,126,251</u>	162,341	<u>\$ 22,288,592</u>
Fund balances - beginning			22,126,251	
Fund balances - ending			<u>\$ 22,288,592</u>	



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 28**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Restricted intergovernmental revenues	\$ 333,910	\$ 137,790	\$ -	\$ 137,790
Investment earnings	-	(765,460)	35,829	(729,631)
Other revenues	40,784	40,784	-	40,784
Total revenues	<u>374,694</u>	<u>(586,886)</u>	<u>35,829</u>	<u>(551,057)</u>
<b>EXPENDITURES</b>				
Administration	-	-	76,548	76,548
Capital outlay	32,770,984	4,636,829	5,804,117	10,440,946
Total expenditures	<u>32,770,984</u>	<u>4,636,829</u>	<u>5,880,665</u>	<u>10,517,494</u>
Excess (deficiency) of revenues over expenditures	<u>(32,396,290)</u>	<u>(5,223,715)</u>	<u>(5,844,836)</u>	<u>(11,068,551)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Financing proceeds	810,100	-	-	-
Proceeds from sale of capital assets	17,497	17,497	-	17,497
Transfers from other funds	31,568,693	21,486,694	10,082,000	31,568,694
Total other financing sources (uses)	<u>32,396,290</u>	<u>21,504,191</u>	<u>10,082,000</u>	<u>31,586,191</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 16,280,476</u>	<u>\$ 4,237,164</u>	<u>\$ 20,517,640</u>
Change in net position:				
General Fund Capital Projects Fund			\$ 4,237,164	
First Concord Capital Project Fund (Statement 47)			(19,247)	
			<u>\$ 4,217,917</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRE AND LIFE SAFETY CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 29**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (3,252)	\$ (20,543)	\$ (23,795)
Total revenues	-	(3,252)	(20,543)	(23,795)
<b>EXPENDITURES</b>				
Administration	-	281,092	(25,488)	255,604
Capital outlay	12,305,467	11,040,198	226,091	11,266,289
Total expenditures	12,305,467	11,321,290	200,603	11,521,893
Excess (deficiency) of revenues over expenditures	(12,305,467)	(11,324,542)	(221,146)	(11,545,688)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	6,200,000	6,200,000	-	6,200,000
Transfers from other funds	6,105,467	6,105,468	-	6,105,468
Total other financing sources (uses)	12,305,467	12,305,468	-	12,305,468
Net change in fund balances	\$ -	\$ 980,926	(221,146)	\$ 759,780
Fund balances - beginning			980,926	
Fund balances - ending			\$ 759,780	

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

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 87,762,614	\$ 104,762,614	\$ 107,396,902	\$ 2,634,288
Other operating revenues	931,500	1,246,755	1,499,194	252,439
Total operating revenues	<u>88,694,114</u>	<u>106,009,369</u>	<u>108,896,096</u>	<u>2,886,727</u>
<b>OPERATING EXPENSES</b>				
General and administrative	4,559,751	4,609,751	4,695,725	(85,974)
Purchased power	59,385,350	70,385,350	66,595,595	3,789,755
Power line and plant	18,183,426	18,428,426	13,363,656	5,064,770
Total operating expenses	<u>82,128,527</u>	<u>93,423,527</u>	<u>84,654,976</u>	<u>8,768,551</u>
Operating income (loss)	<u>6,565,587</u>	<u>12,585,842</u>	<u>24,241,120</u>	<u>11,655,278</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Capital outlay	(1,559,918)	(1,554,918)	(1,910,155)	(355,237)
Investment earnings	-	-	(45,840)	(45,840)
Debt service payments	(1,467,046)	(1,467,046)	(1,463,996)	3,050
Gain (loss) on sale of capital assets	-	-	12,776	12,776
Appropriation from (to) fund balance	5,857,254	(5,548,100)	-	5,548,100
Total nonoperating revenues (expenses)	<u>2,830,290</u>	<u>(8,570,064)</u>	<u>(3,407,215)</u>	<u>5,162,849</u>
Income (loss) before transfers	<u>9,395,877</u>	<u>4,015,778</u>	<u>20,833,905</u>	<u>16,818,127</u>
Transfers out	<u>(9,395,877)</u>	<u>(4,015,778)</u>	<u>(4,015,778)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>	<u>16,818,127</u>	<u>\$ 16,818,127</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,130,005)	
Capital outlay			1,910,155	
Unfunded OPEB Expense			(11,578)	
Pension expense			(336,245)	
Health claims incurred but not reported			11,286	
Debt service			1,111,846	
Change in net position			<u>\$ 15,373,586</u>	
Change in net position:				
Electric Operating Fund			\$ 15,373,586	
Electric Projects Capital Projects Fund (Statement 31)			11,199,562	
Utility Capital Reserve Project Fund (Statement 36)			(3,617,139)	
			<u>\$ 22,956,009</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**ELECTRIC PROJECTS CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 31**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (1,280,260)	\$ 775,067	\$ (505,193)
Total revenues	<u>-</u>	<u>(1,280,260)</u>	<u>775,067</u>	<u>(505,193)</u>
<b>EXPENDITURES</b>				
Contract cost	-	-	770,439	770,439
Capital outlay	76,788,265	30,912,588	25,233,888	56,146,476
Total expenditures	<u>76,788,265</u>	<u>30,912,588</u>	<u>26,004,327</u>	<u>56,916,915</u>
Excess (deficiency) of revenues over expenditures	<u>(76,788,265)</u>	<u>(32,192,848)</u>	<u>(25,229,260)</u>	<u>(57,422,108)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital contributions	6,240,250	-	4,122,488	4,122,488
Transfers from other funds	70,548,015	63,475,569	7,072,446	70,548,015
Total other financing sources (uses)	<u>76,788,265</u>	<u>63,475,569</u>	<u>11,194,934</u>	<u>74,670,503</u>
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 31,282,721</u>	<u>(14,034,326)</u>	<u>\$ 17,248,395</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			25,233,888	
Change in net position			<u>\$ 11,199,562</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**WATER FUND**  
**For the Year Ended June 30, 2023**

**Statement 32**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 26,718,415	\$ 27,218,415	\$ 27,365,100	\$ 146,685
Other operating revenues	1,024,000	1,138,762	997,264	(141,498)
Total operating revenues	<u>27,742,415</u>	<u>28,357,177</u>	<u>28,362,364</u>	<u>5,187</u>
<b>OPERATING EXPENSES</b>				
Water plants and lakes	9,940,817	12,097,855	11,456,563	641,292
Water line operation and maintenance	10,107,670	10,430,394	8,824,577	1,605,817
Repairs and maintenance	2,633,370	2,153,370	1,693,007	460,363
Total operating expenses	<u>22,681,857</u>	<u>24,681,619</u>	<u>21,974,147</u>	<u>2,707,472</u>
Operating income (loss)	<u>5,060,558</u>	<u>3,675,558</u>	<u>6,388,217</u>	<u>2,712,659</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	-	-	328,457	328,457
Capital outlay	(2,913,994)	(1,128,994)	(305,890)	823,104
Debt service	(2,799,728)	(2,799,728)	(2,402,224)	397,504
Gain (loss) on sale of capital assets	-	-	10,350	10,350
Appropriated fund balance	4,687,164	5,687,164	-	(5,687,164)
Total nonoperating revenues (expenses)	<u>(1,026,558)</u>	<u>1,758,442</u>	<u>(2,369,307)</u>	<u>(4,127,749)</u>
Income (loss) before contributions and transfers	4,034,000	5,434,000	4,018,910	(1,415,090)
Capital contributions	-	-	9,990,615	9,990,615
Transfers out	(4,034,000)	(5,434,000)	(5,548,665)	(114,665)
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>	<u>8,460,860</u>	<u>\$ 8,460,860</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,944,385)	
Capital outlay			305,890	
Unfunded OPEB Expense			(14,749)	
Pension expense			(336,428)	
Health claims incurred but not reported			9,933	
Debt service			1,811,533	
Change in net position			<u>\$ 5,292,654</u>	
Change in net position:				
Water Operating Fund			\$ 5,292,654	
Water Projects Capital Projects Fund (Statement 33)			5,496,407	
Utility Capital Reserve Project Fund (Statement 36)			1,185,540	
			<u>\$ 11,974,601</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**WATER PROJECTS CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 33**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (737,030)	\$ (10,005)	\$ (747,035)
Other income	4,261,080	4,481,215	1,072,412	5,553,627
Total revenues	<u>4,261,080</u>	<u>3,744,185</u>	<u>1,062,407</u>	<u>4,806,592</u>
<b>EXPENDITURES</b>				
Capital outlay	45,297,845	10,258,192	2,036,542	12,294,734
Total expenditures	<u>45,297,845</u>	<u>10,258,192</u>	<u>2,036,542</u>	<u>12,294,734</u>
Excess (deficiency) of revenues over expenditures	<u>(41,036,765)</u>	<u>(6,514,007)</u>	<u>(974,135)</u>	<u>(7,488,142)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	12,700,000	-	-	-
Transfers from other funds	28,336,765	25,302,766	4,434,000	29,736,766
Total other financing sources (uses)	<u>41,036,765</u>	<u>25,302,766</u>	<u>4,434,000</u>	<u>29,736,766</u>
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 18,788,759</u>	3,459,865	<u>\$ 22,248,624</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			2,036,542	
Change in net position			<u>\$ 5,496,407</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**WASTEWATER FUND**  
**For the Year Ended June 30, 2023**

**Statement 34**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 18,804,092	\$ 18,804,092	\$ 18,851,097	\$ 47,005
Other operating revenues	252,000	302,000	359,726	57,726
Total operating revenues	<u>19,056,092</u>	<u>19,106,092</u>	<u>19,210,823</u>	<u>104,731</u>
<b>OPERATING EXPENSES</b>				
Wastewater line and plant	14,026,327	14,291,327	14,932,227	(640,900)
Repairs and maintenance	2,456,035	2,456,035	1,082,616	1,373,419
Total operating expenses	<u>16,482,362</u>	<u>16,747,362</u>	<u>16,014,843</u>	<u>732,519</u>
Operating income (loss)	<u>2,573,730</u>	<u>2,358,730</u>	<u>3,195,980</u>	<u>837,250</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	-	-	127,525	127,525
Capital outlay	(448,488)	(933,292)	(613,516)	319,776
Debt service	(1,258,946)	(1,258,946)	(1,257,039)	1,907
Gain (loss) on sale of capital assets	-	29,000	25,999	(3,001)
Appropriation from (to) fund balance	<u>(474,296)</u>	<u>196,508</u>	<u>-</u>	<u>(196,508)</u>
Total nonoperating revenues (expenses)	<u>(2,181,730)</u>	<u>(1,966,730)</u>	<u>(1,717,031)</u>	<u>249,699</u>
Income (loss) before contributions and transfers	392,000	392,000	1,478,949	1,086,949
Capital contributions	-	-	4,763,780	4,763,780
Transfers out	<u>(392,000)</u>	<u>(392,000)</u>	<u>(410,041)</u>	<u>(18,041)</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>	<u>5,832,688</u>	<u>\$ 5,832,688</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(3,949,081)	
Capital outlay			613,516	
Unfunded OPEB Expense			117,077	
Pension expense			(133,939)	
Health claims incurred but not reported			4,372	
Increase to workers comp claims reserve			(2,672)	
Debt service			1,135,526	
Change in net position			<u>\$ 3,617,487</u>	
Change in net position:				
Wastewater Operating Fund			\$ 3,617,487	
Wastewater Projects Capital Projects Fund (Statement 35)			1,136,193	
Utility Capital Reserve Project Fund (Statement 36)			436,828	
			<u>\$ 5,190,508</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**WASTEWATER PROJECTS CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 35**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (354,486)	\$ 126,058	\$ (228,428)
Restricted intergovernmental revenues	500,000	200,000	100,000	300,000
Other income	8,547,318	4,989,032	910,135	5,899,167
Total revenues	<u>9,047,318</u>	<u>4,834,546</u>	<u>1,136,193</u>	<u>5,970,739</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>14,106,786</u>	<u>795,484</u>	<u>2,997,371</u>	<u>3,792,855</u>
Total expenditures	<u>14,106,786</u>	<u>795,484</u>	<u>2,997,371</u>	<u>3,792,855</u>
Excess (deficiency) of revenues over expenditures	<u>(5,059,468)</u>	<u>4,039,062</u>	<u>(1,861,178)</u>	<u>2,177,884</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	<u>5,059,468</u>	<u>5,059,468</u>	<u>-</u>	<u>5,059,468</u>
Total other financing sources (uses)	<u>5,059,468</u>	<u>5,059,468</u>	<u>-</u>	<u>5,059,468</u>
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 9,098,530</u>	<u>(1,861,178)</u>	<u>\$ 7,237,352</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			<u>2,997,371</u>	
Change in net position			<u>\$ 1,136,193</u>	



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**UTILITY CAPITAL RESERVE PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 36**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 809,864	\$ 422,641	\$ 187,568	\$ 610,209
Total revenues	809,864	422,641	187,568	610,209
<b>EXPENDITURES</b>				
Capital outlay	11,347,887	-	-	-
Total expenditures	11,347,887	-	-	-
Excess (deficiency) of revenues over expenditures	(10,538,023)	422,641	187,568	610,209
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	14,245,068	12,805,687	1,524,706	14,330,393
Transfers to other funds	(3,707,045)	-	(3,707,045)	(3,707,045)
Total other financing sources (uses)	10,538,023	12,805,687	(2,182,339)	10,623,348
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 13,228,328	(1,994,771)	\$ 11,233,557
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ (1,994,771)	
The change in net position is allocated as follows:				
Electric Operating Fund			(3,617,139)	
Water Operating Fund			1,185,540	
Wastewater Operating Fund			436,828	
			\$ (1,994,771)	

CITY OF CONCORD, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
REGIONAL AIRPORT OPERATING FUND  
For the Year Ended June 30, 2023

Statement 37

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 13,812,145	\$ 15,367,145	\$ 15,043,140	\$ (324,005)
Other operating revenues	103,985	103,985	69,245	(34,740)
Total operating revenues	<u>13,916,130</u>	<u>15,471,130</u>	<u>15,112,385</u>	<u>(358,745)</u>
<b>OPERATING EXPENSES</b>				
Airport operations and maintenance	<u>13,858,955</u>	<u>17,622,287</u>	<u>14,996,706</u>	<u>2,625,581</u>
Total operating expenses	<u>13,858,955</u>	<u>17,622,287</u>	<u>14,996,706</u>	<u>2,625,581</u>
Operating income (loss)	<u>57,175</u>	<u>(2,151,157)</u>	<u>115,679</u>	<u>2,266,836</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Capital outlay	(743,824)	(776,799)	(526,000)	250,799
Investment earnings	-	-	(55,352)	(55,352)
Debt service	(1,158,273)	(1,158,273)	(1,155,025)	3,248
Other	-	-	338	338
Appropriation from (to) fund balance	<u>(83,460)</u>	<u>(482,279)</u>	<u>-</u>	<u>482,279</u>
Total nonoperating revenues (expenses)	<u>(1,985,557)</u>	<u>(2,417,351)</u>	<u>(1,736,039)</u>	<u>681,312</u>
Income (loss) before contributions and transfers	<u>(1,928,382)</u>	<u>(4,568,508)</u>	<u>(1,620,360)</u>	<u>2,948,148</u>
Transfers in	2,019,932	4,660,058	4,660,058	-
Transfers out	<u>(91,550)</u>	<u>(91,550)</u>	<u>(91,550)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>	<u>2,948,148</u>	<u>\$ 2,948,148</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(3,677,236)	
Capital outlay			526,000	
Unfunded OPEB Expense			(12,660)	
Pension expense			(259,181)	
Health claims incurred but not reported			7,095	
Subscriptions			65,365	
Debt service			<u>1,012,315</u>	
Change in net position			<u>\$ 609,846</u>	
Change in net position:				
Regional Airport Operating Fund			\$ 609,846	
Airport Capital Project Fund (Statement 38)			<u>(543,342)</u>	
			<u>\$ 66,504</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**AIRPORT CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 38**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (231,553)	\$ 82,331	\$ (149,222)
Restricted intergovernmental revenues	22,157,403	9,891,174	3,939,235	13,830,409
Total revenues	22,157,403	9,659,621	4,021,566	13,681,187
<b>EXPENDITURES</b>				
Contract cost	-	-	886,284	886,284
Capital outlay	19,858,997	6,739,870	1,935,897	8,675,767
Total expenditures	19,858,997	6,739,870	2,822,181	9,562,051
Excess (deficiency) of revenues over expenditures	2,298,406	2,919,751	1,199,385	4,119,136
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	712,764	737,162	119,776	856,938
Transfers to other funds	(3,011,170)	(875,000)	(3,798,400)	(4,673,400)
Total other financing sources (uses)	(2,298,406)	(137,838)	(3,678,624)	(3,816,462)
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 2,781,913	(2,479,239)	\$ 302,674
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			1,935,897	
Change in net position			\$ (543,342)	

CITY OF CONCORD, NORTH CAROLINA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
STORMWATER OPERATING FUND  
For the Year Ended June 30, 2023

Statement 39

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,483,035	\$ 5,483,035	\$ 5,494,909	\$ 11,874
Other operating revenues	26,000	26,000	28,257	2,257
Total operating revenues	<u>5,509,035</u>	<u>5,509,035</u>	<u>5,523,166</u>	<u>14,131</u>
<b>OPERATING EXPENSES</b>				
Stormwater operation and maintenance	<u>4,685,591</u>	<u>4,914,591</u>	<u>4,644,490</u>	<u>270,101</u>
Total operating expenses	<u>4,685,591</u>	<u>4,914,591</u>	<u>4,644,490</u>	<u>270,101</u>
Operating income (loss)	<u>823,444</u>	<u>594,444</u>	<u>878,676</u>	<u>284,232</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	-	-	58,954	58,954
Capital outlay	(263,198)	(263,198)	(30,289)	232,909
Gain (loss) on sale of capital assets	-	29,000	35,151	6,151
Appropriation from (to) fund balance	<u>(43,746)</u>	<u>156,254</u>	<u>-</u>	<u>(156,254)</u>
Total nonoperating revenues (expenses)	<u>(306,944)</u>	<u>(77,944)</u>	<u>63,816</u>	<u>141,760</u>
Income (loss) before contributions and transfers	516,500	516,500	942,492	425,992
Transfers out	<u>(516,500)</u>	<u>(516,500)</u>	<u>(516,500)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>	425,992	<u>\$ 425,992</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(1,970,761)	
Capital outlay			30,289	
Unfunded OPEB Expense			89,248	
Pension expense			(91,155)	
Health claims incurred but not reported			2,970	
Change in net position			<u>\$ (1,513,417)</u>	
Change in net position:				
Stormwater Operating Fund			\$ (1,513,417)	
Stormwater Capital Project Fund (Statement 40)			555,492	
			<u>\$ (957,925)</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**STORMWATER CAPITAL PROJECTS FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 40**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ -	\$ (204,408)	\$ 38,992	\$ (165,416)
Restricted intergovernmental revenues	140,000	140,000	-	140,000
Total revenues	140,000	(64,408)	38,992	(25,416)
<b>EXPENDITURES</b>				
Capital outlay	7,754,440	1,895,922	1,006,260	2,902,182
Total expenditures	7,754,440	1,895,922	1,006,260	2,902,182
Excess (deficiency) of revenues over expenditures	(7,614,440)	(1,960,330)	(967,268)	(2,927,598)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	7,614,440	7,097,941	516,500	7,614,441
Total other financing sources (uses)	7,614,440	7,097,941	516,500	7,614,441
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 5,137,611	(450,768)	\$ 4,686,843
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			1,006,260	
Change in net position			\$ 555,492	

CITY OF CONCORD, NORTH CAROLINA  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**TRANSIT FUND**  
**From Inception and for the Year Ended June 30, 2023**

Statement 41

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,037,479	\$ 1,571,479	\$ 219,582	\$ 1,791,061
Total operating revenues	<u>2,037,479</u>	<u>1,571,479</u>	<u>219,582</u>	<u>1,791,061</u>
<b>OPERATING EXPENSES</b>				
General and administrative	3,817,983	3,073,811	666,509	3,740,320
Professional services	21,572,932	16,664,453	4,172,897	20,837,350
Operating supplies	5,567,919	2,764,278	611,871	3,376,149
Other operating costs	-	6,530	(30)	6,500
Total operating expenses	<u>30,958,834</u>	<u>22,509,072</u>	<u>5,451,247</u>	<u>27,960,319</u>
Operating income (loss)	<u>(28,921,355)</u>	<u>(20,937,593)</u>	<u>(5,231,665)</u>	<u>(26,169,258)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating subsidy	30,395,178	14,361,545	13,654,762	28,016,307
Gain on sale of capital assets	15,577	34,620	-	34,620
Capital outlay	(9,221,922)	(2,576,585)	(6,884,440)	(9,461,025)
Other	400,000	-	439,693	439,693
Total nonoperating revenues (expenses)	<u>21,588,833</u>	<u>11,819,580</u>	<u>7,210,015</u>	<u>19,029,595</u>
Income (loss) before contributions and transfers	<u>(7,332,522)</u>	<u>(9,118,013)</u>	<u>1,978,350</u>	<u>(7,139,663)</u>
Transfers in	7,335,070	6,204,176	1,338,831	7,543,007
Transfers out	<u>(2,548)</u>	<u>(2,548)</u>	<u>-</u>	<u>(2,548)</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ -</u>	<u>\$ (2,916,385)</u>	<u>3,317,181</u>	<u>\$ 400,796</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(486,397)	
Capital outlay			6,884,440	
Unfunded OPEB Expense			(925)	
Pension expense			(26,639)	
Health claims incurred but not reported			891	
Change in net position			<u>\$ 9,688,551</u>	

CITY OF CONCORD, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
GOLF COURSE OPERATING FUND  
For the Year Ended June 30, 2023

Statement 42

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,620,000	\$ 1,920,000	\$ 1,972,063	\$ 52,063
Other operating revenues	745,997	1,045,997	1,186,222	140,225
Total operating revenues	<u>2,365,997</u>	<u>2,965,997</u>	<u>3,158,285</u>	<u>192,288</u>
<b>OPERATING EXPENSES</b>				
Professional services	961,058	1,061,058	1,025,027	36,031
Other operating costs	1,126,248	1,626,248	1,671,555	(45,307)
Depreciation and amortization	-	-	-	-
Total operating expenses	<u>2,087,306</u>	<u>2,687,306</u>	<u>2,696,582</u>	<u>(9,276)</u>
Operating income (loss)	<u>278,691</u>	<u>278,691</u>	<u>461,703</u>	<u>183,012</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gain (loss) on sale of capital assets	-	-	(2,000)	(2,000)
Capital outlay	(45,430)	(45,430)	(45,298)	132
Appropriation from (to) fund balance	(233,261)	166,271	-	(166,271)
Other	-	-	52,607	52,607
Total nonoperating revenues (expenses)	<u>(278,691)</u>	<u>120,841</u>	<u>5,309</u>	<u>(115,532)</u>
Income (loss) before contributions and transfers	-	399,532	467,012	67,480
Transfers out	-	(399,532)	(399,532)	-
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>67,480</u>	<u>\$ 67,480</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(112,928)	
Capital outlay			45,298	
Lease payments			108,666	
Change in net position			<u>\$ 108,516</u>	
Change in net position:				
Golf Course Operating Fund			\$ 108,516	
Golf Capital Project Fund (Statement 43)			395,715	
			<u>\$ 504,231</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**GOLF CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 43**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>EXPENDITURES</b>				
Contract cost	\$ 1,340,000	\$ -	\$ 3,817	\$ 3,817
Total expenditures	1,340,000	-	3,817	3,817
Excess (deficiency) of revenues over expenditures	(1,340,000)	-	(3,817)	(3,817)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	1,340,000	940,468	399,532	1,340,000
Total other financing sources (uses)	1,340,000	940,468	399,532	1,340,000
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 940,468	395,715	\$ 1,336,183
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ 395,715	



CITY OF CONCORD, NORTH CAROLINA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
HOUSING DEPARTMENT OPERATING FUND  
For the Year Ended June 30, 2023

Statement 44

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 445,000	\$ 445,000	\$ 482,730	\$ 37,730
Total operating revenues	445,000	445,000	482,730	37,730
<b>OPERATING EXPENSES</b>				
General and administrative	1,153,453	1,260,716	1,188,076	72,640
Utilities	285,366	323,366	380,192	(56,826)
Housing maintenance and repairs	414,251	480,287	316,814	163,473
Total operating expenses	1,853,070	2,064,369	1,885,082	179,287
Operating income (loss)	(1,408,070)	(1,619,369)	(1,402,352)	217,017
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Operating subsidy	871,920	935,920	1,054,074	118,154
Investment earnings	-	-	(1,824)	(1,824)
Interest expense	(3,708)	(3,708)	(3,708)	-
Appropriation from (to) fund balance	29,849	29,849	-	(29,849)
Other	70,000	70,000	96,757	26,757
Total nonoperating revenues (expenses)	968,061	1,032,061	1,145,299	113,238
Income (loss) before contributions and transfers	(440,009)	(587,308)	(257,053)	330,255
Transfers in	440,009	587,308	586,457	(851)
Transfers out	-	-	-	-
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ -	329,404	\$ 329,404
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(553,143)	
Unfunded OPEB Expense			16,956	
Pension expense			(54,457)	
Decrease to workers comp claims reserve			9,583	
Health claims incurred but not reported			1,782	
Change in net position			\$ (249,875)	
Change in net position:				
Housing Department Operating Fund			\$ (249,875)	
Housing Capital Project Fund (Statement 45)			-	
			\$ (249,875)	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**HOUSING CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 45**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Federal grants	\$ 2,254,930	\$ 564,737	\$ 425,135	\$ 989,872
Total revenues	<u>2,254,930</u>	<u>564,737</u>	<u>425,135</u>	<u>989,872</u>
<b>EXPENDITURES</b>				
Administrative	2,044,601	494,908	284,635	779,543
Total expenditures	<u>2,044,601</u>	<u>494,908</u>	<u>284,635</u>	<u>779,543</u>
Excess (deficiency) of revenues over expenditures	<u>210,329</u>	<u>69,829</u>	<u>140,500</u>	<u>210,329</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(210,329)	(69,829)	(140,500)	(210,329)
Total other financing sources (uses)	<u>(210,329)</u>	<u>(69,829)</u>	<u>(140,500)</u>	<u>(210,329)</u>
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			<u>\$ -</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**INTERNAL SERVICE FUND**  
**Year Ended June 30, 2023**

**Statement 46**  
**Page 1 of 2**

	Financial Plan	Actual	Variance - Favorable (Unfavorable)
<b>Building and Grounds</b>			
Salaries and benefits	\$ 3,925,029	\$ 3,673,768	\$ 251,261
Professional services	72,627	45,779	26,848
Other expenses	1,770,657	1,698,232	72,425
Capital outlay	211,347	5,905	205,442
Buildings and grounds allocation	(5,979,660)	(5,903,512)	(76,148)
	<u>-</u>	<u>(479,828)</u>	<u>479,828</u>
<b>Data Services</b>			
Salaries and benefits	33,000	33,637	(637)
Professional services	2,191,099	2,150,359	40,740
Other expenses	1,434,582	1,263,696	170,886
Capital outlay	537,090	89,562	447,528
Data services allocation	(4,326,214)	(3,772,142)	(554,072)
	<u>(130,443)</u>	<u>(234,888)</u>	<u>104,445</u>
<b>Engineering</b>			
Salaries and benefits	2,680,483	2,686,428	(5,945)
Professional services	109,264	132,537	(23,273)
Other expenses	565,918	483,311	82,607
Capital outlay	66,998	66,716	282
Engineering allocation	(3,422,663)	(3,458,240)	35,577
	<u>-</u>	<u>(89,248)</u>	<u>89,248</u>
<b>Billing</b>			
Salaries and benefits	1,278,232	1,292,127	(13,895)
Professional services	251,594	270,396	(18,802)
Other expenses	725,500	607,392	118,108
Capital outlay	106,000	-	106,000
Billing allocation	(2,487,165)	(2,404,492)	(82,673)
	<u>(125,839)</u>	<u>(234,577)</u>	<u>108,738</u>
<b>Customer Care</b>			
Salaries and benefits	1,643,735	1,597,069	46,666
Professional services	47,782	31,085	16,697
Other expenses	656,438	559,741	96,697
Capital outlay	-	-	-
Customer care allocation	(2,547,455)	(2,477,139)	(70,316)
	<u>(199,500)</u>	<u>(289,244)</u>	<u>89,744</u>
<b>Warehouse Operations</b>			
Salaries and benefits	543,290	539,804	3,486
Professional services	54	51	3
Other expenses	251,932	224,422	27,510
Capital outlay	66,399	66,399	-
Warehouse allocation	(861,675)	(800,885)	(60,790)
	<u>-</u>	<u>29,791</u>	<u>(29,791)</u>

Continued

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**INTERNAL SERVICE FUND**  
**Year Ended June 30, 2023**

**Statement 46**  
**Page 2 of 2**

	Financial Plan	Actual	Variance - Favorable (Unfavorable)
Utilities Collection			
Salaries and benefits	260,999	240,009	20,990
Professional services	80,388	69,305	11,083
Other expenses	239,588	221,487	18,101
Capital outlay	-	-	-
Utilities collection allocation	(608,598)	(575,250)	(33,348)
	<u>(27,623)</u>	<u>(44,449)</u>	<u>16,826</u>
Total operating expenses	<u>(483,405)</u>	<u>(1,342,443)</u>	<u>859,038</u>
Transfers out	<u>(483,405)</u>	<u>(483,405)</u>	<u>-</u>
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>859,038</u>	<u>\$ 859,038</u>
Reconciliation of Modified Accrual Basis			
to Full Accrual Basis			
Depreciation and amortization		(490,910)	
Capital outlay		228,582	
Unfunded OPEB Expense		(22,484)	
Pension expense		(588,720)	
Increase to workers comp claims reserve		(4,316)	
Health claims incurred but not reported		18,810	
Change in net position		<u>\$ -</u>	
Change in net position:			
Internal Service Fund		\$ -	
First Concord Capital Project Fund (Statement 47)		<u>183,851</u>	
		<u>\$ 183,851</u>	

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**FIRST CONCORD CAPITAL PROJECT FUND**  
**From Inception and for the Year Ended June 30, 2023**

**Statement 47**

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
<b>REVENUES</b>				
Investment earnings	\$ 35,633	\$ 35,632	\$ -	\$ 35,632
Gain on sale of capital assets	579,000	579,000	-	579,000
Total revenues	<u>614,633</u>	<u>614,632</u>	<u>-</u>	<u>614,632</u>
<b>EXPENDITURES</b>				
Debt service	20,512,267	18,247,952	2,322,720	20,570,672
Contract services	917,312	879,144	2,744	881,888
Capital outlay	1,123,001	910,226	21,594	931,820
Total expenditures	<u>22,552,580</u>	<u>20,037,322</u>	<u>2,347,058</u>	<u>22,384,380</u>
Excess (deficiency) of revenues over expenditures	<u>(21,937,947)</u>	<u>(19,422,690)</u>	<u>(2,347,058)</u>	<u>(21,769,748)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	21,875,825	19,546,755	2,329,031	21,875,786
Issuance of bonds	62,122	62,122	-	62,122
Total other financing sources (uses)	<u>21,937,947</u>	<u>19,608,877</u>	<u>2,329,031</u>	<u>21,937,908</u>
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 186,187</u>	<u>(18,027)</u>	<u>\$ 168,160</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			21,594	
Debt service principal payments			1,540,000	
Depreciation and amortization			(1,205,204)	
Change in net position			<u>\$ 338,363</u>	
The change in First Concord net position is allocated as follows:				
General Fund Capital Projects Fund			(19,247)	
Governmental activities			173,759	
Internal Service Fund			183,851	
			<u>\$ 338,363</u>	

CITY OF CONCORD, NORTH CAROLINA  
ANALYSIS OF CURRENT LEVY  
June 30, 2023

Schedule 1

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 74,481,025	\$ 74,033,727	\$ 447,298
2021-2022	360,304	-	271,253	89,051
2020-2021	132,995	-	59,986	73,009
2019-2020	148,813	-	12,940	135,873
2018-2019	47,581	-	5,725	41,856
2017-2018	313,129	-	3,820	309,309
2016-2017	20,257	-	3,225	17,032
2015-2016	42,902	-	3,416	39,486
2014-2015	51,493	-	4,134	47,359
2013-2014	30,264	-	2,958	27,306
2012-2013	94,827	-	94,827	-
	<u>\$ 1,242,565</u>	<u>\$ 74,481,025</u>	<u>\$ 74,496,011</u>	1,227,579
Less allowance for uncollectible ad valorem taxes receivable				306,895
<b>Ad valorem taxes receivable</b>				<u>\$ 920,684</u>

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	\$ 74,244,038	\$ 175,421	
Taxes written off	76,367	185	
<b>Total collections and credits</b>	<u>\$ 74,320,405</u>	<u>\$ 175,606</u>	\$ 74,496,011
Interest billed and collected during the year			237,715
Miscellaneous adjustment			-
Taxes written off			(76,552)
<b>Total Ad valorem taxes</b>			<u>\$ 74,657,174</u>

**CITY OF CONCORD, NORTH CAROLINA  
ANALYSIS OF CURRENT LEVY  
Year Ended June 30, 2023**

**Schedule 2**

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy	
				Property	Registered Motor Vehicles
Original levy:					
City wide	\$ 14,015,178,552	0.48	\$ 67,272,857	\$ 67,272,857	\$ -
Municipal Service District	55,364,026	0.23	127,336	127,336	-
Current year's rate, Motor vehicles	1,281,493,125	0.48	6,151,167	-	6,151,167
Discoveries/additional listings:					
Current year taxes, City wide	228,174,421	0.48	1,095,237	1,095,237	-
Current year taxes, MSD	30,639,026	0.23	70,470	70,470	-
Current year's rate, Motor vehicles	14,740	0.48	71	-	71
Abatements:					
Current year's rate, City wide	(45,239,004)	0.48	(217,147)	(217,147)	-
Current year's rate, MSD	(8,246,009)	0.23	(18,966)	(18,966)	-
Current year's rate, Motor vehicles	-	0.48	-	-	-
<b>Total for year</b>	<u>\$ 15,557,378,877</u>		<u>74,481,025</u>	<u>68,329,787</u>	<u>6,151,238</u>
Less uncollected tax at June 30, 2023			447,298	447,298	-
<b>Current year's taxes collected</b>			<u>\$ 74,033,727</u>	<u>\$ 67,882,489</u>	<u>\$ 6,151,238</u>
<b>Current levy collection percentage</b>			<u>99.40%</u>	<u>99.35%</u>	<u>100.00%</u>
Distribution of levy:					
General Fund			\$ 74,302,185		
Municipal Service District			178,840		
			<u>\$ 74,481,025</u>		

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF CASH AND INVESTMENT BALANCES**  
**June 30, 2023**

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

	Reported Value	Fair Value
<b>Cash</b>		
On hand	\$ 9,350	\$ 9,350
Demand deposits	6,113,877	6,113,877
Certificates of deposit	500,000	500,000
Insured Cash Sweep	15,490,710	15,490,710
<b>Total cash</b>	<u>22,113,937</u>	<u>22,113,937</u>
<b>Investments</b>		
North Carolina Capital Management Trust	22,297,166	22,297,166
Federal Farm Credit	90,220,695	90,220,695
Federal National Mortgage Association	72,135,238	72,135,238
Federal Home Loan	98,604,285	98,604,285
Federal Home Loan Mortgage Corporation	40,962,779	40,962,779
Commercial Paper	44,197,728	44,592,895
<b>Total investments</b>	<u>368,417,892</u>	<u>368,813,059</u>
<b>Total cash and investments</b>	<u>\$ 390,531,829</u>	<u>\$ 390,926,996</u>
<b>Distribution by Fund</b>		
<b>General Fund:</b>		
Unrestricted	\$ 83,303,398	
Restricted	<u>6,597,109</u>	\$ 89,900,507
<b>Special Revenue Funds:</b>		
<b>American Rescue Plan Fund (Restricted)</b>		
Unrestricted	2,468,394	
Restricted	<u>1,264,785</u>	3,733,179
Opioind Settlement Fund (Restricted)		182,959
<b>Housing Assistance Fund</b>		
Unrestricted	88,899	
Restricted	<u>180,238</u>	269,137
FSS Escrow Forfeitures Fund (Restricted)		22,170
Emergency Housing Assistance (Restricted)		41,925
<b>Market Rate Units Fund:</b>		
Unrestricted	183,509	
Restricted	<u>9,405</u>	192,914
Home ARP Fund (Unrestricted)		30
Affordable Housing Fund (Unrestricted)		380,820
Municipal Service District (Unrestricted)		139,053
<b>Capital Project Funds:</b>		
Parks (Unrestricted)		7,271,657
Parks Capital Reserve Fund (Unrestricted)		417,741
Transportation (Unrestricted)		25,246,216
<b>General Fund Capital Project Fund:</b>		
Unrestricted	18,291,913	
Restricted	<u>1</u>	18,291,914
General Fund Capital Reserve Project Fund (Restricted)		24,578,267

(Continued)



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF CASH AND INVESTMENT BALANCES**  
**June 30, 2023**

	Reported Value	Fair Value
Distribution by Fund (Continued)		
Fire and Life Safety:		
Unrestricted	776,002	
Restricted	<u>89,059</u>	865,061
Enterprise Funds:		
Electric Fund:		
Unrestricted	\$ 80,109,033	
Restricted	<u>2,795,556</u>	\$ 82,904,589
Water Fund:		
Unrestricted	60,533,820	
Restricted	<u>1,164,402</u>	61,698,222
Wastewater Fund:		
Unrestricted	37,165,247	
Restricted	<u>65,635</u>	37,230,882
Regional Airport Fund:		
Unrestricted	13,331,113	
Restricted	<u>4,703,570</u>	18,034,683
Stormwater Fund (Unrestricted)		14,528,827
Golf Course Fund (Unrestricted)		2,888,514
Housing Department Fund:		
Unrestricted	1,343,259	
Restricted	<u>131,510</u>	1,474,769
Internal Service Fund:		
Unrestricted	237,792	
Restricted	<u>1</u>	237,793
<b>Total reported value</b>		<u><u>\$ 390,531,829</u></u>

CITY OF CONCORD, NORTH CAROLINA  
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS  
 Year Ended June 30, 2023

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	Emergency Housing Vouchers 14.EHV	FSS Escrow Forfeiture Account 14.EFA
Assets:								
Current Assets:								
Cash:								
111	Cash - unrestricted	\$ 1,378,980	\$ -	\$ 95,266	\$ -	\$ -	\$ -	\$ -
113	Cash - other restricted	51,372	-	124,070	-	-	38,401	22,170
114	Cash - tenant security deposits	43,542	-	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	36,596	-	56,168	-	-	-	-
100	<b>Total cash</b>	<b>1,510,490</b>	<b>-</b>	<b>275,504</b>	<b>-</b>	<b>-</b>	<b>38,401</b>	<b>22,170</b>
Accounts and notes receivable:								
121	Accounts receivable - PHA projects	-	-	58,532	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	66,194	-	-	3,738	-
125	Accounts receivable - miscellaneous	-	-	664	-	-	-	-
126	Accounts receivable - tenants - dwelling units	15,326	-	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(9,624)	-	-	-	-	-	-
128	Fraud recovery	3,102	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - other	(776)	-	-	-	-	-	-
129	Accrued interest receivable	2,056	-	368	-	-	53	32
120	<b>Total receivables</b>	<b>10,084</b>	<b>-</b>	<b>125,758</b>	<b>-</b>	<b>-</b>	<b>3,791</b>	<b>32</b>
142	Prepaid expenses and other assets	378	-	378	-	-	-	\$ -
150	<b>Total current assets</b>	<b>1,520,952</b>	<b>-</b>	<b>401,640</b>	<b>-</b>	<b>-</b>	<b>42,192</b>	<b>22,202</b>
Noncurrent Assets:								
161	Land	577,382	-	-	-	-	-	-
162	Buildings	3,217,627	-	-	-	-	-	-
164	Furniture, equipment, machinery - administration	152,876	-	11,654	-	-	-	-
165	Leasehold improvements	25,391	-	-	-	-	-	-
166	Accumulated depreciation	(2,454,865)	-	(5,627)	-	-	-	-
180	<b>Total non-current assets</b>	<b>1,518,411</b>	<b>-</b>	<b>6,027</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
200	Deferred Outflow of Resources	418,992	-	-	-	-	-	-
290	<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 3,458,355</b>	<b>\$ -</b>	<b>\$ 407,667</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,192</b>	<b>\$ 22,202</b>
Liabilities and Equity:								
Liabilities:								
Current Liabilities:								
312	Accounts payable (less than or equal to 90 days)	\$ 41,409	\$ -	\$ 8,641	\$ -	\$ -	\$ 725	\$ -
321	Accrued wage/payroll taxes payable	6,411	-	4,247	-	-	-	-
322	Accrued compensated absences - Current Portion	34,312	-	3,593	-	-	-	-
341	Tenant security deposits	43,542	-	-	-	-	-	-
342	Unearned revenue	-	-	-	-	-	41,925	-
343	Current portion of long-term debt - capital	36,306	-	-	-	-	-	-
345	Other current liabilities	36,596	-	56,168	-	-	-	-
346	Accrued liability - other	7,710	-	-	-	-	-	-
310	<b>Total current liabilities</b>	<b>206,286</b>	<b>-</b>	<b>72,649</b>	<b>-</b>	<b>-</b>	<b>42,650</b>	<b>-</b>

(Continued)

CITY OF CONCORD, NORTH CAROLINA  
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS  
 Year Ended June 30, 2023

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	Emergency Housing Vouchers 14.EHV	FSS Escrow Forfeiture Account 14.EFA
Non-current Liabilities:								
351	Long-term debt, net of current - capital projects/mortgage	\$ 247,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
353	Non-current liabilities - other	51,372	-	124,070	-	-	-	-
354	Accrued compensated absences - non current	13,344	-	1,397	-	-	-	-
357	Accrued pension and OPEB liabilities	1,047,452	-	-	-	-	-	-
350	<b>Total non-current liabilities</b>	<b>1,359,998</b>	<b>-</b>	<b>125,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
300	<b>Total liabilities</b>	<b>1,566,284</b>	<b>-</b>	<b>198,116</b>	<b>-</b>	<b>-</b>	<b>42,650</b>	<b>-</b>
400	Deferred Inflow of Resources	76,303	-	-	-	-	-	-
Equity:								
Contributed Capital:								
508.4	Net investment in capital assets	1,234,274	-	6,027	-	-	-	-
511.4	Restricted net position	-	-	-	-	-	-	22,202
512.4	Unrestricted net position	581,494	-	203,524	-	-	(458)	-
513	<b>Total equity</b>	<b>1,815,768</b>	<b>-</b>	<b>209,551</b>	<b>-</b>	<b>-</b>	<b>(458)</b>	<b>22,202</b>
600	<b>Total liabilities, deferred inflows of resources and equity</b>	<b>\$ 3,458,355</b>	<b>\$ -</b>	<b>\$ 407,667</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,192</b>	<b>\$ 22,202</b>
Reconciliation from FDS to ACFR								
Total assets per FDS				\$ 407,667				
Subtract special revenue fund net capital assets not recorded within fund				(6,027)				
Adjusted total assets				\$ 401,640				
Total liabilities and equity FDS				\$ 407,667				
Add depreciation (not recorded in SRF)				2,331				
Subtract beginning balance, net capital assets				(8,358)				
Adjusted total liabilities and equity				\$ 401,640				
Revenues:								
70300	Net tenant rental revenue	\$ 482,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	75,548	-	-	-	-	-	-
70600	HUD PHA operating grants	926,824	68,466	5,366,698	338,497	58,784	10,895	-
70610	Capital grants	-	-	-	86,638	-	-	-
71100	Investment income - unrestricted	16,916	-	1,904	-	-	794	-
71400	Fraud recovery	-	-	-	-	-	-	-
71500	Other revenue	30,510	-	317,385	-	-	-	23,141
72000	Investment income - restricted	-	-	-	-	-	-	(939)
70000	<b>Total revenue</b>	<b>1,532,528</b>	<b>68,466</b>	<b>5,685,987</b>	<b>425,135</b>	<b>58,784</b>	<b>11,689</b>	<b>22,202</b>
Expenses:								
Administrative:								
91100	Administrative salaries	157,680	-	199,374	-	-	-	-
91200	Auditing fees	278	-	963	-	-	-	-
91500	Employee benefit contributions - administrative	127,276	-	75,767	-	-	-	-
91600	Office expenses	44,891	4,410	40,108	-	-	-	-
91800	Travel	4,165	-	1,927	-	-	-	-
91810	Allocated overhead	449,461	-	53,522	-	-	-	-
91900	Other	45,851	-	13,424	-	-	-	-

(Continued)

CITY OF CONCORD, NORTH CAROLINA  
 SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS  
 Year Ended June 30, 2023

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	Emergency Housing Vouchers 14.EHV	FSS Escrow Forfeiture Account 14.EFA
92100	Tenant services - salaries	37,386	-	-	-	30,949	-	-
92300	Tenant services - employee benefit contributions	16,815	-	-	-	23,685	-	-
92400	Tenant services - other	6,573	64,056	-	-	-	4,025	-
93100	Water	59,536	-	-	-	-	-	-
93200	Electricity	112,489	-	-	-	-	-	-
93300	Gas	137,474	-	-	-	-	-	-
93600	Sewer	59,813	-	-	-	-	-	-
93800	Other utility expense	10,879	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	108,253	-	32,472	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	140,233	-	-	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	342,187	-	8,897	-	-	-	-
94500	Ordinary maintenance and operations - employee benefit contributions	45,171	-	14,216	-	-	-	-
96110	Property insurance	19,204	-	-	-	-	-	-
96120	Liability insurance	688	-	688	-	-	-	-
96130	Workmen's compensation	1,637	-	838	-	-	-	-
96140	All other insurance	5,319	-	947	-	-	-	-
96200	Other general expense	32,156	-	10,630	-	-	-	-
96210	Compensated absences	44,944	-	10,071	-	4,150	-	-
96400	Bad debt - tenant rents	19,720	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	3,708	-	-	-	-	-	-
96900	<b>Total operating expenses</b>	<b>2,033,787</b>	<b>68,466</b>	<b>463,844</b>	<b>-</b>	<b>58,784</b>	<b>4,025</b>	<b>-</b>
97000	<b>Excess of operating revenues over expenditures</b>	<b>(501,259)</b>	<b>-</b>	<b>5,222,143</b>	<b>425,135</b>	<b>-</b>	<b>7,664</b>	<b>22,202</b>
97100	Extraordinary maintenance	38,525	-	-	-	-	-	-
97300	Housing assistance payments	-	-	4,914,481	-	-	89,420	-
97350	HAP portability-in	-	-	295,639	-	-	-	-
97400	Depreciation expense	82,241	-	2,331	-	-	-	-
90000	<b>Total expenses</b>	<b>2,154,553</b>	<b>68,466</b>	<b>5,676,295</b>	<b>-</b>	<b>58,784</b>	<b>93,445</b>	<b>-</b>
10010	Operating transfer in	338,497	-	55,916	-	-	-	-
10020	Operating transfer out	-	-	-	(338,497)	-	-	-
10040	Operating transfers from/to component unit	436,658	-	-	-	-	-	-
10000	<b>Excess of revenue over expenses</b>	<b>153,130</b>	<b>-</b>	<b>65,608</b>	<b>86,638</b>	<b>-</b>	<b>(81,756)</b>	<b>22,202</b>
11030	Beginning equity	1,576,000	-	143,943	-	-	81,298	-
11040	Prior period adjustments, equity transfers & correction of errors	86,638	-	-	(86,638)	-	-	-
	Ending equity	<b>\$ 1,815,768</b>	<b>\$ -</b>	<b>\$ 209,551</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(458)</b>	<b>\$ 22,202</b>
Memo information:								
11020	Required annual debt principal payments	35,439	-	-	-	-	-	-
11170	Administrative fee equity	-	-	209,551	-	-	(458)	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-
11190	Unit months available	2,030	-	6,717	-	-	-	-
11210	Number of unit months leased	1,904	-	5,948	-	-	-	-
11270	Excess cash	1,092,649	-	-	-	-	-	-
11620	Building purchases	-	-	-	35,088	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-
11650	Leasehold improvement purchases	-	-	-	-	-	-	-

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS**  
**June 30, 2023**

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

	July 1, 2022	Increases	Decreases	Transfers	June 30, 2023
<b>Electric Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 5,354,401	\$ -	\$ -	\$ -	\$ 5,354,401
Construction in progress	28,202,874	25,426,390	(1,490,167)	-	52,139,097
<b>Total capital assets, not being depreciated</b>	<b>33,557,275</b>	<b>25,426,390</b>	<b>(1,490,167)</b>	<b>-</b>	<b>57,493,498</b>
Capital assets, being depreciated:					
Buildings	5,429,405	-	-	-	5,429,405
Improvements other than buildings	145,762,211	1,109,922	-	-	146,872,133
Machinery and equipment	12,119,058	2,097,897	(25,200)	(28,074)	14,163,681
<b>Total capital assets, being depreciated</b>	<b>163,310,674</b>	<b>3,207,819</b>	<b>(25,200)</b>	<b>(28,074)</b>	<b>166,465,219</b>
Accumulated depreciation:					
Buildings	3,034,282	130,824	-	-	3,165,106
Improvements other than buildings	86,641,357	3,216,276	-	-	89,857,633
Machinery and equipment	8,675,823	830,870	(25,200)	(28,074)	9,453,419
<b>Total accumulated depreciation</b>	<b>98,351,462</b>	<b>4,177,970</b>	<b>(25,200)</b>	<b>(28,074)</b>	<b>102,476,158</b>
<b>Total capital assets, being depreciated, net</b>	<b>64,959,212</b>	<b>(970,151)</b>	<b>-</b>	<b>-</b>	<b>63,989,061</b>
<b>Electric Fund capital assets, net</b>	<b>\$ 98,516,487</b>	<b>\$ 24,456,239</b>	<b>\$ (1,490,167)</b>	<b>\$ -</b>	<b>\$ 121,482,559</b>
<b>Water Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 1,295,309	\$ 5,188	\$ -	\$ -	\$ 1,300,497
Construction in progress	9,294,852	2,207,819	-	-	11,502,671
<b>Total capital assets, not being depreciated</b>	<b>10,590,161</b>	<b>2,213,007</b>	<b>-</b>	<b>-</b>	<b>12,803,168</b>
Capital assets, being depreciated:					
Buildings	15,259,995	-	-	-	15,259,995
Improvements other than buildings	171,248,263	9,990,615	-	-	181,238,878
Machinery and equipment	4,760,227	129,424	(20,513)	17,835	4,886,973
<b>Total capital assets, being depreciated</b>	<b>191,268,485</b>	<b>10,120,039</b>	<b>(20,513)</b>	<b>17,835</b>	<b>201,385,846</b>
Accumulated depreciation:					
Buildings	7,808,500	496,388	-	-	8,304,888
Improvements other than buildings	77,715,244	4,134,904	-	-	81,850,148
Machinery and equipment	3,227,025	393,412	(20,513)	17,835	3,617,759
<b>Total accumulated depreciation</b>	<b>88,750,769</b>	<b>5,024,704</b>	<b>(20,513)</b>	<b>17,835</b>	<b>93,772,795</b>
<b>Total capital assets, being depreciated, net</b>	<b>102,517,716</b>	<b>5,095,335</b>	<b>-</b>	<b>-</b>	<b>107,613,051</b>
<b>Water Fund capital assets, net</b>	<b>\$ 113,107,877</b>	<b>\$ 7,308,342</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 120,416,219</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2023**

**Schedule 5**  
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	July 1, 2022	Increases	Decreases	Transfers	June 30, 2023
<b>Wastewater Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 1,102,904	\$ -	\$ -	\$ -	\$ 1,102,904
Construction in progress	778,981	2,997,371	(21,000)	-	3,755,352
<b>Total capital assets, not being depreciated</b>	<b>1,881,885</b>	<b>2,997,371</b>	<b>(21,000)</b>	<b>-</b>	<b>4,858,256</b>
Capital assets, being depreciated:					
Buildings	1,909,378	-	-	-	1,909,378
Improvements other than buildings	138,556,490	4,763,782	-	-	143,320,272
Machinery and equipment	4,239,782	613,516	(121,159)	-	4,732,139
<b>Total capital assets, being depreciated</b>	<b>144,705,650</b>	<b>5,377,298</b>	<b>(121,159)</b>	<b>-</b>	<b>149,961,789</b>
Accumulated depreciation:					
Buildings	1,007,020	47,381	-	-	1,054,401
Improvements other than buildings	61,401,082	3,497,434	-	-	64,898,516
Machinery and equipment	3,183,554	428,154	(121,159)	-	3,490,549
<b>Total accumulated depreciation</b>	<b>65,591,656</b>	<b>3,972,969</b>	<b>(121,159)</b>	<b>-</b>	<b>69,443,466</b>
<b>Total capital assets, being depreciated, net</b>	<b>79,113,994</b>	<b>1,404,329</b>	<b>-</b>	<b>-</b>	<b>80,518,323</b>
<b>Wastewater Fund capital assets, net</b>	<b>\$ 80,995,879</b>	<b>\$ 4,401,700</b>	<b>\$ (21,000)</b>	<b>\$ -</b>	<b>\$ 85,376,579</b>
<b>Regional Airport Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 23,596,652	\$ -	\$ -	\$ -	\$ 23,596,652
Construction in progress	716,821	1,935,897	(333,939)	-	2,318,779
Subscription work in progress	-	59,258	-	-	59,258
<b>Total capital assets, not being depreciated</b>	<b>24,313,473</b>	<b>1,995,155</b>	<b>(333,939)</b>	<b>-</b>	<b>25,974,689</b>
Capital assets, being depreciated:					
Buildings	40,137,792	-	-	-	40,137,792
Improvements other than buildings	65,940,763	-	-	-	65,940,763
Machinery and equipment	4,371,288	859,939	-	-	5,231,227
Software Subscriptions	-	9,176	-	-	9,176
<b>Total capital assets, being depreciated</b>	<b>110,449,843</b>	<b>869,115</b>	<b>-</b>	<b>-</b>	<b>111,318,958</b>
Accumulated depreciation:					
Buildings	18,318,631	1,126,348	-	-	19,444,979
Improvements other than buildings	22,917,509	2,105,976	-	-	25,023,485
Machinery and equipment	3,016,961	439,406	-	-	3,456,367
Software subscriptions	-	5,506	-	-	5,506
<b>Total accumulated depreciation</b>	<b>44,253,101</b>	<b>3,677,236</b>	<b>-</b>	<b>-</b>	<b>47,930,337</b>
<b>Total capital assets, being depreciated, net</b>	<b>66,196,742</b>	<b>(2,808,121)</b>	<b>-</b>	<b>-</b>	<b>63,388,621</b>
<b>Regional Airport Fund capital assets, net</b>	<b>\$ 90,510,215</b>	<b>\$ (812,966)</b>	<b>\$ (333,939)</b>	<b>\$ -</b>	<b>\$ 89,363,310</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2023**

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

	July 1, 2022	Increases	Decreases	Transfers	June 30, 2023
<b>Stormwater Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 114,282	\$ -	\$ -	\$ -	\$ 114,282
Construction in progress	1,668,173	1,006,261	-	-	2,674,434
<b>Total capital assets, not being depreciated</b>	<b>1,782,455</b>	<b>1,006,261</b>	<b>-</b>	<b>-</b>	<b>2,788,716</b>
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	63,328,415	-	-	-	63,328,415
Machinery and equipment	3,056,539	30,289	(225,125)	-	2,861,703
<b>Total capital assets, being depreciated</b>	<b>66,461,463</b>	<b>30,289</b>	<b>(225,125)</b>	<b>-</b>	<b>66,266,627</b>
Accumulated depreciation:					
Buildings	33,278	2,380	-	-	35,658
Improvements other than buildings	24,959,624	1,709,558	-	-	26,669,182
Machinery and equipment	2,057,242	258,823	(225,125)	-	2,090,940
<b>Total accumulated depreciation</b>	<b>27,050,144</b>	<b>1,970,761</b>	<b>(225,125)</b>	<b>-</b>	<b>28,795,780</b>
<b>Total capital assets, being depreciated, net</b>	<b>39,411,319</b>	<b>(1,940,472)</b>	<b>-</b>	<b>-</b>	<b>37,470,847</b>
<b>Stormwater Fund capital assets, net</b>	<b>\$ 41,193,774</b>	<b>\$ (934,211)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,259,563</b>
<b>Transit Fund</b>					
Capital assets, not being depreciated:					
Land	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 1,500,000
Construction in progress	-	-	-	-	-
<b>Total capital assets, not being depreciated</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500,000</b>
Capital assets, being depreciated:					
Buildings	2,511,520	-	-	-	2,511,520
Improvements other than buildings	19,317	-	-	-	19,317
Machinery and equipment	8,627,163	6,884,440	(644,603)	27,319	14,894,319
<b>Total capital assets, being depreciated</b>	<b>11,158,000</b>	<b>6,884,440</b>	<b>(644,603)</b>	<b>27,319</b>	<b>17,425,156</b>
Accumulated depreciation:					
Buildings	785,799	81,541	-	-	867,340
Improvements other than buildings	15,662	406	-	-	16,068
Machinery and equipment	7,455,970	404,450	(644,603)	27,319	7,243,136
<b>Total accumulated depreciation</b>	<b>8,257,431</b>	<b>486,397</b>	<b>(644,603)</b>	<b>27,319</b>	<b>8,126,544</b>
<b>Total capital assets, being depreciated, net</b>	<b>2,900,569</b>	<b>6,398,043</b>	<b>-</b>	<b>-</b>	<b>9,298,612</b>
<b>Transit Fund capital assets, net</b>	<b>\$ 4,400,569</b>	<b>\$ 6,398,043</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,798,612</b>

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)**  
**June 30, 2023**

	July 1, 2022	Increases	Decreases	Transfers	June 30, 2023
Nonmajor Enterprise Funds and Internal Service Fund					
Capital assets, not being depreciated:					
Land	\$ 9,709,318	\$ -	\$ -	\$ -	\$ 9,709,318
Construction in progress	64,477	-	(2,000)	-	62,477
Total capital assets, not being depreciated	<u>9,773,795</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>9,771,795</u>
Capital assets, being depreciated:					
Buildings	14,396,993	23,962	(874,916)	-	13,546,039
Improvements other than buildings	1,556,518	-	-	-	1,556,518
Machinery and equipment	6,567,061	249,919	(347,258)	28,074	6,497,796
Right-to-use leased equipment	213,848	478,589	(176,432)	-	516,005
Total capital assets, being depreciated	<u>22,734,420</u>	<u>752,470</u>	<u>(1,398,606)</u>	<u>28,074</u>	<u>22,116,358</u>
Accumulated depreciation:					
Buildings	7,724,014	657,021	(874,916)	-	7,506,119
Improvements other than buildings	742,996	100,163	-	-	843,159
Machinery and equipment	5,085,014	542,627	(347,258)	28,074	5,308,457
Right-to-use leased equipment	143,014	99,112	(176,432)	-	65,694
Total accumulated depreciation	<u>13,695,038</u>	<u>1,398,923</u>	<u>(1,398,606)</u>	<u>28,074</u>	<u>13,723,429</u>
Total capital assets, being depreciated, net	<u>9,039,382</u>	<u>(646,453)</u>	<u>-</u>	<u>-</u>	<u>8,392,929</u>
Nonmajor Enterprise Funds capital assets, net	<u>\$ 18,813,177</u>	<u>\$ (646,453)</u>	<u>\$ (2,000)</u>	<u>\$ -</u>	<u>\$ 18,164,724</u>
Business-type activities capital assets, net	<u>\$ 447,537,978</u>	<u>\$ 40,170,694</u>	<u>\$ (1,847,106)</u>	<u>\$ -</u>	<u>\$ 485,861,566</u>



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT**  
**June 30, 2023**

Schedule 6

	July 1, 2022	Increases	Decreases	June 30, 2023	Current Maturities
<b>Electric Fund</b>					
Revenue bonds	\$ 8,706,859	\$ -	\$ (1,111,846)	\$ 7,595,013	\$ 586,614
Plus premium on revenue bonds	1,228,306	-	(97,403)	1,130,903	-
Compensated absences	551,599	481,354	(496,896)	536,057	385,960
Net pension liability (LGERS)	953,648	2,383,696	-	3,337,344	-
Net OPEB liability	76,626	129,797	-	206,423	-
<b>Electric Fund long-term debt</b>	<b>\$ 11,517,038</b>	<b>\$ 2,994,847</b>	<b>\$ (1,706,145)</b>	<b>\$ 12,805,740</b>	<b>\$ 972,574</b>
<b>Water Fund</b>					
Revenue bonds	\$ 15,411,382	\$ -	\$ (1,811,532)	\$ 13,599,850	\$ 1,353,270
Plus premium on revenue bonds	1,955,703	-	(174,921)	1,780,782	-
Compensated absences	338,152	336,066	(356,225)	317,993	228,955
Net pension liability (LGERS)	794,047	2,143,206	-	2,937,253	-
Net OPEB liability	71,750	114,237	-	185,987	-
<b>Water Fund long-term debt</b>	<b>\$ 18,571,034</b>	<b>\$ 2,593,509</b>	<b>\$ (2,342,678)</b>	<b>\$ 18,821,865</b>	<b>\$ 1,582,225</b>
<b>Wastewater Fund</b>					
Revenue bonds	\$ 3,505,663	\$ -	\$ (1,135,525)	\$ 2,370,138	\$ 135,117
Plus premium on revenue bonds	421,892	-	(30,315)	391,577	-
Compensated absences	95,111	119,106	(82,024)	132,193	95,179
Net pension liability (LGERS)	365,367	927,610	-	1,292,977	-
Net OPEB liability	208,026	50,287	(121,976)	136,337	-
<b>Wastewater Fund long-term debt</b>	<b>\$ 4,596,059</b>	<b>\$ 1,097,003</b>	<b>\$ (1,369,840)</b>	<b>\$ 4,323,222</b>	<b>\$ 230,296</b>
<b>Regional Airport Fund</b>					
Installment purchase	\$ 6,056,341	\$ -	\$ (1,012,315)	\$ 5,044,026	\$ 1,012,400
Compensated absences	195,675	169,788	(175,391)	190,072	136,852
Net pension liability (LGERS)	546,072	1,551,966	-	2,098,038	-
Net OPEB liability	1,681,380	81,597	-	1,762,977	-
Subscriptions	-	9,176	(6,107)	3,069	3,069
<b>Regional Airport Fund long-term debt</b>	<b>\$ 8,479,468</b>	<b>\$ 1,812,527</b>	<b>\$ (1,193,813)</b>	<b>\$ 9,098,182</b>	<b>\$ 1,152,321</b>
<b>Stormwater Fund</b>					
Compensated absences	\$ 79,907	\$ 113,558	\$ (123,836)	\$ 69,629	\$ 50,133
Net pension liability (LGERS)	247,975	630,274	-	878,249	-
Net OPEB liability	150,997	34,157	(92,595)	92,559	-
<b>Stormwater Fund long-term debt</b>	<b>\$ 478,879</b>	<b>\$ 777,989</b>	<b>\$ (216,431)</b>	<b>\$ 1,040,437</b>	<b>\$ 50,133</b>
<b>Transit Fund</b>					
Compensated absences	\$ 36,904	\$ 35,680	\$ (30,990)	\$ 41,594	\$ 29,948
Net pension liability (LGERS)	75,184	188,290	-	263,474	-
Net OPEB liability	206,689	10,247	-	216,936	-
<b>Stormwater Fund long-term debt</b>	<b>\$ 318,777</b>	<b>\$ 234,217</b>	<b>\$ (30,990)</b>	<b>\$ 522,004</b>	<b>\$ 29,948</b>
<b>Nonmajor Enterprise Funds and Internal Service Fund</b>					
Installment notes	\$ 4,570,650	\$ -	\$ (297,674)	\$ 4,272,976	\$ 313,425
Plus premium on LOBs	319,497	-	(27,783)	291,714	-
Compensated absences	625,270	560,381	(525,954)	659,697	474,982
Leases	125,164	478,590	(161,273)	442,481	103,745
Net pension liability (LGERS)	1,706,806	4,382,383	-	6,089,189	-
Net OPEB liability	1,557,143	236,823	(18,938)	1,775,028	-
<b>Nonmajor Enterprise Funds long-term debt</b>	<b>\$ 8,904,530</b>	<b>\$ 5,658,177</b>	<b>\$ (1,031,622)</b>	<b>\$ 13,531,085</b>	<b>\$ 892,152</b>
<b>Business-type activities long-term debt</b>	<b>\$ 52,547,008</b>	<b>\$ 14,934,052</b>	<b>\$ (7,860,529)</b>	<b>\$ 60,142,535</b>	<b>\$ 4,909,649</b>

## Statistical Section

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

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These tables contain information to help the reader assess the factors affecting the city's ability to generate its electric revenues and property taxes.	178
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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.	185
<b>Demographic and Economic Information</b>	
These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	190
<b>Operating Information</b>	
These tables contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	192

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

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

**Table 1**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 279,817,761	\$ 303,629,133	\$ 299,048,429	\$ 312,710,029	\$ 317,112,060	\$ 316,363,203	\$ 326,124,878	\$ 397,805,262	\$ 445,135,068	\$ 449,044,564
Restricted	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865	45,564,434	54,119,927	74,905,021
Unrestricted	54,435,103	61,910,544	76,521,941	77,341,541	66,036,514	72,235,591	58,705,356	59,065,397	51,789,348	88,920,534
Total governmental activities net position	<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>\$ 502,435,093</u>	<u>\$ 551,044,343</u>	<u>\$ 612,870,119</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 273,797,482	\$ 279,995,482	\$ 297,636,341	\$ 309,519,783	\$ 323,941,763	\$ 331,877,156	\$ 352,506,369	\$ 375,836,060	\$ 407,277,620	\$ 450,770,411
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	130,036,600	144,548,886	164,225,843	169,450,247	163,072,895	200,109,606	224,584,405	242,670,598	212,562,231	218,425,895
Total business-type activities net position	<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>\$ 618,506,658</u>	<u>\$ 619,839,851</u>	<u>\$ 669,196,306</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 553,615,243	\$ 583,624,615	\$ 596,684,770	\$ 622,229,812	\$ 641,053,823	\$ 648,240,359	\$ 678,631,247	\$ 773,641,322	\$ 852,412,688	\$ 899,814,975
Restricted	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959	37,419,865	45,564,434	54,119,927	74,905,021
Unrestricted	184,471,703	206,459,430	240,747,784	246,791,788	229,109,409	272,345,197	283,289,761	301,735,995	264,351,579	307,346,429
Total primary government activities net position	<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>\$ 1,120,941,751</u>	<u>\$ 1,170,884,194</u>	<u>\$ 1,282,066,425</u>

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 5,195,490	\$ 4,691,595	\$ 5,051,753	\$ 5,621,893	\$ 6,538,526	\$ 5,848,332	\$ 5,868,190	\$ 8,042,489	\$ 7,917,494	\$ 12,889,305
Public safety	36,879,444	36,851,383	37,306,072	41,296,415	43,288,505	47,728,011	52,387,556	56,804,303	58,198,076	63,869,676
Public works	29,664,081	28,327,081	29,415,487	25,685,453	26,745,618	27,955,340	27,392,943	31,745,286	34,148,019	41,732,671
Cultural & recreational	4,685,065	4,662,500	4,691,129	5,221,006	5,417,520	5,972,501	6,996,264	7,070,517	8,423,646	8,718,316
Planning & community development	3,186,781	3,037,830	3,320,039	3,092,715	3,982,622	6,687,301	4,699,130	5,302,309	6,222,328	5,306,325
Administration	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335	998,347	1,260,141
Housing assistance Payments	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648	4,705,017	4,784,111	5,299,540
Rehabilitation	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061	2,055,926	2,234,832
Interest on long-term debt	1,002,581	1,435,986	1,262,457	1,194,385	1,063,021	928,032	795,074	637,687	678,918	603,439
Total governmental activities expenses	86,497,605	85,424,223	87,961,496	88,099,316	93,399,691	102,028,661	105,714,211	117,570,004	123,426,865	141,914,245
Business-type activities:										
Electric	75,116,682	70,822,661	67,070,451	82,797,485	82,169,016	65,164,522	60,279,345	67,259,271	91,574,771	90,244,107
Water	16,135,531	18,869,903	15,925,133	19,183,773	20,409,056	20,557,651	23,020,997	24,664,076	24,966,749	27,850,467
Wastewater	14,182,892	13,947,646	15,533,505	15,298,717	15,655,669	17,186,283	16,920,469	17,311,640	17,366,214	20,100,600
Regional airport	11,766,345	10,060,171	9,190,615	10,184,555	12,391,145	13,275,915	12,947,994	12,833,374	17,551,407	19,902,319
Stormwater	3,783,127	3,664,112	4,000,529	4,088,479	4,221,722	4,367,557	4,627,974	4,652,635	4,748,889	6,614,189
Transit	4,144,115	4,068,815	4,055,449	4,544,317	4,985,271	5,492,434	5,568,618	5,906,182	5,733,094	5,964,316
Other non major business-type	3,698,988	3,934,400	3,910,277	3,809,762	3,690,794	3,833,186	4,216,847	4,328,721	4,601,205	5,457,366
Total business-type activities expenses	128,827,680	125,367,708	119,685,959	139,907,088	143,522,673	129,877,548	127,582,244	136,955,899	166,542,329	176,133,364
Total primary government expenses	\$ 215,325,285	\$ 210,791,931	\$ 207,647,455	\$ 228,006,404	\$ 236,922,364	\$ 231,906,209	\$ 233,296,455	\$ 254,525,903	\$ 289,969,194	\$ 318,047,609
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,047,645	\$ 1,816,245	\$ 979,503	\$ 956,394	\$ 1,086,129	\$ 933,132	\$ 1,973,303	\$ 2,366,866	\$ 2,747,245	\$ 2,453,971
Public safety	834,822	1,394,849	1,346,713	1,187,729	1,274,871	1,283,251	1,303,487	1,544,532	1,586,622	1,824,791
Public works	651,378	391,750	381,028	858,487	1,039,712	802,667	697,172	1,132,855	3,960,973	3,695,681
Cultural and recreational	294,687	356,987	326,091	322,636	347,960	354,241	191,815	220,670	419,672	494,837
Planning and community development	1,908,627	2,090,776	2,040,391	1,918,761	2,143,720	1,897,724	2,688,528	3,056,647	107,861	244,125
Housing assistance	981,520	1,197,220	749,463	483,440	726,065	871,616	800,095	765,881	649,977	314,764
Rehabilitation	614,844	503,318	582,108	76,887	549,008	103,720	247,918	114,495	91,847	129,487
Operating grants and contributions	7,707,977	7,336,269	7,174,344	8,119,897	8,574,090	8,672,753	9,256,751	10,364,942	12,327,509	26,666,209
Capital grants and contributions	31,991,743	34,238,961	11,034,946	23,173,930	12,866,794	5,889,267	16,263,751	79,993,284	46,271,355	56,717,868
Total government activities program revenues	47,033,243	49,326,375	24,614,587	37,098,161	28,608,349	20,808,371	33,422,820	99,560,172	68,163,061	92,541,733

(Continued)

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Business-type activities:</b>										
Charges for services										
Electric	\$ 80,753,191	\$ 81,118,401	\$ 82,086,937	\$ 84,473,951	\$ 84,346,203	\$ 85,831,592	\$ 83,249,849	\$ 87,893,010	\$ 86,847,414	\$ 108,896,096
Water	19,829,445	21,517,196	22,941,925	24,731,261	25,524,337	26,550,358	28,046,163	28,219,279	29,633,487	29,434,776
Wastewater	15,075,545	16,167,934	17,651,022	17,166,503	18,014,586	18,610,383	19,109,299	19,833,528	20,642,104	20,220,958
Regional airport	10,272,804	8,612,280	7,663,481	8,584,741	9,891,669	10,642,458	9,010,320	9,528,683	14,595,561	15,112,385
Stormwater	3,796,150	3,896,251	3,965,529	4,035,706	4,968,205	5,078,414	5,143,952	5,284,293	5,412,501	5,523,166
Transit	473,702	296,685	288,531	374,923	301,339	323,693	299,012	2,032	270,447	219,582
Other non major business-type	2,015,788	2,047,753	2,014,849	2,186,668	2,244,921	2,258,902	2,539,150	3,295,362	3,386,261	3,641,015
Operating grants and contributions	7,764,200	3,301,773	2,084,934	3,173,637	2,870,627	5,983,066	4,634,731	4,256,267	6,194,809	15,133,971
Capital grants and contributions	9,201,434	5,895,701	13,936,032	9,330,447	9,487,054	11,513,458	13,761,672	17,702,259	13,048,417	22,844,344
Total business-type activities program revenues	149,182,259	142,853,974	152,633,240	154,057,837	157,648,941	166,792,324	165,794,148	176,014,713	180,031,001	221,026,293
Total primary government program revenue	\$ 196,215,502	\$ 192,180,349	\$ 177,247,827	\$ 191,155,998	\$ 186,257,290	\$ 187,600,695	\$ 199,216,968	\$ 275,574,885	\$ 248,194,062	\$ 313,568,026
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (39,464,362)	\$ (36,097,848)	\$ (63,346,909)	\$ (51,001,155)	\$ (64,791,342)	\$ (81,220,290)	\$ (72,291,391)	\$ (18,009,832)	\$ (55,263,804)	\$ (49,372,512)
Business-type activities	20,354,579	17,486,266	32,947,281	14,150,749	14,126,268	36,914,776	38,211,904	39,058,814	13,488,672	44,892,929
Total primary government net expense	\$ (19,109,783)	\$ (18,611,582)	\$ (30,399,628)	\$ (36,850,406)	\$ (50,665,074)	\$ (44,305,514)	\$ (34,079,487)	\$ 21,048,982	\$ (41,775,132)	\$ (4,479,583)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Ad Valorem taxes	\$ 46,423,570	\$ 46,125,496	\$ 47,573,304	\$ 50,896,652	\$ 54,088,843	\$ 55,717,789	\$ 56,769,474	\$ 68,983,413	\$ 71,237,932	\$ 74,645,935
Other taxes	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783	22,777,368	26,899,548	29,025,343
Operating grants and contributions	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053	5,157,517	5,707,828	6,353,443
Investment earnings	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044	(6,419,857)	1,263,931
Miscellaneous gain (loss)	996,503	954,545	1,097,241	1,197,470	1,521,687	1,149,484	1,552,665	2,285,967	2,055,778	1,905,707
Transfers	(1,713,823)	(1,949,854)	(2,130,710)	(1,572,258)	(2,011,132)	(2,124,549)	(1,893,657)	(1,254,483)	4,391,825	(1,996,071)
Total governmental activities	64,152,436	66,621,640	68,864,270	73,584,436	78,042,790	84,811,706	83,642,737	98,194,826	103,873,054	111,198,288
Business-type activities										
Investment earnings	1,669,623	1,001,886	1,521,922	828,996	1,018,510	5,151,281	4,929,023	518,768	(8,212,466)	1,611,934
Miscellaneous	468,406	272,280	717,903	555,843	1,561,492	781,498	69,428	583,819	448,812	855,521
Transfers	1,713,823	1,949,854	2,130,710	1,572,258	2,011,132	2,124,549	1,893,657	1,254,483	(4,391,825)	1,996,071
Total business-type activities	3,851,852	3,224,020	4,370,535	2,957,097	4,591,134	8,057,328	6,892,108	2,357,070	(12,155,479)	4,463,526
Total primary government	\$ 68,004,288	\$ 69,845,660	\$ 73,234,805	\$ 76,541,533	\$ 82,633,924	\$ 92,869,034	\$ 90,534,845	\$ 100,551,896	\$ 91,717,575	\$ 115,661,814
<b>Change in Net Position</b>										
Governmental activities	\$ 24,688,074	\$ 30,523,792	\$ 5,517,361	\$ 22,583,281	\$ 13,251,448	\$ 3,591,416	\$ 11,351,346	\$ 80,184,994	\$ 48,609,250	\$ 61,825,776
Business-type activities	24,206,431	20,710,286	37,317,816	17,107,846	18,717,402	44,972,104	45,104,012	41,415,884	1,333,193	49,356,455
Total primary government	\$ 48,894,505	\$ 51,234,078	\$ 42,835,177	\$ 39,691,127	\$ 31,968,850	\$ 48,563,520	\$ 56,455,358	\$ 121,600,878	\$ 49,942,443	\$ 111,182,231

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

**Table 3**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 178,322	\$ 166,024	\$ 174,692	\$ 231,111	\$ 160,215	\$ 137,814	\$ 148,394	\$ 221,584	\$ 241,969	\$ 228,254
Restricted	20,037,416	19,459,163	16,012,423	18,619,318	22,741,178	21,044,719	22,213,888	29,360,299	26,656,386	22,197,962
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	37,663,790	50,118,453	52,968,474	46,910,753	48,122,752	53,901,650	55,215,807	54,743,932	62,388,124	70,071,831
Total General Fund	\$ 57,879,528	\$ 69,743,640	\$ 69,155,589	\$ 65,761,182	\$ 71,024,145	\$ 75,084,183	\$ 77,578,089	\$ 84,325,815	\$ 89,286,479	\$ 92,498,047
All Other Governmental funds										
Non Spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 346	\$ 2,258	\$ 448
Restricted	1,761,249	1,588,779	513,519	1,639,470	1,257,370	1,117,010	15,205,977	16,204,135	27,463,541	24,187,351
Committed	20,189,379	17,164,075	26,658,640	35,587,791	37,647,614	32,583,208	34,239,194	32,404,494	42,120,081	52,400,342
Assigned	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	(3,968,089)	(619,797)	(127,780)	(236,053)	(56,534)	(760,463)	(177,820)	(274,657)	(2,487,710)	(131,366)
Total all other governmental funds	\$ 35,917,593	\$ 37,314,689	\$ 41,840,374	\$ 55,571,501	\$ 60,719,366	\$ 61,931,977	\$ 63,639,352	\$ 69,568,055	\$ 67,098,170	\$ 76,456,775

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

**Table 4**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 46,104,178	\$ 45,758,123	\$ 48,134,096	\$ 51,179,474	\$ 54,835,072	\$ 55,441,784	\$ 56,988,936	\$ 69,025,459	\$ 71,409,573	\$ 74,657,174
Other taxes	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719	18,919,783	22,777,368	26,899,548	29,025,343
Unrestricted intergovernmental revenues	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685	5,300,053	5,157,517	5,707,828	6,353,443
Restricted Intergovernmental revenues	9,373,076	8,667,584	8,079,968	9,792,222	9,296,854	9,877,589	13,003,537	12,476,101	13,746,459	28,397,106
Licenses, fees, and permits	2,210,200	2,004,511	1,289,489	1,169,815	1,385,999	1,142,845	2,174,220	2,587,922	2,972,892	2,658,210
Investment earnings	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578	2,994,419	245,044	(6,419,857)	1,263,931
Investment earnings restricted	16,234	23,385	32,037	49,118	58,934	81,536	113,633	69,654	12,274	24,961
Program income	2,247,742	2,460,878	1,712,599	1,474,389	2,371,806	1,830,997	1,806,288	2,380,555	1,703,516	1,128,057
Other revenues	3,832,913	4,186,913	3,797,617	3,651,331	3,927,847	3,646,729	4,074,034	4,492,510	5,910,175	5,887,172
<b>Total revenues</b>	<b>82,230,529</b>	<b>84,592,847</b>	<b>85,370,241</b>	<b>90,378,921</b>	<b>96,319,904</b>	<b>102,090,462</b>	<b>105,374,903</b>	<b>119,212,130</b>	<b>121,942,408</b>	<b>149,395,397</b>
<b>Expenditures</b>										
General government	4,802,271	4,857,917	4,420,117	4,735,511	5,872,583	5,059,155	4,920,914	7,076,063	7,303,411	11,845,884
Public safety	32,950,943	34,244,381	34,797,980	37,606,924	39,654,458	43,902,224	46,857,572	50,004,123	54,151,171	56,941,639
Public works	11,854,052	10,463,847	10,956,118	11,120,147	12,447,406	13,795,997	13,454,267	18,198,580	20,272,067	22,412,485
Cultural and recreational	4,310,686	4,335,081	4,325,132	4,719,578	4,885,244	5,398,744	6,130,192	6,183,507	7,596,989	7,576,326
Planning and community development	3,124,932	3,007,670	3,270,248	2,995,872	3,918,391	6,511,658	4,464,497	5,317,003	5,977,747	5,146,308
Administration	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208	2,018,740	2,032,335	998,347	1,260,140
Housing assistance payments	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057	4,480,648	4,705,017	4,784,111	5,299,540
Rehabilitation	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879	1,075,666	1,230,061	2,055,926	2,234,832
Capital outlay	7,463,803	17,688,922	10,698,997	7,291,213	7,350,932	9,777,426	12,392,727	14,739,195	18,198,952	19,388,790
Debt service										
Principal	2,077,961	1,477,547	2,510,447	2,639,222	5,355,079	2,628,105	4,349,184	2,410,733	2,256,972	2,283,877
Interest	1,045,012	1,233,584	1,408,299	1,194,385	1,063,021	928,031	79,182	637,687	782,330	706,852
<b>Total expenditures</b>	<b>73,513,823</b>	<b>83,726,797</b>	<b>79,301,897</b>	<b>78,290,301</b>	<b>86,910,993</b>	<b>94,910,484</b>	<b>100,223,589</b>	<b>112,534,304</b>	<b>124,378,023</b>	<b>135,096,673</b>
Excess of revenues over (under) expenditures	8,716,706	866,050	6,068,344	12,088,620	9,408,911	7,179,978	5,151,314	6,677,826	(2,435,615)	14,298,724
<b>Other Financing Sources (Uses)</b>										
Sale of capital assets	-	-	-	-	295,328	217,636	1,232,682	1,053,086	373,280	255,834
Debt issued	-	15,208,806	-	-	2,724,477	-	-	6,200,000	-	-
Subscription liabilities issued	-	-	-	-	-	-	-	-	-	11,685
Lease liabilities issued	-	-	-	-	-	-	-	-	161,289	-
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	12,360,954	22,263,320	20,886,597	22,401,709	17,815,721	15,290,722	16,030,021	28,678,592	36,799,183	55,594,177
Transfers out	(14,074,777)	(24,213,174)	(23,017,307)	(24,153,609)	(19,833,609)	(17,415,271)	(17,923,678)	(29,933,075)	(32,407,358)	(57,590,247)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,713,823)</b>	<b>12,395,158</b>	<b>(2,130,710)</b>	<b>(1,751,900)</b>	<b>1,001,917</b>	<b>(1,906,913)</b>	<b>(950,449)</b>	<b>5,998,603</b>	<b>4,926,394</b>	<b>(1,728,551)</b>
<b>Net change in fund balances</b>	<b>\$ 7,002,883</b>	<b>\$ 13,261,208</b>	<b>\$ 3,937,634</b>	<b>\$ 10,336,720</b>	<b>\$ 10,410,828</b>	<b>\$ 5,273,065</b>	<b>\$ 4,200,865</b>	<b>\$ 12,676,429</b>	<b>\$ 2,490,779</b>	<b>\$ 12,570,173</b>
Debt service as a percentage of non capital expenditures	4.73%	4.11%	5.71%	5.40%	8.07%	4.18%	5.04%	3.12%	2.86%	2.58%

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

**Table 5**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Total</b>
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
2022	28,271	4,705	63	33,039
2023	28,839	4,713	63	33,615

Source: City of Concord Finance and Electric Departments



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

**Table 6**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Residential Customers</b>										
Basic charges	\$ 9.46	\$ 9.46	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65
Energy Charges per kWh (July - October)										
First 350	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.092851	0.092851
Energy Charges per kWh (November - June)										
First 350	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476	0.097476
Over 350	0.082582	0.082582	0.088476	0.088476	0.088476	0.088476	0.088476	0.088476	0.084751	0.084751
<b>Commercial Customers</b>										
Basic Facilities Charge	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	18.20	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	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344	0.120344
Next 87,000	0.068575	0.068575	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726	0.074726
Over 90,000	0.066266	0.066266	0.072417	0.072417	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	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607	0.071607
Next 134,000	0.058177	0.058177	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328	0.064328
Over 140,000	0.055867	0.055867	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018	0.062018
All over 400 kWh per kW billing demand	0.054712	0.054712	0.060813	0.060863	0.060863	0.060813	0.060863	0.060863	0.060863	0.060863
<b>Industrial Customers</b>										
Basic Facilities Charge	18.54	18.54	19.30	19.30	19.30	19.30	19.30	19.30	19.30	18.20
Demand Charge per kW (over 30 kW of billing demand)	3.62	3.62	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.77
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.107612	0.107612	0.115251	0.0115251	0.115251	0.115251	0.115251	0.115251	0.115251	0.117112
Next 87,000	0.063924	0.063924	0.070911	0.070911	0.070911	0.070911	0.070911	0.070911	0.070911	0.072846
Over 90,000	0.061714	0.061714	0.069151	0.069151	0.069151	0.069151	0.069151	0.069151	0.069151	0.070607
Next 275 kWh per kW billing demand per month										
First 140,000	0.053967	0.053967	0.060471	0.060471	0.060471	0.060471	0.060471	0.060471	0.060471	0.069821
Over 140,000	0.051755	0.051755	0.058651	0.058651	0.058651	0.058651	0.058651	0.058651	0.058651	0.060517
All over 400 kWh per kW billing demand	0.050648	0.050648	0.056751	0.056751	0.056751	0.056751	0.056751	0.056751	0.056751	0.059395

Source: City of Concord Finance and Electric Departments

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

**Table 7**

Customer	2023			2014		
	Electric Revenue	Rank	Percentage of Total Electric Revenue	Electric Revenue	Rank	Percentage of Total Electric Revenue
Celgard LLC	4,050,612	1	4.51 %	1,291,440	8	1.44 %
City of Concord	2,942,479	2	3.27	2,124,652	6	2.36
Cabarrus County Schools	2,293,371	3	2.55	1,471,364	7	1.64
WSACC	2,028,125	4	2.26	-		-
Perdue Farms	1,961,582	5	2.18	1,535,326	2	1.71
Concord Mills LLC	1,912,050	6	2.13	1,946,024	1	2.17
S&D Coffee	1,724,327	7	1.92	1,281,662	4	1.43
DNP IMS America Corporation	1,663,530	8	1.85	-		-
Legrand	1,475,230	9	1.64	1,371,689	3	1.53
Great Wolf of the Carolinas LLC	917,176	10	1.02	734,286	10	0.82
Rocky River Water Treatment Plant	-		-	1,193,631	5	1.33
Cabarrus Plastics Mfg	-		-	862,558	9	0.96
Total	<u>\$ 20,968,483</u>		<u>23.33 %</u>	<u>\$ 13,812,632</u>		<u>15.37 %</u>

Source: City of Concord Finance and Electric Departments

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

**Table 8**

Fiscal Year	Real Property			Personal Property	Public Service Companies	Total Taxable Assessed Value	Direct Tax Rate (3)
	Residential Property (1)	Commercial Property (2)	Industrial Property (2)				
2014	5,161,017,744	2,325,550,728	847,644,748	988,004,711	130,283,114	9,452,501,045	0.48
2015	4,530,331,851	2,438,815,784	748,623,832	978,492,143	124,486,420	8,820,750,030	0.48
2016	4,595,764,139	2,474,039,979	759,436,323	1,033,191,542	124,486,420	8,986,918,403	0.48
2017	6,068,241,265	1,642,104,405	767,219,663	1,035,500,636	153,919,497	9,666,985,465	0.48
2018	6,301,664,105	1,775,705,266	814,494,754	1,149,787,848	159,207,805	10,200,859,777	0.48
2019	5,493,955,055	2,711,577,147	989,371,655	1,097,323,976	135,500,000	10,427,727,833	0.48
2020	6,153,546,284	2,351,819,173	1,008,466,150	1,167,510,435	142,374,829	10,823,716,872	0.48
2021	6,840,413,756	3,861,504,684	1,208,953,502	1,232,702,466	139,849,637	13,283,424,045	0.48
2022	7,129,953,621	3,793,047,513	1,273,293,120	1,241,066,504	137,480,048	13,574,840,807	0.48
2023	7,354,068,620	3,862,489,110	1,356,649,007	1,407,585,175	144,933,733	14,125,725,645	0.48

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

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

**Table 9**

Fiscal Year	City of Concord			Overlapping Rates Cabarrus County	Combined Tax Rate
	General Fund Basic Rate	Municipal Service District Basic Rate	Total Weighted Average Rate (1)		
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
2022	0.48	0.23	0.4788	0.74	1.22
2023	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.

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

**Table 10**

Taxpayer	2023			2014		
	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	\$ 228,600,161	1	1.81 %	\$ 224,248,930	2	2.54 %
Charlotte Motor Speedway LLC	179,272,101	2	1.42	262,913,145	1	2.97
Celgard LLC	163,111,602	3	1.29	215,075,787	3	2.43
Hendrick Motorsports Inc	158,502,661	4	1.25	52,324,998	6	0.59
WMCI Charlotte VI LLC	134,484,530	5	1.06	35,446,192	10	0.40
The Silverman Group	123,972,120	6	0.98			
Hendrick Automotive Group	122,799,041	7	0.97			
GWR Carolinas Property Owner LLC	116,775,647	8	0.92	80,394,660	5	0.91
Exeter 6361Glen Afton LLC	103,970,970	9	0.82			
JQH-Concord Development LLC	83,709,723	10	0.66	48,480,900	7	0.55
Philip Morris				92,875,818	4	1.05
Lares Real Estate USA LLC				39,995,418	8	0.45
HSREI LLC a NC LLC				38,735,972	9	0.44
<b>Total</b>	<b>\$ 1,415,198,556</b>		<b>11.18 %</b>	<b>\$ 1,090,491,820</b>		<b>12.33 %</b>

Source: Cabarrus County Tax Office

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

**Table 11**

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount Collected	Percentage of Levy		Amount	Percentage of Levy
2014	2013	44,183,798	42,999,260	97.3%	1,467,684	44,466,944	100.6%
2015	2014	43,234,260	42,875,146	99.2%	736,921	43,612,067	100.9%
2016	2015	43,794,974	43,379,086	99.1%	740,314	44,119,400	100.7%
2017	2016	47,953,016	47,389,747	98.8%	916,896	48,306,643	100.7%
2018	2017	53,695,713	53,071,029	98.8%	329,156	53,400,185	99.4%
2019	2018	55,614,536	54,719,919	98.4%	376,548	55,096,467	99.1%
2020	2019	57,232,612	56,597,931	98.9%	430,329	57,028,259	99.6%
2021	2020	68,850,679	68,324,465	99.2%	320,308	68,644,773	99.7%
2022	2021	71,230,275	70,869,972	99.5%	267,695	71,137,667	99.9%
2023	2022	74,481,026	74,033,727	99.4%		74,033,727	99.4%

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

**Table 12**

Fiscal Year	Governmental activities					Business type activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes	HUD Loan	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes			
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	0.61%	645
2022	7,002	-	148	14,609	-	6,056	-	27,624	4,571	60,010	0.45%	554
2023	6,109	-	-	13,367	-	5,044	-	23,565	4,273	52,358	0.37%	470

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

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

**Table 13**

<b>General Bonded Debt Outstanding</b>					<b>Percentage of Total Taxable Assessed Value (1)</b>	<b>Per Capita (2)</b>
<b>Fiscal Year</b>	<b>Gross Bonded Debt</b>	<b>Debt Payable From Enterprise Revenue</b>	<b>Net Bonded Debt</b>			
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-

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

(1) See Table 8 for property value data.

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



**CITY OF CONCORD, NORTH CAROLINA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**As of June 30, 2023**

**Table 14**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable (3)</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
City of Concord (1)	\$ 20,675,283	100%	\$ 20,675,283
Cabarrus County (2)	534,289,618	50%	<u>267,144,809</u>
Total			<u><u>\$ 287,820,092</u></u>

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

(2) Source: Cabarrus County Finance Department

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

CITY OF CONCORD, NORTH CAROLINA

Table 15

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 773,864	\$ 782,350	\$ 796,278	\$ 863,783	\$ 896,594	\$ 928,512	\$ 955,686	\$ 1,149,661	\$ 1,190,549	\$ 1,121,214
Total net debt applicable to limit	18,788	30,096	27,997	25,925	23,870	21,754	19,642	23,723	21,612	19,476
Legal debt margin	\$ 755,076	\$ 752,254	\$ 768,281	\$ 837,858	\$ 872,724	\$ 906,758	\$ 936,044	\$ 1,125,938	\$ 1,168,937	\$ 1,101,738
Total net debt applicable to the limit as a percentage of debt limit	2%	4%	4%	3%	3%	2%	2%	2%	2%	2%

**Legal Debt Margin Calculation for Fiscal Years**

Total assessed value	\$ 14,015,178,552
Debt limit (8% of assessed value)	<u>1,121,214,284</u>
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	11,152,940
Installment notes	17,640,000
Less: Amount of bonded debt incurred for Business-type purposes	<u>(9,317,001)</u>
Total net debt applicable to limit	<u>19,475,939</u>
Legal Debt Margin	<u>\$ 1,101,738,345</u>
Net debt as a % of assessed values	0.14%

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

**Table 16**

<b>Water Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
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
2022	31,773	22,420	9,353	1,738	662	3.90
2023	39,825	22,315	17,510	1,812	590	7.29

<b>Wastewater Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
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
2022	22,380	13,839	8,541	1,113	143	6.80
2023	25,291	16,030	9,261	1,136	121	7.37

<b>Electric Revenue Bonds</b>						
<b>Fiscal Year</b>	<b>Utility Service Charges</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
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
2022	83,628	90,402	(6,774)	1,074	389	(4.63)
2023	113,850	86,412	27,438	1,112	352	18.74

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

**Table 17**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
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	105,240	10,644,924	48,060	18,010	7.5%
2021	105,936	11,230,394	49,550	16,288	4.9%
2022	108,229	13,275,790	55,793	17,776	3.3%
2023 (5)	111,476	14,205,095	58,025	17,531	3.4%

(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.

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

**Table 18**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Atrium Health	2,754	1	5.16 %	-		- %
Cabarrus County Schools	1,838	2	3.45	3,800	2	9.90
Cabarrus County Government	1,354	3	2.54	950	3	2.48
Walmart Associates Inc	1,244	4	2.33	-		0.00
City of Concord	1,198	5	2.25	901	4	2.35
S&D Coffee and Tea	1,010	6	1.89	625	9	1.63
Rousch Fenway Racing	840	7	1.57	-		-
Great Wolf Lodge of the Carolinas	503	8	0.94	-		-
Sysco	502	9	0.94	510	10	1
Amazon	462	10	0.87	-		-
Connexions	-		-	900	5	2.35
Carolina Medical Center-NorthEast	-		-	4,500	1	11.73
Concord Mills Mall	-		-	-		-
North Carolina Government	-		-	770	7	2.01
Kannapolis City Schools	-		-	750	8	1.95
Shoe Show	-		-	800	6	2.09
	<u>11,705</u>		<u>21.94 %</u>	<u>14,506</u>		<u>37.82 %</u>

Source: City of Concord Planning & Neighborhood Development

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
General Government										
Public Service Administration	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager's Office	6.00	6.00	6.00	6.50	6.50	6.50	7.00	9.00	9.00	9.00
Human Resources	10.00	10.00	10.00	11.00	12.00	13.00	13.00	13.00	13.00	13.00
Finance	14.00	13.25	13.00	13.00	13.00	13.00	14.00	15.00	15.00	15.00
Tax	4.50	4.50	4.00	3.50	0.75	0.75	0.75	1.00	1.00	1.00
Legal	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Safety										
Police	180.25	189.25	191.00	200.00	204.00	206.00	209.00	217.00	226.00	227.00
Code Enforcement	7.00	7.00	7.00	8.00	8.00	9.00	9.00	9.00	9.00	9.00
Communications	22.50	22.50	22.00	23.50	25.50	25.50	25.50	25.50	25.50	25.50
Fiber Network Management									1.00	1.00
Radio Shop	2.50	3.50	3.00	3.50	4.10	4.10	4.50	4.50	5.50	5.50
Fire & Life Safety (Operations)	181.00	181.00	181.00	187.00	194.00	203.00	217.00	238.00	239.80	257.90
Fire & Life Safety (Prevention)	6.00	9.00	9.00	9.50	10.50	10.50	10.20	10.20	10.20	10.20
Fire & Life Safety (Training)	4.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	6.00
Emergency Mangement Coordinator	1.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00
Public Works										
Street & Traffic	27.00	27.00	28.00	30.00	34.00	34.50	35.50	36.00	36.00	36.00
Traffic Services	5.00	6.00	6.00	6.00	6.00	6.00	7.00	8.00	8.00	8.00
Traffic Signals	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Solid Waste & Recycling	32.00	32.00	32.00	31.50	32.50	34.50	36.00	36.50	40.60	60.60
Cemeteries	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	9.10	9.00
Fleet Services	13.00	13.00	13.00	14.00	14.00	14.00	14.00	14.00	15.00	15.00
Other Public Works										
Economic Development										
Business & Neighborhood Services	14.50	14.50	14.00	16.00	17.00	18.00	18.00	19.00	19.00	19.00
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Culture & Recreation										
Parks and recreation	21.25	21.00	17.00	17.00	29.93	31.50	35.00	36.00	36.50	37.50
<b>Total FTE General Fund</b>	<b>572.50</b>	<b>583.50</b>	<b>582.00</b>	<b>607.00</b>	<b>638.78</b>	<b>656.85</b>	<b>682.45</b>	<b>718.70</b>	<b>738.20</b>	<b>779.20</b>

(Continued)

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Other Funds</b>										
Home Consortium Fund	1.00	0.90	1.00	0.80	0.80	0.80	0.80	1.00	0.70	0.70
CDBG	1.00	1.10	1.00	1.20	1.20	1.20	1.20	1.00	1.30	1.30
Municipal Service District							-	2.00	2.00	2.00
Stormwater	19.77	22.09	22.00	21.00	21.09	20.58	20.58	20.26	21.60	21.59
Electric										
Electric Administration	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	5.00
Powerlines Maintenance	13.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00	19.00	19.00
Tree Trimming	9.00	7.00	7.00	7.00	7.00	8.00	8.00	10.00	10.00	10.00
Electric Construction	34.00	33.00	33.00	33.00	35.00	37.00	37.00	37.00	37.00	37.00
Peak Shaving	2.00	-	-	-	-	-	-	-	-	-
Electric Engineering	5.00	5.00	7.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Utility Locate Services	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.00	3.00
Water Resources										
Hillgrove Water Treatment Plant	14.50	14.50	15.00	15.00	14.50	14.50	14.50	15.50	15.50	15.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.00	15.00	15.50	16.50	16.50	15.50	15.50	15.50
Waterlines Operations & Maintenance	34.24	34.59	36.00	37.00	35.60	35.09	36.09	37.76	40.10	41.10
Public Transit										
Rider Transit System	2.70	3.70	4.00	5.00	6.50	6.50	6.50	6.50	6.50	6.50
Wastewater Resources	30.00	30.32	29.00	30.00	31.31	31.83	32.16	31.48	31.81	31.81
Internal Services										
Utility Collections	4.50	4.50	4.00	4.00	5.00	5.00	5.00	3.75	3.75	3.80
Data Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Billing	10.00	10.00	10.00	10.00	11.25	14.25	16.25	16.25	16.25	16.25
Customer Service	15.50	25.00	26.00	26.00	27.00	25.00	25.00	25.00	25.00	24.00
Engineering	24.00	23.00	23.00	24.00	26.00	26.00	26.00	26.00	26.00	26.00
Purchasing	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Customer Care Center	9.50	-	-	-	-	-	-	-	-	-
Buildings & Grounds	39.50	40.65	38.00	39.00	44.60	48.50	49.50	52.50	57.50	59.50
Aviation	33.00	34.00	34.00	40.00	41.50	43.50	45.50	45.50	47.50	51.50
Public Housing	12.00	13.38	14.00	14.00	13.00	14.00	14.00	13.00	13.00	13.00
<b>Total FTE Other Funds</b>	<b>343.71</b>	<b>351.23</b>	<b>352.00</b>	<b>363.00</b>	<b>378.85</b>	<b>390.25</b>	<b>396.58</b>	<b>402.00</b>	<b>412.01</b>	<b>419.05</b>
<b>Total</b>	<b>916.21</b>	<b>934.73</b>	<b>934.00</b>	<b>970.00</b>	<b>1,017.63</b>	<b>1,047.10</b>	<b>1,079.03</b>	<b>1,120.70</b>	<b>1,150.21</b>	<b>1,198.25</b>

Source: City of Concord Budget Department

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

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Physical arrests	4,925	3,948	4,486	4,207	4,655	4,445	3,407	3,646	2,277	2,635
Parking violations	2,375	2,365	2,671	2,764	2,922	2,399	1,824	1,616	2,142	2,161
Traffic violations	8,135	9,209	10,699	12,335	12,748	9,795	7,615	6,799	7,604	8,316
<b>Communications</b>										
Calls received	109,382	100,830	102,526	106,933	100,286	98,013	98,522	97,091	103,597	107,237
Calls Dispatched								125,206	157,064	158,288
<b>Fire</b>										
Emergency responses	9,246	10,008	10,616	11,561	12,078	12,335	12,154	13,610	15,609	16,312
Fires extinguished	192	245	261	270	269	205	264	230	286	226
Inspections	5,900	5,939	7,128	826	7,533	7,433	5,772	4,486	6,979	3,815
Education classes conducted (4)	739	334	384	826	632	218	140	157	172	269
Number of people reached by educators (4)	31,008	25,096	28,361	25,633	41,081	125,286	104,561	104,561	541,406	524,310
<b>Emergency Management (7)</b>										
Exercise/Drill	0	0	0	9	11	6	4	7	4	4
Hazmat	0	0	0	14	44	29	5	10	11	10
Risk Assessment	0	0	0	105	145	113	49	58	60	58
Special Event	0	0	0	106	12	13	7	7	15	7
Planning	0	0	0	14	34	20	8	18	17	14
UAS (Drone)	0	0	0	0	6	20	24	14	46	66
Certified UAS Pilots	0	0	0	0	0	11	10	10	11	10
Education classes conducted (4)	0	0	0	26	11	11	9	4	13	12
<b>Customer Care Center</b>										
Calls answered	116,672	112,652	121,843	129,263	120,517	186,840	43,101	94,834	180,269	173,934
<b>Solid Waste &amp; Recycling</b>										
Refuse collected (tons per day)	90	94	96	94	100	127	131	140	140	131
Recyclables collected (tons per day)	22	21	23	23	21	17	24	21	20	17
<b>Other Public Works</b>										
Street resurfacing (miles) (5)	6	0	18	9	24	12	0	18	27	32
Potholes repaired	36	50	92	112	101	162	176	179	103	95
NCDOT signalized street lights	102	114	115	113	119	123	119	146	145	160
NCDOT road (Non Interstate)	90	90	92	92	92	92	93	93	93	92
<b>Economic Development</b>										
Single family residential	397	441	661	637	931	803	968	834	597	349
Single family attached in units	15	22	2	6	74	5	52	59	112	168
Two, three, or four family residential in units	18	2	0	2	6	0	0	341	3	81
Multi-family residential in units	66	348	264	264	89	80	132	442	355	216
Commercial building permits issued	59	96	82	27	58	52	57	134	153	144
<b>Parks and recreation</b>										
% Cost recovery Adult programs	92	100	105	107	120	113	130	130	107	105
Youth participation	11,672	11,251	14,793	18,432	29,867	27,631	41,306	3,307	18,471	24,200
Rec center attendance (6)	81,093	85,663	87,165	79,302	140,000	222,447	158,937	40,235	118,351	114,366

(Continued)



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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Stormwater										
Accounts	30,701	31,285	31,978	32,643	33,462	33,891	35,539	36,459	37,284	38,818
Electric										
Accounts	28,576	29,069	29,371	30,074	31,031	31,604	32,368	32,714	33,039	33,289
Average megawatt hours daily use (2)	2,282	2,358	2,427	2,498	2,439	1,992	2,536	2,346	2,432	2,440
Substations	15	15	15	15	15	15	15	16	16	16
Water										
Accounts	36,692	37,348	37,088	38,961	40,050	41,303	42,874	43,953	44,890	43,685
Water Main Breaks	13	21	25	18	75	49	57	45	57	54
Average daily consumption (mgd)	9	10	9	11	12	13	13	13	13	14
Peak daily consumption (mgd)	13	13	14	14	15	17	17	18	17	17
Transit										
Average daily use	1,345	1,316	1,188	1,157	1,129	1,193	1,033	897	858	873
Days of operation	346	359	359	357	359	359	359	359	356	359
Wastewater										
Accounts	32,745	33,307	34,029	34,878	35,807	36,900	38,309	39,314	40,160	40,747
Average daily treatment (thousands of gallons)	9,150	8,478	8,870	9,211	8,387	10,695	8,585	9,090	8,566	8,698
Golf Course										
Total Green Fee Rounds (3)	31,341	31,241	28,998	32,034	32,982	31,241	36,768	46,164	44,712	43,029
Cart Fee Rounds	23,553	23,462	23,534	27,406	27,470	26,242	29,643	36,786	43,758	42,050
Tournaments hosted	76	67	68	64	60	53	27	17	43	61
Aviation										
Avgas (annual gallons)	169,452	151,505	168,627	189,923	222,290	232,064	239,909	251,147	283,883	318,548
Jeta (annual gallons)	1,685,731	1,983,963	2,355,783	2,760,003	2,722,010	2,843,033	2,648,943	2,507,492	3,056,970	2,607,249
Operations = take off & landing (1)	59,010	54,200	57,736	67,223	77,646	84,629	70,546	73,593	87,203	87,486
Total enplanements	8,672	35,572	63,316	106,718	128,250	159,361	139,549	100,879	142,540	115,337
Tax Base listings										
T Hanger	67	67	67	67	67	67	67	67	67	67
HIC	45	45	41	58	58	58	51	39	39	36
Tiedown	25	25	27	31	54	54	47	66	78	75
Corporate	3	3	4	3	4	4	21	6	6	7
Ground	9	9	11	11	11	7	8	9	9	8
Office	27	27	26	26	26	26	29	28	29	29
Public Housing										
Units in use	174	174	174	174	174	174	174	174	174	174
Housing Choice Vouchers	534	541	541	541	541	541	553	553	553	550

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 and 2022
- (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.

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

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	135	150	159	169	172	166	166	160	194	194
Fire										
Stations	10	10	11	11	11	11	11	11	12	12
Fire Units	14	14	14	16	16	N/A	N/A	N/A	N/A	N/A
Engine, Ladder, Rescue, Crash Fire Rescue	0	0	0	0	0	23	25	23	24	24
Support vehicles	0	0	0	0	0	12	15	12	13	13
Emergency Management (7)										
Drone	0	0	0	0	0	0	1	2	2	2
EM Units	0	0	0	2	2	1	1	1	1	1
Mobile Command Unit	0	0	0	1	1	1	1	1	1	1
Solid Waste & Recycling										
Refuse collection trucks	29	28	29	29	31	32	31	31	34	50
Other Public Works										
Paved streets (miles)	337	341	343	348	354	354	356	372	379	385
Signalized Street	15	15	16	17	18	18	18	18	18	18
Control Beacons	6	6	6	6	6	7	6	5	5	5
Guardrail	4	4	5	5	5	5	5	5	5	5
Curb and Gutter	440	452	462	472	548	548	558	562	605	638
Sidewalk	222	235	245	254	254	258	261	261	280	300
School Zone Flashers	22	22	22	22	22	22	23	23	22	22
Facilities (City owned):										
Parks (developed acreage)	101	157	157	157	157	157	157	235	235	235
Parks (undeveloped acreage)	N/A	N/A	69	69	69	69	109	149	149	149
Playgrounds	14	13	13	14	14	13	13	14	13	13
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Basketball courts (1)	11	11	9	9	9	5	9	8	5	5
Tennis courts	14	14	14	16	14	16	14	14	14	14
Pickleball courts	0	0	0	0	2	2	2	8	8	2
Playing fields (2)	28	28	23	23	23	23	23	24	34	39
Swimming pool	1	1	1	1	1	1	1	1	1	1
Green Way	5	7	7	7	8	8	12	10	12	12
Walking Trails	3	4	4	4	4	4	3	6	6	6
Stormwater										
Storm Sewers (miles)	275	263	264	267	280	294	302	344	344	265

(Continued)

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

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transit										
Transit Center	1	1	1	1	1	1	1	1	1	1
Buses, Vans. & LTVs	12	12	12	12	12	12	17	17	18	19
Wastewater										
Sanitary sewers (miles)	539	540	544	563	583	583	592	592	591	598
Treatment capacity (thousands of gallons)	3,339,746	3,102,774	3,237,594	3,362,198	3,061,566	3,903,644	3,913,000	3,913,000	3,913,000	3,913,000
Golf Course	1	1	1	1	1	1	1	1	1	1
Aviation										
Terminal	1	1	1	1	2	2	2	2	2	2
T Hangars	67	67	67	67	67	67	67	67	67	67
Corporate Hangar	3	3	3	3	4	4	5	6	6	6
Private Hangar	9	9	9	9	8	7	6	6	6	7
Hanger in Common	7	7	7	7	7	8	8	7	7	7
Acreage approximately	713	713	713	713	713	713	713	713	713	713
Public Housing										
Units	174	174	174	174	174	174	174	174	174	174

Source: City of Concord Finance Department

# MARTIN STARNES & ASSOCIATES, CPAs, P.A.

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

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

### **Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2023, 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 26, 2023. 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.

### **Report on Internal Control Over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Concord's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 26, 2023

# MARTIN STARNES

## & ASSOCIATES, CPAs, P.A.

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

### **Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

#### **Independent Auditor's Report**

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

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

##### ***Opinion on Each Major Federal Program***

We have audited the City of Concord, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Concord's major federal programs for the year ended June 30, 2023. 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.

In our opinion, the City of Concord complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Concord and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Concord's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Concord's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Concord's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Concord's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Concord's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Concord's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City of Concord's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 26, 2023



# MARTIN STARNES

## & ASSOCIATES, CPAs, P.A.

*“A Professional Association of Certified Public Accountants and Management Consultants”*

### **Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

#### **Independent Auditor’s Report**

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

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

##### ***Opinion on Each Major State Program***

We have audited the City of Concord, North Carolina’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Concord’s major state programs for the year ended June 30, 2023. The City of Concord’s major state programs are identified in the summary of auditor’s results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Concord complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

##### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Concord and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City of Concord’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Concord's state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material non-compliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Concord's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material non-compliance when it exists. The risk of not detecting material non-compliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City of Concord's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material non-compliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Concord's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City of Concord's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City of Concord's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 26, 2023

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**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:

<b><u>Program Name</u></b>	<b><u>Assistance Listing #</u></b>
Home Investment Partnerships Program	14.239
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027
Transit Services Programs Cluster	20.513
Dollar threshold used to distinguish between Type A and Type B programs	<u>\$1,037,608</u>
Auditee qualified as low-risk auditee?	Yes

**CITY OF CONCORD, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. Summary of Auditor's Results (continued)**

**State Awards**

Internal control over major state programs:

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

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

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

Identification of major state programs:

**Program Name**

Powell Bill

Auditee qualified as state low-risk auditee? Yes

**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, 2023**

**Finding:** 2022-001  
**Status:** Corrected.

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended June 30, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Grant/Contract Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
<b>Federal Financial Assistance</b>						
U.S. Department of Housing and Urban Development:						
Direct Programs:						
CDBG Entitlement Grants Cluster:						
Community Development Block Grant/Entitlement	14.218	B-19-MC-37-0012	-	61,061	-	-
Community Development Block Grant/Entitlement	14.218	B-20-MC-37-0012	-	27,799	-	-
Community Development Block Grant/Entitlement	14.218	B-21-MC-27-0012	-	237,033	-	-
Community Development Block Grant/Entitlement	14.218	B-22-MC-27-0012	-	181,578	-	90,001
COVID-19 Community Development Block Grant/Entitlement	14.218	B-20-MW-37-0012	-	59,521	-	-
Total CDBG Entitlement Grants Cluster			-	566,992	-	90,001
Home Investment Partnerships Program - Program Income	14.239	M-15-DC-370209	33,337	33,337	-	-
Home Investment Partnerships Program - Program Income	14.239	M-16-DC-370209	96,136	162,539	-	-
Home Investment Partnerships Program - Program Income	14.239	M-17-DC-37-0209	188,674	258,301	-	14,803
Home Investment Partnerships Program - Program Income	14.239	M-18-DC-37-0209	159,557	214,390	-	52,419
Home Investment Partnerships Program - Program Income	14.239	M-19-DC-37-0209	131,849	261,192	-	5,826
Home Investment Partnerships Program - Program Income	14.239	M-20-DC-37-0209	253,543	337,196	-	76,836
Home Investment Partnerships Program - Program Income	14.239	M-21-DC-37-0209	134,031	177,846	-	119,802
Home Investment Partnerships Program - Program Income	14.239	M-22-DC-37-0209	18,708	67,484	-	40,482
Home Investment Partnerships Program - American Rescue Plan	14.239	M-21-DP-37-0209	-	466	-	-
			1,015,835	1,512,751	-	310,168
Public Housing Operating Fund	14.850	A-4309	-	926,824	-	1,413,996
			-	926,824	-	1,413,996
Resident Opportunity and Supportive Services - Service Coordinators	14.870	ROSS201468	-	68,466	-	-
Public Housing Capital Fund	14.872	NC19P00850119	-	90,609	-	-
Public Housing Capital Fund	14.872	NC19P00850120	-	1,440	-	-
Public Housing Capital Fund	14.872	NC19P00850121	-	263,112	-	-
Public Housing Capital Fund	14.872	NC19P00850122	-	56,559	-	-
Public Housing Capital Fund	14.872	NC19E00850219	-	13,416	-	-
			-	425,136	-	-

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**  
**Year Ended June 30, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Grant/Contract Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
Family Self-Sufficiency Program	14.896	FSS21NC4437	\$ -	\$ 24,298	\$ -	\$ -
Family Self-Sufficiency Program	14.896	FSS23NC5547	-	34,486	-	-
			-	58,784	-	-
Housing Voucher Cluster:						
Section 8 Housing Choice Vouchers	14.871		-	5,366,698	-	307,266
Section 8 Housing Choice Vouchers	14.871		-	93,445	-	-
Total Housing Voucher Cluster			-	5,460,143	-	307,266
Total U.S. Department of Housing and Urban Development			1,015,835	9,019,096	-	2,121,431
U.S. Department of Justice:						
Bulletproof Vest Partnership Program	16.607		-	20,950	-	20,950
Public Safety Partnership and Community Policing Grants	16.710		-	329,202	-	140,157
Edward Byrne Memorial Justice Assistance Program	16.738		8,519	16,708	-	-
Equitable Sharing Program	16.922		-	128,007	-	-
			8,519	494,867	-	161,107
U.S. Department of Transportation						
Federal Transit Cluster:						
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-90-X587-00	-	12,160	-	3,040
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-90-X588-00	-	182,517	-	32,209
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-2019-002-00	-	23,506	-	5,876
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-2022-049-00	-	25,278	-	6,320
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	NC-2023-041-00	-	766,355	-	191,589
Federal Transit Formula Grant (Urbanized Area Formula Program)	20.507	N/A	-	1,573,425	-	1,025,409
Bus & Bus Facilities Formula and Discretionary Programs (Bus Program)	20.526	NC-2017-051-00	-	58,424	-	14,606
Bus & Bus Facilities Formula and Discretionary Programs (Bus Program)	20.526	NC-2019-049-00	-	6,318	-	1,579
Bus & Bus Facilities Formula and Discretionary Programs (Bus Program)	20.526	NC-2020-048-00	-	6,065	-	1,516
Bus & Bus Facilities Formula and Discretionary Programs (Bus Program)	20.526	N/A	-	5,282,131	-	932,140
Total Federal Transit Cluster			-	7,936,179	-	2,214,284

(Continued)



**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**  
**Year Ended June 30, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Grant/Contract Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
<b>Transit Services Program Cluster</b>						
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2019-065-00	43,016	43,016	-	15,871
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2020-062-00	66,556	73,952	-	66,275
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2021-046-00	65,720	65,720	-	59,148
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NC-2022-044-00	73,949	82,166	-	68,124
COVID- 19 Enhanced Mobility of Seniors and Individuals with Disabilities ARP	20.513	NC-2022-027-00	35,019	35,019	-	-
COVID-19 Enhanced Mobility of Seniors and Individuals with Disabilities CRSSA	20.513	NC-2022-041-00	35,018	35,018	-	-
<b>Total Transit Services Program Cluster</b>			<b>319,278</b>	<b>334,891</b>	<b>-</b>	<b>209,418</b>
<b>Federal Aviation Administration</b>						
Airport Improvement Program; COVID-19 Airport Programs, and Infrastructure Investment and Jobs Act Programs						
Airport Improvement Program	20.106	3-37-0015-012-2021	-	105,895	-	25,807
Airport Improvement Program	20.106	3-37-0015-015-2022	-	1,474,929	-	22,347
			-	1,580,824	-	48,154
<b>Passed through North Carolina Department of Transportation:</b>						
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	36230.7.21.6	-	83,842	10,481	10,483
<b>Highway Planning, Research and Construction Cluster</b>						
Highway Planning and Construction	20.205	43713.1.9	-	98,890	-	24,722
Highway Planning and Construction	20.205	47346.3.1	-	4,392	-	4,486
Highway Planning and Construction	20.205	40373.1.1	-	384,952	-	96,238
Highway Planning and Construction	20.205	49599.1.3	66,593	66,593	-	16,649
Highway Planning and Construction	20.205	50341.1.3	-	247,031	-	66,837
<b>Total Highway Planning, Research and Construction Cluster</b>			<b>66,593</b>	<b>801,858</b>	<b>-</b>	<b>208,932</b>
<b>Highway Safety Cluster</b>						
State and Community Highway Safety	20.600	22022.6.27	-	3,100	-	-
State and Community Highway Safety	20.600	22023.6.24	-	20,432	-	-
<b>Total Highway Safety Cluster</b>			<b>-</b>	<b>23,532</b>	<b>-</b>	<b>-</b>
<b>Total U.S. Department of Transportation</b>			<b>385,871</b>	<b>10,761,126</b>	<b>10,481</b>	<b>2,691,271</b>

(Continued)

**CITY OF CONCORD, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)**  
**Year Ended June 30, 2023**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Assistance Listing Number</b>	<b>Grant/Contract Number</b>	<b>Passed Through To Subrecipients</b>	<b>Total Federal Expenditures</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>
U.S. Department of Treasury						
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		-	<b>14,311,867</b>	-	-
<b>Total federal awards</b>			<b>1,410,225</b>	<b>34,586,956</b>	<b>10,481</b>	<b>4,973,809</b>
<b>State Financial Assistance:</b>						
Department of Transportation:						
Powell Bill	N/A	32570	-	-	<b>1,970,639</b>	-
State Maintenance Assistance for Urban and Small Urban Program	N/A	36234.82.18.2	-	-	<b>299,281</b>	-
Traffic - Construction by Others	N/A	49728.3.1	-	-	<b>20,642</b>	<b>4,717</b>
			-	-	<b>2,290,562</b>	<b>4,717</b>
State Aid to Airports:						
Airport Improvements and Debt Service	N/A	36244.41.7.1	-	-	<b>858,966</b>	-
Airport Improvements and Debt Service	N/A	36244.41.8.1	-	-	<b>192,286</b>	-
Airport Improvements and Debt Service	N/A	36244.41.9.1	-	-	<b>1,334,988</b>	-
			-	-	<b>2,386,240</b>	-
<b>Total state awards</b>			-	-	<b>4,676,802</b>	<b>4,717</b>
<b>Total federal and state awards</b>			<b>\$ 1,410,225</b>	<b>\$ 34,586,956</b>	<b>\$ 4,687,283</b>	<b>\$ 4,978,526</b>

See Notes to Schedule of Expenditures of Federal and State Awards.

**CITY OF CONCORD, NORTH CAROLINA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended June 30, 2023**

(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:

	<b>NC19E00850118</b>
Funds Approved	\$ 64,993
Funds Expended	64,993
Excess of Funds Approved	<u>\$ -</u>
 Funds Advanced:	
HUD Grants	\$ 64,993
Funds Expended	64,993
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.

(4) Cluster of Programs

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