



City of Concord, North Carolina Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019



CITY OF CONCORD, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019

Prepared by:
Finance Department

City of Concord, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1 – 10
Certificate of Achievement for Excellence in Financial Reporting	11
City Governing Body and Officials	12
Organizational Chart	13

FINANCIAL STATEMENTS AND SUPPLEMENTARY
FINANCIAL INFORMATION

Independent Auditor's Report	15 – 17
Management's Discussion and Analysis	19 – 34

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	<u>Exhibit</u> A	35
Statement of Activities	B	37

Fund Financial Statements:

Governmental Funds:

Balance Sheet	C	38
Reconciliation of the Balance Sheet to the Statement of Net Position	D	39
Statement of Revenues, Expenditures and Changes in Fund Balances	E	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	F	41
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	G	42 – 47

Proprietary Funds:

Statement of Net Position	H	48
Statement of Revenues, Expenses and Changes in Fund Net Position	I	49
Statement of Cash Flows	J	50 – 51

Fiduciary Funds:

Statement of Fiduciary Net Position	K	52
Statement of Changes in Fiduciary Net Position	L	53

Notes to Financial Statements	55 – 87
-------------------------------	---------

Required Supplementary Information:

Law Enforcement Officers' Special Separation Allowance Schedule of Changes in Total Pension Liability	M	88
Law Enforcement Officers' Special Separation Allowance Schedule of Total Pension Liability as a Percentage of Covered Payroll	N	89
Health Care Plan of the City of Concord Schedule of Changes in the Net OPEB Liability and Related Ratios	O	90
Health Care Plan of the City of Concord Schedule of City Contributions	P	91
Health Care Plan of the City of Concord Schedule of Investment Returns – OPEB	Q	92
Local Government Employees' Retirement System - City of Concord's Proportionate Share of Net Pension Liability (Asset)	R	93
Local Government Employees' Retirement System - City of Concord's Contributions	S	94
Firefighter and Rescue Squad Workers' Pension – City of Concord's Proportionate Share of Net Pension Liability	T	95

	Statement	Page
Other Supplemental Information:		
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	99
Combining Balance Sheet – Special Revenue Funds	2	101
Combining Balance Sheet – Capital Projects Funds	3	102
Combining Statements of Revenues, Expenditures and Changes in Fund Balances	4	103
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	5	105
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds	6	106
Nonmajor Proprietary Funds:		
Combining Statement of Net Position	7	109
Combining Statements of Revenues, Expenses and Changes in Fund Net Position	8	110
Combining Statement of Cash Flows	9	111 – 112
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Function and Activity	10	114
Schedule of Changes by Function and Activity	11	115
Budget to Actual Comparison – Other Major and Nonmajor Governmental Funds, Enterprise Funds and Internal Service Fund of the Primary Government:		
General Capital Reserve Project Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	12	119
Housing Assistance Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	13	120
Market Rate Units Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	14	121
Community Development Grant Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	15	122
Section 108 Loan/BEDI Grant:		
Schedule of Revenues and Expenditures – Budget and Actual	16	123
Home Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	17	124
Municipal Service District Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	18	125
Additional Vehicle Tax Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	19	126
Parks Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	20	127
Transportation Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	21	128
General Fund Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	22	129
Fire and Life Safety Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	23	130

	Statement	Page
Electric Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	24	131
Electric Projects Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	25	132
Water Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	26	133
2008 Revenue Bonds Capital Project Fund – Water Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	27	134
Water Projects Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	28	135
Wastewater Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	29	136
Wastewater Projects Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	30	137
Utility Capital Reserve Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	31	138
Regional Airport Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	32	139
Airport Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	33	140
Stormwater Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	34	141
Stormwater Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	35	142
Golf Course Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	36	143
Golf Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	37	144
Housing Department Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	38	145
Housing Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	39	146
Transit Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	40	147
Internal Service Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	41	148 – 149
First Concord Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	42	150
Statement of Changes in Assets and Liabilities – Agency Funds	43	151
Other Financial Data:	<u>Schedule</u>	
Schedule of Ad Valorem Taxes Receivable	1	153
Analysis of Current Tax Levy	2	154
Schedule of Cash and Investment Balances	3	155 – 156
Supplemental Financial Data Schedule Section 8 Housing Programs	4	157 – 158
Schedule of Business-Type Activities Capital Assets	5	159 – 161
Schedule of Business-Type Activities Long-Term Debt	6	162

	Statement	Page
STATISTICAL SECTION	<u>Table</u>	
Net Position by Component, Last Ten Fiscal Years	1	164
Changes in Net Position, Last Ten Fiscal Years	2	165 – 166
Fund Balances, Governmental Funds, Last Ten Fiscal Years	3	167
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	4	168
Number of Electric Customers by Type, Last Ten Fiscal Years	5	169
Electric Rates, Last Ten Fiscal Years	6	170
Ten Largest Electric Customers, Current Year and Nine Years Ago	7	171
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	8	172
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	9	173
Principal Property Taxpayers, Current Year and Nine Years Ago	10	174
Property Tax Levies and Collections, Last Ten Fiscal Years	11	175
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	12	176
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	13	177
Direct and Overlapping Governmental Activities Debt, As of June 30, 2019	14	178
Legal Debt Margin Information, Last Ten Fiscal Years	15	179
Pledged-Revenue Coverage, Last Ten Fiscal Years	16	180
Demographic and Economic Statistics, Last Ten Calendar Years	17	181
Principal Employers, Current Year and Nine Years Ago	18	182
Full-Time-Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years	19	183 – 184
Operating Indicators by Function/Program, Last Ten Fiscal Years	20	185 – 186
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	21	187 – 188
COMPLIANCE SECTION		
Reports Required by <i>Government Auditing Standards</i> , OMB Uniform Guidance And the State Single Audit Implementation Act:		
Independent Auditor's Report on:		
Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		189 – 190
Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; with OMB Uniform Guidance and the State Single Audit Implementation Act		191 – 192
Compliance for Each Major State Program; Report on Internal Control Over Compliance; in OMB Uniform Guidance; and the State Single Audit Implementation Act		193 – 194
Schedule of Expenditures of Federal and State Awards		195 – 197
Notes to Schedule of Expenditures of Federal and State Awards		198
Schedule of Findings and Questioned Costs		199 – 200

October 31, 2019

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

The Comprehensive Annual Financial Report (CAFR) of the City of Concord, North Carolina, for the fiscal year ended June 30, 2019, 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 2019.

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 Elliott Davis, P.L.L.C. 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, 2019, 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, 2019, and is fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Concord was part of a broader, federally and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of

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

PROFILE OF THE CITY

The City of Concord is located in the north central portion of Cabarrus County, North Carolina (the "County"). The County is located in the east central part of the Charlotte-Gastonia-Concord MSA. The City, incorporated in 1796, is the County seat and covers an area of approximately 63,433 square miles with a 2019 U.S. census population estimate of 94,130. The City adjoins the City of Charlotte, North Carolina, and is one of seven incorporated municipalities in Cabarrus County.

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

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

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

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

North Carolina General Statutes require formal budgetary accounting for all funds. The departments of the City are required to submit request for appropriations to the City Manager in February each year. These requests are used as a starting point for developing a proposed budget. The City Manager presents the proposed budget no later than June 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget

no later than June 30. Budgets are legally enacted by adoption by the governing board of an Annual Budget Ordinance or a Capital Project Ordinance. The Annual Budget Ordinance and Capital Project Ordinance may be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. Changes of functions and total budgets of any fund require approval of the governing board. The City Manager is authorized to reallocate departmental appropriations, as he considers necessary, and to affect interdepartmental transfers within a fund as long as it does not exceed 10% of the appropriated monies for the department whose allocation is reduced. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Capital Project Ordinance is used to establish a budget for a project that extends over more than one fiscal year. Capital Project's budget to actual comparisons for each governmental fund for which a capital project budget has been adopted is also included in this report.

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

FACTORS AFFECTING FINANCIAL CONDITION

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

LOCAL ECONOMY

The unemployment rate for Cabarrus County at June of 2019 was 4.0%, which is an increase from a rate of 3.8% in June of 2018. The state's unemployment rate for June of 2019 was 4.2%. (Bureau of Labor Statistics)

The economy continues to be strong and Concord's population growth continues to be around 2% per year. Foreclosures have continued to decrease which will aid in property tax collections. The sales tax revenues continue to recover and construction is also rebounding in the Charlotte region. Utility revenue remains steady with small growths in consumption.

The North Carolina Fiscal Research Division states that the State of North Carolina's economy remains on stable footing but there are signs of economic weakening. The revenue outlook reflects a continuation of steady growth even if the growth is slowing. Employment continues to remain stable as employment markets remain strong. All these factors continue to suggest steady overall economic conditions.

The State forecast envisions the pace of growth to remain stable with the State's growth in economic activity keeping pace with the nation as a whole. Sales tax collections have continued to remain stable. One important element in the stability of the State's overall economy is the continuous improvement in the housing market. With so many jobs directly and indirectly tied to housing, the recent improvements in housing continue to be encouraging.

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 2019. Concord has great access to Interstate 85, which has six existing interchanges in the City. North Carolina Department of Transportation (NCDOT) projects that are programmed with Concord's participation will continue to enhance the City's accessibility. The I-85 project from NC 73 to 29-601 Connector in Rowan County is currently in progress. This project will include significant improvements to the interchanges at Exits 58 (US29) and 60 (Copperfield/Dale Earnhardt). The George Liles Parkway extension is complete and links US 29 in Concord directly to I-85, it provides enhanced access to approximately 3000 acres of property zoned for business development in the geographic middle of the City, including the former Philip Morris site. The northeastern part of Charlotte's Interstate 485 Outerbelt is now completed. This provides easy access to the western side of Concord and will spur even more industrial and commercial development in that area. The City is partnering with NCDOT to widen Derita Road, running by Concord Regional Airport, as development along that corridor has been accelerated due to the completion of I-485. I-485 has added another direct route to access I-77, in addition to NC 73 and I-85.

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

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

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

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

LONG TERM FINANCIAL PLANNING

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

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

The City Council, with staff assistance and help from a consultant, has updated and adopted the City's 2030 Land Use Plan. Over the course of the coming year, staff will be 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.

In conjunction with the Concord Downtown Development Corporation, staff has undertaken a public process to redefine the downtown street scape. City Council will vote on one of the proposed plans in the fall of 2019 as well as funding to support the project. With continued public and private investment, Downtown Concord continues to be a haven for development and redevelopment. The County's new parking deck is complete and will provide much needed additional parking for visitors, residents, and business owners. The old City Hall and Police Headquarters as well as the surface parking lot between Market and Spring Streets are being closely examined for mixed use development including additional parking, retail, and residential. One of the sites will be purchased by a developer who is currently making plans to renovate the property for business and residential use. Downtown Concord is vibrant and will continue to refine itself as additional residential development will attract all age groups to the Center City.

Water, Wastewater, and Stormwater Master Plans have been completed. Staff has incorporated the recommendations from the Plans into the City's Capital Improvement Plan and is also incorporating these needs into our rate models. 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 has infrastructure needs which cannot be met using a "pay as you go" or "pull from reserves" philosophy. Staff will be reviewing the needs and how the City might be able to leverage a Revenue Bond to fund many of these larger future projects.

The City's previous contract to purchase power from Duke Energy was based on Duke Energy's system average cost. Costs were tied to Duke's expenditures and go up (or down) depending upon market conditions and infrastructure investment. Concord entered into a contract with NTE, the builder and operator of a natural gas fired plant in Kings Mountain. Under the terms of the agreement, the City of Concord is provided with electric generation services by NTE using a portion of the capacity and energy generated by the facility for an initial term of 20 years. The contract that began on January 1, 2019 also provides for access to power produced from other types of generation if it is more cost effective to buy on the market.

A major utility project for FY 2019-20 is the continued implementation of the Smart Community effort. The implementation of new meters and related technology will improve our service response, systems reliability and will provide both the City and its customers with sophisticated tools to analyze and manage use. While the system is being deployed the City will actively educate customers about the meter installations, communicate the benefits, roll out programs and aggressively engage customers to use these new tools.

Due to the recent developments in recycling area, the City will be implementing a \$2.24 monthly solid waste fee, which will offset the increasing costs of recycling. Staff will continue to monitor the cost of all waste collection, as the City works to maintain the same service level while dealing with the increased costs to operate.

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.

Retail development continues to be strong. New shopping centers are under construction across the city and two new hotels were completed. The Concord Mills/Speedway area continues to be strong with new restaurants under construction and more on the way.

Concord-Padgett Regional Airport (CPRA) continues to be a vital resource in supporting the business and general aviation communities. A promising development has been the addition of even more scheduled commercial operations at CPRA through the Allegiant Airlines flights to destinations in Florida and Louisiana. Service has been widely successful. The activity has helped the airport secure FAA funding for airports with commercial type operations. The airport continues to have growth in commercial operations and continues to serve as a top General Aviation airport that spurs economic activity. The growth of commercial air service at CPRA continued in FY 2018-19. While commercial activity has already helped to solidify the airport's position in qualifying for FAA funding for airports with commercial type operations, Concord Regional Airport intends to continue being a top General Aviation airport that helps to spur economic activity.

Continued long term transportation projects are as follows:

- I-85 Widening Project, NC 73 to 29-601 Connector in Rowan County – Construction continues on the NCDOT, I-85 project from NC 73 to 29-601 Connector in Rowan County. This includes significant improvements to the interchanges at Exits 58 (US 29) and 60 (Copperfield/Dale Earnhardt). The City of Concord and the City of Kannapolis are cooperating to include aesthetic improvements to the end of the bridges at these interchanges.
- Exit 49 – Three projects are funded in the I-85 – Exit 49 area. These include a “fly over” directly into the first entrance to Concord Mills Mall, pedestrian improvements along Bruton Smith Boulevard and the completion of the Derita Road widening project, including the bridge, from the Rocky River to the end of Concord Mills Boulevard. The Derita Road project has started and the engineering for the other two projects is underway.

- Derita Road – Traffic congestion is choking this important corridor that serves the Airport, the growing industrial area, and Concord Mills. Concord was required to pick up the total cost to match the Federal funds for Phase 1 construction of this NCDOT Road going from Poplar Tent Road to the Rocky River Bridge. This project is now underway and includes funding going all the way to Concord Mills Boulevard.

The Public Transit Master plan is complete, this plan includes CK Rider and Cabarrus County transit and the plan examines the most efficient way for our services to continue. CK Rider now operates the CCX route which links our riders to the newly open Blue Line Extension Light Rail system. County and City staff will be working together in the coming year to determine which Public Transit Master Plan recommendations can be accomplished and the timing of those projects.

The Recreation Master Plan update has been completed and it contains many recommendations addressing future recreational needs. Implementation of this plan will continue to be a priority for FY 2019-20 and years to come. With the completion of the Park and Recreation Master Plan, we are actively seeking opportunities to develop additional land throughout the City in order to further solidify the exceptional quality of place which exists in Concord. The Connectivity Study has been completed. This study will drive additional park and recreational opportunities for the City as well as guide staff in how we connect neighborhoods, communities, schools, and other life centers across the City.

The Rocky River Golf Club continues to be one of the highest quality municipal golf courses in North Carolina. Major work on the bunkers has been completed and the clubhouse was recently expanded to allow for more events.

For FY 2019-20, the recommended Concord property tax rate continues to be among the lowest third of full-service North Carolina municipalities with populations greater than 35,000. The tax rate remains at \$.48 per \$100 of valuation.

CASH MANAGEMENT POLICIES AND PRACTICES

The City maintains a cash and investment pool that is used by all funds, except those restricted by statute or other legal reasons. This pool is used to facilitate disbursement and investment and to maximize investment income. North Carolina statute G.S. 159-30(c) authorizes the City to invest in U.S. Government Agency Securities, U.S. Treasury obligations, commercial paper, bankers' acceptances, certificates of deposits and the North Carolina Capital Management Trust (NCCMT), a SEC-registered mutual fund. The maturities of investments vary. Investment earnings include unrealized gains and losses from the implementation of the Governmental Accounting Standards Board ("GASB") Statement 31, which require certain investments to be recorded at market value. The City does not expect to realize these gains or losses because the City has historically held investments to maturity.

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

As of June 30, 2019, the City's cash resources were invested as follows:

U.S. Government agencies	75.6%
Commercial Paper	16.7%
NCCMT	7.3%
All other	<u>4%</u>
Total	<u>100.0%</u>

The average yield on investments at June 30, 2019 is estimated at 1.4% as compared to 1.4% for all taxable money market funds for the same period.

RISK MANAGEMENT

The City is fully insured for property and general liability but is self funded for workers' compensation. An appointed safety committee reviews workers' compensation accidents and injuries and discusses remedies to eliminate repetition of such accidents and injuries. The committee also receives and reviews reports of independent safety inspectors such as OSHA to ensure a safe and healthful environment for all employees and the citizens of Concord. In addition, various risk control techniques, including but not limited to employee accident prevention training, have been implemented to minimize accident related losses. A full-time safety, health and risk management officer administers the safety and risk management program and is responsible for administering ADA rules and regulations. Costs associated with risk management are recorded in the general and enterprise funds.

Additional information on the City's risk management activity can be found in the notes to the financial statements.

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City of Concord administers a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The City is required by Article 12D of G.S. Chapter 143 to provide these benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions.

The City contributes to a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. This plan provides retirement benefits to law enforcement officers and all other employees employed by the City. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts are vested immediately. The law enforcement officers may make voluntary contributions to the plan.

The City also contributes to the Statewide Local Governmental Employees' Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. This plan provides retirement and disability benefits to plan members and beneficiaries. Plan members are required to contribute six percent of their annual covered salary. The City is required to contribute at an actuarially determined rate.

The City of Concord also provides postretirement health benefits to retirees and their dependents. As of the end of the current fiscal year, there were 140 retired employees receiving benefits, which are being partially funded.

Additional information on the City's pension arrangements and post employment benefits can be found in the notes to the financial statements (note 9).

FISCAL POLICIES

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

RESERVE POLICY

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Concord, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2018. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

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

The presentation of this report could not have been accomplished without the assistance and dedication of the entire staff of the Finance Department. Special thanks go to Deputy Finance Director, Jessica Jones, and the entire accounting staff for their contribution and preparation of this report. We also appreciate the cooperation and assistance of the other City departments, as well as the assistance of the City's independent auditor, Elliott Davis, P.L.L.C., 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,

A handwritten signature in cursive script, reading "Lloyd Wm. Payne, Jr.".

Lloyd Wm. Payne, Jr.
City Manager

A handwritten signature in cursive script, reading "Pam Hinson".

Pam Hinson
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Concord
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

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

W. Brian King

Mayor Pro Tempore

Terry Crawford
Samuel Leder
JC McKenzie
Jennifer Parsley
Ella Mae Small
John Sweat, Jr.

Lloyd Wm. Payne, Jr.

City Manager

Pam T. Hinson

Finance Director

VaLerie Kolczynski

City Attorney

Kim Deason

City Clerk





CITIZENS OF CONCORD

**REPRESENTED
BY
MAYOR
AND
CITY COUNCIL**



CITY ATTORNEY

VaLerie Kolczynski
704-920-5115



CITY MANAGER

Lloyd Payne
704-920-5215



**ASSISTANT
CITY MANAGER**

Joshua Smith
704-920-5215



**ASSISTANT
CITY MANAGER**

LeDerick Blackburn
704-920-5215



AVIATION

Dirk Vanderleest
704-920-5912



COMMUNICATIONS

Bethany Ledwell
704-920-5590



CITY CLERK

Kim Deason
704-920-5205



PUBLIC AFFAIRS

Peter Franzese
704-920-5210



**BUILDINGS AND
GROUNDS**

Susan Sessler
704-920-5380



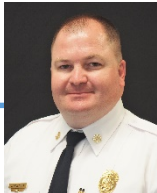
ELECTRIC SYSTEMS

Bob Pate
704-920-5301



**EMERGENCY
MANGEMENT**

Ian Crane
704-920-5211



FIRE

Jake Williams
704-920-5516



FINANCE

Pam Hinson
704-920-5220



**DATA SERVICES
(Contract)**

Charlie Bridges
704-920-5293



ENGINEERING

Sue Hyde
704-920-5401



FLEET SERVICES

Daniel Nuckolls
704-920-5431



HOUSING

Angela Graham
704-920-6100



**PARKS AND
RECREATION**

Bob Dowless
704-920-5610



HUMAN RESOURCES

Rebecca Edwards
704-920-5102



**ROCKY RIVER
GOLF CLUB
(Contract)**

704-455-1200



RIDER TRANSIT

L.J. Weslowski
704-920-5878



**SOLID WASTE AND
RECYCLING**

Robin Barham
704-920-5351



POLICE

Gary Gacek
704-920-5007



**PLANNING AND
NEIGH. DEV.**

Steve Osborne
704-920-5132



TRANSPORTATION

Phillip Graham
704-920-5362



WATER RESOURCES

Christie Putnam
704-920-5343

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

This page is intentionally blank.

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Concord ABC Board, which represent 100 percent of the assets, net position and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Concord ABC Board were not audited in accordance with *Government Auditing Standards*.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, the Health Care Plan of the City of Concord's Schedules of Changes in the Net OPEB Liability and Related Ratios, City Contributions, and Investment Returns - OPEB, the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions, and the Firefighter and Rescue Squad Workers' Pension Fund's Schedule of Proportionate Share of Net Pension Liability, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, schedule of capital assets used in the operation of governmental funds, budget to actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of cash and investment balances, the supplemental financial data schedule section 8 housing programs, the schedule of business-type activities capital assets, the schedule of business-type activities long-term debt, the 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, the introductory section and the statistical section as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, schedule of capital assets used in the operation of governmental funds, budget to actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of cash and investment

balances, the supplemental financial data schedule section 8 housing programs, the schedule of business-type activities capital assets, the schedule of business-type activities long-term debt, and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as previously described and the reports of other auditors, the combining and individual fund financial statements, schedule of capital assets used in the operation of governmental funds, budget to actual comparisons, statement of changes in assets and liabilities – agency funds, schedule of ad valorem taxes receivable, analysis of current tax levy, schedule of cash and investment balances, the supplemental financial data schedule section 8 housing programs, the schedule of business-type activities capital assets, the schedule of business-type activities long-term debt, the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2019, on our consideration of the City'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 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 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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 31, 2019

This page is intentionally blank.

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, 2019. 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 \$942,885,515 (*net position*). Of this amount, \$272,345,197 (*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 \$48,563,520 (5.4%). The majority of this growth is attributable to an increase in cash and investments and a decrease in long-term debt.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$137,016,576 an increase of \$5,273,065 in comparison with the prior year. Approximately 38.7 percent of this total amount or \$53,141,187 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 increase with transfers from the general fund to support future capital projects.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$53,901,650 or 60.5 percent of total general fund expenditures and transfers.
- The City holds the following current underlying bond rating:

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

OVERVIEW OF FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

for which the City of Concord is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 35 through 37 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Concord, like all other governmental entities in North Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements such as the General Statutes or the City's budget ordinance. All of the funds, reflected in the government wide financial statements, of the City of Concord can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash flow in and out, and the balances left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provide a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or fewer financial resources available to finance the City's programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual non major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund and the general fund capital reserve, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

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

Proprietary Funds

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

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

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 55 through 87 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and post retirement health benefits to its employees. Required supplementary information can be found on pages 88 through 95 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following the required supplemental

information. Combining and individual fund statements and schedules can be found on pages 99 through 112 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 148 through 149.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources for the City exceeded liabilities and deferred inflows of resources by \$942,885,515 as of June 30, 2019.

By far the largest portion of the City's net position (68.7 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	
	2018	2019	2018	2019	2018	2019
Current and other assets	\$140,543,258	\$146,933,840	\$195,777,219	\$228,596,152	\$336,320,477	\$375,529,992
Capital assets	343,064,614	339,843,222	395,683,183	395,626,038	738,747,797	735,469,260
Total Assets	483,607,872	486,777,062	591,460,402	624,222,190	1,075,068,274	1,110,999,252
Deferred outflows of resources	6,526,673	11,144,660	6,399,887	8,790,344	12,926,560	19,935,004
Long-term liabilities outstanding	68,199,789	68,685,893	88,222,431	78,912,279	156,422,220	147,598,172
Other liabilities	13,217,207	14,143,079	21,876,485	19,946,103	35,093,692	34,089,182
Total liabilities	81,416,996	82,828,972	110,098,916	98,858,382	191,515,912	181,687,354
Deferred inflows of resources	1,410,212	4,193,997	746,715	2,167,390	2,156,927	6,361,387
Net position:						
Net investment in capital assets	317,112,060	316,363,203	323,941,763	331,877,156	641,053,823	648,240,359
Restricted	24,158,763	22,299,959	-	-	24,158,763	22,299,959
Unrestricted	66,036,514	72,235,591	163,072,895	200,109,606	229,109,409	272,345,197
Total net position	\$407,307,337	\$410,898,753	\$487,014,658	\$531,986,762	\$894,321,995	\$942,885,515

An additional portion of the City's net position (2.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$272,345,197, 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 \$3,591,416 in net position reported in connection with the City of Concord's governmental type activities and an increase of \$44,972,104 in net position in connection with the City of Concord's business-type activities. Due to the implementation of GASB 75 (*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*), net position was subject to restatement in prior year 2018. The restatement of net position for the governmental activities resulted in a decrease of \$16,485,580 and a decrease of \$10,672,774 for business-type activities. The implementation of GASB 75 required the City to record beginning net OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the City related to OPEB during the measurement period.

During the current fiscal year, total net position for business-type activities increased by \$44,972,104. The increase in current assets is a result of growth in cash and investments. Revenues exceeding expenses contribute to the growth in cash for business-type activities and the net increase in net position. Expenses decreased 9.5% in this fiscal year while revenues increased 7.7%.

City of Concord's Changes in Net Position

Table 2

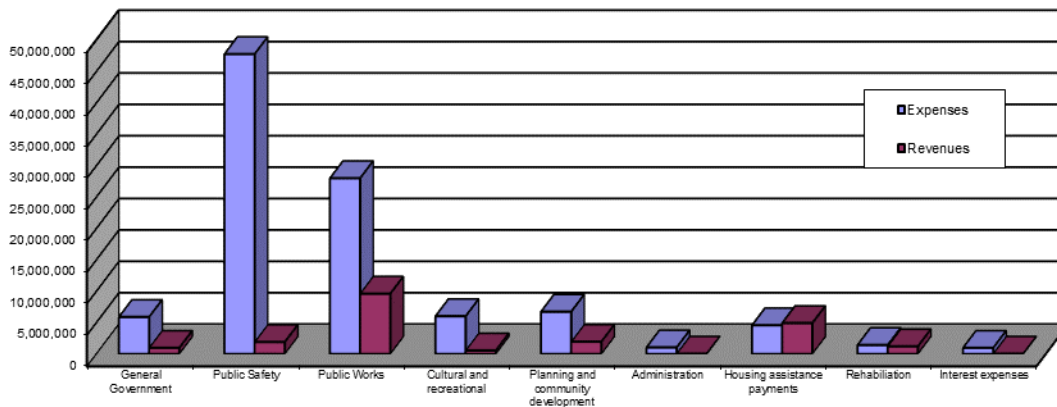
	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program revenues:						
Charges for services	\$7,167,465	\$6,246,351	\$145,291,260	\$149,295,800	\$152,458,725	\$155,542,151
Operating grants/ contributions	8,574,090	8,672,753	2,870,627	5,983,066	11,444,717	14,655,819
Capital grants/contributions	12,866,794	5,889,267	9,487,054	11,513,458	22,353,848	17,402,725
General revenues:						
Ad valorem taxes	54,088,843	55,717,789	-	-	54,088,843	55,717,789
Other taxes	18,602,265	20,168,719	-	-	18,602,265	20,168,719
Grants and contributions not restricted to specific programs	5,168,960	5,415,685	-	-	5,168,960	5,415,685
Investment earnings	672,167	4,484,578	1,018,510	5,151,281	1,690,677	9,635,859
Miscellaneous/Gain(loss) capital asset sales	1,521,687	1,149,484	1,561,492	781,498	3,083,179	1,930,982
Total revenues	108,662,271	107,744,626	160,228,943	172,725,103	268,891,214	280,469,729
Expenses:						
General government	6,538,526	5,848,332	-	-	6,538,526	5,848,332
Public safety	43,288,505	47,728,011	-	-	43,288,505	47,728,011
Public works	26,745,618	27,955,340	-	-	26,745,618	27,955,340
Cultural & recreational	5,417,520	5,972,501	-	-	5,417,520	5,972,501
Planning & community development	3,982,622	6,687,301	-	-	3,982,622	6,687,301
Administration	1,083,360	1,001,208	-	-	1,083,360	1,001,208
Housing assistance payments	4,275,944	4,527,057	-	-	4,275,944	4,527,057
Rehabilitation	1,004,575	1,380,879	-	-	1,004,575	1,380,879
Interest on long term debt	1,063,021	928,032	-	-	1,063,021	928,032
Electric	-	-	82,169,016	65,164,522	82,169,016	65,164,522
Water	-	-	20,409,056	20,557,651	20,409,056	20,557,651
Wastewater	-	-	15,655,669	17,186,283	15,655,669	17,186,283
Regional airport	-	-	12,391,145	13,275,915	12,391,145	13,275,915
Stormwater	-	-	4,221,722	4,367,557	4,221,722	4,367,557
Other nonmajor business-type activities	-	-	8,676,065	9,325,620	8,676,065	9,325,620
Total expenses	93,399,691	102,028,661	143,522,673	129,877,548	236,922,364	231,906,209
Increase in net position before transfers	15,262,580	5,715,965	16,706,270	42,847,555	31,968,850	48,563,520
Transfers	(2,011,132)	(2,124,549)	2,011,132	2,124,549	-	-
Increase in net position	13,251,448	3,591,416	18,717,402	44,972,104	31,968,850	48,563,520
Net position, July 1-previously reported	410,541,469	407,307,337	478,970,030	487,014,658	889,511,499	894,321,995
Restatement	(16,485,580)	-	(10,672,774)	-	(27,158,354)	-
Net position, June 30	\$407,307,337	\$410,898,753	\$487,014,658	\$531,986,762	\$894,321,995	\$942,885,515

Governmental Activities

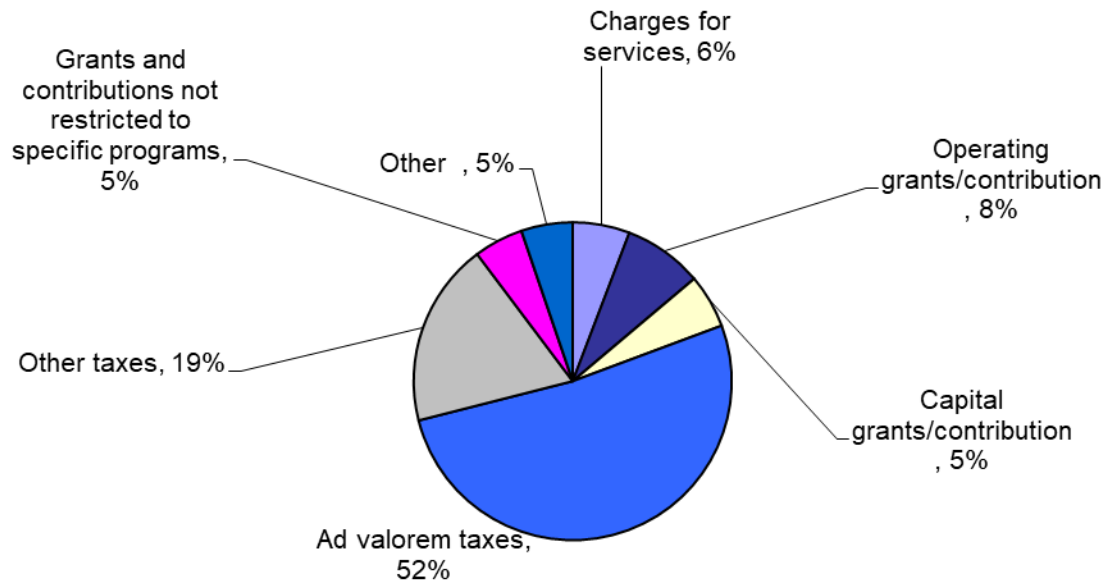
In fiscal year 2019, the net position of governmental activities increased by \$3,591,416, or less than 1%. Revenues decreased by less than 1% as a result of a decline in capital grants and contributions when compared to the prior year. Expenses and transfers were less than total sources which resulted in an increase in net position of \$3,591,416. Table 2 above, illustrates key elements of the changes in the governmental activities net position. Listed below are a few points highlighting significant changes in net position.

- Ad valorem taxes increased by \$1,628,946 (3.0%) during the year. The City continues to see a steady growth in assessed values.
- Capital grants/contributions decreased \$6.9 million due to a decrease in contributions for capital related to infrastructure.
- Investment earnings increased \$3,812,411 as the rates were higher and the City also had additional funds to invest.
- Other taxes increased 8.4%, \$1,566,454 as sales tax revenues continue to increase as a result of the economic recovery our area is experiencing.
- The total governmental activities increase in expenses was 9.2%. The City continues to operate as conservatively as possible while maintaining existing services. The City implemented a new salary plan which resulted in higher personnel costs when compared to the prior year. The personnel costs also included additional full time positions.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net position by \$44,972,104 (9.2%).

Key elements of the increase in business type activities, illustrated in table 2 located on page 24 are as follows:

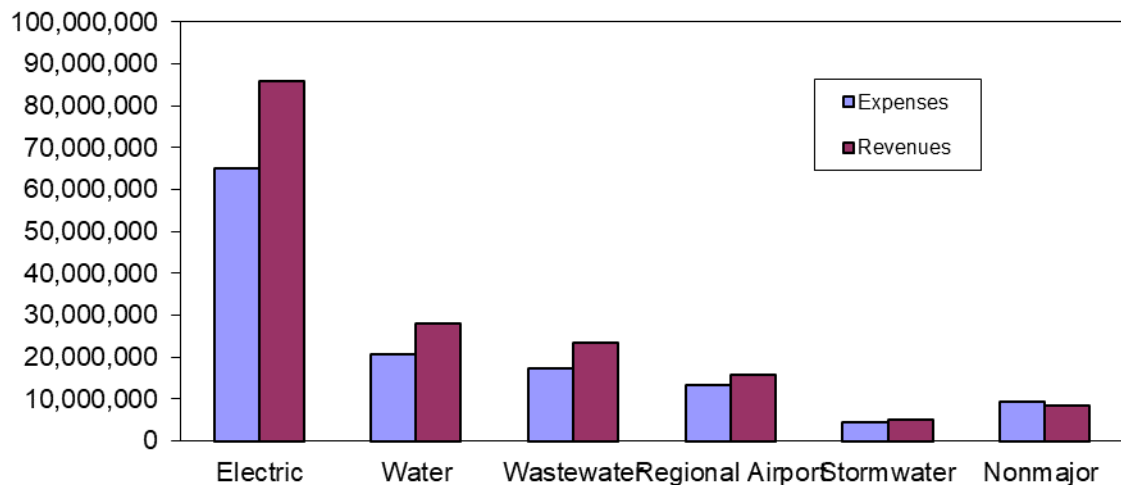
- Charges for services for business-type activities increased by 2.7%, \$4,004,540.
 - Usage remained relatively stable for wastewater customers; the City experienced a 2% growth in customers. The wastewater division's charges for service increased 3.3%, due to the increase in customers and an increase in development related wastewater fees. Line service charges to developers depend on the timing of development. Wastewater operating revenue exceeded operating expenses by more than \$1.9 million in FY2019.
 - Water charges for service increased around 4.0% which was the result of customer growth (2%) in the system, usage remains stable. 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 FY2019, water operating income exceeded operating expenses by \$7 million.
 - Aviation charges for service increased 7.6% when compared to the previous year. The Concord-Padgett Regional Airport (CPRA) continues to be one of the busiest general aviation airports in North Carolina. The airport continues to see growth due to the additional commercial flights by Allegiant. Takeoffs and landings are up 9% and the commercial flight customers have increased 24% when compared to last fiscal year.
 - Stormwater charges for service increased 2.2% when compared to last year's collections. This increase is a result of normal growth in the City's customer base. The Stormwater program has operated for ten full years, and the billing has been fully implemented for customers. Stormwater infrastructure needs were

recently approved by City Council and an internal review of the system resulted in fee increases in FY2018, there were no fee increases in the current fiscal year.

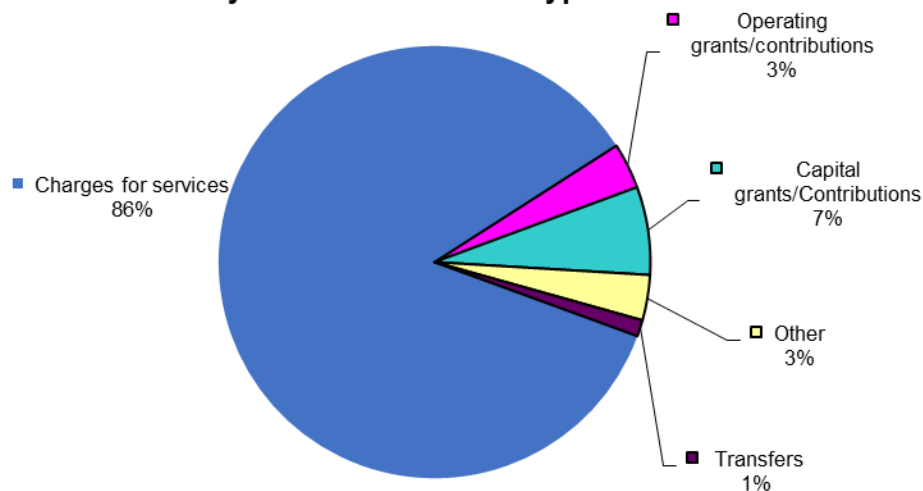
- Electric charges increased 1.7 % in fiscal year 2019. Although the system did experience growth, electric revenue is also affected by weather. Duke Energy Corporation has been the main supplier for City power. During calendar year 2008, these wholesale costs increased approximately 18.5%. Due to these large increases, the City evaluated rates during fiscal year 2009 and hired a rate consultant. Despite past efforts to hold down retail costs and continued efforts to cut current operating costs, it became necessary to begin raising retail rates to better reflect the rising wholesale costs in order to maintain current customer service and system maintenance levels. Adjustments are now considered based on a cost of service analysis which consider the Duke changes in January of every year. Due to Duke's schedule for wholesale increases, FY 2019 reflected no retail rate increase. Concord has entered into a contract with NTE, the builder and operator of a natural gas fired plant in Kings Mountain. Under the terms of the agreement, the City of Concord is provided with electric generation services by NTE using a portion of the capacity and energy generated by the facility for an initial term of 20 years. This allowed Concord to utilize this source when the Duke contract ended in December of 2019. The NTE contract also provides for access to power produced from other types of generation if it is more cost effective to buy on the market.
- Expenses, before transfers, decreased 9.5% when compared to the prior year. The City is experiencing a strong increase in development which places more demands on our utility budgets. Although the City experienced a total decrease in operating expenses, this was due to the new purchase power contract for electric which was detailed above. The other utilities in the City experienced increases in operating expenses as they meet the continued demands of our citizens and the services they expect to receive. The City continues to focus on ensuring that operating costs do not outpace the City's revenue sources.
 - Electric operating expenses decreased by 20.8%. As detailed in the revenue section above, the City continued the contract with Duke Energy through December 31, 2018. The purchase power true up continues to reduce costs of purchasing power from Duke Energy. The cost savings the City experienced when the new contract with NTE started in January of 2019 has resulted in a material savings in the purchase power expense for the City. Electric continues to be a part of the Smart Community project to implement smart meters throughout the service area. This electric portion of this project nears completion.
 - Water operating costs increased almost 1%, as this department was impacted by system growth. The water department is also implementing the Smart Community project and it is estimated to be around 50% complete. The project required additional contract labor as well as purchases of materials and technology to support the project.
 - Stormwater operating expenses increased 3.4% which reflects normal system growth expenses.
 - Wastewater operating expenses increased 10.7% due to a 4% rate increase in our treatment contract. Normal system growth also contributes to the increase in these expenses.
 - The airport operating expenses increased 8%; the majority of this increase was associated with higher fuel prices. The airport also is experiencing a higher demand for services and the commercial business continues to grow.

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 \$137,016,576, an increase of over 4.0% in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 38.7% of the City's ending fund balance. The remaining fund balance is classified as follows to indicate that it is not available for new spending because it has already been obligated: 1) non spendable inventories and prepaids (\$138,230), 2) restricted for streets, public safety and state statute stabilization (\$22,161,729), 3) committed for future capital, planning & community development, and housing assistance (\$32,583,208), and 4) assigned for specific purposes in other governmental funds (\$28,992,222).

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 \$53,901,650 while total fund balance for the general fund was \$75,084,183; representing an increase of \$4,060,038. The City continues to fund the capital reserve fund for major projects. The allocation for fiscal year 2019 was \$1,300,000. 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 60.4% of total general fund expenditures and transfers out, while total fund balance represents 84.2% 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 \$13,078,024. Transfers to other funds decreased by \$5,966,705 when compared to the prior year. The majority of the total transfers, \$9,850,930, are for capital projects and debt service. Total departmental budgets were under projections by 10.2%. Sales tax revenue grew 8.4% or \$1,565,454. The City's investment earning also increased \$2,197,455 as rates recovered and the City had more funds to invest.

Other governmental and general fund capital reserve fund balances increased \$1,213,027 due to transfers to the reserve funds to complete future capital projects.

Proprietary Funds

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

Unrestricted net position of the electric fund, the water fund, the wastewater fund, the regional airport fund, and the stormwater fund at the end of the year were \$98,616,938, \$63,226,465, \$27,484,079, \$4,893,793 and \$11,674,987 respectively. The unrestricted net position of all other enterprise funds was (\$1,613,729). The total growth in net position for the proprietary funds was \$44,972,104. Factors affecting the growth are addressed in more detail in the discussion of the City of Concord's business-type activities which begin on page 26 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 \$10,119,388, or more than 11.4%. This is a significant budgetary variance between original and final amended budget for the City. The major

adjustments to the budget are related to a non-operating one time transfer for planned future projects in the amount of \$1,300,000, and \$2,500,000 funding of the County's parking deck which will also be used by the City. At year-end, *actual* operating revenues exceeded *final amended revenue budget* numbers by 4.9%. *Actual* operating expenditures were less than *final budgetary* figures by 10.2%, resulting in excess of revenues over expenditures (before other financing sources/uses) of \$13,078,024.

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, 2019, totals \$735,469,260 (net of accumulated depreciation). These assets include land, buildings, machinery and other equipment, improvements and infrastructure. The total net decrease in the City of Concord's investment in capital assets for the current fiscal year was less than 1% (.94% decrease for governmental activities and .05% increase for business-type activities).

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

- Construction of electric substations, Smart Grid system costs and enhancements/improvements to the electric transmission lines in the amount of \$2,557,028.
- Streets infrastructure and improvements totaling \$9,207,337.
- Purchase of vehicles and equipment for general fund totaling \$3,871,058.
- 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 \$1,734,031.
- Upgrades/improvements to the wastewater system in the amount of \$4,845,186.
- Upgrades/improvements to the stormwater system in the amount of \$1,544,592.
- Strengthening improvements to the airport runway in the amount of \$4,403,964.

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

Capital Assets

Table 3

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Land	\$ 54,336,721	\$ 54,709,365	\$ 40,881,488	\$ 40,881,488	\$ 95,218,209	\$ 95,590,853
Construction in progress	10,498,568	12,881,849	22,376,343	29,997,836	32,874,911	42,879,685
Buildings and systems	65,729,506	66,483,986	78,796,346	79,483,458	144,525,852	145,967,444
Improvements other than buildings	5,933,449	7,694,133	491,131,237	499,448,305	497,064,686	507,142,438
Machinery and equipment	35,189,869	38,017,569	36,214,679	38,019,223	71,404,548	76,036,792
Infrastructure	609,521,191	615,246,286	-	-	609,521,191	615,246,286
Sub-total	781,209,304	795,033,188	669,400,093	687,830,310	1,450,609,397	1,482,863,498
Less Accum. Depreciation	(438,144,690)	(455,189,966)	(273,986,910)	(292,204,272)	(712,131,600)	(747,394,238)
Total	\$ 343,064,614	\$ 339,843,222	\$ 395,413,183	\$ 395,626,038	\$ 738,477,797	\$ 735,469,260

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of \$85,395,682 (principal). Of this amount, \$0 comprises debt backed by the full faith and credit of the City and \$45,884,999 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has \$27,040,000 and \$11,368,683 outstanding in installment notes and purchases, respectively. The City also has a Section 108 loan guarantee with an outstanding balance of \$1,102,000.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
Installment purchases	\$ 2,578,088	\$ 2,280,128	\$ 10,098,127	\$ 9,088,555	\$ 12,676,215	\$ 11,368,683
Revenue Bonds	1,251,862	994,174	50,223,138	44,890,825	51,475,000	45,884,999
Installment notes	21,292,125	19,474,225	8,877,875	7,565,775	30,170,000	27,040,000
Loan Payable	1,211,000	1,102,000	-	-	1,211,000	1,102,000
Total long-term debt	\$ 25,122,075	\$ 23,850,527	\$ 69,199,140	\$ 61,545,155	\$ 95,532,215	\$ 85,395,682

In the current fiscal year, the City of Concord's total debt decreased by \$12,136,533 (10.6 percent). In fiscal year 2019, the City did not refund any debt or issue any new debt. There is more information available in Note 7 of this document regarding refunding and advance refunding issues in prior years.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The City's debt as a percentage of assessed value of taxable property is .19%. The legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is \$906,757,740. The current debt limitation for the City of Concord is \$928,512,093, which is significantly greater than the City of Concord's outstanding general obligation debt.

Additional information on the City of Concord's long-term debt can be found in Note 7 on pages 67 through 72 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Cabarrus County at June of 2019 was 4.0%, which is a small increase from a rate of 3.8% in June of 2018. The state's unemployment rate for June of 2019 was 4.2%.
- Concord's certified population has increased from 79,066 in 2010 to an estimated 92,568 as of July 1, 2018 (per NC Office of State Budget & Management), which represents a growth rate of 17.1%. The City experienced a 2% growth in current year population when compared to the certified population estimate as of July 1, 2017. Concord's most recent estimated population is 94,130 according the United States census estimates. Concord is the 10th largest city in North Carolina.

- The economic climate will be the biggest factor impacting future Concord budget recommendations. Unemployment has remained stable and sales tax collections continue to be strong. Foreclosures have continued to decrease which will aid in property tax collections. The sales tax revenues continue to increase. Of course, some of this is related to the on-going recovery in the construction industry; this area has seen construction rebound quickly. Utility revenue remains steady with small growths in consumption that are related to development and population growth of around 2%.
- 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 North Carolina Fiscal Research Division states that the State's economy continues to be strong and although it remains on solid footing, there are still signs that the economy may be starting to weaken. All economic trends in the City of Concord continue to be strong, but staff will continue to be conservative with budget projections.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2020. The amount of unassigned fund balance in the general fund is \$53,901,650 as of July 1, 2019. Concord has no appropriation from fund balance for the 2020 fiscal year.

The tax base used in the fiscal year 2020 budget preparation represents an estimated 3% increase in real property values from fiscal year 2019 projections. The increase is a result of continued development and growth in the city. One cent on the City's tax rate produces \$1,145,373 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 2020 budget does not include a tax increase, maintaining a 48-cent rate.

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 be 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 our community will look like in future years.

The public process is underway to determine what our downtown streetscape will look like in the future. Staff will work with consultants to make recommendations to council. A streetscape plan is expected to be approved in FY2019-2020.

Water, Wastewater, and Stormwater Master Plans have been completed. Staff has incorporated the recommendations from the Plans into our Capital Improvement Plan and is incorporating these needs into our rate models. 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 FY 2019-2020 budget includes a new Water Protection Plan fee. This proposed plan will allow most users the ability to receive 100% leak adjustment on their utility bill if they participate in the plan. Customers will be charged a monthly fee based on their meter size, and those funds will be reserved for leak adjustments and related fees associated with leaks. Customer may choose to opt out of the program. There are no increases in water, wastewater or stormwater rates for the FY 2019-2020 budget.

The City's past contract to purchase power from Duke Energy was based on Duke Energy's system average cost. Costs were tied to Duke's expenditures and would go up (or down) depending upon market conditions and infrastructure investment. Effective January 1, 2019, Concord has entered into a contract with NTE, the builder and operator of a natural gas fired plant in Kings Mountain. Under the terms of the agreement, the City of Concord is provided with electric generation services by NTE using a portion of the capacity and energy generated by the facility for an initial term of 20 years. The NTE contract also provides for access to power produced from other types of generation if it is more cost effective to buy on the market. There are no anticipated rate increases in the FY 2019-2020 budget.

The Connectivity Study has been completed. It will drive additional park and recreational opportunities for the City as well as guide staff in how we connect neighborhoods, communities, schools, and other life centers across the City. With the completion of the Park and Recreation Master Plan, the City is actively seeking opportunities to develop additional land throughout the City in order to further solidify the exceptional quality of place which exists in Concord. Staff is still working with the City of Kannapolis as well as Cabarrus County on park development projects. This will require land acquisition and additional passive/active facilities to be constructed.

The efforts going into the utility group's Smart Community program continue. This is a very complex project that will have great benefits. It has been very time consuming with staff from Electric, Water, Finance and Technologies Edge working with the involved private contractors. Full implementation should take place during FY 2020-2021. Electric is very close to complete but work remains on the water side of this project.

This budget maintains the Transportation Improvement Fund created by the City Council to fund transportation projects. These funds come from 2 cents of the property tax rate and are supplemented by dollars generated from local vehicle license fees. Staff continue to work closely with North Carolina Department of Transportation (NCDOT) on projects in our City to reduce traffic and congestion concerns. The City maintains over 254 miles of sidewalk and over 354 miles of roads. With cost increases, we can and should improve the maintenance of these assets. In addition, we have areas across the City where sidewalks could be placed to enhance the aesthetics and walkability of our community. Our current motor vehicle tax was \$15. State Statutes allows the City to increase this tax to \$30, which is proposed in the budget for FY2019-2020. State Statutes also dictate how the tax is used. Currently, the \$15 is broken up accordingly: \$5 to Transit, \$5 to resurfacing, and \$5 to General Fund (used for transportation projects). With the increase to \$30, \$5 will remain with Transit, \$5 will go towards sidewalks, and \$20 will go towards resurfacing. This increase will allow the City sidewalk budget to increase from \$150,000 to \$540,000. The resurfacing budget will increase by \$1.17 million. This will be impactful as the City continues to maintain and enhance roads and sidewalks.

Federal funding remains the core of the CK Rider public transit system. As the lead agency, Concord is the responsible party for Federal transit funds which include the CK Rider and the Cabarrus County transit, Rowan County transit, and Salisbury transit. The Public Master Transit Plan has been completed. The plan details a variety of suggestions for enhancing our current systems. Transit staff will be working with county staff and CATS (Charlotte Area Transit System) in the coming year to determine which recommendations the City can feasibly accomplish in the near future.

This budget includes costs associated with the construction of Fire Station #10 and planning for Station #12 will begin. In addition, Fire, Communications and Police are exploring property options for a joint training facility that will be constructed and operated by the City. Funds have been allocated to fund the preliminary planning for this facility.

The City continues to offer a salary plan that will encourage employees to stay and also aid in recruitment. As the economy continues to remain strong, merit pay continues to be included in the budget for 2020. Below is a list of personnel decisions over the past years as well as the 19/20 adoption.

FY10/11: Flat, across-the board \$600 salary increase at evaluation date

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

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

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

FY 14/15: Adjustments applied from the salary study.

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

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

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

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

FY19/20: 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 1, 2019, and a 2% career development increase is available to all employees who complete their career development plan.

It is clear that many employers in the public and private sectors are enhancing their compensation offers as the economy strengthens. The City is seeing other employers begin to rapidly ramp up hiring experienced personnel to meet the expanding workload. Fiscal year 2015 included money which funded a comprehensive classification and pay study. The results were implemented in fiscal year 2015. The City wants to make sure we capture the new reality in attracting and retaining good employees. The City is already seeing some of our best professionals being targeted by other organizations, and other local governments and companies paying more to new employees for the same level of work. The City strives to retain our employees and also to provide them with a means to take care of their families. The FY 2019-2020 budget includes a plan to implement a living wage for all permanent full-time and part-time positions. The minimum hourly rate will now be \$15 or an annual salary of \$31,200.

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, 2019

Exhibit A

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Cash and investments	\$ 90,774,753	\$ 185,326,485	\$ 276,101,238	\$ 2,841,668
Receivables, net	12,250,121	33,161,647	45,411,768	-
Due from (to) other funds	2,653,717	(2,653,717)	-	-
Inventories	86,847	4,906,174	4,993,021	2,298,651
Prepaid expenses	51,383	64,297	115,680	39,972
Restricted assets - cash and investments	41,117,019	7,791,266	48,908,285	-
Capital assets:				
Non-depreciable	67,591,214	70,879,324	138,470,538	1,327,154
Depreciable, net	272,252,008	324,746,714	596,998,722	5,217,047
Total assets	486,777,062	624,222,190	1,110,999,252	11,724,492
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan (LGRS)	9,084,867	5,344,719	14,429,586	211,589
Pension plan (LEOSSA)	581,535	-	581,535	-
OPEB deferrals	1,249,843	735,295	1,985,138	-
Deferred charge on refunding	228,415	2,710,330	2,938,745	-
Total deferred outflows of resources	11,144,660	8,790,344	19,935,004	211,589
LIABILITIES				
Accounts payable and accrued liabilities	5,449,752	7,729,344	13,179,096	1,015,227
Accrued interest payable	-	191,768	191,768	-
Unearned revenues	9,684	-	9,684	-
Deposits	3,516,490	3,074,562	6,591,052	-
Non-current liabilities:				
Due within one year:				
Long-term debt	4,875,001	7,939,977	12,814,978	124,925
Installment purchases	292,152	1,010,452	1,302,604	-
Due in more than one year:				
Net pension liability (LGRS)	11,530,647	6,783,596	18,314,243	238,185
Total pension liability (LEOSSA)	6,757,824	-	6,757,824	-
Net OPEB liability	26,452,923	12,786,788	39,239,711	110,807
Long-term debt	21,956,523	51,263,792	73,220,315	271,621
Long-term installment purchases	1,987,976	8,078,103	10,066,079	-
Total liabilities	82,828,972	98,858,382	181,687,354	1,760,765
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals (LGRS)	289,126	170,095	459,221	1,835
Pension deferrals (LEOSSA)	372,101	-	372,101	-
OPEB deferrals	3,394,970	1,997,295	5,392,265	8,808
Prepaid taxes	137,800	-	137,800	-
Total deferred inflows of resources	4,193,997	2,167,390	6,361,387	10,643
NET POSITION				
Net investment in capital assets	316,363,203	331,877,156	648,240,359	6,147,655
Restricted for:				
Streets	4,164,196	-	4,164,196	-
Stabilization by State Statute	17,669,724	-	17,669,724	-
Other	466,039	-	466,039	1,012,977
Unrestricted	72,235,591	200,109,606	272,345,197	3,004,041
Total net position	\$ 410,898,753	\$ 531,986,762	\$ 942,885,515	\$ 10,164,673

See Notes to Financial Statements.

This page is intentionally blank.

CITY OF CONCORD, NORTH CAROLINA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Exhibit B

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit	
					Governmental Activities	Business-type Activities		Total
Primary Government:								
Governmental activities:								
General government	\$ 5,848,332	\$ 933,132	\$ -	\$ -	\$ (4,915,200)	\$ -	\$ (4,915,200)	\$ -
Public safety	47,728,011	1,283,251	579,634	-	(45,865,126)	-	(45,865,126)	-
Public works	27,955,340	802,667	2,870,804	5,889,267	(18,392,602)	-	(18,392,602)	-
Cultural and recreational	5,972,501	354,241	157,301	-	(5,460,959)	-	(5,460,959)	-
Planning and community development	6,687,301	1,897,724	-	-	(4,789,577)	-	(4,789,577)	-
Administration	1,001,208	-	-	-	(1,001,208)	-	(1,001,208)	-
Housing assistance payments	4,527,057	871,616	4,004,528	-	349,087	-	349,087	-
Rehabilitation	1,380,879	103,720	1,060,486	-	(216,673)	-	(216,673)	-
Interest expense	928,032	-	-	-	(928,032)	-	(928,032)	-
Total governmental activities	102,028,661	6,246,351	8,672,753	5,889,267	(81,220,290)	-	(81,220,290)	-
Business-type activities:								
Electric	65,164,522	85,831,592	-	-	-	20,667,070	20,667,070	-
Water	20,557,651	26,550,358	-	1,415,750	-	7,408,457	7,408,457	-
Wastewater	17,186,283	18,610,383	-	4,845,186	-	6,269,286	6,269,286	-
Regional airport	13,275,915	10,642,458	-	5,252,522	-	2,619,065	2,619,065	-
Stormwater	4,367,557	5,078,414	-	-	-	710,857	710,857	-
Golf course	1,795,977	1,791,826	-	-	-	(4,151)	(4,151)	-
Housing	2,037,209	467,076	1,125,198	-	-	(444,935)	(444,935)	-
Transit	5,492,434	323,693	4,857,868	-	-	(310,873)	(310,873)	-
Total business-type activities	129,877,548	149,295,800	5,983,066	11,513,458	-	36,914,776	36,914,776	-
Total primary government	\$ 231,906,209	\$ 155,542,151	\$ 14,655,819	\$ 17,402,725	(81,220,290)	36,914,776	(44,305,514)	-
Component unit - City of Concord, ABC Board								
	\$ 13,322,491	\$ 14,748,526	\$ -	\$ -	-	-	-	1,426,035
General revenues:								
Taxes:								
Ad valorem					55,717,789	-	55,717,789	-
Local government sales tax					20,168,719	-	20,168,719	-
Grants and contributions not restricted to specific programs:								
Intergovernmental					5,415,685	-	5,415,685	-
Investment earnings					4,484,578	5,151,281	9,635,859	-
Gain on sale of capital assets					105,959	186,987	292,946	240,970
Miscellaneous					1,043,525	594,511	1,638,036	2,297
Total general revenues not including transfers					86,936,255	5,932,779	92,869,034	243,267
Transfers					(2,124,549)	2,124,549	-	-
Total general revenues and transfers					84,811,706	8,057,328	92,869,034	243,267
Change in net position					3,591,416	44,972,104	48,563,520	1,669,302
Net position - beginning					407,307,337	487,014,658	894,321,995	8,495,371
Net position - ending					\$ 410,898,753	\$ 531,986,762	\$ 942,885,515	\$ 10,164,673

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2019

Exhibit C

	Major Funds		Other	Total
	General Fund	General Fund Capital Reserve	Governmental Funds	Governmental Funds
ASSETS				
Cash and investments	\$ 61,048,940	\$ -	\$ 29,725,813	\$ 90,774,753
Receivables:				
Ad valorem taxes, net	1,362,514	-	2,559	1,365,073
Due from other governmental agencies	1,055,212	-	790,008	1,845,220
Sales tax refunds	1,575,916	-	-	1,575,916
Interest	360,722	162,365	92,265	615,352
Due from other funds	2,974,165	-	-	2,974,165
Other, net	6,776,188	-	72,372	6,848,560
Inventories	86,847	-	-	86,847
Prepaid items	50,967	-	416	51,383
Restricted assets - cash and investments	7,960,323	32,524,194	632,502	41,117,019
Total assets	\$ 83,251,794	\$ 32,686,559	\$ 31,315,935	\$ 147,254,288
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,141,222	\$ -	\$ 1,746,995	\$ 4,888,217
Due to other funds	-	-	320,448	320,448
Unearned revenues	9,684	-	-	9,684
Deposits	3,516,490	-	-	3,516,490
Total liabilities	6,667,396	-	2,067,443	8,734,839
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	1,362,514	-	2,559	1,365,073
Prepaid taxes	137,701	-	99	137,800
Total deferred inflows of resources	1,500,215	-	2,658	1,502,873
FUND BALANCES (DEFICITS)				
Non Spendable				
Inventories	86,847	-	-	86,847
Prepays	50,967	-	416	51,383
Restricted				
Stabilization by State Statute	16,552,714	162,365	954,645	17,669,724
Transportation	4,164,196	-	-	4,164,196
Public safety	327,809	-	-	327,809
Committed				
Future capital purchases	-	32,524,194	-	32,524,194
Planning and community development	-	-	59,014	59,014
Assigned				
Future capital purchases	-	-	28,992,222	28,992,222
Unassigned	53,901,650	-	(760,463)	53,141,187
Total fund balances	75,084,183	32,686,559	29,245,834	137,016,576
Total liabilities, deferred inflows of resources and fund balances	\$ 83,251,794	\$ 32,686,559	\$ 31,315,935	\$ 147,254,288

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
June 30, 2019

Exhibit D

Fund balances - total governmental funds		\$ 137,016,576
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	\$ 795,033,188	
Less accumulated depreciation	<u>455,189,966</u>	339,843,222
Deferred outflows of resources related to pensions (LGERS) are not reported in the governmental funds		9,084,867
Deferred outflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		581,535
Deferred outflows of resources related to OPEB are not reported in the governmental funds		1,249,843
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	(20,468,399)	
HUD Loan	(1,102,000)	
Governmental installment purchases	(2,280,128)	
Total pension liability (LEOSSA)	(6,757,824)	
Net pension liability (LGERS)	(11,530,647)	
Net OPEB liability	(26,452,923)	
Accrued vacation payable	<u>(3,668,716)</u>	(72,260,637)
Deferred charge on refunding	633,412	
Less accumulated amortization	<u>404,997</u>	228,415
Bond premium	(2,437,022)	
Less accumulated amortization	<u>(844,613)</u>	(1,592,409)
Deferred inflows of resources related to pensions (LGERS) are not reported in the governmental funds		(289,126)
Deferred inflows of resources related to pensions (LEOSSA) are not reported in the governmental funds		(372,101)
Deferred inflows of resources related to OPEB are not reported in the governmental funds		(3,394,970)
Costs of health claims not accrued in the governmental fund statements		(385,827)
Costs of workers' compensation claims reserves not accrued in the governmental fund statements		(175,708)
Earned revenues considered deferred inflows of resources in fund statements		<u>1,365,073</u>
Net position of governmental activities		<u><u>\$ 410,898,753</u></u>

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
Year Ended June 30, 2019

Exhibit E

	Major Funds		Other	Total
	General Fund	General Fund Capital Reserve	Governmental Funds	Governmental Funds
Revenues				
Ad valorem taxes	\$ 55,352,938	\$ -	\$ 88,846	\$ 55,441,784
Other taxes	20,168,719	-	-	20,168,719
Unrestricted intergovernmental revenues	5,415,685	-	-	5,415,685
Restricted intergovernmental revenues	4,230,598	-	5,646,991	9,877,589
Licenses and permits	1,142,845	-	-	1,142,845
Investment earnings	2,546,409	1,304,735	633,434	4,484,578
Investment earnings, restricted	81,536	-	-	81,536
Program income	-	-	1,830,997	1,830,997
Other revenues	3,443,651	-	203,078	3,646,729
Total revenues	92,382,381	1,304,735	8,403,346	102,090,462
Expenditures				
Current:				
General government	5,059,155	-	-	5,059,155
Public safety	43,902,224	-	-	43,902,224
Public works	13,795,997	-	-	13,795,997
Cultural and recreational	5,398,744	-	-	5,398,744
Planning and community development	6,422,630	-	89,028	6,511,658
Administration	-	-	1,001,208	1,001,208
Housing assistance payments	-	-	4,527,057	4,527,057
Rehabilitation	-	-	1,380,879	1,380,879
Capital outlay	4,066,405	-	5,711,021	9,777,426
Debt service	659,202	-	2,896,934	3,556,136
Total expenditures	79,304,357	-	15,606,127	94,910,484
Excess (deficiency) of revenues over (under) expenditures	13,078,024	1,304,735	(7,202,781)	7,179,978
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	214,574	-	3,062	217,636
Transfers from other funds	618,370	1,300,000	13,372,352	15,290,722
Transfers to other funds	(9,850,930)	(7,047,445)	(516,896)	(17,415,271)
Total other financing sources (uses)	(9,017,986)	(5,747,445)	12,858,518	(1,906,913)
Net change in fund balances	4,060,038	(4,442,710)	5,655,737	5,273,065
Fund Balances				
Beginning	71,024,145	37,129,269	23,590,097	131,743,511
Ending	\$ 75,084,183	\$ 32,686,559	\$ 29,245,834	\$ 137,016,576

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Exhibit F

Net change in fund balances - total governmental funds \$ 5,273,065

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

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

Expenditures for capital assets	\$ 9,777,426	
Capital contributions	5,272,200	
Current year's depreciation	<u>(18,159,342)</u>	(3,109,716)

Repayment of long term debt principal is considered an expenditure in the governmental funds, but their repayment reduces long-term liabilities in the statement of net position.

Principal payments	2,482,548
Premium	145,557

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 bond insurance costs	(444)	
Current year amortization of deferred charge on refunding	(51,836)	
Change in law enforcement officers special separation allowance and related deferred inflows and deferred outflows	111,494	
Change in OPEB liability and related deferred inflows and deferred outflows	(627,715)	
Change in pension liability (LERS) and related deferred inflows and deferred outflows	(461,238)	
Change in long-term compensated absences	<u>(357,993)</u>	(1,387,732)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)	276,005
--	---------

Costs of health claims paid in the governmental fund statements	(34,738)
---	----------

Costs of workers' compensation claims not accrued in the governmental fund statements	58,104
---	--------

Basis of property disposed of during the year	<u>(111,677)</u>
---	------------------

Change in net position of governmental activities	<u>\$ 3,591,416</u>
---	---------------------

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

Exhibit G
Page 1 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes:				
Current year	\$ 53,302,240	\$ 53,302,240	\$ 54,675,111	\$ 1,372,871
Prior years	774,000	774,000	477,072	(296,928)
Penalties and interest	320,000	320,000	200,755	(119,245)
	54,396,240	54,396,240	55,352,938	956,698
Other taxes:				
Local government sales tax	19,073,745	19,102,845	20,168,719	1,065,874
Unrestricted intergovernmental revenues:				
Officers' fees	48,000	48,000	37,923	(10,077)
Utilities sales tax	4,530,600	4,530,600	4,985,314	454,714
Beer and wine tax	390,000	390,000	392,448	2,448
	4,968,600	4,968,600	5,415,685	447,085
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,327,195	2,327,195	2,337,805	10,610
Cabarrus County schools	933,257	933,257	861,696	(71,561)
Transportation (federal, state and local)	308,473	308,473	281,437	(27,036)
On-behalf of payments - Fire and Rescue	-	-	32,358	32,358
Other restricted intergovernmental revenues	480,154	731,539	717,302	(14,237)
	4,049,079	4,300,464	4,230,598	(69,866)
Licenses and permits:				
Vehicle licenses	668,000	668,000	660,857	(7,143)
Zoning permits	380,000	280,000	260,291	(19,709)
Fire permits and inspections	236,600	236,600	209,713	(26,887)
Business registration fee	-	-	5,716	5,716
Other	25,300	25,300	6,268	(19,032)
	1,309,900	1,209,900	1,142,845	(67,055)
Investment earnings	910,990	927,165	2,546,409	1,619,244
Investment earnings restricted	25,000	25,000	81,536	56,536
	935,990	952,165	2,627,945	1,675,780
Other general revenues:				
Public safety	61,550	61,550	211,842	150,292
Environmental protection	1,765,895	1,765,895	1,844,730	78,835
Miscellaneous	705,055	911,382	1,032,838	121,456
Recreational	330,765	330,765	354,241	23,476
	2,863,265	3,069,592	3,443,651	374,059
Total revenues	87,596,819	87,999,806	92,382,381	4,382,575

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2019

Exhibit G
Page 2 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits	\$ 183,661	\$ 183,661	\$ 186,799	\$ (3,138)
Professional services	183,740	183,740	67,338	116,402
Operating expenditures	146,268	138,568	123,722	14,846
Governing body cost allocations	(291,194)	(291,194)	(292,548)	1,354
	<u>222,475</u>	<u>214,775</u>	<u>85,311</u>	<u>129,464</u>
City Manager's Office:				
Salaries and employee benefits	825,649	825,649	790,378	35,271
Professional services	194,913	194,913	170,523	24,390
Operating expenditures	165,097	165,097	138,079	27,018
Administrative cost allocations	(594,572)	(594,572)	(670,996)	76,424
	<u>591,087</u>	<u>591,087</u>	<u>427,984</u>	<u>163,103</u>
Public Service Administration department:				
Salaries and employee benefits	172,067	172,067	154,535	17,532
Professional services	2,492	2,492	2,457	35
Operating expenditures	375,391	375,391	326,822	48,569
Capital outlay	152,000	152,000	-	152,000
Debt service	310,181	310,181	310,181	-
Administrative cost allocations	(803,582)	(803,582)	(444,637)	(358,945)
	<u>208,549</u>	<u>208,549</u>	<u>349,358</u>	<u>(140,809)</u>
Finance department:				
Salaries and employee benefits	1,087,290	1,097,290	1,101,198	(3,908)
Professional services	47,334	47,334	58,069	(10,735)
Operating expenditures	132,338	142,780	102,216	40,564
Capital outlay	123,561	127,425	83,687	43,738
Finance cost allocations	(825,440)	(825,440)	(818,845)	(6,595)
	<u>565,083</u>	<u>589,389</u>	<u>526,325</u>	<u>63,064</u>
Tax department:				
Salaries and employee benefits	52,341	82,341	77,439	4,902
Professional services	2,700	2,700	111	2,589
Operating expenditures	183,745	257,112	247,848	9,264
Cost allocations	6,385	6,385	6,413	(28)
	<u>245,171</u>	<u>348,538</u>	<u>331,811</u>	<u>16,727</u>

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2019

Exhibit G
Page 3 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Legal department:				
Salaries and employee benefits	\$ 589,472	\$ 615,472	\$ 619,420	\$ (3,948)
Professional services	76,000	76,000	13,804	62,196
Operating expenditures	75,319	56,485	52,316	4,169
Cost allocations	(462,689)	(462,689)	(434,547)	(28,142)
	278,102	285,268	250,993	34,275
Human resources:				
Salaries and employee benefits	1,027,484	1,027,484	1,010,968	16,516
Professional services	254,997	332,506	251,808	80,698
Operating expenditures	185,932	157,270	107,859	49,411
Capital outlay	32,000	25,657	25,656	1
Human resources cost allocations	(875,937)	(875,937)	(832,797)	(43,140)
	624,476	666,980	563,494	103,486
Wellness center:				
Professional services	426,061	424,108	319,838	104,270
Operating expenditures	18,983	18,983	14,079	4,904
Wellness center cost allocations	(164,807)	(164,807)	(124,885)	(39,922)
	280,237	278,284	209,032	69,252
Nondepartmental:				
Professional services	52,138	52,138	42,566	9,572
Operating expenditures	2,425,221	2,241,772	1,397,732	844,040
Outside agencies	12,500	16,500	5,302	11,198
Capital outlay	-	296,423	296,423	-
Cost allocations	1,468,184	1,438,184	1,288,771	149,413
	3,958,043	4,045,017	3,030,794	1,014,223
Total general government	6,973,223	7,227,887	5,775,102	1,452,785
Public safety:				
Police department:				
Salaries and employee benefits	15,529,256	15,893,256	15,952,974	(59,718)
Professional services	410,244	471,444	448,811	22,633
Operating expenditures	4,225,908	3,785,656	3,491,616	294,040
Capital outlay	773,247	885,253	727,691	157,562
Cost allocations	982,167	982,167	958,131	24,036
	21,920,822	22,017,776	21,579,223	438,553
Communications:				
Salaries and employee benefits	1,455,704	1,455,704	1,456,504	(800)
Professional services	8,709	8,709	8,519	190
Operating expenditures	183,850	183,850	129,380	54,470
Capital outlay	42,273	42,273	40,577	1,696
Cost allocations	48,328	48,328	44,191	4,137
	1,738,864	1,738,864	1,679,171	59,693

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2019

Exhibit G
Page 4 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fire department:				
Salaries and employee benefits	\$ 14,910,691	\$ 15,947,691	\$ 15,810,480	\$ 137,211
Professional services	268,909	268,909	233,527	35,382
Operating expenditures	3,114,840	2,930,604	2,789,539	141,065
Capital outlay	2,543,204	1,981,500	1,631,853	349,647
Debt service	349,021	349,021	349,021	-
Cost allocations	1,048,535	1,048,535	1,008,226	40,309
	22,235,200	22,526,260	21,822,646	703,614
Code enforcement:				
Salaries and employee benefits	668,962	668,962	648,936	20,026
Professional services	1,868	1,868	1,783	85
Operating expenditures	283,541	283,541	150,417	133,124
Capital outlay	56,000	56,000	48,016	7,984
	1,010,371	1,010,371	849,152	161,219
Emergency management:				
Salaries and employee benefits	208,224	223,224	219,582	3,642
Professional services	51,640	49,640	48,730	910
Operating expenditures	67,390	54,390	27,639	26,751
Capital outlay	-	-	2,006	(2,006)
Cost allocations	8,606	8,606	8,643	(37)
	335,860	335,860	306,600	29,260
Radio shop:				
Salaries and employee benefits	247,704	264,704	259,290	5,414
Professional services	3,280	3,280	3,280	-
Operating expenditures	547,170	528,608	202,026	326,582
Capital outlay	51,678	53,240	53,240	-
	849,832	849,832	517,836	331,996
Total public safety	48,090,949	48,478,963	46,754,628	1,724,335
Public works:				
Traffic services:				
Salaries and employee benefits	362,266	362,266	366,401	(4,135)
Professional services	10,557	10,557	2,103	8,454
Operating expenditures	294,642	294,642	185,605	109,037
Capital outlay	120,000	120,000	102,726	17,274
Cost allocations	37,202	37,202	37,361	(159)
	824,667	824,667	694,196	130,471

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2019

Exhibit G
Page 5 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Transportation signal:				
Salaries and employee benefits	\$ 423,072	\$ 463,072	\$ 459,343	\$ 3,729
Professional services	37,176	37,176	25,669	11,507
Operating expenditures	433,142	414,306	365,765	48,541
Capital outlay	239,390	229,390	212,702	16,688
Cost allocations	22,210	22,210	22,305	(95)
	<u>1,154,990</u>	<u>1,166,154</u>	<u>1,085,784</u>	<u>80,370</u>
Transportation:				
Salaries and employee benefits	2,071,934	2,071,934	1,949,399	122,535
Professional services	68,749	68,749	20,424	48,325
Operating expenditures	5,414,053	5,362,701	3,031,312	2,331,389
Capital outlay	277,308	277,308	260,623	16,685
Cost allocations	452,890	452,890	444,000	8,890
	<u>8,284,934</u>	<u>8,233,582</u>	<u>5,705,758</u>	<u>2,527,824</u>
Fleet services:				
Salaries and employee benefits	987,395	1,007,395	1,009,201	(1,806)
Professional services	703	703	669	34
Operating expenditures	2,315,680	2,344,503	2,238,933	105,570
Cost allocations	(3,295,775)	(3,295,775)	(3,099,430)	(196,345)
	<u>8,003</u>	<u>56,826</u>	<u>149,373</u>	<u>(92,547)</u>
Solid waste and recycling:				
Salaries and employee benefits	1,974,066	1,974,066	1,918,273	55,793
Professional services	78,251	78,251	69,194	9,057
Operating expenditures	4,234,594	4,231,004	4,034,562	196,442
Capital outlay	335,000	338,590	340,597	(2,007)
Cost allocations	201,702	201,702	199,255	2,447
	<u>6,823,613</u>	<u>6,823,613</u>	<u>6,561,881</u>	<u>261,732</u>
Cemetery:				
Salaries and employee benefits	406,149	406,149	373,011	33,138
Professional services	23,756	23,756	21,501	2,255
Operating expenditures	161,401	161,401	119,190	42,211
Capital outlay	103,500	103,500	80,855	22,645
Cost allocations	1,943	1,943	1,951	(8)
	<u>696,749</u>	<u>696,749</u>	<u>596,508</u>	<u>100,241</u>
Total public works	<u>17,792,956</u>	<u>17,801,591</u>	<u>14,793,500</u>	<u>3,008,091</u>

Continued

CITY OF CONCORD, NORTH CAROLINA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2019

Exhibit G
Page 6 of 6

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	\$ 1,866,909	\$ 1,866,909	\$ 1,754,513	\$ 112,396
Professional services	390,412	390,412	346,043	44,369
Operating expenditures	1,940,282	1,950,282	1,323,350	626,932
Capital outlay	616,253	687,841	144,128	543,713
Cost allocations	2,179,539	2,179,539	1,974,838	204,701
Total cultural and recreational	6,993,395	7,074,983	5,542,872	1,532,111
Planning and community development				
Planning department:				
Salaries and employee benefits	1,545,639	1,553,139	1,417,413	135,726
Professional services	572,223	572,223	391,294	180,929
Operating expenditures	814,548	788,064	485,225	302,839
Capital outlay	18,800	15,800	15,625	175
Incentive grants	1,703,097	4,203,097	3,524,254	678,843
Cost allocations	616,798	616,798	604,444	12,354
Total planning and community development	5,271,105	7,749,121	6,438,255	1,310,866
Total expenditures	85,121,628	88,332,545	79,304,357	9,028,188
Excess of revenues over expenditures	2,475,191	(332,739)	13,078,024	13,410,763
Other Financing Sources (Uses)				
Fund balance appropriated	5,315,520	9,501,774	-	9,501,774
Gain on sale of capital assets	-	214,627	214,574	53
Transfers from other funds	618,370	618,370	618,370	-
Transfers to other funds	(8,409,081)	(10,002,032)	(9,850,930)	(151,102)
Total other financing uses	(2,475,191)	332,739	(9,017,986)	9,350,725
Net change in fund balance	\$ -	\$ -	4,060,038	\$ 4,060,038
Fund Balance				
Beginning			71,024,145	
Ending			<u>\$ 75,084,183</u>	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2019

Exhibit H

	Major Enterprise Funds						Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund				
ASSETS									
Current Assets									
Cash and investments	\$ 79,541,337	\$ 62,019,656	\$ 25,469,378	\$ 2,376,209	\$ 12,479,756	\$ 1,063,258	\$ 182,949,594	\$ 2,376,891	
Receivables:									
Accounts receivable, net	19,619,883	3,486,464	2,326,721	5,037,384	492,900	306,041	31,269,393	-	
Due from other governmental agencies	-	-	-	-	-	853,538	853,538	-	
Interest	329,648	190,035	98,025	32,103	46,944	4,540	701,295	-	
Other receivables	-	-	-	-	-	337,421	337,421	-	
Inventories and prepaid expenses	4,045,776	703,572	28,556	36,156	17,097	121,614	4,952,771	17,700	
Total current assets	103,536,644	66,399,727	27,922,680	7,481,852	13,036,697	2,686,412	221,064,012	2,394,591	
Noncurrent Assets									
Restricted assets - cash and investments	3,434,228	1,954,779	1,966,751	105,616	-	39,112	7,500,486	290,780	
Capital assets	152,988,298	168,526,172	134,133,127	123,832,392	65,000,690	32,368,440	676,849,119	10,981,191	
Less accumulated depreciation	(87,982,032)	(75,571,805)	(54,412,283)	(34,836,174)	(21,977,810)	(13,128,475)	(287,908,579)	(4,295,693)	
Total noncurrent assets	68,440,494	94,909,146	81,687,595	89,101,834	43,022,880	19,279,077	396,441,026	6,976,278	
Total assets	171,977,138	161,308,873	109,610,275	96,583,686	56,059,577	21,965,489	617,505,038	9,370,869	
DEFERRED OUTFLOWS OF RESOURCES									
Pension deferrals (LGRS)	1,077,890	930,708	444,431	588,727	298,692	277,049	3,617,497	1,727,222	
OPEB deferrals	148,290	128,041	61,142	80,994	41,092	38,115	497,674	237,621	
Deferred charge on refunding	888,410	1,440,488	329,588	17,016	-	34,828	2,710,330	-	
Total deferred outflows of resources	2,114,590	2,499,237	835,161	686,737	339,784	349,992	6,825,501	1,964,843	
LIABILITIES									
Current Liabilities									
Accounts payable and accrued expenses	4,719,542	704,567	721,520	403,473	193,228	601,636	7,343,966	385,378	
Current portion of long-term debt	1,824,346	2,250,854	2,004,738	1,293,788	67,362	942,899	8,383,987	566,442	
Accrued interest	50,662	79,702	37,406	1,247	-	3,887	172,904	18,864	
Due to other funds	-	-	-	-	-	2,653,717	2,653,717	-	
Total current liabilities	6,594,550	3,035,123	2,763,664	1,698,508	260,590	4,202,139	18,554,574	970,684	
Noncurrent Liabilities									
Net pension liability (LGRS)	1,368,074	1,181,269	564,079	747,221	379,105	351,633	4,591,381	2,192,215	
Net OPEB liability	273,916	2,917,955	1,302,250	1,736,686	915,758	826,469	7,973,034	4,813,754	
Long-term debt due after one year	13,589,227	22,424,356	8,296,167	8,322,096	24,915	1,042,688	53,699,449	5,642,446	
Deposits	2,259,232	669,450	1,200	105,568	-	39,112	3,074,562	-	
Total noncurrent liabilities	17,490,449	27,193,030	10,163,696	10,911,571	1,319,778	2,259,902	69,338,426	12,648,415	
Total liabilities	24,084,999	30,228,153	12,927,360	12,610,079	1,580,368	6,462,041	87,893,000	13,619,099	
DEFERRED INFLOWS OF RESOURCES									
Pension deferrals (LGRS)	34,304	29,619	14,144	18,736	9,506	8,817	115,126	54,969	
OPEB deferrals	402,802	347,801	166,082	220,005	111,620	103,531	1,351,841	645,454	
Total deferred inflows of resources	437,106	377,420	180,226	238,741	121,126	112,348	1,466,967	700,423	
NET POSITION									
Net investment in capital assets	50,952,685	69,976,072	69,853,771	79,527,810	43,022,880	17,354,821	330,688,039	1,189,117	
Unrestricted	98,616,938	63,226,465	27,484,079	4,893,793	11,674,987	(1,613,729)	204,282,533	(4,172,927)	
Total net position	\$ 149,569,623	\$ 133,202,537	\$ 97,337,850	\$ 84,421,603	\$ 54,697,867	\$ 15,741,092	\$ 534,970,572	\$ (2,983,810)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(2,983,810)		
Net position of business-type activities							\$ 531,986,762		

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
PROPRIETARY FUNDS

Exhibit I

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

For the Year Ended June 30, 2019

	Major Enterprise Funds					Nonmajor		Business-type
	Electric	Water	Wastewater	Regional	Stormwater	Enterprise	Total	Activities
	Fund	Fund	Fund	Airport	Fund	Funds		Internal Service
				Fund				Fund
Operating Revenues								
Charges for services	\$ 84,655,034	\$ 23,870,461	\$ 17,007,718	\$ 10,485,145	\$ 5,048,871	\$ 1,905,599	\$ 142,972,828	\$ 12,910,671
Other operating revenues	1,176,558	2,679,897	1,602,665	157,313	29,543	676,996	6,322,972	-
Total operating revenue	85,831,592	26,550,358	18,610,383	10,642,458	5,078,414	2,582,595	149,295,800	12,910,671
Operating Expenses								
General and administrative	2,735,577	-	-	-	-	1,417,563	4,153,140	7,649,631
Professional services	-	-	-	-	-	4,329,597	4,329,597	1,831,435
Water plant and lakes	-	8,386,063	-	-	-	-	8,386,063	-
Water line operation and maintenance	-	6,873,623	-	-	-	-	6,873,623	-
Wastewater line and plant	-	-	13,112,976	-	-	-	13,112,976	-
Purchased power	43,308,998	-	-	-	-	-	43,308,998	-
Power line and plant	13,758,919	-	-	-	-	-	13,758,919	-
Airport operation and maintenance	-	-	-	9,665,990	-	-	9,665,990	-
Stormwater operation and maintenance	-	-	-	-	2,558,775	-	2,558,775	-
Utilities	-	-	-	-	-	242,836	242,836	-
Housing maintenance and repairs	-	-	-	-	-	391,053	391,053	-
Operating supplies	-	-	-	-	-	426,584	426,584	-
Other operating costs	-	-	-	-	-	784,879	784,879	2,569,974
Depreciation and amortization	4,725,059	4,302,028	3,587,989	3,327,184	1,808,782	1,668,819	19,419,861	490,328
Total operating expenses	64,528,553	19,561,714	16,700,965	12,993,174	4,367,557	9,261,331	127,413,294	12,541,368
Operating income (loss)	21,303,039	6,988,644	1,909,418	(2,350,716)	710,857	(6,678,736)	21,882,506	369,303
Nonoperating Revenues (Expenses)								
Operating subsidy	-	-	-	-	-	5,983,066	5,983,066	-
Interest earned on investments	2,261,705	1,480,181	785,768	250,999	344,699	27,929	5,151,281	2,591
Interest expense	(635,969)	(995,937)	(485,318)	(282,741)	-	(64,289)	(2,464,254)	(237,626)
Gain (loss) on sale of capital assets	82,062	27,533	(37,476)	90,995	19,471	4,402	186,987	-
Other	354,307	-	-	-	-	105,936	460,243	-
Total nonoperating revenues (expenses)	2,062,105	511,777	262,974	59,253	364,170	6,057,044	9,317,323	(235,035)
Income (loss) before capital contributions and transfers	23,365,144	7,500,421	2,172,392	(2,291,463)	1,075,027	(621,692)	31,199,829	134,268
Capital contributions	-	1,415,750	4,845,186	5,252,522	-	-	11,513,458	-
Transfers in	-	-	-	763,540	-	2,003,271	2,766,811	-
Transfers out	(627,511)	(5,817)	(3,116)	(3,740)	(2,078)	-	(642,262)	-
Transfers in (out)	(627,511)	(5,817)	(3,116)	759,800	(2,078)	2,003,271	2,124,549	-
Change in net position	22,737,633	8,910,354	7,014,462	3,720,859	1,072,949	1,381,579	44,837,836	134,268
Net Position								
Beginning, previously reported	126,831,990	124,292,183	90,323,388	80,700,744	53,624,918	14,359,513		(3,118,078)
Ending	\$ 149,569,623	\$ 133,202,537	\$ 97,337,850	\$ 84,421,603	\$ 54,697,867	\$ 15,741,092		\$ (2,983,810)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							134,268	
Change in net position of business-type activities							\$ 44,972,104	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

Exhibit J
Page 1 of 2

	Major Enterprise Funds							Business-type Activities
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Cash Flows From Operating Activities								
Receipts from customers	\$ 79,965,128	\$ 26,183,452	\$ 18,513,014	\$ 8,261,347	\$ 5,005,391	\$ 1,993,486	\$ 139,921,818	\$ 12,910,671
Payments to employees	(6,624,453)	(4,338,600)	(2,019,187)	(2,432,173)	(1,380,112)	(930,528)	(17,725,053)	(7,377,988)
Payments to suppliers	(54,770,548)	(12,989,629)	(11,173,187)	(8,142,057)	(1,218,261)	(6,591,330)	(94,885,012)	(4,439,498)
Net cash provided by (used in) operating activities	18,570,127	8,855,223	5,320,640	(2,312,883)	2,407,018	(5,528,372)	27,311,753	1,093,185
Cash Flows From Noncapital Financing Activities								
Due to (from) other funds	-	-	-	-	-	(1,109,699)	(1,109,699)	-
Transfers in	-	-	-	763,540	-	2,003,271	2,766,811	-
Transfers out	(627,511)	(5,817)	(3,116)	(3,740)	(2,078)	-	(642,262)	-
Operating grants received	-	-	-	-	-	5,983,066	5,983,066	-
Net cash provided by (used in) noncapital financing activities	(627,511)	(5,817)	(3,116)	759,800	(2,078)	6,876,638	6,997,916	-
Cash Flows from Capital and Related Financing Activities								
Principal payment on long-term debt	(1,453,380)	(2,022,045)	(1,856,888)	(1,200,972)	-	(875,000)	(7,408,285)	(245,700)
Interest paid	(641,575)	(1,003,840)	(492,607)	(283,379)	-	(65,893)	(2,487,294)	(238,650)
Acquisition and construction of capital assets	(2,892,420)	(1,381,926)	(711,287)	(6,065,126)	(2,591,691)	(42,554)	(13,685,004)	(553,265)
Capital contributions - federal grant	-	-	-	5,252,522	-	-	5,252,522	-
Proceeds from the sale of capital assets	133,582	27,533	23,849	95,102	19,471	43,389	342,926	5,902
Net cash provided by (used in) capital and related financing activities	(4,853,793)	(4,380,278)	(3,036,933)	(2,201,853)	(2,572,220)	(940,058)	(17,985,135)	(1,031,713)
Cash Flows From Investing Activities								
Earnings on investments	2,134,373	1,433,777	757,425	246,674	331,316	25,949	4,929,514	2,591
Net cash provided by (used in) investing activities	2,134,373	1,433,777	757,425	246,674	331,316	25,949	4,929,514	2,591
Net increase (decrease) in cash and cash equivalents	15,223,196	5,902,905	3,038,016	(3,508,262)	164,036	434,157	21,254,048	64,063
Cash and cash equivalents:								
Beginning	67,752,369	58,071,530	24,398,113	5,990,087	12,315,720	668,213	169,196,032	2,603,608
Ending	\$ 82,975,565	\$ 63,974,435	\$ 27,436,129	\$ 2,481,825	\$ 12,479,756	\$ 1,102,370	\$ 190,450,080	\$ 2,667,671

Noncash investing, capital and financing activities:

The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of \$6,260,936 representing donated capital assets.

Continued

CITY OF CONCORD, NORTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2019

Exhibit J
Page 2 of 2

	Major Enterprise Funds							Business-type Activities Internal Service Fund
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Stormwater Fund	Nonmajor Enterprise Funds	Total	
Operating income (loss)	\$ 21,303,039	\$ 6,988,644	\$ 1,909,418	\$ (2,350,716)	\$ 710,857	\$ (6,678,736)	\$ 21,882,506	\$ 369,303
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization	4,725,059	4,302,028	3,587,989	3,327,184	1,808,782	1,668,819	19,419,861	490,328
Other income	354,307	-	-	-	-	105,936	460,243	-
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:								
(Increase) decrease in:								
Accounts receivable	(6,353,890)	(432,593)	(97,444)	(2,385,751)	(73,023)	114,105	(9,228,596)	-
Due from other governmental agencies	-	-	-	-	-	(810,540)	(810,540)	-
Inventories and prepaid expenses	99,066	27,244	3,624	13,733	(5,749)	(3,982)	133,936	(9,566)
Deferred outflows of resources for pensions (LGRS)	(404,553)	(312,812)	(168,122)	(220,314)	(104,649)	(101,783)	(1,312,233)	(704,249)
Deferred outflows of resources for OPEB	(142,953)	(123,144)	(58,952)	(78,074)	(39,554)	(36,726)	(479,403)	(229,514)
Increase (decrease) in:								
Accounts payable and accrued expenses	1,033,320	(2,158,460)	(139,178)	(999,596)	(76,484)	34,086	(2,306,312)	(26,734)
Vacation accrual	50,737	(26,358)	3,769	9,489	11,817	9,484	58,938	39,478
Net pension liability (LGRS)	485,909	371,739	202,075	264,549	124,882	122,012	1,571,166	851,979
Net OPEB liability	(2,999,070)	(85,542)	(40,848)	(54,111)	(27,453)	(25,464)	(3,232,488)	(158,751)
Deferred inflows of resources for pensions (LGRS)	(29,578)	(29,003)	(12,070)	(16,217)	(8,903)	(7,810)	(103,581)	(42,084)
Deferred inflows of resources for OPEB	315,615	267,793	130,304	172,301	86,495	80,837	1,053,345	512,995
Deposits	133,119	65,687	75	4,640	-	1,390	204,911	-
Net cash provided by (used in) operating activities	\$ 18,570,127	\$ 8,855,223	\$ 5,320,640	\$ (2,312,883)	\$ 2,407,018	\$ (5,528,372)	\$ 27,311,753	\$ 1,093,185

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

Exhibit K

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	\$ 5,508,783	\$ 4,012,968
Total assets	<u>\$ 5,508,783</u>	<u>\$ 4,012,968</u>
 LIABILITIES		
Agency payable	\$ -	\$ 4,012,968
 NET POSITION		
Net position restricted for postemployment benefits other than pensions	<u>\$ 5,508,783</u>	<u>\$ -</u>

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2019

Exhibit L

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	\$ 4,089,444
Member contributions	418,936
	<u>4,508,380</u>
Investment income (loss)	218,453
Total additions	<u>4,726,833</u>
Deductions:	
Benefits	<u>1,508,380</u>
Change in net position	3,218,453
Net position restricted for postemployment benefits other than pensions	
Beginning of year	2,290,330
End of year	<u><u>\$ 5,508,783</u></u>

See Notes to Financial Statements

This page is intentionally blank.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements and the following accounting policies of the City of Concord, North Carolina (the "City") and its discretely presented component unit, are in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting policies:

A. Reporting Entity

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

BLENDED COMPONENT UNIT – FIRST CONCORD CORPORATION

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

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

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

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

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

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

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

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

The government reports the following major governmental funds:

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The government reports the following major proprietary funds:

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

D. Budgetary Data

The City's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Housing Assistance Fund, the Market Rate Units Fund, the Municipal Service District Fund, the Additional Vehicle Tax Fund, the Electric Operating Fund, the Water Operating Fund, the Wastewater Operating Fund, the Stormwater Operating Fund, the Golf Course Operating Fund, the Regional Airport Operating Fund, the Housing Department Operating Fund, and the Internal Service Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Community Development Fund, the Home Fund, the Section 108 Loan/BEDI Grant Fund, the Parks Capital Project Fund, the Transportation Capital Project Fund, the General Fund Capital Project Fund, the General Capital Reserve Project Fund, the Fire and Life Safety Capital Project Fund, the Electric Projects Capital Project Fund, the Water Projects Capital Project Fund, the Wastewater Projects Capital Project Fund, the Airport Capital Project Fund, the Stormwater Capital Project Fund, the Transit Fund, the Utility Capital Reserve Project Fund, the Golf Capital Project Fund, the Housing Capital Project Fund, the 2008 Revenue Bond Capital Projects Fund and First Concord Capital Project Fund. All budgets are prepared using the modified accrual basis of accounting.

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

State statute (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), an SEC-registered mutual fund.

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 external investment pool, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. 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 an Other Postemployment Benefit (OPEB) Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and 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(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 interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. 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 also valued at \$1 per share. The MSCI ACWI EQ Index Non-Lendable Class B Fund is priced at \$22.5624 per share at June 30, 2019.

CASH AND CASH EQUIVALENTS

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

RESTRICTED ASSETS

The unexpended bond proceeds for the 2014 limited obligation bonds and 2016 revenue bonds issued by the City and deposits on hand are classified as restricted assets for the respective funds because their use is completely restricted to the purpose for which the bonds were originally issued and the deposits will be used for. Monies set aside for debt service, extension, and replacement fund as required by the bond documents or designated for future projects are also classified as restricted assets. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

City of Concord Restricted Cash:

Governmental Activities	
General Fund	
Streets	\$ 4,164,196
Customer deposits	3,516,490
Debt service, extension, and replacement	279,637
Other governmental funds	
Unexpended bond proceeds	631,874
Debt service, extension, and replacement	628
Future capital projects	32,524,194
Total governmental activities	<u>\$ 41,117,019</u>

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Business-type Activities		
Electric Fund		
Customer deposits	\$	2,259,232
Unexpended bond proceeds		5,131
Debt service, extension, and replacement		1,169,865
Water Fund		
Customer deposits		669,450
Unexpended bond proceeds		6,456
Debt service, extension, and replacement		1,278,873
Wastewater Fund		
Customer deposits		1,200
Unexpended bond proceeds		2,034
Debt service, extension, and replacement		1,963,517
Regional Airport Fund		
Customer deposits		105,568
Debt service, extension, and replacement		48
Nonmajor enterprise funds		
Customer deposits		39,112
Internal Service Fund		
Debt service, extension, and replacement		210
Unexpended bond proceeds		290,570
Total business-type activities	\$	<u>7,791,266</u>
Total Restricted Cash	\$	<u>48,908,285</u>

AD VALOREM TAXES RECEIVABLE

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

ALLOWANCES FOR DOUBTFUL ACCOUNTS

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

INVENTORIES AND PREPAID ITEMS

The inventories of the City and the ABC Board are valued at average cost, which approximates market. The City's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed.

The inventories of the City's enterprise funds consist of materials and supplies held for consumption. The costs of these inventories are recorded as an expense as the inventories are consumed. The inventories of the ABC Board consist of goods held for resale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

CAPITAL ASSETS

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has two items that meet this criterion, pension and OPEB deferrals for the 2019 fiscal year and an unamortized loss on a bond defeasance for refunding bonds. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet the criterion for this category – prepaid taxes, property taxes receivable, and pension and OPEB deferrals.

LONG-TERM DEBT

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

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

COMPENSATED ABSENCES

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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.

NET POSITION AND FUND BALANCES

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by resolution of City of Concord's City Council (highest level of decision-making authority). The City Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken to remove or revise the limitation.

Committed for Future Capital Purchases – portion of fund balance committed by the City Council for future capital purchases including parks, greenways, street projects, and fire stations.

Committed for Planning and Community Development – portion of fund balance committed by the City Council for planning and community development related programs.

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

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

DEFINED BENEFIT PENSION AND OPEB PLANS

The City participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Government Employees' Retirement System (LERS), the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"), 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 positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. 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 of the state-administered defined benefit pension plans.

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.

USE OF ESTIMATES

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

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental funds reconciliation of the balance sheet to the statement of net position includes a reconciling item that relates to deferred inflows of resources susceptible to full accrual on the entity-wide statements. In the governmental funds, the ad valorem taxes were not susceptible to accrual as revenues and were reported as deferred inflows of resources. The \$1,365,073 adjustment reflected on the reconciliation represents these ad valorem taxes outstanding at year end.

The governmental funds reconciliation of the statement of revenues, expenditures and changes in fund balance to the statement of activities includes revenues in the amount of \$276,005 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, 2019 and June 30, 2018.

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.

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and Investments

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

At June 30, 2019, the City's deposits had a carrying amount of \$22,745,912 and a bank balance of \$18,527,686. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$17,527,686 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of \$13,639 at June 30, 2019.

At June 30, 2019, the carrying amount of deposits for the ABC Board was \$2,841,668 and the bank balance was \$2,705,163. All of the bank balances were covered by federal depository insurance or collateralized deposits.

At June 30, 2019, the City's investment balances were as follows:

	Valuation Measurement Method	Reported Value	Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years	More than 3 Years
U. S. Treasury	Fair Value Level 1	\$ 1,080,292	\$ -	\$ -	\$ -	\$ 1,080,292
U. S. Government agencies	Fair Value Level 1	231,642,553	29,319,927	22,939,130	154,374,751	25,008,745
Commercial paper	Cost	51,176,235	46,245,610	4,930,625	-	-
North Carolina Capital Management Trust – Government Portfolio	Fair Value Level 1	11,877,425	11,877,425	N/A	N/A	N/A
North Carolina Capital Management Trust – Term Portfolio	Fair Value Level 1	10,486,435	10,486,435	N/A	N/A	N/A
Total		<u>\$ 306,262,940</u>	<u>\$97,929,397</u>	<u>\$ 27,869,755</u>	<u>\$154,374,751</u>	<u>\$ 26,089,037</u>

* Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk – The investment program is managed so that investments and deposits can be converted to cash when needed with the primary objective being the safety of the investment. The City maintains investments of funds designed to emphasize safety, liquidity, and yield. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy includes diversification guidelines. With the exception of US treasury securities and the NCCMT, no more than 30% of the City's total investment portfolio will be invested in a single security type or with a single financial institution. Other limits are certificates of deposit shall not exceed 25% of the City's total portfolio, commercial paper shall not exceed 25%, and bankers' acceptances shall not exceed 5%. Another component of the City's investment policy intended to limit interest rate risk is maturity limits. At least 60% of the investment portfolio will have maturities of no more than 3 years from the date of purchase, 80% of the portfolio will mature in 5 years or less, 90% will mature in 10 years or less.

Credit Risk – The City limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issues

NOTES TO FINANCIAL STATEMENTS

Note 3. Cash and Investments (Continued)

nationally recognized statistical rating organizations (NRSROs). As of June 30, 2019, the City's investments in commercial paper consisted of eleven different issuers. All were rated A1 or A1+ by Standard & Poor's and P1 by Moody's. The City's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poors as of June 30, 2019. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The City's investments in US Government Agencies (FHLMC, Federal Home Loan Bank, Federal Farm Credit, and FNMA) and US Treasuries 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 Mortgage Corporation, Federal Home Loan Bank, FNMA Discount Notes, and Federal Farm Credit. These investments are 25%, 21%, 17%, and 13% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2019, the City's Health Care Plan had \$5,508,783 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 State Treasurer's OPEB Fund was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 14.76%, the State Treasurer's Bond Index Fund (BIF) 67.77%, and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 17.47% (the equities were split with 55.3% in domestic securities and 44.7% in international securities).

Interest Rate Risk – The City does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2019. The State Treasurer's BIF is unrated and had a weighted average maturity of 7.81 years at June 30, 2019.

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, 2019, the ABC Board did not have any investments.

Note 4. Receivables and Allowances for Doubtful Amounts

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

	Governmental Activities	Business-type Activities
Accounts receivable, net	\$ -	\$ 31,269,393
Ad valorem taxes, net	1,365,073	-
Due from other governmental agencies	1,845,220	853,538
Sales tax refunds	1,575,916	-
Interest	615,352	701,295
Other, net	6,848,560	337,421
	<u>\$ 12,250,121</u>	<u>\$ 33,161,647</u>

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

Governmental Activities, allowance for doubtful ad valorem taxes	\$ 455,024
Governmental Activities, allowance for doubtful other receivables	<u>\$ 1,363</u>
Business-type Activities, allowance for doubtful accounts receivable	<u>\$ 204,123</u>

CITY OF CONCORD, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 54,336,721	\$ 386,797	\$ 14,153	\$ -	\$ 54,709,365
Construction in progress	10,498,568	5,883,571	3,500,290	-	12,881,849
Total capital assets, not being depreciated	64,835,289	6,270,368	3,514,443	-	67,591,214
Capital assets, being depreciated:					
Buildings	65,729,506	754,480	-	-	66,483,986
Improvements other than buildings	5,933,449	1,760,684	-	-	7,694,133
Machinery and equipment	35,189,869	4,039,289	1,195,875	(15,714)	38,017,569
Infrastructure	609,521,191	5,725,095	-	-	615,246,286
Total capital assets, being depreciated	716,374,015	12,279,548	1,195,875	(15,714)	727,441,974
Accumulated depreciation:					
Buildings	28,162,213	2,280,732	-	-	30,442,945
Improvements other than buildings	2,664,987	256,345	-	-	2,921,332
Machinery and equipment	25,502,313	2,790,744	1,098,352	(15,714)	27,178,991
Infrastructure	381,815,177	12,831,521	-	-	394,646,698
Total accumulated depreciation	438,144,690	18,159,342	1,098,352	(15,714)	455,189,966
Total capital assets, being depreciated, net	278,229,325	\$ (5,879,794)	\$ 97,523	\$ -	272,252,008
Governmental activities capital assets, net	<u>\$ 343,064,614</u>				<u>\$ 339,843,222</u>
	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 40,881,488	\$ -	\$ -	\$ -	\$ 40,881,488
Construction in progress	22,376,343	9,549,994	1,928,501	-	29,997,836
Total capital assets, not being depreciated	63,257,831	9,549,994	1,928,501	-	70,879,324
Capital assets, being depreciated:					
Buildings	78,796,346	952,942	265,830	-	79,483,458
Improvements other than buildings	491,131,237	8,317,068	-	-	499,448,305
Machinery and equipment	36,214,679	3,607,703	1,818,873	15,714	38,019,223
Total capital assets, being depreciated	606,142,262	12,877,713	2,084,703	15,714	616,950,986
Accumulated depreciation:					
Buildings	29,487,067	2,763,644	226,843	-	32,023,868
Improvements other than buildings	219,981,447	13,758,025	-	-	233,739,472
Machinery and equipment	24,518,396	3,602,839	1,696,017	15,714	26,440,932
Total accumulated depreciation	273,986,910	20,124,508	1,922,860	15,714	292,204,272
Total capital assets, being depreciated, net	332,155,352	\$ (7,246,795)	\$ 161,843	\$ -	324,746,714
Business-type activities capital assets, net	<u>\$ 395,413,183</u>				<u>\$ 395,626,038</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 5. Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 642,189
Public safety	2,978,337
Public works	13,960,549
Culture and recreational	521,713
Planning and community development	56,554
Total depreciation expense – governmental activities	<u>\$ 18,159,342</u>
Business-type activities:	
Electric	\$ 4,760,777
Water	4,381,288
Wastewater	3,606,851
Regional airport	3,329,785
Stormwater	1,808,782
Other nonmajor business-type activities	1,718,915
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	518,110
Total depreciation expense – business-type activities	<u>\$ 20,124,508</u>

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

	July 1, 2018	Increases	Decreases	June 30, 2019
Component unit:				
Capital assets not being depreciated:				
Land	\$ 1,347,154	\$ -	\$ 20,000	\$ 1,327,154
Total capital assets not being depreciated	<u>1,347,154</u>	<u>-</u>	<u>20,000</u>	<u>1,327,154</u>
Capital assets, being depreciated:				
Buildings	4,848,670	9,570	51,078	4,807,162
Improvements other than buildings	652,753	211,954	129,413	735,294
Machinery and equipment	518,074	123,642	35,989	605,727
Total capital assets, being depreciated	<u>6,019,497</u>	<u>345,166</u>	<u>216,480</u>	<u>6,148,183</u>
Accumulated depreciation	901,856	206,730	177,450	931,136
Total capital assets, being depreciated, net	<u>5,117,641</u>	<u>\$ 138,436</u>	<u>\$ 39,030</u>	<u>5,217,047</u>
Component unit capital assets, net	<u>\$ 6,464,795</u>			<u>\$ 6,544,201</u>

Note 6. Accounts Payable and Accrued Liabilities

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

	Governmental Activities	Business-type Activities
Accounts payable	\$ 2,752,146	\$ 6,030,832
Accrued payroll and payroll related liabilities	2,241,251	914,586
Accrued sales tax payable	2,204	388,721
Other accrued liabilities	454,151	395,205
	<u>\$ 5,449,752</u>	<u>\$ 7,729,344</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt

Direct placement installment purchases: The City has various direct placement installment purchase contracts to finance equipment additions throughout the City's departments and funds. These contracts range between 1 year and 29 years in duration, depending upon the assets acquired. Interest rates range between 2.04% and 5.01%. The debt is collateralized by the assets acquired and serviced by the funds holding such debt.

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

	Governmental Activities	Business-type Activities
Capital Asset		
Machinery and equipment	\$ 5,352,617	\$ 17,877,220
Less accumulated depreciation	1,605,785	3,192,817
	<u>\$ 3,746,832</u>	<u>\$ 14,684,403</u>

Direct placement installment purchases payable at June 30, 2019 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

\$	2,280,128
<u>\$</u>	<u>2,280,128</u>

Business-type activities:

\$4,500,000, contract for construction of aviation hangar in fiscal year 2004 due in annual installments of \$225,000 through November 2027; interest 5.01%, payable from Regional Airport Fund

\$	1,218,750
----	-----------

\$5,759,000, contract for construction of a parking deck in fiscal year 2016 due in annual installments of \$350,000 to \$478,000 through May 2030; interest 2.42%, payable from Regional Airport Fund

4,682,000

\$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

3,187,805
<u>\$ 9,088,555</u>

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 292,152	\$ 45,014	\$ 1,010,452	\$ 232,130
2021	285,835	39,086	1,010,620	203,447
2022	279,770	33,286	1,011,142	174,724
2023	273,457	27,611	1,012,315	145,959
2024	267,080	22,066	1,012,400	117,132
2025-2029	881,834	35,491	3,553,626	272,901
2030	-	-	478,000	11,568
	<u>\$ 2,280,128</u>	<u>\$ 202,554</u>	<u>\$ 9,088,555</u>	<u>\$ 1,157,861</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Direct placement revenue bonds: The City also 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 therefore, will be repaid by governmental revenue sources. Direct placement revenue bonds outstanding at June 30, 2019 are as follows:

Governmental activities:

\$2,721,512 (of \$40,925,000 issue), Utilities Systems Refunding Revenue Bonds Series 2009B due in annual installments of \$40,565 to \$416,623 through December 2022; interest from 3.00% to 5.00%.	\$ 994,174
	<u>\$ 994,174</u>

Business-type activities:

\$38,203,488 (of \$40,925,000 issue), Utilities Systems Refunding Revenue Bonds Series 2009B due in annual installments of \$569,435 to \$5,848,377 through December 2022; interest from 3.00% to 5.00%.	\$ 13,955,825
\$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%.	11,850,000
\$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%.	19,085,000
	<u>\$ 44,890,825</u>

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 267,663	\$ 39,903	\$ 5,482,338	\$ 1,882,447
2021	152,618	30,230	3,927,383	1,666,545
2022	157,273	23,628	4,087,728	1,486,138
2023	416,620	10,094	7,828,376	1,199,650
2024	-	-	2,075,000	962,431
2025-2029	-	-	11,735,000	3,459,397
2030-2034	-	-	6,625,000	1,525,125
2035-2036	-	-	3,130,000	130,425
	<u>\$ 994,174</u>	<u>\$ 103,855</u>	<u>\$ 44,890,825</u>	<u>\$ 12,312,158</u>

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

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

The City believes it has been in compliance with the covenants as to rates, fees, rentals and charges in Section 6.6 of the General Trust Indenture for the Utilities Systems Revenue Bonds, Series 2009B, 2012 and 2016. Section 6.6 of the General Trust Indenture requires the debt service coverage ratio to be no less than 120%.

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

The debt service coverage ratio calculation for the year ended June 30, 2019, is as follows:

Net Income (GAAP Basis)	\$ 38,662,449
Add: Depreciation/Amortization Expense	12,615,076
Interest Expense	2,117,224
Income available for debt service	<u>53,394,749</u>
Debt service, principal and interest	
paid (Revenue bond only)	\$ 7,449,537
Debt service coverage ratio	717%

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay \$74,923,488 in electric, water, and wastewater system direct placement revenue bonds issued in 2009 through 2016. Proceeds from the bonds provided financing for various projects related to the electric, water, and wastewater systems. The bonds are payable solely from electric, water, and wastewater customer net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 6 percent of net revenues. In the event of a default, the City agrees to pay the purchaser, on demand, interest on any and all amounts due and owing by the City under the related agreement. The total principal and interest remaining to be paid on the bonds is \$57,202,983. Principal and interest paid for the current year and total customer net revenues were \$7,449,537 and \$130,992,333, respectively.

Advance Refunding Bonds: In May 2012, the City issued \$17,635,000 of Utilities Systems advance refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's Series 2002A Utilities Systems Revenue Bonds. The refunding debt was issued at a net interest cost of 2.84%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2019 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, 2019 was \$623,917.

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, 2019 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, 2019 was \$1,960,700.

Current Refunding Bonds: In July 2009, the City issued \$40,925,000 of Utilities Systems current refunding bonds and retired the outstanding balance of the Series 2002B Utilities Systems Revenue Bonds. The current refunding reduced total debt service payments over the following fourteen years by \$631,879 and resulted in an economic gain of \$487,233. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$258,541) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2019 was \$73,869.

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

Direct placement loan and installment notes: Direct placement loan and installment notes payable at June 30, 2019 are comprised of the following individual issues:

Governmental activities:

\$7,203,000 (of \$9,235,000 issue), 2010 Limited Obligation Bonds due in annual installments of \$39,000 to \$776,100 through June 1, 2021, plus interest due semiannually at 2.5% to 4% financed through First Concord Corporation, to be paid from General Fund.	\$ 1,326,000
\$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.	18,148,225
	<u>\$ 19,474,225</u>

Business-type activities:

\$2,031,700 (of \$9,235,000 issue), 2010 Limited Obligation Bonds due in annual installments of \$11,000 to \$218,900 through June 1, 2021, plus interest due semiannually at 2.5% to 4% financed through First Concord Corporation, to be paid from Regional Airport Fund.	\$ 374,000
\$6,440,175 (of \$29,340,000 issue), 2014A Limited Obligation Bonds due in annual installments of \$138,600 to \$467,775 through June 1, 2034, plus interest due semiannually at 2% to 5% financed through First Concord Corporation, to be paid from Internal Service Fund.	5,381,775
\$5,280,000, 2014B Limited Obligation Bonds due in annual installments of \$50,000 to \$915,000 through June 1, 2021, plus interest due semiannually at 0.6% to 2.75% financed through First Concord Corporation, to be paid from Golf Course Fund.	1,810,000
	<u>\$ 7,565,775</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
2020	\$ 1,820,175	\$ 833,207	\$ 1,339,825	\$ 287,967
2021	1,833,200	748,867	1,371,800	246,128
2022	1,211,500	663,798	283,500	199,984
2023	1,242,325	603,222	297,675	185,809
2024	1,276,575	541,106	313,425	170,925
2025-2029	6,821,075	1,799,791	1,793,925	625,761
2030-2034	5,269,375	567,846	2,165,625	250,660
	<u>\$ 19,474,225</u>	<u>\$ 5,757,837</u>	<u>\$ 7,565,775</u>	<u>\$ 1,967,234</u>

Advance Refunding Bonds: In October 2010, the City issued \$9,235,000 of Limited Obligation refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's series 2001 Certificates of Participation. The refunding debt was issued at a net interest cost of 2.68%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2019 is \$0. This refunding was undertaken to reduce total debt service payments over the following 10 years by \$888,249 and resulted in an economic gain of \$779,763. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred (\$378,135) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2019 was \$77,346.

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

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

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, 2019 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, 2019 was \$202,913.

Direct placement loan payable: The City of Concord entered into a loan agreement with the US Department of Housing and Urban Development for a Section 108 loan guarantee that will be loaned to Carolina Courts to finance the construction of a multi-purpose athletic facility, a public facility to be used to host athletic camps, leagues, and tournaments. The owner and developer of the project will make payments to the city for the annual debt service. In addition, the loan requires pledge of five years of the Community Development Block Grant revenues in the event the owner/developer is unable to make the debt service requirements.

Governmental activities:

\$1,974,000, Section 108 loan guarantee issued June 2009 due in annual installments of \$109,000
beginning August 2011 through August 2028

\$	1,102,000
\$	1,102,000

Annual debt service requirements to maturity for the direct placement loan payable are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2020	\$ 109,000	\$ 54,556
2021	109,000	49,199
2022	109,000	43,744
2023	109,000	38,195
2024	109,000	32,571
2025-2029	557,000	76,115
	<u>\$ 1,102,000</u>	<u>\$ 294,380</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Long-Term Debt (Continued)

A summary of changes in long-term debt follows:

	July 1, 2018	Additions	Reductions	June 30, 2019
Governmental activities:				
Direct placement installment purchases	\$ 2,578,088	\$ -	\$ 297,960	\$ 2,280,128
Less current maturities				292,152
Long-term direct placement installment purchases				<u>\$ 1,987,976</u>
Bond payables:				
Direct placement installment notes	\$ 21,292,125	\$ -	\$ 1,817,900	\$ 19,474,225
Plus premium on limited obligation bonds	1,720,001	-	139,448	1,580,553
Direct placement revenue bonds	1,251,862	-	257,688	994,174
Plus premium on revenue bonds	17,965	-	6,109	11,856
Total bond payable	<u>\$ 24,281,953</u>	<u>\$ -</u>	<u>\$ 2,221,145</u>	<u>22,060,808</u>
HUD loan	<u>\$ 1,211,000</u>	<u>\$ -</u>	<u>\$ 109,000</u>	<u>1,102,000</u>
Compensated absences	<u>\$ 3,310,723</u>	<u>\$ 2,480,304</u>	<u>\$ 2,122,311</u>	<u>3,668,716</u>
Total pension liability (LEOSSA)	<u>\$ 7,140,799</u>	<u>\$ -</u>	<u>\$ 382,975</u>	<u>6,757,824</u>
Net OPEB liability	<u>\$ 27,287,923</u>	<u>\$ -</u>	<u>\$ 835,000</u>	<u>26,452,923</u>
Net pension liability (LGRS)	<u>\$ 7,354,893</u>	<u>\$ 4,175,754</u>	<u>\$ -</u>	<u>11,530,647</u>
Less current maturities:				
Direct placement installment notes				1,820,175
Direct placement revenue bonds				267,663
HUD loan				109,000
Compensated absences				2,678,163
Long-term debt				<u>\$ 66,697,917</u>
	July 1, 2018	Additions	Reductions	June 30, 2019
Business-type activities:				
Direct placement Installment purchases	\$ 10,098,127	\$ -	\$ 1,009,572	\$ 9,088,555
Less current maturities				1,010,452
Long-term direct placement installment purchases				<u>\$ 8,078,103</u>
Bond payables:				
Direct placement installment notes	\$ 8,877,875	\$ -	\$ 1,312,100	\$ 7,565,775
Plus premium on limited obligation bonds	646,945	-	111,261	535,684
Direct placement revenue bonds	50,223,138	-	5,332,313	44,890,825
Plus premium on revenue bonds	5,133,644	-	453,411	4,680,233
Total bond payable	<u>\$ 64,881,602</u>	<u>\$ -</u>	<u>\$ 7,209,085</u>	<u>57,672,517</u>
Compensated absences	<u>\$ 1,432,836</u>	<u>\$ 1,110,574</u>	<u>\$ 1,012,158</u>	<u>1,531,252</u>
Net OPEB liability	<u>\$ 16,178,027</u>	<u>\$ -</u>	<u>\$ 3,391,239</u>	<u>12,786,788</u>
Net pension liability (LGRS)	<u>\$ 4,360,451</u>	<u>\$ 2,423,145</u>	<u>\$ -</u>	<u>6,783,596</u>
Less current maturities:				
Direct placement installment notes				1,339,825
Direct placement revenue bonds				5,482,338
Compensated absences				1,117,814
Long-term debt				<u>\$ 70,834,176</u>

A detailed breakdown of business-type activities long-term debt by fund can be found at Schedule 6 in the supplemental information. For the governmental activities, the OPEB liability and net pension liability are generally liquidated by the general fund. The legal debt margin of the City at June 30, 2019 was \$906,757,740.

NOTES TO FINANCIAL STATEMENTS

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 320,448
General Fund	Nonmajor enterprise funds	2,653,717
		<u>\$ 2,974,165</u>

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

A schedule of interfund transfers at June 30, 2019 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	\$ 618,370
From the General Fund to the General Fund Capital Projects Fund for various capital projects	2,928,324
From the General Fund to the Fire and Life Safety Capital Projects Fund for fire department capital projects	530,678
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	2,167,000
From the General Fund to the Home Special Revenue Fund to provide required grant matching funds	85,708
From the General Fund to the Parks Capital Project Fund for various park capital projects	476,787
From the General Fund to the Transit Fund for current operating needs	683,847
From the General Fund to the Golf Course Fund for current operating needs	915,046
From the General Fund to the Regional Airport Fund for current operating needs	763,540
From the General Fund to the General Fund Capital Reserve Fund for future capital projects	1,300,000
From the Market Rate Units Fund to the Home Special Revenue Fund to pay for properties transferred to the Market Rate Units Fund	31,006
From the Market Rate Units Fund to the Housing Assistance Fund for current operating needs	9,000
From the Community Development Fund to the Section 108 Loan/BEDI Grant Fund for debt service	72,512
From the Additional Vehicle Tax Fund to the Transit Fund to move portion of license fee required to be transferred to the Transit Fund	404,378
From the General Fund Capital Reserve Fund to the Fire and Life Safety Capital Projects Fund for various fire department capital projects	5,147,445
From the General Fund Capital Reserve Fund to the Parks Capital Project Fund for various park capital projects	1,700,000
From the General Fund Capital Reserve Fund to the General Fund Capital Project Fund for various capital projects	200,000
From the Electric Fund to the General Fund Capital Project Fund for various capital projects	9,141
From the Water Fund to the General Fund Capital Project Fund for various capital projects	5,817
From the Wastewater Fund to the General Fund Capital Project Fund for various capital projects	3,116
From the Regional Airport Fund to the General Fund Capital Project Fund for various capital projects	3,740
From the Stormwater Fund to the General Fund Capital Project Fund for various capital projects	2,078
	<u>\$ 18,057,533</u>

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations

A. Local Governmental Employee's Retirement System

(1) Plan description:

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

(2) Benefits provided:

LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

(3) Contributions:

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Concord and ABC Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Concord's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers and 7.80% 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 \$4,194,942 for the year ended June 30, 2019. Contributions to the pension plan from the ABC Board were \$65,724 for the year ended June 30, 2019.

(4) Refunds of contributions:

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

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

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

At June 30, 2019, the City reported a liability of \$18,314,243 for its proportionate share of the net pension liability. At June 30, 2019, the ABC Board reported a liability of \$238,185 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the City's proportion was 0.77199%, which was an increase of 0.00514% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the City recognized pension expense of \$4,917,177. At June 30, 2019, 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	\$ 2,825,453	\$ 94,808
Changes of assumptions	4,859,893	-
Net difference between projected and actual earnings on pension plan investments	2,514,000	-
Changes in proportion and differences between City contributions and proportionate share of contributions	35,298	364,413
City contributions subsequent to the measurement date	4,194,942	-
Total	<u>\$ 14,429,586</u>	<u>\$ 459,221</u>

\$4,194,942 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, 2020. 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:	
2020	\$ 4,768,492
2021	3,047,542
2022	519,052
2023	1,440,337
2024	-
Thereafter	-
	<u>\$ 9,775,423</u>

- (6) Actuarial assumptions:

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 percent
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

(7) Discount rate:

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discounted rate of 7.00 percent, as well as what the City's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability (asset)	\$ 43,992,398	\$ 18,314,243	\$ (3,142,825)

(9) Pension plan fiduciary net position:

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

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

B. Law Enforcement Officers' Special Separation Allowance:

(1) Plan description:

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

All full-time City law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Retirees receiving benefits	26
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	168
Total	<u>194</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, 2017 valuation. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

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

Mortality rates are based on the RP-2015 Mortality tables.

(4) Contributions:

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The City paid \$528,943 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, 2019, the City reported a total pension liability of \$6,757,824. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the City recognized pension expense of \$484,231.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,508	\$ 71,345
Changes of assumptions and other inputs	271,616	300,756
City benefit payments subsequent to the measurement date	296,411	-
Total	<u>\$ 581,535</u>	<u>\$ 372,101</u>

\$296,411 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, 2020. 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:

2020	\$ (13,161)
2021	(13,161)
2022	(13,161)
2023	4,447
2024	(51,941)
Thereafter	-
	<u>\$ (86,977)</u>

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

The following presents the City's total pension liability calculated using the discount rate of 3.64 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.64 percent) or one percentage point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
City's proportionate share of the total pension liability (asset)	\$ 7,321,929	\$ 6,757,824	\$ 6,243,009

(7) Schedule of changes in total pension liability:

Beginning balance	\$ 7,140,799
Service Cost	279,117
Interest on the total pension liability	217,292
Change in benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(85,995)
Changes of assumptions or other inputs	(264,446)
Benefit payments	(528,943)
Other changes	-
Ending balance of the total pension liability	<u>\$ 6,757,824</u>

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an experience study for the five year period ending December 31, 2014.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

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

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

	LGERS	LEOSSA	Total
Pension Expense	\$ 4,917,177	\$ 484,231	\$ 5,401,408
Pension Liability	18,314,243	6,757,824	25,072,067
Proportionate share of the net pension liability	0.77199%	n/a	
Deferred Outflows of Resources			
Differences between expected and actual experience	2,825,453	13,508	2,838,961
Changes of assumptions	4,859,893	271,616	5,131,509
Net difference between projected and actual earnings on plan investments	2,514,000	-	2,514,000
Changes in proportion and differences between contributions and proportionate share of contributions	35,298	-	35,298
Benefit payments and administrative costs paid subsequent to the measurement date	4,194,942	296,411	4,491,353
Deferred Inflows of Resources			
Differences between expected and actual experience	94,808	71,345	166,153
Changes of assumptions	-	300,756	300,756
Changes in proportion and differences between contributions and proportionate share of contributions	364,413	-	364,413

D. Supplemental Retirement Income Plan for Law Enforcement Officers

(1) Plan description:

The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

(2) Funding policy:

Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$677,547, which consisted of \$497,398 from the City and \$180,149 from the law enforcement officers. No amounts were forfeited.

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

(1) Plan description:

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

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

(2) Funding policy:

The City of Concord's policy is to contribute an amount equal to 3.5% of each employee's salary, and all amounts contributed are vested immediately. The city's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$2,363,601, which consisted of \$1,474,924 from the City and \$888,677 from the employees. Contribution requirements are established and may be amended by the City Council.

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

(1) Plan description:

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

(2) Benefits provided:

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

(3) Contributions:

Plan members are required to contribute \$10 per month to the plan. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution provisions are established by General Statute 58-86 and may be amended only by the North Carolina General Assembly. For the fiscal year ended June 30, 2018, the State contributed \$17,952,000 to the plan. The City of Concord's proportionate share of the State's contribution is \$41,823.

(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, 2019, the City reported no liability for its proportionate share of the net pension liability, as the State provides 100% pension support to the City through its appropriations to the FRSWPF. The total portion of the net pension liability that was associated with the City and supported by the State was \$113,784. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 and at June 30, 2017 was 0%.

NOTES TO FINANCIAL STATEMENTS

Note 9. Pension Plan Obligations (Continued)

For the year ended June 30, 2019, the City recognized pension expense of \$32,358 and revenue of \$32,358 for support provided by the State. At June 30, 2019, 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, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	Not applicable
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

(7) Discount rate:

The discount rate used to determine the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(8) Pension plan fiduciary net position:

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

Note 10. Other Postemployment Benefits

(1) Plan administration:

Under the terms of a City resolution, the City administers a Health Care Plan as a single-employer defined benefit plan. As of July 1, 2004, this plan provides postemployment benefits other than pensions (OPEB) to retirees of the City provided they have ten (10) years of service with the City of Concord. Retirees hired prior to July 1, 2004 receive the same benefits as active employees. The Health Care Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The City has elected to partially pay the future overall cost of coverage for these benefits. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. The plan, which has a June 30, 2019 year end, does not issue a stand-alone report. Management of the Health Care Plan is vested in the City of Concord City Council.

(2) Plan membership:

Membership of the Health Care Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

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

(3) Benefits provided:

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

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

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

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

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

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

(4) Contributions:

The City Council establishes the contribution requirements of plan members which may be amended by Council. The City Council establishes rates as part of the annual budget process. Plan members contribute to the plan based on coverage level elected as well as years of creditable service. Plan member rates ranged from \$250 to \$23,018. The City's contribution is also dependent on the retiree's coverage level elected as well as years of creditable service. The contribution rates ranged from \$3,233 to \$11,673 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 \$4,968,049. The Fund is accounted for as a trust fund.

(5) Investments:

The Health Care Plan does not have a formal policy in regard to the allocation of invested assets. It is the informal policy of the City to pursue an investment strategy that reduces risk through the diversification of the portfolio across distinct asset classes. Investments are valued at fair value. The following was the City's target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 and June 30, 2019:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	2019	2018	2019	2018
STIF	15%	15%	0.83%	2.32%
Equity Index	18%	0%	0.99%	N/A
Bond Index	67%	85%	3.69%	2.84%
Total	100%	100%		

For the year ended June 30, 2019, the annual money weighted rate of return on investments, net of investment expense, was 7.22 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

(6) Net OPEB liability of the City:

The components of the net OPEB liability of the County at June 30, 2019 were as follows:

Total OPEB Liability	\$ 44,748,494
Plan fiduciary net position	5,508,783
City's net OPEB liability	<u>\$ 39,239,711</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.31%

(7) Actuarial assumptions:

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

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

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

The total OPEB liabilities were rolled forward to June 30, 2018 and June 30, 2019 for the employer and the plan, respectively, utilizing update procedures incorporating the actuarial assumptions.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS. The remaining actuarial assumptions (initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

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

(8) Discount rate:

The discount rate used to measure the total OPEB liability was 3.91 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projections years, total payroll was assumed to increase annually at a rate of 3.50 percent.
- Active employees do not explicitly contribute to the Plan.
- In all years, the employer is assumed to contribute the average of the last 5 years of contributions to the Plan through deposits to the Trust and pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's fiduciary net position was projected to be depleted in 2034 and, as a result, the Municipal Bond Index Rate was used in the determination of the discount rate. The long-term expected rate of return of 5.50 percent on plan investments was applied to periods through 2034 and the Municipal Bond Index Rate at the Measurement Date (3.50 percent) was applied to periods on and after 2034, resulting in a discount rate at the Measurement Date of 3.91 percent. There was a change in the discount rate from 3.90 percent at the Prior Measurement Date to 3.91 percent at the Measurement Date.

(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, 2019, 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 (2.91 percent) or one percentage point higher (4.91 percent) than the current discount rate:

	1% Decrease (2.91%)	Discount Rate (3.91%)	1% Increase (4.91%)
Net OPEB Liability	\$43,843,077	\$39,239,711	\$35,138,474

(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	\$33,952,644	\$39,239,711	\$45,543,285

NOTES TO FINANCIAL STATEMENTS

Note 10. Other Postemployment Benefits (Continued)

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

At June 30, 2019, the city reported a net OPEB liability of \$39,239,711. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2019, the components of the OPEB liability of the City were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2018	\$ 45,756,280	\$ 2,290,330	\$ 43,465,950
Changes for the year			
Service cost	1,974,188	-	1,974,188
Interest	1,746,485	-	1,746,485
Difference between expected and actual experience	(4,943,630)	-	(4,943,630)
Changes of assumptions	2,183,220	-	2,183,220
Contributions	-	4,968,049	(4,968,049)
Net investment income	-	218,453	(218,453)
Benefit payments	(1,968,049)	(1,968,049)	-
Net changes	(1,007,786)	3,218,453	(4,226,239)
Balances at June 30, 2019	\$ 44,748,494	\$ 5,508,783	\$ 39,239,711

- (12) Changes of assumptions:

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$3,061,948. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,389,477
Changes of assumptions or other inputs	1,931,986	993,917
Net difference between projected and actual earnings on plan investments	53,152	8,871
Total	\$ 1,985,138	\$ 5,392,265

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:	
2020	\$ (451,361)
2021	(451,361)
2022	(451,363)
2023	(469,078)
2024	(466,861)
Thereafter	(1,117,103)
	<u>\$ (3,407,127)</u>

NOTES TO FINANCIAL STATEMENTS

Note 11. Other Employment Benefits

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

Note 12. Deferred Outflows and Inflows of Resources

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

Contributions to pension plan (LGERS) in current fiscal year	\$ 4,194,942
Benefit payments made for LEOSSA	296,411
Differences between expected and actual experience (LGERS)	2,825,453
Differences between expected and actual experience (LEOSSA)	13,508
Changes of assumptions (LGERS)	4,859,893
Changes of assumptions (LEOSSA)	271,616
Changes of assumptions (OPEB)	1,931,986
Net difference between projected and actual earnings on pension plan investments (LGERS)	2,514,000
Net difference between projected and actual earnings on plan investments (OPEB)	53,152
Changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS)	35,298
Charge on refunding	2,938,745
	<u>\$ 19,935,004</u>

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

	Statement of Net Position	Governmental Funds Balance Sheet
Prepaid taxes	\$ 137,800	\$ 137,800
Taxes Receivable, less penalties	-	1,365,073
Differences between expected and actual experience (LGERS)	94,808	-
Differences between expected and actual experience (LEOSSA)	71,345	-
Changes in proportion and difference between City contributions and proportionate share of contributions (LGERS)	364,413	-
Changes of assumptions (LEOSSA)	300,756	-
Differences between expected and actual experience (OPEB)	4,389,477	-
Changes of assumptions (OPEB)	993,917	-
Difference between projected and actual investment earnings (OPEB)	8,871	-
	<u>\$ 6,361,387</u>	<u>\$ 1,502,873</u>

NOTES TO FINANCIAL STATEMENTS

Note 13. Commitments and Contingencies

The City had commitments on contracts of approximately \$6 million related primarily to construction in its Enterprise Funds.

The City participates in a number of Federal and State of North Carolina awards. For the fiscal ended June 30, 2019, 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.

At June 30, 2019, the City was a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note 14. Fund Balance

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

Total fund balance – General Fund	\$ 75,084,183
Less:	
Inventories	86,847
Prepays	50,967
Stabilization by State Statute	16,552,714
Streets – Powell Bill	4,164,196
Public Safety	327,809
Remaining Fund Balance	<u>\$ 53,901,650</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, 2019 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental activities:	
General Fund	\$ 3,810,511
Nonmajor Funds	10,346,752
Total governmental activities	<u>\$ 14,157,263</u>
Business-type activities:	
Electric Fund	\$ 1,072,992
Water Fund	4,107,408
Wastewater Fund	998,999
Regional Airport Fund	5,234,216
Stormwater Fund	482,117
Nonmajor Funds	695,394
Total business-type activities	<u>\$ 12,591,126</u>

NOTES TO FINANCIAL STATEMENTS

Note 15. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. The City is fully insured through several insurance companies and is self-funded for workers' compensation and health benefits. The City obtains general liability coverage of \$1 million per occurrence, with a \$2 million aggregate limit. The City obtains public official liability coverage of \$1 million per occurrence, with a \$3 million aggregate limit. The City obtains law enforcement liability coverage of \$1 million per occurrence, with a \$3 million aggregate limit. The City obtains employment practices liability of \$1 million per occurrence, with a \$3 million aggregate limit. The City also obtains auto liability coverage of \$1 million for combined single limit. The City obtains umbrella for liability of \$4 million per occurrence, with a \$4 million aggregate limit. Building and personal property is insured through blanket coverage up to \$163,025,193. The housing units are covered per the scheduled values and are not covered within the blanket limit. Inland Marine scheduled equipment is insured to \$3,409,668, unscheduled equipment is insured to \$250,000. Miscellaneous property is covered up to \$4,700,360. Employee health coverage is self-insured through Blue Cross Blue Shield of North Carolina unless specified. The City is exposed to various risks of loss related to injuries to employees. The City has self-insured retention of \$750,000 per occurrence on workers' compensation claims. The carrier's attachment point is after the retained \$750,000 is exhausted and will provide up to the policy limit of \$1 million in coverage per occurrence and in the aggregate.

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

In accordance with G.S. 159-29, the City's employees that have access to \$100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. The finance officer is individually bonded for \$100,000.

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

Note 16. Jointly Governed Organization

The City is a member of the Water and Sewer Authority of Cabarrus County ("WSACC"). WSACC was organized by the governing bodies of the Cities of Concord and Kannapolis, the Towns of Harrisburg and Mount Pleasant, and the County of Cabarrus in order to operate and maintain a regional interceptor wastewater system and regional wastewater treatment plant. WSACC is a public corporation of the State of North Carolina under Section 162A-3 of the North Carolina Water and Wastewater Authority Act. WSACC is a jointly governed organization governed by a board appointed by the organizing bodies as follows: two members by the Cabarrus County Board of Commissioners, two members by the City of Concord City Council, two members by the City of Kannapolis City Council, one member by the Town of Harrisburg Town Council, one member by the Town of Mount Pleasant Board of Commissioners, and one member by the Cabarrus County Board of Commissioners upon advice from the other political jurisdictions. The City of Concord paid WSACC approximately \$8.3 million for wastewater treatment and raw water charges during the year ended June 30, 2019.

Note 17. Stewardship, Compliance and AccountabilityDeficit Fund Balance/Net Position

North Carolina General Statutes prohibits the City from having a deficit fund balance/net position in any fund. The Housing Assistance Special Revenue Fund and Internal Service Fund had a deficit fund balance/net position in the amount of \$6,158 and \$2,983,810, respectively. The deficit balance in fund balance for the Housing Assistance Special Revenue Fund resulted from an excess of expenses over grants received. The deficit will be reduced in the coming years as more grant money is received. The deficit balance in net position for the Internal Service Fund resulted in an excess of expenses over charges to departments in prior years. This deficit will be reduced in future years as funds in excess of expenditures are transferred into the fund.

Note 18. Subsequent Events

Management has evaluated subsequent events through October 31, 2019, 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
June 30, 2019

Exhibit M

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

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

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

CITY OF CONCORD, NORTH CAROLINA**Exhibit N****LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL****June 30, 2019**

	2019	2018	2017
Total pension liability	\$ 6,757,824	\$ 7,140,799	\$ 6,746,329
Covered payroll	8,995,596	8,776,412	8,918,792
Total pension liability as a percentage of covered payroll	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

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

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

Notes to Schedule:

Valuation date:
June 30, 2018

Methods and assumptions used to determine contribution rates:

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

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

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

Exhibit Q

	2019	2018	2017
Annual rate of return, net of investment expense	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 Six Fiscal Years *

Exhibit R

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Concord's proportion of the net pension liability (asset) (%)	0.77199%	0.76685%	0.76650%	0.79314%	0.74554%	0.79080%
Concord's proportion of the net pension liability (asset) (\$)	\$ 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	\$ 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	38.32%	25.22%	36.41%	8.16%	(10.23%)	22.63%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

Exhibit S

Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 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	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	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	8.07%	7.68%	7.21%	6.62%	6.95%	6.93%

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

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

Exhibit T

Firefighters' and Rescue Squad Workers' Pension

	2019	2018	2017	2016	2015
Concord's proportion of the net pension liability (%)	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Concord's proportion of the net pension liability (\$)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with City of Concord	113,784	109,722	90,853	76,707	66,847
Total	<u>\$ 113,784</u>	<u>\$ 109,722</u>	<u>\$ 90,853</u>	<u>\$ 76,707</u>	<u>\$ 66,847</u>
Concord's covered payroll during the measurement period	\$ 10,566,344	\$ 9,640,787	\$ 8,955,485	\$ 8,635,910	\$ 8,620,178
Concord's proportionate share of the net pension liability as a percentage of its covered payroll	1.08%	1.14%	1.01%	0.89%	0.78%
Plan fiduciary net position as a percentage of the total pension liability	89.69%	89.35%	84.94%	91.40%	93.42%

* The amounts presented are for the prior fiscal year.

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

This page is intentionally blank.

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

Capital Project Funds

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

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

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

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

This page is intentionally blank.

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2018

Statement 1

	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
ASSETS			
Cash and investments	\$ 114,615	\$ 29,611,198	\$ 29,725,813
Receivables:			
Ad valorem taxes, net	2,559	-	2,559
Due from other governmental agencies	790,008	-	790,008
Interest	988	91,277	92,265
Other, net	72,372	-	72,372
Prepaid items	416	-	416
Restricted assets - cash and investments	-	632,502	632,502
Total assets	\$ 980,958	\$ 30,334,977	\$ 31,315,935
LIABILITIES			
Accounts payable and accrued liabilities	\$ 495,517	\$ 1,251,478	\$ 1,746,995
Due to other funds	320,448	-	320,448
Total liabilities	815,965	1,251,478	2,067,443
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	2,559	-	2,559
Prepaid taxes	99	-	99
Total deferred inflows of resources	2,658	-	2,658
FUND BALANCES (DEFICITS)			
Non Spendable			
Prepays	416	-	416
Restricted			
Stabilization by State Statute	863,368	91,277	954,645
Committed			
Planning and community development	59,014	-	59,014
Assigned			
Future capital purchases	-	28,992,222	28,992,222
Unassigned	(760,463)	-	(760,463)
Total fund balance (deficit)	162,335	29,083,499	29,245,834
Total liabilities, deferred inflows of resources, and fund balances	\$ 980,958	\$ 30,334,977	\$ 31,315,935

This page is intentionally blank.

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2018

Statement 2

	Housing Assistance	Market Rate Units	Community Development	Section 108 Loan/BEDI Grant	Home	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
ASSETS								
Cash and investments	\$ 52,011	\$ 62,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,615
Receivables:								
Ad valorem taxes, net	-	-	-	-	-	2,559	-	2,559
Due from other governmental agencies	-	-	189,312	-	599,926	770	-	790,008
Interest	256	-	-	-	-	-	732	988
Other, net	71,591	781	-	-	-	-	-	72,372
Prepaid items	416	-	-	-	-	-	-	416
Total assets	\$ 124,274	\$ 63,385	\$ 189,312	\$ -	\$ 599,926	\$ 3,329	\$ 732	\$ 980,958
LIABILITIES								
Accounts payable and accrued liabilities	\$ 130,432	\$ 3,590	\$ 109,825	\$ -	\$ 250,900	\$ 770	\$ -	\$ 495,517
Due to other funds	-	-	79,487	-	240,229	-	732	320,448
Total liabilities	130,432	3,590	189,312	-	491,129	770	732	815,965
DEFERRED INFLOWS OF RESOURCES								
Property taxes receivable	-	-	-	-	-	2,559	-	2,559
Prepaid taxes	-	-	-	-	-	99	-	99
Total deferred inflows of resources	-	-	-	-	-	2,658	-	2,658
FUND BALANCES (DEFICITS)								
Non Spendable								
Prepays	416	-	-	-	-	-	-	416
Restricted								
Stabilization by State Statute	71,847	781	189,312	-	599,926	770	732	863,368
Committed								
Planning and community development	-	59,014	-	-	-	-	-	59,014
Unassigned	(78,421)	-	(189,312)	-	(491,129)	(869)	(732)	(760,463)
Total fund balances (deficit)	(6,158)	59,795	-	-	108,797	(99)	-	162,335
Total liabilities, deferred inflows of resources, and fund balances	\$ 124,274	\$ 63,385	\$ 189,312	\$ -	\$ 599,926	\$ 3,329	\$ 732	\$ 980,958

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2019

Statement 3

						Total Capital Projects Funds
ASSETS	Parks	Transportation	General Fund Capital Projects	Fire and Life Safety		
Cash and investments	\$ 4,602,277	\$ 18,284,268	\$ 780,263	\$ 5,944,390	\$	29,611,198
Receivables:						
Interest	-	91,277	-	-		91,277
Restricted assets - cash and investments	-	-	632,502	-		632,502
Total assets	\$ 4,602,277	\$ 18,375,545	\$ 1,412,765	\$ 5,944,390	\$	30,334,977
LIABILITIES						
Accounts payable and accrued liabilities	\$ 96,121	\$ 1,078,083	\$ 77,274	\$ -	\$	1,251,478
Total liabilities	96,121	1,078,083	77,274	-		1,251,478
FUND BALANCES						
Restricted						
Stabilization by State Statute	-	91,277	-	-		91,277
Assigned						
Future capital purchases	4,506,156	17,206,185	1,335,491	5,944,390		28,992,222
Total fund balances	4,506,156	17,297,462	1,335,491	5,944,390		29,083,499
Total liabilities and fund balances	\$ 4,602,277	\$ 18,375,545	\$ 1,412,765	\$ 5,944,390	\$	30,334,977

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2019

Statement 4

	Total Special Revenue Funds	Total Capital Project Funds	Total Other Governmental Funds
Revenues			
Ad valorem taxes	\$ 88,846	\$ -	\$ 88,846
Restricted intergovernmental revenues	5,029,924	617,067	5,646,991
Investment earnings	4,530	628,904	633,434
Program income	1,429,672	401,325	1,830,997
Other revenues	45,777	157,301	203,078
Total revenues	6,598,749	1,804,597	8,403,346
Expenditures			
Current:			
Planning and community development	89,028	-	89,028
Administration	627,498	373,710	1,001,208
Housing assistance payments	4,527,057	-	4,527,057
Rehabilitation	1,380,879	-	1,380,879
Capital outlay	-	5,711,021	5,711,021
Debt service	168,728	2,728,206	2,896,934
Total expenditures	6,793,190	8,812,937	15,606,127
Excess (deficiency) of revenues over (under) expenditures	(194,441)	(7,008,340)	(7,202,781)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	3,062	3,062
Transfers from other funds	198,226	13,174,126	13,372,352
Transfers to other funds	(516,896)	-	(516,896)
Total other financing sources (uses)	(318,670)	13,177,188	12,858,518
Net change in fund balances	(513,111)	6,168,848	5,655,737
Fund Balances (Deficit)			
Beginning	675,446	22,914,651	23,590,097
Ending	\$ 162,335	\$ 29,083,499	\$ 29,245,834

This page is intentionally blank.

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2019

Statement 5

	Housing Assistance	Market Rate Units	Community Development	Section 108 Loan/BEDI Grant	Home	Municipal Service District	Additional Vehicle Tax	Total Special Revenue Funds
Revenues								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,846	\$ -	\$ 88,846
Restricted intergovernmental revenues	4,004,528	-	379,746	-	645,650	-	-	5,029,924
Investment earnings	1,494	-	-	-	-	-	3,036	4,530
Program income	871,616	52,994	46,235	-	57,485	-	401,342	1,429,672
Other revenues	9,867	820	-	35,090	-	-	-	45,777
Total revenue	4,887,505	53,814	425,981	35,090	703,135	88,846	404,378	6,598,749
Expenditures								
Current:								
Planning and community development	-	-	-	-	-	89,028	-	89,028
Administration	369,302	4,905	89,317	-	163,974	-	-	627,498
Housing assistance payments	4,527,057	-	-	-	-	-	-	4,527,057
Rehabilitation	-	-	264,152	-	1,116,727	-	-	1,380,879
Debt service	-	-	-	168,728	-	-	-	168,728
Total expenditures	4,896,359	4,905	353,469	168,728	1,280,701	89,028	-	6,793,190
Excess (deficiency) of revenues over (under) expenditures	(8,854)	48,909	72,512	(133,638)	(577,566)	(182)	404,378	(194,441)
Other Financing Sources (Uses)								
Transfers from other funds	9,000	-	-	72,512	116,714	-	-	198,226
Transfers to other funds	-	(40,006)	(72,512)	-	-	-	(404,378)	(516,896)
Total other financing sources (uses)	9,000	(40,006)	(72,512)	72,512	116,714	-	(404,378)	(318,670)
Net change in fund balances	146	8,903	-	(61,126)	(460,852)	(182)	-	(513,111)
Fund Balances (Deficit)								
Beginning	(6,304)	50,892	-	61,126	569,649	83	-	675,446
Ending	\$ (6,158)	\$ 59,795	\$ -	\$ -	\$ 108,797	\$ (99)	\$ -	\$ 162,335

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Year Ended June 30, 2019

Statement 6

	Parks	Transportation	General Fund Capital Projects	Fire and Life Safety	Total Capital Projects Funds
Revenues					
Restricted intergovernmental revenues	\$ -	\$ 617,067	\$ -	\$ -	\$ 617,067
Program income	-	401,325	-	-	401,325
Other revenues	157,301	-	-	-	157,301
Investment earnings	-	623,090	5,814	-	628,904
Total revenues	157,301	1,641,482	5,814	-	1,804,597
Expenditures					
Administration	29,246	101,288	65,640	177,536	373,710
Debt service	-	-	2,728,206	-	2,728,206
Capital outlay	786,337	4,072,911	452,895	398,878	5,711,021
Total expenditures	815,583	4,174,199	3,246,741	576,414	8,812,937
Excess (deficiency) of revenues over expenditures	(658,282)	(2,532,717)	(3,240,927)	(576,414)	(7,008,340)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	3,062	-	3,062
Transfers in	2,176,787	2,167,000	3,152,216	5,678,123	13,174,126
Total other financing sources (uses)	2,176,787	2,167,000	3,155,278	5,678,123	13,177,188
Net change in fund balances	1,518,505	(365,717)	(85,649)	5,101,709	6,168,848
Fund Balances (Deficit)					
Beginning	2,987,651	17,663,179	1,421,140	842,681	22,914,651
Ending	\$ 4,506,156	\$ 17,297,462	\$ 1,335,491	\$ 5,944,390	\$ 29,083,499

Nonmajor Enterprise Funds

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

The following funds have been established as Enterprise Funds:

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

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

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

This page is intentionally blank.

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2019

Statement 7

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
ASSETS				
Current Assets				
Cash and investments	\$ 147,227	\$ 916,031	\$ -	\$ 1,063,258
Receivables:				
Accounts receivable, net	-	8,460	297,581	306,041
Due from other governments	-	20,573	832,965	853,538
Interest	-	4,540	-	4,540
Other	337,421	-	-	337,421
Inventories and prepaid expenses	101,477	1,241	18,896	121,614
Total current assets	586,125	950,845	1,149,442	2,686,412
Noncurrent assets:				
Restricted assets - cash and investments	-	39,112	-	39,112
Capital assets	10,055,943	10,123,878	12,188,619	32,368,440
Less accumulated depreciation	(429,211)	(6,535,866)	(6,163,398)	(13,128,475)
Total noncurrent assets	9,626,732	3,627,124	6,025,221	19,279,077
Total assets	10,212,857	4,577,969	7,174,663	21,965,489
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals	-	184,700	92,349	277,049
OPEB deferrals	-	25,410	12,705	38,115
Deferred charge on refunding	34,828	-	-	34,828
Total deferred outflows of resources	34,828	210,110	105,054	349,992
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	135,877	167,848	297,911	601,636
Current portion of long-term debt	895,000	34,657	13,242	942,899
Accrued interest	3,887	-	-	3,887
Due to other funds	-	-	2,653,717	2,653,717
Total current liabilities	1,034,764	202,505	2,964,870	4,202,139
Noncurrent liabilities				
Net pension liability	-	234,422	117,211	351,633
Net OPEB liability	-	608,934	217,535	826,469
Long-term debt due after one year	1,024,972	12,818	4,898	1,042,688
Deposits	-	39,112	-	39,112
Total noncurrent liabilities	1,024,972	895,286	339,644	2,259,902
Total liabilities	2,059,736	1,097,791	3,304,514	6,462,041
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	-	5,878	2,939	8,817
OPEB deferrals	-	69,021	34,510	103,531
Total deferred inflows of resources	-	74,899	37,449	112,348
NET POSITION				
Net investment in capital assets	7,741,588	3,588,012	6,025,221	17,354,821
Unrestricted	446,361	27,377	(2,087,467)	(1,613,729)
Total net position	\$ 8,187,949	\$ 3,615,389	\$ 3,937,754	\$ 15,741,092

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
Year Ended June 30, 2019

Statement 8

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	\$ 1,114,830	\$ 467,076	\$ 323,693	\$ 1,905,599
Other operating revenues	676,996	-	-	676,996
Total operating revenue	1,791,826	467,076	323,693	2,582,595
Operating Expenses				
General and administrative	-	885,914	531,649	1,417,563
Professional services	910,853	-	3,418,744	4,329,597
Utilities	-	242,836	-	242,836
Maintenance and repairs	-	391,053	-	391,053
Operating supplies	-	-	426,584	426,584
Other operating costs	784,900	-	(21)	784,879
Depreciation and amortization	35,935	517,406	1,115,478	1,668,819
Total operating expenses	1,731,688	2,037,209	5,492,434	9,261,331
Operating income (loss)	60,138	(1,570,133)	(5,168,741)	(6,678,736)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,125,198	4,857,868	5,983,066
Interest earned on investments	-	27,929	-	27,929
Interest expense	(64,289)	-	-	(64,289)
Gain (loss) on sale of capital assets	12,278	(17,635)	9,759	4,402
Other	-	105,936	-	105,936
Total nonoperating revenues (expenses)	(52,011)	1,241,428	4,867,627	6,057,044
Income (loss) before transfers	8,127	(328,705)	(301,114)	(621,692)
Transfers In (Out)				
Transfers In	915,046	-	1,088,225	2,003,271
Transfers in (out)	915,046	-	1,088,225	2,003,271
Change in net position	923,173	(328,705)	787,111	1,381,579
Net Position				
Beginning	7,264,776	3,944,094	3,150,643	14,359,513
Ending	\$ 8,187,949	\$ 3,615,389	\$ 3,937,754	\$ 15,741,092

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

Statement 9
Page 1 of 2

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers	\$ 2,041,915	\$ 559,265	\$ (607,694)	\$ 1,993,486
Payments to employees	-	(485,280)	(445,248)	(930,528)
Payments to suppliers	(1,745,279)	(959,554)	(3,886,497)	(6,591,330)
Net cash provided by (used in) operating activities	296,636	(885,569)	(4,939,439)	(5,528,372)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	(93,286)	-	(1,016,413)	(1,109,699)
Transfers in	915,046	-	1,088,225	2,003,271
Operating grants received	-	1,125,198	4,857,868	5,983,066
Net cash provided by noncapital financing activities	821,760	1,125,198	4,929,680	6,876,638
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(875,000)	-	-	(875,000)
Interest paid	(65,893)	-	-	(65,893)
Acquisition and construction of capital assets	(42,554)	-	-	(42,554)
Proceeds from the sale of capital assets	12,278	21,352	9,759	43,389
Net cash provided by (used in) capital and related financing activities	(971,169)	21,352	9,759	(940,058)
Cash Flows Provided by Investing Activities				
Earnings on investments	-	25,949	-	25,949
Net increase (decrease) in cash and cash equivalents	147,227	286,930	-	434,157
Cash and cash equivalents:				
Beginning	-	668,213	-	668,213
Ending	\$ 147,227	\$ 955,143	\$ -	\$ 1,102,370

Continued

CITY OF CONCORD, NORTH CAROLINA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2019

Statement 9
Page 2 of 2

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	\$ 60,138	\$ (1,570,133)	\$ (5,168,741)	\$ (6,678,736)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	35,935	517,406	1,115,478	1,668,819
Other income	-	105,936	-	105,936
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:				
(Increase) decrease in:				
Accounts receivable	250,089	(2,745)	(133,239)	114,105
Due from other governmental agencies	-	(12,392)	(798,148)	(810,540)
Inventories and prepaid expenses	(13,254)	1,005	8,267	(3,982)
Deferred outflows of resources for pensions	-	(55,933)	(45,850)	(101,783)
Deferred outflows of resources for OPEB	-	(24,389)	(12,337)	(36,726)
Increase (decrease) in:				
Accounts payable and accrued expenses	(36,272)	56,403	13,955	34,086
Vacation accrual	-	3,128	6,356	9,484
Net pension liability	-	65,721	56,291	122,012
OPEB liability	-	(16,976)	(8,488)	(25,464)
Deferred inflows of resources for pensions	-	(6,338)	(1,472)	(7,810)
Deferred inflows of resources for OPEB	-	52,348	28,489	80,837
Deposits	-	1,390	-	1,390
Net cash provided by (used in) operating activities	\$ 296,636	\$ (885,569)	\$ (4,939,439)	\$ (5,528,372)

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

CITY OF CONCORD, NORTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF FUNCTION AND ACTIVITY
June 30, 2019

Statement 10

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government							
Administration	\$ 3,637,494	\$ 19,137,869	\$ 377,386	\$ 1,183,866	\$ 1,511,347	\$ 46,301	\$ 25,894,263
Finance	-	-	-	325,162	-	25,122	350,284
Tax office	-	-	-	79,152	-	-	79,152
Human resources	-	451,282	-	76,900	-	-	528,182
Total general government	3,637,494	19,589,151	377,386	1,665,080	1,511,347	71,423	26,851,881
Public Safety							
Communications	-	-	-	1,581,518	-	6,800	1,588,318
Police	-	14,586,391	24,000	8,422,672	-	-	23,033,063
Fire	1,907,592	17,595,069	441,098	15,051,974	-	1,402,238	36,397,971
Total public safety	1,907,592	32,181,460	465,098	25,056,164	-	1,409,038	61,019,352
Public Works							
Streets	41,020,545	661,459	76,177	5,399,426	606,049,585	10,007,294	663,214,486
Sanitation	-	3,719,898	206,147	3,701,255	-	-	7,627,300
Cemeteries	-	-	191,523	289,499	168,239	-	649,261
Transportation	50,987	-	-	-	6,843,848	-	6,894,835
Fleet Services	-	1,024,795	-	595,705	-	-	1,620,500
Total public works	41,071,532	5,406,152	473,847	9,985,885	613,061,672	10,007,294	680,006,382
Cultural and Recreational							
Parks and recreation	7,655,195	8,970,078	5,926,901	1,147,255	-	1,394,094	25,093,523
Planning and Community Development							
Planning and zoning	437,552	337,145	450,901	163,185	673,267	-	2,062,050
Total capital assets	\$ 54,709,365	\$ 66,483,986	\$ 7,694,133	\$ 38,017,569	\$ 615,246,286	\$ 12,881,849	\$ 795,033,188

CITY OF CONCORD, NORTH CAROLINA

Statement 11

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

June 30, 2019

Function/Activity	June 30, 2018	Additions	Retirements/ Transfers	June 30, 2019
General Government				
Administration	\$ 25,144,946	\$ 749,317	\$ -	\$ 25,894,263
Finance	308,575	83,687	41,978	350,284
Tax office	79,152	-	-	79,152
Human resources	531,024	25,656	28,498	528,182
Total general government	26,063,697	858,660	70,476	26,851,881
Public Safety				
Communications	1,504,802	93,817	10,301	1,588,318
Police	22,835,752	764,487	567,176	23,033,063
Fire	34,692,790	3,187,863	1,482,682	36,397,971
Total public safety	59,033,344	4,046,167	2,060,159	61,019,352
Public Works				
Streets	653,423,775	9,921,161	130,450	663,214,486
Sanitation	7,360,084	340,597	73,381	7,627,300
Cemeteries	596,550	80,855	28,144	649,261
Transportation	6,894,835	-	-	6,894,835
Fleet services	1,613,381	-	(7,119)	1,620,500
Total public works	669,888,625	10,342,613	224,856	680,006,382
Cultural and Recreational				
Parks and recreation	24,177,213	3,286,851	2,370,541	25,093,523
Planning and Community Development				
Planning and zoning	2,046,425	15,625	-	2,062,050
Total capital assets	\$ 781,209,304	\$ 18,549,916	\$ 4,726,032	\$ 795,033,188

This page is intentionally blank.

Supplemental Information

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

This page is intentionally blank.

CITY OF CONCORD, NORTH CAROLINA
GENERAL CAPITAL RESERVE PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2019

Statement 12

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment Earnings	\$ 427,952	\$ 271,366	\$ 1,304,735	\$ 1,576,101
Expenditures				
Capital outlay	31,538,409	-	-	-
Total expenditures	31,538,409	-	-	-
Excess (deficiency) of revenues over expenditures	(31,110,457)	271,366	1,304,735	1,576,101
Other Financing Sources (Uses)				
Transfers In	38,157,902	36,857,903	1,300,000	38,157,903
Transfers Out	(7,047,445)	-	(7,047,445)	(7,047,445)
Total other financing sources (uses)	31,110,457	36,857,903	(5,747,445)	31,110,458
Excess of revenues and other financing sources (uses) over expenditures	\$ -	\$ 37,129,269	(4,442,710)	\$ 32,686,559
Fund Balance				
Beginning			37,129,269	
Ending			<u>\$ 32,686,559</u>	

CITY OF CONCORD, NORTH CAROLINA
HOUSING ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2019

Statement 13

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Restricted intergovernmental revenues	\$ 3,840,887	\$ 4,014,238	\$ 4,004,528	\$ (9,710)
Investment earnings	500	1,036	1,494	458
Program income	500,000	880,591	871,616	(8,975)
Other income (loss)	500	7,992	9,867	1,875
Total revenues	4,341,887	4,903,857	4,887,505	(16,352)
Expenditures				
Administration	372,290	388,530	369,302	19,228
Housing assistance payments	3,970,267	4,524,997	4,527,057	(2,060)
Total expenditures	4,342,557	4,913,527	4,896,359	17,168
Excess (deficiency) of revenues over expenditures	(670)	(9,670)	(8,854)	816
Other Financing Sources				
Transfers in	-	9,000	9,000	-
Appropriated fund balance	670	670	-	(670)
Total other financing sources	670	9,670	9,000	(670)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	146	\$ 146
Fund Balance				
Beginning			<u>(6,304)</u>	
Ending			<u>\$ (6,158)</u>	

CITY OF CONCORD, NORTH CAROLINA
MARKET RATE UNITS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2019

Statement 14

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Program income	\$ 60,540	\$ 60,540	\$ 52,994	\$ (7,546)
Other income	-	-	820	820
Total revenues	60,540	60,540	53,814	(6,726)
Expenditures				
Administration	29,534	29,534	4,905	24,629
Total expenditures	29,534	29,534	4,905	24,629
Excess (deficiency) of revenues over expenditures	31,006	31,006	48,909	17,903
Other Financing Sources (Uses)				
Appropriated fund balance	-	9,000	-	(9,000)
Transfers out	(31,006)	(40,006)	(40,006)	-
Total other financing uses	(31,006)	(31,006)	(40,006)	(9,000)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	8,903	\$ 8,903
Fund Balance				
Beginning			50,892	
Ending			<u>\$ 59,795</u>	

CITY OF CONCORD, NORTH CAROLINA

Statement 15

COMMUNITY DEVELOPMENT GRANT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2019

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	\$ 2,033,035	\$ 1,003,545	\$ 379,746	\$ 1,383,291
Program income	63,395	17,411	46,235	63,646
Total revenues	2,096,430	1,020,956	425,981	1,446,937
Expenditures				
Administration	385,634	268,158	89,317	357,475
Rehabilitation	1,638,284	752,798	264,152	1,016,950
Total expenditures	2,023,918	1,020,956	353,469	1,374,425
Excess (deficiency) of revenues over expenditures	72,512	-	72,512	72,512
Other Financing Sources (Uses)				
Transfers Out	(72,512)	-	(72,512)	(72,512)
Total other financing sources (uses)	(72,512)	-	(72,512)	(72,512)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	\$ -	\$ -

CITY OF CONCORD, NORTH CAROLINA

Statement 16

SECTION 108 LOAN/BEDI GRANT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2019

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment earnings	\$ 16,429	\$ 16,429	\$ -	\$ 16,429
Restricted intergovernmental revenues	1,000,000	1,000,000	-	1,000,000
Other income	1,343,365	1,308,273	35,090	1,343,363
Total revenues	2,359,794	2,324,702	35,090	2,359,792
Expenditures				
Rehabilitation	2,676,880	2,676,879	-	2,676,879
Debt service	1,729,426	1,560,697	168,728	1,729,425
Total expenditures	4,406,306	4,237,576	168,728	4,406,304
Excess (deficiency) of revenues over expenditures	(2,046,512)	(1,912,874)	(133,638)	(2,046,512)
Other Financing Sources (Uses)				
Debt issued	1,974,000	1,974,000	-	1,974,000
Transfers In	322,108	249,596	72,512	322,108
Transfers Out	(249,596)	(249,596)	-	(249,596)
Total other financing sources (uses)	2,046,512	1,974,000	72,512	2,046,512
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	\$ -	\$ 61,126	(61,126)	\$ -
Fund Balance				
Beginning			61,126	
Ending			<u>\$ -</u>	

CITY OF CONCORD, NORTH CAROLINA

Statement 17

HOME FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2019**

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	\$ 4,203,552	\$ 938,124	\$ 645,650	\$ 1,583,774
Program income	1,012,410	816,564	57,485	874,049
Total revenues	5,215,962	1,754,688	703,135	2,457,823
Expenditures				
Administration	529,424	246,209	163,974	410,183
Rehabilitation	5,033,847	1,169,426	1,116,727	2,286,153
Total expenditures	5,563,271	1,415,635	1,280,701	2,696,336
Excess (deficiency) of revenues over expenditures	(347,309)	339,053	(577,566)	(238,513)
Other Financing Sources				
Transfers In	347,309	230,596	116,714	347,310
Total other financing sources	347,309	230,596	116,714	347,310
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 569,649	(460,852)	\$ 108,797
Fund Balance				
Beginning			569,649	
Ending			<u>\$ 108,797</u>	

CITY OF CONCORD, NORTH CAROLINA
MUNICIPAL SERVICE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2019

Statement 18

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Ad valorem taxes	\$ 91,800	\$ 92,264	\$ 88,846	\$ (3,418)
Expenditures				
Community development	91,800	92,264	89,028	3,236
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(182)</u>	<u>\$ (182)</u>
Fund Balance				
Beginning			83	
Ending			<u>\$ (99)</u>	

CITY OF CONCORD, NORTH CAROLINA
ADDITIONAL VEHICLE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2019

Statement 19

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Program income	\$ 350,000	\$ 410,000	\$ 401,342	\$ (8,658)
Investment earnings	-	1,000	3,036	2,036
Total revenues	350,000	411,000	404,378	(6,622)
Other Financing Uses				
Transfers out	(350,000)	(411,000)	(404,378)	6,622
Total other financing uses	(350,000)	(411,000)	(404,378)	6,622
Total of revenues and other financing uses	\$ -	\$ -	-	\$ -
Fund Balance				
Beginning			-	
Ending			\$ -	

CITY OF CONCORD, NORTH CAROLINA

Statement 20

PARKS AND RECREATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2019

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Contributions	\$ 562,551	\$ 55,250	\$ 157,301	\$ 212,551
Total operating revenues	562,551	55,250	157,301	212,551
Operating Expenditures				
Northwest Park	1,705,031	2,500	4,139	6,639
McEachern Greenway	1,886,147	1,565,261	50,838	1,616,099
Park Light Project	409,835	-	409,835	409,835
Future Projects	26,986	-	-	-
Burrage Rd House Renovation	778,310	529,321	233,800	763,121
Stream Restoration - McGee Park	210,000	-	585	585
Coddle Creek Greenway	113,000	6,425	17,158	23,583
Open Air Learning Center	128,787	-	-	-
Hector Henry Greenway	4,070,262	1,553,112	99,228	1,652,340
Total operating expenditures	9,328,358	3,656,619	815,583	4,472,202
Deficiency of revenues over expenditures before transfers	(8,765,807)	(3,601,369)	(658,282)	(4,259,651)
Transfers In				
Transfers in	8,765,807	6,589,020	2,176,787	8,765,807
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 2,987,651	\$ 1,518,505	\$ 4,506,156

CITY OF CONCORD, NORTH CAROLINA

Statement 21

TRANSPORTATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2019

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 7,347,308	\$ 2,499,044	\$ 617,067	\$ 3,116,111
Investment earnings	715,202	469,239	623,090	1,092,329
Program income	2,981,565	2,672,627	401,325	3,073,952
Total operating revenues	11,044,075	5,640,910	1,641,482	7,282,392
Operating Expenditures				
Dorland Ave Realignment	200,000	-	-	-
Poplar Tent/Hwy 29 CMAQ	3,721,758	424,857	1,738,611	2,163,468
Hwy 601/Hwy 3 CMAQ	1,531,405	1,285,900	5,932	1,291,832
Future Improvements	831,756	-	-	-
Derita Rd	6,117,319	2,096,159	18,242	2,114,401
Traffic Management Center	3,797,500	1,660,853	1,897,994	3,558,847
NE Subset Sidewalk Extension	905,916	32,282	238,488	270,770
Virginia St SE Segment Improvements	1,050,000	-	177	177
Brookwood Phase Design	6,114,243	491,317	-	491,317
US 29 Bridge 66 & 69	15,553	-	-	-
ITS Expansion	1,250,000	432,861	35,693	468,554
US29/Copperfield SW & Bike Pro	273,211	17,495	3,000	20,495
Concord Mills Blvd Flyover	2,043,330	-	-	-
Bruton Smith Pedestrian Improvements	1,200,000	-	-	-
Spring/Chestnut/Broad Improvements	5,000	-	3,210	3,210
US601/Flowers Store Improvements	410,000	-	-	-
Union St S Sidewalk Extension	410,000	-	267	267
Downtown Pedestrian Signal Upgrade	312,000	-	-	-
Rock Hill Church/Poplar Tent	250,000	-	-	-
Bruton Smith/Weddington Intersection	182,099	-	-	-
Downtown Signal Replacement	440,000	-	54,811	54,811
I-85 Branding	250,000	-	-	-
Streetscape	10,000	-	-	-
Infrastructure	353,978	-	177,774	177,774
Total operating expenditures	31,675,068	6,441,724	4,174,199	10,615,923
Excess (deficiency) of revenues over expenditures before transfers	(20,630,993)	(800,814)	(2,532,717)	(3,333,531)
Other Financing Sources				
Transfers In	20,630,993	18,463,993	2,167,000	20,630,993
Total other financing sources	20,630,993	18,463,993	2,167,000	20,630,993
Excess of revenues and transfers over expenditures	\$ -	\$ 17,663,179	\$ (365,717)	\$ 17,297,462

CITY OF CONCORD, NORTH CAROLINA

Statement 22

GENERAL FUND CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2019

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 220,000	\$ 23,880	\$ -	\$ 23,880
Contributions	473,531	473,531		473,531
Total operating revenues	693,531	497,411	-	497,411
Expenditures				
Contract services	881,900	51,587	39,575	91,162
Capital outlay	2,326,844	462,191	452,895	915,086
Total expenditures	3,208,744	513,778	492,470	1,006,248
Excess (deficiency) of revenues over expenditures before transfers	(2,515,213)	(16,367)	(492,470)	(508,837)
Transfer In	2,515,213	2,098,214	417,000	2,515,214
Excess of revenues and transfers over expenditures	\$ -	\$ 2,081,847	\$ (75,470)	\$ 2,006,377

Change in net position:

General Fund Capital Projects Fund

\$ (75,470)

First Concord Capital Project Fund (Statement 42)

(10,179)\$ (85,649)

CITY OF CONCORD, NORTH CAROLINA

Statement 23

FIRE AND LIFE SAFETY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2019

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Expenditures				
Operating supplies	\$ -	\$ 24,300	\$ 177,536	\$ 201,836
Capital outlay	6,385,520	976	398,878	399,854
Total operating expenditures	6,385,520	25,276	576,414	601,690
Deficiency of revenues over expenditures before transfers	(6,385,520)	(25,276)	(576,414)	(601,690)
Transfer In	6,385,520	867,957	5,678,123	6,546,080
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 842,681	\$ 5,101,709	\$ 5,944,390

CITY OF CONCORD, NORTH CAROLINA
ELECTRIC OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 24

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 83,220,000	\$ 83,220,000	\$ 84,655,034	\$ 1,435,034
Other operating revenues	1,372,000	1,103,901	1,176,558	72,657
Total operating revenues	84,592,000	84,323,901	85,831,592	1,507,691
Operating Expenditures				
Administration	3,053,731	5,857,487	5,551,940	305,547
Purchased power	52,404,144	55,634,976	43,308,998	12,325,978
Power line and plant	18,264,804	18,298,213	13,300,463	4,997,750
Total operating expenditures	73,722,679	79,790,676	62,161,401	17,629,275
Nonoperating Revenues (Expenditures)				
Capital outlay	(2,494,944)	(2,500,044)	(1,797,519)	702,525
Interest earned on investments	750,000	889,308	2,261,705	1,372,397
Debt service and capital lease payments	(2,092,810)	(2,094,955)	(2,089,349)	5,606
Appropriated Fund Balance	(2,854,056)	3,276,776	-	(3,276,776)
Gain on sale of capital assets	-	73,201	82,062	8,861
Total nonoperating expenditures	(6,691,810)	(355,714)	(1,543,101)	(1,187,387)
Income before capital contributions and transfers	4,177,511	4,177,511	22,127,090	17,949,579
Transfers In (Out)				
Transfers out	(4,177,511)	(4,177,511)	(4,177,511)	-
Excess (deficiency) of revenues over expenditures and transfers	\$ -	\$ -	17,949,579	\$ 17,949,579
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,725,059)	
Capital outlay			1,797,519	
Unfunded OPEB Expense			2,826,408	
Pension expense			(51,778)	
Health claims incurred but not reported			(3,667)	
Decrease to workers comp claims reserve			45,400	
Debt service			1,453,380	
Change in net position			\$ 19,291,782	
Change in net position:				
Electric Operating Fund			\$ 19,291,782	
Electric Projects Capital Projects Fund (Statement 25)			3,445,851	
Utility Capital Reserve Project Fund (Statement 31)			-	
			\$ 22,737,633	

CITY OF CONCORD, NORTH CAROLINA
ELECTRIC PROJECTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 25

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 1,673,000	\$ 929,884	\$ 354,307	\$ 1,284,191
Total operating revenues	<u>1,673,000</u>	<u>929,884</u>	<u>354,307</u>	<u>1,284,191</u>
Operating Expenditures				
Contract cost	1,777,473	1,251,342	458,456	1,709,798
Capital outlay	16,491,500	7,474,765	1,094,901	8,569,666
Total operating expenditures	<u>18,268,973</u>	<u>8,726,107</u>	<u>1,553,357</u>	<u>10,279,464</u>
Deficiency of revenues over expenditures before transfers	<u>(16,595,973)</u>	<u>(7,796,223)</u>	<u>(1,199,050)</u>	<u>(8,995,273)</u>
Transfer In	16,595,973	13,045,974	3,550,000	16,595,974
Excess (deficiency) of revenues and transfers over expenditures	<u>\$ -</u>	<u>\$ 5,249,751</u>	<u>2,350,950</u>	<u>\$ 7,600,701</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			1,094,901	
Change in net position			<u>\$ 3,445,851</u>	

CITY OF CONCORD, NORTH CAROLINA
WATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 26

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 23,460,000	\$ 23,460,000	\$ 23,870,461	\$ 410,461
Other operating revenues	919,080	987,199	1,072,789	85,590
Total operating revenues	24,379,080	24,447,199	24,943,250	496,051
Operating Expenditures				
Repairs and maintenance	2,106,445	2,106,445	989,254	1,117,191
Water plants and lakes	8,717,638	8,849,625	7,576,751	1,272,874
Water line operation and maintenance	7,661,347	7,672,132	6,625,834	1,046,298
Total operating expenditures	18,485,430	18,628,202	15,191,839	3,436,363
Nonoperating Revenues (Expenditures)				
Interest earned on investments	300,000	400,000	1,480,181	1,080,181
Capital outlay	(996,481)	(1,040,081)	(284,420)	755,661
Debt service	(3,016,605)	(3,025,885)	(3,017,982)	7,903
Gain on sale of capital assets	-	27,533	27,533	-
Appropriated Fund Balance	5,124,253	5,124,253	-	(5,124,253)
Total nonoperating expenditures	1,411,167	1,485,820	(1,794,688)	(3,280,508)
Income before capital contributions and transfers	7,304,817	7,304,817	7,956,723	651,906
Transfers In (Out)				
To Project Fund	(7,304,817)	(7,304,817)	(7,304,817)	-
Capital Contributions	-	-	1,415,750	1,415,750
Excess of revenues, capital contributions over expenditures	\$ -	\$ -	2,067,656	\$ 2,067,656
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(4,302,028)	
Unfunded OPEB Expense			(59,106)	
Pension expense			(29,925)	
Health claims incurred but not reported			(883)	
Increase to workers comp claims reserve			26,125	
Capital outlay			284,420	
Debt service			2,022,045	
Change in net position			\$ 8,304	
Change in net position:				
Water Operating Fund			\$ 8,304	
2008 Revenue Bonds Capital Project Fund (Statement 27)			(50,488)	
Water Projects Capital Project Fund (Statement 28)			8,952,538	
			\$ 8,910,354	

CITY OF CONCORD, NORTH CAROLINA

Statement 27

2008 REVENUE BONDS CAPITAL PROJECT FUND - WATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

From Inception and for the Year Ended June 30, 2019

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Other Financing Sources				
Issuance of bonds	\$ 50,489	\$ 50,488	\$ -	\$ 50,488
	50,489	50,488	-	50,488
Transfers Out	50,489	-	50,488	50,488
Excess of other financing sources over transfers out	\$ -	\$ 50,488	(50,488)	\$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ (50,488)	

CITY OF CONCORD, NORTH CAROLINA
WATER PROJECTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 28

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Other income	\$ -	\$ 2,495,571	\$ 1,607,108	\$ 4,102,679
Total operating revenues	-	2,495,571	1,607,108	4,102,679
Operating Expenditures				
Contract cost	-	2,268,087	4,058	2,272,145
Capital outlay	31,925,315	4,930,752	1,097,506	6,028,258
Total operating expenditures	31,925,315	7,198,839	1,101,564	8,300,403
Deficiency of revenues over expenditures before transfers	(31,925,315)	(4,703,268)	505,544	(4,197,724)
Transfer In	31,925,315	22,857,504	7,349,488	30,206,992
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 18,154,236	7,855,032	\$ 26,009,268
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			1,097,506	
Change in net position			\$ 8,952,538	

CITY OF CONCORD, NORTH CAROLINA
WASTEWATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 29

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 17,300,000	\$ 17,300,000	\$ 17,007,718	\$ (292,282)
Other operating revenues	233,000	493,573	476,162	(17,411)
Total operating revenues	17,533,000	17,793,573	17,483,880	(309,693)
Operating Expenditures				
Repairs and maintenance	623,653	623,653	281,893	341,760
Wastewater line and plant	12,396,192	12,375,505	12,777,458	(401,953)
Total operating expenditures	13,019,845	12,999,158	13,059,351	(60,193)
Nonoperating Revenues (Expenditures)				
Interest earned on investments	200,000	270,055	785,768	515,713
Capital outlay	(1,739,855)	(2,091,170)	(711,287)	1,379,883
Debt service	(2,360,920)	(2,360,920)	(2,342,206)	18,714
Gain (loss) on sale of capital assets	-	-	(37,476)	(37,476)
Appropriated Fund Balance	40,736	40,736	-	(40,736)
Total nonoperating expenditures	(3,860,039)	(4,141,299)	(2,305,201)	1,836,098
Income before capital contributions and transfers in	653,116	653,116	2,119,328	1,466,212
Capital Contributions	-	-	4,845,186	4,845,186
Transfers In (Out)				
Transfers out	(653,116)	(653,116)	(653,116)	-
Excess of revenues and operating transfers over expenditures	\$ -	\$ -	6,311,398	\$ 6,311,398
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(3,587,989)	
Capital outlay			711,287	
Unfunded OPEB Expense			(30,503)	
Pension expense			(21,883)	
Health claims incurred but not reported			(1,594)	
Decrease to workers comp claims reserve			355	
Debt service			1,856,888	
Change in net position			\$ 5,237,959	
Change in net position:				
Wastewater Operating Fund			\$ 5,237,959	
Wastewater Projects Capital Project Fund (Statement 30)			1,776,503	
			\$ 7,014,462	

CITY OF CONCORD, NORTH CAROLINA
WASTEWATER PROJECTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 30

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Other income	\$ -	\$ 1,533,353	\$ 1,126,503	\$ 2,659,856
Total operating revenues	-	1,533,353	1,126,503	2,659,856
Operating Expenditures				
Capital outlay	3,309,968	-	-	-
Total operating expenditures	3,309,968	-	-	-
Excess (deficiency) of revenues over expenditures before transfers	(3,309,968)	1,533,353	1,126,503	2,659,856
Transfer In	3,309,968	2,659,968	650,000	3,309,968
Excess of revenues and transfers over expenditures	\$ -	\$ 4,193,321	1,776,503	\$ 5,969,824
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ 1,776,503	

CITY OF CONCORD, NORTH CAROLINA
UTILITY CAPITAL RESERVE PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2019

Statement 31

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Expenditures				
Capital outlay	\$ 12,341,948	\$ -	\$ -	\$ -
Other Financing Sources				
Transfers In	12,341,948	12,341,948	-	12,341,948
Excess of other financing sources over expenditures	<u>\$ -</u>	<u>\$ 12,341,948</u>	<u>-</u>	<u>\$ 12,341,948</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			<u><u>\$ -</u></u>	
The change in net position is allocated as follows:				
Electric Operating Fund			<u><u>\$ -</u></u>	

CITY OF CONCORD, NORTH CAROLINA
REGIONAL AIRPORT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 32

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 9,992,400	\$ 10,447,373	\$ 10,485,145	\$ 37,772
Other operating revenues	113,985	119,530	157,313	37,783
Total operating revenues	10,106,385	10,566,903	10,642,458	75,555
Operating Expenditures				
Airport operation and maintenance	8,957,202	9,886,161	9,596,879	289,282
Total operating expenditures	8,957,202	9,886,161	9,596,879	289,282
Nonoperating Revenues (Expenditures)				
Interest earned on investments	100,000	100,000	250,948	150,948
Capital outlay	(707,934)	(2,353,325)	(1,513,199)	840,126
Debt service	(1,270,335)	(1,270,335)	(1,270,335)	-
Miscellaneous revenues	-	63,784	90,995	27,211
Appropriation to Fund Balance	283,302	2,496,711	-	(2,496,711)
Total nonoperating expenditures	(1,594,967)	(963,165)	(2,441,591)	(1,478,426)
Income (loss) before capital contributions and transfers	(445,784)	(282,423)	(1,396,012)	(1,113,589)
Capital Contributions	-	516,901	694,119	177,218
Transfers In (Out)				
Transfers in	663,540	763,540	763,540	-
Transfers out	(217,756)	(998,018)	(998,018)	-
Excess of revenues and operating transfers over expenditures	\$ -	\$ -	(936,371)	\$ (936,371)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(2,924,766)	
Capital outlay			1,513,199	
Unfunded OPEB Expense			(40,116)	
Pension expense			(28,019)	
Health claims incurred but not reported			(1,962)	
Increase to workers comp claims reserve			986	
Debt service			1,009,572	
Change in net position			\$ (1,407,477)	
Change in net position:				
Regional Airport Operating Fund			\$ (1,407,477)	
Airport Capital Project Fund (Statement 33)			5,338,665	
First Concord Capital Project Fund (Statement 42)			(210,329)	
			\$ 3,720,859	

CITY OF CONCORD, NORTH CAROLINA
AIRPORT CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 33

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 20,153,504	\$ 10,414,707	\$ 4,558,403	\$ 14,973,110
Investment earnings	4,486	4,486	-	4,486
Total operating revenues	20,157,990	10,419,193	4,558,403	14,977,596
Operating Expenditures				
Contract services	-	21,950	-	21,950
Capital outlay	27,449,032	17,987,959	4,551,927	22,539,886
Total operating expenditures	27,449,032	18,009,909	4,551,927	22,561,836
Deficiency of revenues over expenditures before transfers	(7,291,042)	(7,590,716)	6,476	(7,584,240)
Other Financing Sources				
Issuance of debt	5,759,000	5,759,000	-	5,759,000
Transfer In	1,532,042	750,984	780,262	1,531,246
Total other financing sources	7,291,042	6,509,984	780,262	7,290,246
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ (1,080,732)	786,738	\$ (293,994)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			4,551,927	
Change in net position			\$ 5,338,665	

CITY OF CONCORD, NORTH CAROLINA
STORMWATER OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 34

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 4,996,800	\$ 5,035,300	\$ 5,048,871	\$ 13,571
Other operating revenues	33,000	28,500	29,543	1,043
Total operating revenues	5,029,800	5,063,800	5,078,414	14,614
Operating Expenditures				
Stormwater operation and maintenance	2,812,896	2,875,179	2,525,582	349,597
Total operating expenditures	2,812,896	2,875,179	2,525,582	349,597
Nonoperating Revenues (Expenditures)				
Capital outlay	(221,000)	(221,000)	(215,556)	5,444
Interest earned on investments	65,000	75,585	344,699	269,114
Gain on sale of capital assets	-	19,471	19,471	-
Appropriated Fund Balance	1,174	(599)	-	599
Total nonoperating expenditures	(154,826)	(126,543)	148,614	275,157
Income before capital contributions and transfers	2,062,078	2,062,078	2,701,446	639,368
Transfers Out				
To Project Fund	(2,062,078)	(2,062,078)	(2,062,078)	-
Excess of revenues over expenditures and transfers out	\$ -	\$ -	639,368	\$ 639,368
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			(1,808,782)	
Unfunded OPEB Expense			(19,487)	
Pension expense			(11,329)	
Health claims incurred but not reported			(550)	
Capital outlay			215,556	
Change in net position			\$ (985,224)	
Change in net position:				
Stormwater Operating Fund			\$ (985,224)	
Stormwater Capital Project Fund (Statement 35)			2,058,173	
			\$ 1,072,949	

CITY OF CONCORD, NORTH CAROLINA
STORMWATER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 35

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	\$ 140,000	\$ 140,000	\$ -	\$ 140,000
Total operating revenues	140,000	140,000	-	140,000
Operating Expenditures				
Contract cost	138,477	37,030	1,827	38,857
Capital outlay	7,926,785	2,651,519	2,376,135	5,027,654
Total operating expenditures	8,065,262	2,688,549	2,377,962	5,066,511
Deficiency of revenues over expenditures before transfers	(7,925,262)	(2,548,549)	(2,377,962)	(4,926,511)
Transfer In	7,925,262	5,865,262	2,060,000	7,925,262
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ 3,316,713	(317,962)	\$ 2,998,751
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			2,376,135	
Change in net position			\$ 2,058,173	

CITY OF CONCORD, NORTH CAROLINA
GOLF COURSE OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 36

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 1,113,382	\$ 1,113,382	\$ 1,114,830	\$ 1,448
Other operating revenues	681,473	686,973	676,996	(9,977)
Total operating revenues	1,794,855	1,800,355	1,791,826	(8,529)
Operating Expenditures				
Professional services	911,640	911,640	868,103	43,537
Other operating costs	861,177	861,177	784,900	76,277
Total operating expenditures	1,772,817	1,772,817	1,653,003	119,814
Nonoperating Revenues (Expenditures)				
Gain on sale of capital assets	-	-	12,278	12,278
Capital outlay	(31,112)	(52,787)	(42,554)	10,233
Appropriated Fund Balance	(17,306)	(17,306)	-	17,306
Total nonoperating revenues	(48,418)	(70,093)	(30,276)	39,817
Income before transfers	(26,380)	(42,555)	108,547	151,102
Transfers in (out)				
Transfers in	967,273	983,448	832,346	(151,102)
Among golf course funds	(940,893)	(940,893)	(940,893)	-
Excess of revenues over expenditures and transfers in (out)	\$ -	\$ -	-	\$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			42,554	
Depreciation			(85,820)	
Change in net position			\$ (43,266)	
Change in net position:				
Golf Course Operating Fund			\$ (43,266)	
Golf Capital Project Fund (Statement 37)			39,950	
First Concord Capital Project Fund (Statement 42)			926,489	
			\$ 923,173	

CITY OF CONCORD, NORTH CAROLINA
GOLF CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 37

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Expenditures				
Contract services	\$ 82,700	\$ -	\$ 42,750	\$ 42,750
Capital outlay	305,185	304,737	-	304,737
Total operating expenditures	387,885	304,737	42,750	347,487
Deficiency of revenues over expenditures before transfers	(387,885)	(304,737)	(42,750)	(347,487)
Transfer In	387,885	305,186	82,700	387,886
Excess of revenues and transfers over expenditures	\$ -	\$ 449	39,950	\$ 40,399
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ 39,950	

CITY OF CONCORD, NORTH CAROLINA
HOUSING DEPARTMENT OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 38

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for services	\$ 303,147	\$ 386,261	\$ 467,076	\$ 80,815
Total operating revenues	303,147	386,261	467,076	80,815
Operating Expenditures				
Administrative	630,481	690,813	712,461	(21,648)
Utilities	255,000	255,000	242,836	12,164
Housing maintenance and repairs	404,919	472,533	391,053	81,480
Total operating expenditures	1,290,400	1,418,346	1,346,350	71,996
Nonoperating Revenues (Expenditures)				
Operating subsidy	866,959	911,791	972,246	60,455
Interest earned on investments	2,000	2,000	27,929	25,929
Miscellaneous	97,983	123,594	88,301	(35,293)
Capital outlay	-	(25,611)	-	25,611
Appropriated Fund Balance	20,311	20,311	-	(20,311)
Total nonoperating revenues	987,253	1,032,085	1,088,476	56,391
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	209,202	\$ 209,202
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			(10,983)	
Pension expense			(3,450)	
Health claims incurred but not reported			209	
Increase to workers comp claims reserve			(6,277)	
Depreciation			(517,406)	
Change in net position			\$ (328,705)	
Change in net position:				
Housing Department Operating Fund			\$ (328,705)	
Housing Capital Project Fund (Statement 39)			-	
			\$ (328,705)	

CITY OF CONCORD, NORTH CAROLINA
HOUSING CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 39

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Expenditures				
Administrative	\$ 543,268	\$ 39,912	\$ 152,952	\$ 192,864
Capital outlay	48,846	48,846	-	48,846
Total expenditures	592,114	88,758	152,952	241,710
Other Financing Sources				
Federal grants	592,114	88,758	152,952	241,710
Excess (deficiency) of other financing sources over expenditures	\$ -	\$ -	-	\$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			\$ -	

CITY OF CONCORD, NORTH CAROLINA
TRANSIT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 40

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Operating Revenues				
Charges for services	\$ 918,699	\$ 676,295	\$ 323,693	\$ 999,988
Total operating revenues	918,699	676,295	323,693	999,988
Operating Expenditures				
Administrative	1,310,025	783,614	514,002	1,297,616
Professional services	9,473,482	5,957,393	3,418,744	9,376,137
Operating supplies	2,573,037	780,380	426,584	1,206,964
Miscellaneous	-	6,510	(21)	6,489
Total operating expenditures	13,356,544	7,527,897	4,359,309	11,887,206
Nonoperating Revenues (Expenditures)				
Operating subsidy	11,200,607	2,519,098	4,857,868	7,376,966
Gain on sale of capital assets	15,577	15,577	9,759	25,336
Capital outlay	(1,922,590)	(1,782,678)	-	(1,782,678)
Excess (deficiency) of revenues over expenditures before transfers	(3,144,251)	(6,099,605)	832,011	(5,267,594)
Transfer In	3,144,251	2,285,462	1,088,225	3,373,687
Excess (deficiency) of revenues and transfers over expenditures	\$ -	\$ (3,814,143)	1,920,236	\$ (1,893,907)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			(1,115,478)	
Unfunded OPEB Expense			(7,665)	
Pension expense			(8,968)	
Health claims incurred but not reported			(1,014)	
Change in net position			\$ 787,111	

CITY OF CONCORD, NORTH CAROLINA
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2019

Statement 41
Page 1 of 2

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	\$ 2,592,054	\$ 2,475,275	\$ 116,779
Professional services	49,458	14,488	34,970
Other expenses	940,985	764,347	176,638
Capital outlay	352,625	268,673	83,952
Building and grounds allocation	(3,935,122)	(3,443,689)	(491,433)
	-	79,094	(79,094)
Data Services			
Salaries and benefits	104,141	106,758	(2,617)
Professional services	1,631,126	1,615,785	15,341
Other expenses	819,000	783,330	35,670
Capital outlay	517,004	242,268	274,736
Data services allocation	(3,201,969)	(2,788,131)	(413,838)
	(130,698)	(39,990)	(90,708)
Engineering			
Salaries and benefits	2,020,607	1,995,876	24,731
Professional services	23,407	866	22,541
Other expenses	268,665	197,595	71,070
Engineering allocation	(2,312,679)	(2,297,272)	(15,407)
	-	(102,935)	102,935
Billing			
Salaries and benefits	942,924	976,684	(33,760)
Professional services	94,661	98,673	(4,012)
Other expenses	433,829	411,587	22,242
Capital outlay	76,000	23,522	52,478
Billing allocation	(1,673,499)	(1,648,929)	(24,570)
	(126,085)	(138,463)	12,378
Customer Care			
Salaries and benefits	1,278,686	1,242,042	36,644
Professional services	13,912	16,624	(2,712)
Other expenses	280,829	228,734	52,095
Customer care allocation	(1,773,317)	(1,742,678)	(30,639)
	(199,890)	(255,278)	55,388

(Continued)

CITY OF CONCORD, NORTH CAROLINA
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2019

Statement 41
Page 2 of 2

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Warehouse Operations			
Salaries and benefits	\$ 404,615	\$ 408,036	\$ (3,421)
Professional services	3,205	3,203	2
Other expenses	116,225	93,137	23,088
Capital outlay	19,406	18,802	604
Warehouse allocation	(543,451)	(523,394)	(20,057)
	-	(216)	216
Utilities Collection			
Salaries and benefits	265,991	252,855	13,136
Professional services	81,039	81,796	(757)
Other expenses	99,074	91,244	7,830
Utilities collection allocation	(473,781)	(466,578)	(7,203)
	(27,677)	(40,683)	13,006
Total operating expenditures	(484,350)	(498,471)	14,121
Transfers out	(484,350)	(484,350)	-
Deficiency of revenues over expenditures	<u>\$ -</u>	<u>14,121</u>	<u>\$ 14,121</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		(375,281)	
Unfunded OPEB Expense		(124,731)	
Pension expense		(105,646)	
Increase to health claims incurred but not reported		(9,377)	
Decrease to workers comp claims reserve		47,649	
Capital outlay		553,265	
Change in net position		<u>\$ -</u>	
Change in net position:			
Internal Service Fund		\$ -	
First Concord Capital Project Fund (Statement 42)		134,268	
		<u>\$ 134,268</u>	

CITY OF CONCORD, NORTH CAROLINA
FIRST CONCORD CAPITAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2019

Statement 42

	Total Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues				
Investment earnings	\$ 25,861	\$ 23,374	\$ 8,456	\$ 31,830
Gain on sale of capital assets	-	8,327	3,062	11,389
Total revenue	25,861	31,701	11,518	43,219
Expenditures				
Debt service	24,204,673	19,933,904	4,364,199	24,298,103
Cost of issuance	563,201	548,896	-	548,896
Contract services	-	-	26,065	26,065
Capital outlay:				
Plaza	2,151,541	-	-	-
Total expenditures	26,919,415	20,482,800	4,390,264	24,873,064
Deficiency of revenues over expenditures	(26,893,554)	(20,451,099)	(4,378,746)	(24,829,845)
Other Financing Sources (Uses)				
Transfers in	26,206,346	21,817,340	4,374,474	26,191,814
Issuance of refunding bonds	9,235,000	9,235,000	-	9,235,000
Premium on refunding bonds	508,201	508,200	-	508,200
Payment to refunded bonds escrow agent	(9,180,000)	(9,180,000)	-	(9,180,000)
Issuance of bonds	124,007	124,007	-	124,007
Total other financing sources	26,893,554	22,504,547	4,374,474	26,879,021
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 2,053,448	(4,272)	\$ 2,049,176
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Debt service principal payments			3,130,000	
Depreciation and amortization			(2,652,054)	
Change in net position			\$ 473,674	
The change in First Concord net position is allocated as follows:				
General Fund Capital Projects Fund			(10,179)	
Governmental activities			(366,575)	
Internal Service Fund			134,268	
Golf Course Fund			926,489	
Regional Airport Fund			(210,329)	
			\$ 473,674	

CITY OF CONCORD, NORTH CAROLINA**Statement 43****AGENCY FUNDS****STATEMENT OF CHANGES IN ASSETS AND LIABILITIES****For the Year Ended June 30, 2019**

	Balance July 1, 2018	Addition	Deduction	Balance June 30, 2019
Employee's Insurance Fund:				
Assets:				
Cash	\$ 4,706,597	\$ 10,717,497	\$ 11,411,126	\$ 4,012,968
Liabilities:				
Agency payable	\$ 4,706,597	\$ 10,717,497	\$ 11,411,126	\$ 4,012,968
Total agency funds:				
Assets:				
Cash	\$ 4,706,597	\$ 10,717,497	\$ 11,411,126	\$ 4,012,968
Liabilities:				
Agency payable	\$ 4,706,597	\$ 10,717,497	\$ 11,411,126	\$ 4,012,968

This page is intentionally blank.

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2019
2018-2019	\$ -	\$ 55,614,536	\$ 54,719,919	\$ 894,617
2017-2018	624,684	-	223,286	401,398
2016-2017	136,112	-	77,407	58,705
2015-2016	123,050	-	56,539	66,511
2014-2015	94,524	-	27,948	66,576
2013-2014	65,032	-	21,897	43,135
2012-2013	121,047	-	15,575	105,472
2011-2012	89,485	-	13,897	75,588
2010-2011	51,062	-	8,461	42,601
2009-2010	70,498	-	5,004	65,494
2008-2009	76,597	-	76,597	-
	<u>\$ 1,452,091</u>	<u>\$ 55,614,536</u>	<u>\$ 55,246,530</u>	<u>1,820,097</u>
Less allowance for uncollectible ad valorem taxes receivable				<u>455,024</u>
Ad valorem taxes receivable				<u><u>\$ 1,365,073</u></u>

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	\$ 55,152,182	\$ 88,631	
Releases of prior years' taxes	-	-	
Taxes written off	99,834	10	
Total collections and credits	<u>\$ 55,252,016</u>	<u>\$ 88,641</u>	\$ 55,340,657
Interest billed and collected during the year			200,971
Releases of prior years' taxes			-
Taxes written off			(99,844)
Total Ad valorem taxes			<u><u>\$ 55,441,784</u></u>

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2019

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy	
				Property	Registered Motor Vehicles
Original levy:					
City wide	\$ 10,390,640,833	0.48	\$ 49,875,076	\$ 49,875,076	\$ -
Municipal Service District	37,130,261	0.23	85,400	85,400	-
Current year's rate, Motor vehicles	936,665,000	0.48	4,495,992	-	4,495,992
Discoveries/additional listings:					
Current year taxes, City wide	259,697,002	0.48	1,246,546	1,246,546	-
Current year taxes, MSD	1,544,935	0.23	3,553	3,553	-
Current year's rate, Motor vehicles	477,621	0.48	2,293	-	2,293
Abatements:					
Current year's rate, City wide	(19,504,892)	0.48	(93,623)	(93,623)	-
Current year's rate, MSD	(198,865)	0.23	(457)	(457)	-
Current year's rate, Motor vehicles	(50,729)	0.48	(244)	-	(244)
Total for year	\$ 11,606,401,166		55,614,536	51,116,495	4,498,041
Less uncollected tax at June 30, 2019			894,617	894,173	444
Current year's taxes collected			\$ 54,719,919	\$ 50,222,322	\$ 4,497,597
Current levy collection percentage			98.39%	98.25%	99.99%
Distribution of levy:					
General Fund			\$ 55,526,040		
Municipal Service District			88,496		
			\$ 55,614,536		

SCHEDULE OF CASH AND INVESTMENT BALANCES**June 30, 2019**

	Reported Value	Fair Value
Cash		
On hand	\$ 13,639	\$ 13,639
Demand deposits	22,245,912	22,245,912
Certificates of deposit	500,000	500,000
Total cash	22,759,551	22,759,551
Investments		
North Carolina Capital Management Trust	22,363,860	22,363,860
US Treasury	1,080,292	1,080,292
Federal Farm Credit	38,209,706	38,209,706
FNMA Discount Notes	51,376,830	51,376,830
Federal Home Loan	64,914,182	64,914,182
Federal Home Loan Mortgage Corporation	77,141,835	77,141,835
Commercial Paper	51,176,235	51,582,126
Total investments	306,262,940	306,668,831
Total cash and investments	\$ 329,022,491	\$ 329,428,382
Distribution by Fund		
General Fund:		
Unrestricted	\$ 61,048,940	
Restricted	7,960,323	\$ 69,009,263
Special Revenue Funds (Unrestricted):		
Housing Assistance Fund		52,011
Market Rate Units Fund		62,604
Community Development Fund		-
Section 108 Loan/BEDI Grant Fund		-
Home Fund		-
Municipal Service District		-
Capital Project Funds:		
Parks (Unrestricted)		4,602,277
Transportation (Unrestricted)		18,284,268
General Fund Capital Project Fund:		
Unrestricted	780,263	
Restricted	632,502	1,412,765
General Fund Capital Reserve Project Fund (Restricted)		32,524,194
Fire and Life Safety (Unrestricted)		5,944,390

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2019

Distribution by Fund (Continued)

Enterprise Funds:

Electric Fund:

Unrestricted

\$ 79,541,337

Restricted

3,434,228

\$ 82,975,565

Water Fund:

Unrestricted

62,019,656

Restricted

1,954,779

63,974,435

Wastewater Fund:

Unrestricted

25,469,378

Restricted

1,966,751

27,436,129

Regional Airport Fund:

Unrestricted

2,376,209

Restricted

105,616

2,481,825

Stormwater Fund (Unrestricted)

12,479,756

Golf Course Fund (Unrestricted)

147,227

Housing Department Fund:

Unrestricted

916,031

Restricted

39,112

955,143

Internal Service Fund:

Unrestricted

2,376,891

Restricted

290,780

2,667,671

Agency Fund

4,012,968**Total reported value**\$ 329,022,491

CITY OF CONCORD, NORTH CAROLINA
SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2019

Schedule 4
Page 1 of 2

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
Assets:						
Current Assets:						
Cash:						
111	Cash - unrestricted	\$ 849,530	\$ -	\$ -	\$ -	\$ -
113	Cash - other restricted	47,247	-	22,385	-	-
114	Cash - tenant security deposits	39,112	-	-	-	-
115	Cash - restricted for payment of current liabilities	19,493	-	29,555	-	-
100	Total cash	955,382	-	51,940	-	-
Accounts and notes receivable:						
121	Accounts receivable - PHA projects	-	-	15,367	-	-
122	Accounts receivable - HUD other projects	-	-	54,089	-	-
125	Accounts receivable - miscellaneous	15	-	-	-	-
126	Accounts receivable - tenants - dwelling units	8,922	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(3,212)	-	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-	-
128	Fraud recovery	3,646	-	2,847	-	-
128.1	Allowance for doubtful accounts - other	(911)	-	(712)	-	-
129	Accrued interest receivable	4,540	-	256	-	-
120	Total receivables	13,000	-	71,847	-	-
142	Prepaid expenses and other assets	1,241	-	416	-	-
143	Inventories	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-
150	Total current assets	969,623	-	124,203	-	-
Noncurrent Assets:						
161	Land	577,382	-	-	-	-
162	Buildings	2,783,495	-	-	-	-
164	Furniture, equipment, machinery - administration	117,403	-	-	-	-
165	Leasehold improvements	25,391	-	-	-	-
166	Accumulated depreciation	(2,100,111)	-	-	-	-
167	Construction in progress	-	-	-	-	-
180	Total non-current assets	1,403,560	-	-	-	-
190	Total Assets	2,373,183	-	124,203	-	-
200	Deferred Outflow of Resources	210,108	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	\$ 2,583,291	\$ -	\$ 124,203	\$ -	\$ -
Liabilities and Equity:						
Liabilities:						
Current Liabilities:						
312	Accounts payable (less than or equal to 90 days)	\$ 53,480	\$ -	\$ 16,481	\$ -	\$ -
321	Accrued wage/payroll taxes payable	14,674	-	10,881	-	-
322	Accrued compensated absences	34,494	-	4,849	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-
341	Tenant security deposits	39,112	-	-	-	-
342	Unearned revenue	-	-	-	-	-
343	Current portion of long-term debt - capital projects/mortgage rev bonds	-	-	-	-	-
345	Other current liabilities	19,493	-	29,555	-	-
346	Accrued liability - other	14,121	-	-	-	-
310	Total current liabilities	175,374	-	61,766	-	-
Non-current Liabilities:						
351	Long-term debt, net of current - capital projects/mortgage revenue	-	-	-	-	-
353	Non-current liabilities - other	47,247	-	66,873	-	-
354	Accrued compensated absences - non current	12,758	-	1,793	-	-
357	Accrued pension and OPEB liabilities	843,356	-	-	-	-
350	Total non-current liabilities	903,361	-	68,666	-	-
300	Total liabilities	1,078,735	-	130,432	-	-
400	Deferred Inflow of Resources	74,899	-	-	-	-
Equity:						
Contributed Capital:						
508.1	Net investment in capital assets	1,403,560	-	-	-	-
511.1	Restricted net position	-	-	-	-	-
512.1	Unrestricted net position	26,097	-	(6,229)	-	-
513	Total equity	1,429,657	-	(6,229)	-	-
600	Total liabilities, deferred inflows of resources and equity	\$ 2,583,291	\$ -	\$ 124,203	\$ -	\$ -

(Continued)

CITY OF CONCORD, NORTH CAROLINA
SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2019

Schedule 4
Page 2 of 2

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
Revenues:						
70300	Net tenant rental revenue	\$ 467,076	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	80,325	-	-	-	-
70600	HUD PHA operating grants	847,643	86,978	4,004,528	152,952	37,624
70610	Capital grants	-	-	-	-	-
71100	Investment income - unrestricted	16,972	-	627	-	-
71400	Fraud recovery	-	-	9,867	-	-
71500	Other income	25,612	-	872,053	-	-
71600	Gain or loss on sale of capital assets	21,352	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-
70000	Total revenues	1,458,980	86,978	4,887,075	152,952	37,624
Expenses:						
Administrative:						
91100	Administrative salaries	196,058	-	203,815	-	-
91200	Auditing fees	1,609	-	2,270	-	-
91500	Employee benefit contributions	101,541	-	53,573	-	-
91600	Office expenses	66,102	16,936	32,932	-	-
91800	Travel	3,499	42	3,303	-	-
91900	Other	16,599	-	17,887	-	-
92100	Tenant services - salaries	28,618	-	-	-	24,288
92300	Tenant services - employee benefit contributions	13,003	-	-	-	11,337
92400	Tenant services - other	39,636	70,000	-	-	-
93100	Water	38,342	-	-	-	-
93200	Electricity	88,930	-	-	-	-
93300	Gas	65,028	-	-	-	-
93600	Sewer	39,415	-	-	-	-
93800	Other utility expense	11,122	-	-	-	-
94100	Ordinary maintenance and operations - labor	72,532	-	26,689	-	-
94200	Ordinary maintenance and operations - materials and other	166,783	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	257,801	-	-	-	-
94500	Ordinary maintenance and operations - employee benefit contributions	45,642	-	16,663	-	-
96100	Insurance premiums	18,861	-	1,793	-	-
96200	Other general expense	38,592	-	6,713	-	-
96210	Compensated absences	16,691	-	4,266	-	1,999
96400	Bad debt - tenant rents	4,027	-	-	-	-
96600	Bad debt - other	232	-	(602)	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96900	Total operating expenses	1,330,663	86,978	369,302	-	37,624
97000	Excess of operating revenues over expenditures	128,317	-	4,517,773	152,952	-
97100	Extraordinary maintenance	64,993	-	-	-	-
97300	Housing assistance payments	-	-	3,702,269	-	-
97350	HAP portability-in	-	-	824,788	-	-
97400	Depreciation expense	99,658	-	-	-	-
90000	Total expenses	1,495,314	86,978	4,896,359	-	37,624
10010	Operating transfer in	152,952	-	-	-	-
10020	Operating transfer out	-	-	-	(152,952)	-
10030	Operating transfers from/to primary government	-	-	9,000	-	-
10000	Excess of revenue over expenses	116,618	-	(284)	-	-
11030	Beginning equity	1,313,039	-	(5,945)	-	-
11040	Prior period adjustments, equity transfers & correction of errors	-	-	-	-	-
	Ending equity	\$ 1,429,657	\$ -	\$ (6,229)	\$ -	\$ -
Memo information:						
11170	Administrative fee equity	-	-	(6,229)	-	-
11180	Housing assistance payments equity	-	-	-	-	-
11190	Unit months available	2,032	-	6,492	-	-
11210	Number of unit months leased	1,960	-	5,634	-	-
11270	Excess cash	635,788	-	-	-	-
11620	Building purchases	-	-	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-
11650	Leasehold improvement purchases	-	-	-	-	-

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS
June 30, 2019

	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Electric Fund					
Capital assets, not being depreciated:					
Land	\$ 1,172,514	\$ -	\$ -	\$ -	\$ 1,172,514
Construction in progress	9,890,006	1,524,426	1,610,220	-	9,804,212
Total capital assets, not being depreciated	11,062,520	1,524,426	1,610,220	-	10,976,726
Capital assets, being depreciated:					
Buildings	5,620,676	-	-	-	5,620,676
Improvements other than buildings	123,395,335	1,737,851	-	-	125,133,186
Machinery and equipment	10,577,010	1,240,363	339,513	(220,150)	11,257,710
Total capital assets, being depreciated	139,593,021	2,978,214	339,513	(220,150)	142,011,572
Accumulated depreciation:					
Buildings	2,696,226	136,113	-	-	2,832,339
Improvements other than buildings	73,365,992	3,604,922	-	-	76,970,914
Machinery and equipment	7,667,180	1,019,742	339,513	(168,630)	8,178,779
Total accumulated depreciation	83,729,398	4,760,777	339,513	(168,630)	87,982,032
Total capital assets, being depreciated, net	55,863,623	(1,782,563)	-	(51,520)	54,029,540
Electric Fund capital assets, net	\$ 66,926,143	\$ (258,137)	\$ 1,610,220	\$ (51,520)	\$ 65,006,266
Water Fund					
Capital assets, not being depreciated:					
Land	\$ 1,083,514	\$ -	\$ -	\$ -	\$ 1,083,514
Construction in progress	7,797,376	1,097,506	318,281	-	8,576,601
Total capital assets, not being depreciated	8,880,890	1,097,506	318,281	-	9,660,115
Capital assets, being depreciated:					
Buildings	15,259,995	-	-	-	15,259,995
Improvements other than buildings	138,347,887	1,734,031	-	-	140,081,918
Machinery and equipment	3,352,462	284,420	112,738	-	3,524,144
Total capital assets, being depreciated	156,960,344	2,018,451	112,738	-	158,866,057
Accumulated depreciation:					
Buildings	5,805,780	501,812	-	-	6,307,592
Improvements other than buildings	63,054,668	3,613,995	-	-	66,668,663
Machinery and equipment	2,442,807	265,481	112,738	-	2,595,550
Total accumulated depreciation	71,303,255	4,381,288	112,738	-	75,571,805
Total capital assets, being depreciated, net	85,657,089	(2,362,837)	-	-	83,294,252
Water Fund capital assets, net	\$ 94,537,979	\$ (1,265,331)	\$ 318,281	\$ -	\$ 92,954,367

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2019

	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Wastewater Fund					
Capital assets, not being depreciated:					
Land	\$ 1,065,402	\$ -	\$ -	\$ -	\$ 1,065,402
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	1,065,402	-	-	-	1,065,402
Capital assets, being depreciated:					
Buildings	1,920,754	-	-	-	1,920,754
Improvements other than buildings	122,418,503	4,845,186	-	-	127,263,689
Machinery and equipment	3,639,789	711,287	662,614	194,820	3,883,282
Total capital assets, being depreciated	127,979,046	5,556,473	662,614	194,820	133,067,725
Accumulated depreciation:					
Buildings	822,368	48,142	-	-	870,510
Improvements other than buildings	48,180,922	3,181,381	-	-	51,362,303
Machinery and equipment	2,208,611	377,328	549,769	143,300	2,179,470
Total accumulated depreciation	51,211,901	3,606,851	549,769	143,300	54,412,283
Total capital assets, being depreciated, net	76,767,145	1,949,622	112,845	51,520	78,655,442
Wastewater Fund capital assets, net	\$ 77,832,547	\$ 1,949,622	\$ 112,845	\$ 51,520	\$ 79,720,844
Regional Airport Fund					
Capital assets, not being depreciated:					
Land	\$ 26,236,458	\$ -	\$ -	\$ -	\$ 26,236,458
Construction in progress	2,344,750	4,551,927	-	-	6,896,677
Total capital assets, not being depreciated	28,581,208	4,551,927	-	-	33,133,135
Capital assets, being depreciated:					
Buildings	38,207,861	952,942	-	-	39,160,803
Improvements other than buildings	48,185,574	-	-	-	48,185,574
Machinery and equipment	2,891,292	560,257	150,099	51,430	3,352,880
Total capital assets, being depreciated	89,284,727	1,513,199	150,099	51,430	90,699,257
Accumulated depreciation:					
Buildings	13,290,062	1,363,813	-	-	14,653,875
Improvements other than buildings	16,231,826	1,715,478	-	-	17,947,304
Machinery and equipment	2,079,063	250,494	145,992	51,430	2,234,995
Total accumulated depreciation	31,600,951	3,329,785	145,992	51,430	34,836,174
Total capital assets, being depreciated, net	57,683,776	(1,816,586)	4,107	-	55,863,083
Regional Airport Fund capital assets, net	\$ 86,264,984	\$ 2,735,341	\$ 4,107	\$ -	\$ 88,996,218

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2019

	July 1, 2018	Increases	Decreases	Transfers	June 30, 2019
Stormwater Fund					
Capital assets, not being depreciated:					
Land	\$ 114,282	\$ -	\$ -	\$ -	\$ 114,282
Construction in progress	2,344,211	2,376,135	-	-	4,720,346
Total capital assets, not being depreciated	2,458,493	2,376,135	-	-	4,834,628
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	57,551,664	-	-	-	57,551,664
Machinery and equipment	2,409,542	215,556	51,493	(35,716)	2,537,889
Total capital assets, being depreciated	60,037,715	215,556	51,493	(35,716)	60,166,062
Accumulated depreciation:					
Buildings	23,758	2,380	-	-	26,138
Improvements other than buildings	18,661,222	1,565,139	-	-	20,226,361
Machinery and equipment	1,571,257	241,263	51,493	(35,716)	1,725,311
Total accumulated depreciation	20,256,237	1,808,782	51,493	(35,716)	21,977,810
Total capital assets, being depreciated, net	39,781,478	(1,593,226)	-	-	38,188,252
Stormwater Fund capital assets, net	\$ 42,239,971	\$ 782,909	\$ -	\$ -	\$ 43,022,880
Nonmajor Enterprise Funds and Internal Service Fund					
Capital assets, not being depreciated:					
Land	\$ 11,209,318	\$ -	\$ -	\$ -	\$ 11,209,318
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	11,209,318	-	-	-	11,209,318
Capital assets, being depreciated:					
Buildings	17,710,551	-	265,830	-	17,444,721
Improvements other than buildings	1,232,274	-	-	-	1,232,274
Machinery and equipment	13,344,584	595,820	502,416	25,330	13,463,318
Total capital assets, being depreciated	32,287,409	595,820	768,246	25,330	32,140,313
Accumulated depreciation:					
Buildings	6,848,873	711,384	226,843	-	7,333,414
Improvements other than buildings	486,817	77,110	-	-	563,927
Machinery and equipment	8,549,478	1,448,531	496,512	25,330	9,526,827
Total accumulated depreciation	15,885,168	2,237,025	723,355	25,330	17,424,168
Total capital assets, being depreciated, net	16,402,241	(1,641,205)	44,891	-	14,716,145
Nonmajor Enterprise Funds capital assets, net	\$ 27,611,559	\$ (1,641,205)	\$ 44,891	\$ -	\$ 25,925,463
Business-type activities capital assets, net	\$395,413,183	\$ 2,303,199	\$ 2,090,344	\$ -	\$395,626,038

SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT**June 30, 2019**

	July 1, 2018	Increases	Decreases	June 30, 2019	Current Maturities
Electric Fund					
Revenue bonds	\$ 14,835,810	\$ -	\$ 1,453,380	\$ 13,382,430	\$ 1,483,837
Plus premium on revenue bonds	1,707,741	-	143,048	1,564,693	-
Compensated absences	415,713	415,738	365,001	466,450	340,509
Net pension liability (LGERS)	882,165	485,909	-	1,368,074	-
Net OPEB liability	3,272,986	-	2,999,070	273,916	-
Electric Fund long-term debt	\$ 21,114,415	\$ 901,647	\$ 4,960,499	\$ 17,055,563	\$ 1,824,346
Water Fund					
Revenue bonds	\$ 23,925,144	\$ -	\$ 2,022,045	\$ 21,903,099	\$ 2,068,375
Plus premium on revenue bonds	2,766,099	-	243,959	2,522,140	-
Compensated absences	276,329	274,607	300,965	249,971	182,479
Net pension liability (LGERS)	809,530	371,739	-	1,181,269	-
Net OPEB liability	3,003,497	-	85,542	2,917,955	-
Water Fund long-term debt	\$ 30,780,599	\$ 646,346	\$ 2,652,511	\$ 28,774,434	\$ 2,250,854
Wastewater Fund					
Revenue bonds	\$ 11,462,184	\$ -	\$ 1,856,888	\$ 9,605,296	\$ 1,930,126
Plus premium on revenue bonds	659,804	-	66,404	593,400	-
Compensated absences	98,440	120,503	116,734	102,209	74,612
Net pension liability (LGERS)	362,004	202,075	-	564,079	-
Net OPEB liability	1,343,098	-	40,848	1,302,250	-
Wastewater Fund long-term debt	\$ 13,925,530	\$ 322,578	\$ 2,080,874	\$ 12,167,234	\$ 2,004,738
Regional Airport Fund					
Installment purchase	\$ 10,098,127	\$ -	\$ 1,009,572	\$ 9,088,555	\$ 1,010,452
Installment notes	565,400	-	191,400	374,000	188,100
Plus premium on LOBs	33,033	-	10,164	22,869	-
Compensated absences	120,971	117,368	107,879	130,460	95,236
Net pension liability (LGERS)	482,672	264,549	-	747,221	-
Net OPEB liability	1,790,797	-	54,111	1,736,686	-
Regional Airport Fund long-term debt	\$ 13,091,000	\$ 381,917	\$ 1,373,126	\$ 12,099,791	\$ 1,293,788
Stormwater Fund					
Compensated absences	\$ 80,460	\$ 91,619	\$ 79,802	\$ 92,277	\$ 67,362
Net pension liability (LGERS)	254,223	124,882	-	379,105	-
Net OPEB liability	943,211	-	27,453	915,758	-
Stormwater Fund long-term debt	\$ 1,277,894	\$ 216,501	\$ 107,255	\$ 1,387,140	\$ 67,362
Nonmajor Enterprise Funds and Internal Service Fund					
Installment notes	\$ 8,312,475	\$ -	\$ 1,120,700	\$ 7,191,775	\$ 1,151,725
Plus premium on LOBs	613,912	-	101,097	512,815	-
Compensated absences	440,923	90,739	41,777	489,885	357,616
Net pension liability (LGERS)	1,569,857	973,991	-	2,543,848	-
Net OPEB liability	5,824,438	-	184,215	5,640,223	-
Nonmajor Enterprise Funds long-term debt	\$ 16,761,605	\$ 1,064,730	\$ 1,447,789	\$ 16,378,546	\$ 1,509,341
Business-type activities long-term debt	\$ 96,951,043	\$ 3,533,719	\$ 12,622,054	\$ 87,862,708	\$ 8,950,429

Statistical Section

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

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

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

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$285,243,071	\$280,799,254	\$268,758,293	\$260,979,309	\$279,817,761	\$303,629,133	\$299,048,429	\$312,710,029	\$317,112,060	\$316,363,203
Restricted	1,710,932	17,123,716	15,197,259	15,054,357	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959
Unrestricted	62,723,954	50,007,074	53,887,440	59,614,980	54,435,103	61,910,544	76,521,941	77,341,541	66,036,514	72,235,591
Total governmental activities net position	<u>\$349,677,957</u>	<u>\$347,930,044</u>	<u>\$337,842,992</u>	<u>\$335,648,646</u>	<u>\$356,229,851</u>	<u>\$386,753,643</u>	<u>\$392,271,004</u>	<u>\$410,541,469</u>	<u>\$407,307,337</u>	<u>\$410,898,753</u>
Business-type activities										
Net investment in capital assets	\$243,365,138	\$249,883,977	\$253,341,005	\$258,370,354	\$273,797,482	\$279,995,482	\$297,636,341	\$309,519,783	\$323,941,763	\$331,877,156
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	90,837,386	99,653,376	116,159,507	123,703,593	130,036,600	144,548,886	164,225,843	169,450,247	163,072,895	200,109,606
Total business-type activities net position	<u>\$334,202,524</u>	<u>\$349,537,353</u>	<u>\$369,500,512</u>	<u>\$382,073,947</u>	<u>\$403,834,082</u>	<u>\$424,544,368</u>	<u>\$461,862,184</u>	<u>\$478,970,030</u>	<u>\$487,014,658</u>	<u>\$531,986,762</u>
Primary government										
Net investment in capital assets	\$528,608,209	\$530,683,231	\$522,099,298	\$519,349,663	\$553,615,243	\$583,624,615	\$596,684,770	\$622,229,812	\$641,053,823	\$648,240,359
Restricted	1,710,932	17,123,716	15,197,259	15,054,357	21,976,987	21,213,966	16,700,634	20,489,899	24,158,763	22,299,959
Unrestricted	153,561,340	149,660,450	170,046,947	183,318,573	184,471,703	206,459,430	240,747,784	246,791,788	229,109,409	272,345,197
Total primary government activities net position	<u>\$683,880,481</u>	<u>\$697,467,397</u>	<u>\$707,343,504</u>	<u>\$717,722,593</u>	<u>\$760,063,933</u>	<u>\$811,298,011</u>	<u>\$854,133,188</u>	<u>\$889,511,499</u>	<u>\$894,321,995</u>	<u>\$942,885,515</u>

CHANGES IN NET POSITION

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 4,354,769	\$ 4,439,667	\$ 4,996,198	\$ 4,494,000	\$ 5,195,490	\$ 4,691,595	\$ 5,051,753	\$ 5,621,893	\$ 6,538,526	\$ 5,848,332
Public safety	33,333,315	34,818,159	35,378,939	35,643,640	36,879,444	36,851,383	37,306,072	41,296,415	43,288,505	47,728,011
Public works	33,362,313	31,612,314	28,875,757	28,865,813	29,664,081	28,327,081	29,415,487	25,685,453	26,745,618	27,955,340
Cultural & recreational	4,287,048	4,233,575	4,299,687	4,771,467	4,685,065	4,662,500	4,691,129	5,221,006	5,417,520	5,972,501
Planning & community development	2,840,033	3,096,020	5,373,310	3,854,751	3,186,781	3,037,830	3,320,039	3,092,715	3,982,622	6,687,301
Administration	656,431	784,000	856,103	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208
Housing assistance Payments	3,119,188	3,344,522	3,698,736	4,258,426	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057
Rehabilitation	553,868	1,053,446	3,227,906	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879
Interest on long-term debt	1,773,371	1,508,832	1,005,570	1,032,636	1,002,581	1,435,986	1,262,457	1,194,385	1,063,021	928,032
Total governmental activities expenses	84,280,336	84,890,535	87,712,206	84,124,904	86,497,605	85,424,223	87,961,496	88,099,316	93,399,691	102,028,661
Business-type activities:										
Electric	63,797,452	69,740,487	66,381,454	74,356,658	75,116,682	70,822,661	67,070,451	82,797,485	82,169,016	65,164,522
Water	15,550,286	15,618,503	15,377,435	15,211,584	16,135,531	18,869,903	15,925,133	19,183,773	20,409,056	20,557,651
Wastewater	13,507,142	13,802,561	13,905,343	13,668,630	14,182,892	13,947,646	15,533,505	15,298,717	15,655,669	17,186,283
Regional airport	10,023,077	11,432,960	11,908,265	11,477,819	11,766,345	10,060,171	9,190,615	10,184,555	12,391,145	13,275,915
Stormwater	3,946,044	3,729,861	3,731,359	3,744,547	3,783,127	3,664,112	4,000,529	4,088,479	4,221,722	4,367,557
Other non major business-type	5,856,696	6,349,265	6,477,130	7,052,787	7,843,103	8,003,215	7,965,726	8,354,079	8,676,065	9,325,620
Total business-type activities expenses	112,680,697	120,673,637	117,780,986	125,512,025	128,827,680	125,367,708	119,685,959	139,907,088	143,522,673	129,877,548
Total primary government expenses	\$196,961,033	\$205,564,172	\$205,493,192	\$209,636,929	\$215,325,285	\$210,791,931	\$207,647,455	\$228,006,404	\$236,922,364	\$231,906,209
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,593,175	\$ 1,527,420	\$ 1,710,506	\$ 1,724,338	\$ 2,047,645	\$ 1,816,245	\$ 979,503	\$ 956,394	\$ 1,086,129	\$ 933,132
Public safety	739,461	622,544	749,902	612,622	834,822	1,394,849	1,346,713	1,187,729	1,274,871	1,283,251
Public works	-	-	-	335,140	651,378	391,750	381,028	858,487	1,039,712	802,667
Cultural and recreational	251,425	266,110	265,249	290,561	294,687	356,987	326,091	322,636	347,960	354,241
Planning and community development	1,316,731	2,025,498	2,063,363	1,936,408	1,908,627	2,090,776	2,040,391	1,918,761	2,143,720	1,897,724
Housing assistance	4,046	3,009	-	745,975	981,520	1,197,220	749,463	483,440	726,065	871,616
Rehabilitation	654,957	660,865	396,514	395,125	614,844	503,318	582,108	76,887	549,008	103,720
Operating grants and contributions	8,039,500	8,361,322	10,099,206	8,667,106	7,707,977	7,336,269	7,174,344	8,119,897	8,574,090	8,672,753
Capital grants and contributions	4,399,871	9,750,000	3,307,835	8,533,706	31,991,743	34,238,961	11,034,946	23,173,930	12,866,794	5,889,267
Total government activities program revenues	16,999,166	23,216,768	18,592,575	23,240,981	47,033,243	49,326,375	24,614,587	37,098,161	28,608,349	20,808,371

(Continued)

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charges for services										
Electric	\$ 69,955,857	\$ 74,971,026	\$ 78,948,101	\$ 81,194,498	\$ 80,753,191	\$ 81,118,401	\$ 82,086,937	\$ 84,473,951	\$ 84,346,203	\$ 85,831,592
Water	19,272,961	19,105,584	19,856,057	19,443,009	19,829,445	21,517,196	22,941,925	24,731,261	25,524,337	26,550,358
Wastewater	13,773,878	14,384,621	14,772,364	14,683,027	15,075,545	16,167,934	17,651,022	17,166,503	18,014,586	18,610,383
Regional airport	8,092,461	9,124,603	9,809,448	9,807,609	10,272,804	8,612,280	7,663,481	8,584,741	9,891,669	10,642,458
Stormwater	3,989,017	3,730,742	3,714,155	3,778,496	3,796,150	3,896,251	3,965,529	4,035,706	4,968,205	5,078,414
Other non major business-type	1,720,911	1,943,291	1,891,193	1,909,781	2,489,490	2,344,438	2,303,380	2,561,591	2,546,260	2,582,595
Operating grants and contributions	5,178,504	4,252,712	3,148,598	3,152,858	7,764,200	3,301,773	2,084,934	3,173,637	2,870,627	5,983,066
Capital grants and contributions	8,497,858	5,026,770	1,591,427	5,488,658	9,201,434	5,895,701	13,936,032	9,330,447	9,487,054	11,513,458
Total business-type activities program revenues	130,481,447	132,539,349	133,731,343	139,457,936	149,182,259	142,853,974	152,633,240	154,057,837	157,648,941	166,792,324
Total primary government program revenue	\$147,480,613	\$155,756,117	\$152,323,918	\$162,698,917	\$196,215,502	\$192,180,349	\$177,247,827	\$191,155,998	\$186,257,290	\$187,600,695
Net (Expenses)/Revenue										
Governmental activities	\$(67,281,170)	\$(61,673,767)	\$(69,119,631)	\$(60,883,923)	\$(39,464,362)	\$(36,097,848)	\$(63,346,909)	\$(51,001,155)	\$(64,791,342)	\$(81,220,290)
Business-type activities	17,800,750	11,865,712	15,950,357	13,945,911	20,354,579	17,486,266	32,947,281	14,150,749	14,126,268	36,914,776
Total primary government net expense	\$(49,480,420)	\$(49,808,055)	\$(53,169,274)	\$(46,938,012)	\$(19,109,783)	\$(18,611,582)	\$(30,399,628)	\$(36,850,406)	\$(50,665,074)	\$(44,305,514)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Ad Valorem taxes	\$ 45,363,018	\$ 44,236,917	\$ 43,163,621	\$ 43,549,135	\$ 46,423,570	\$ 46,125,496	\$ 47,573,304	\$ 50,896,652	\$ 54,088,843	\$ 55,717,789
Other taxes	12,567,428	12,226,782	13,366,521	14,046,489	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719
Operating grants and contributions	2,642,020	3,159,222	2,880,377	3,155,697	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685
Investment earnings	1,322,057	1,022,184	730,032	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578
Miscellaneous gain (loss)	761,842	936,229	876,108	926,090	996,503	954,545	1,097,241	1,197,470	1,521,687	1,149,484
Transfers	(2,140,110)	(1,655,480)	(1,984,080)	(2,429,308)	(1,713,823)	(1,949,854)	(2,130,710)	(1,572,258)	(2,011,132)	(2,124,549)
Total governmental activities	60,516,255	59,925,854	59,032,579	58,966,156	64,152,436	66,621,640	68,864,270	73,584,436	78,042,790	84,811,706
Business-type activities										
Investment earnings	1,571,516	1,396,578	1,206,493	(245,850)	1,669,623	1,001,886	1,521,922	828,996	1,018,510	5,151,281
Miscellaneous	(21,017)	417,059	402,869	494,871	468,406	272,280	717,903	555,843	1,561,492	781,498
Transfers	2,140,110	1,655,480	1,984,080	2,429,308	1,713,823	1,949,854	2,130,710	1,572,258	2,011,132	2,124,549
Total business-type activities	3,690,609	3,469,117	3,593,442	2,678,329	3,851,852	3,224,020	4,370,535	2,957,097	4,591,134	8,057,328
Total primary government	\$ 64,206,864	\$ 63,394,971	\$ 62,626,021	\$ 61,644,485	\$ 68,004,288	\$ 69,845,660	\$ 73,234,805	\$ 76,541,533	\$ 82,633,924	\$ 92,869,034
Change in Net Position										
Governmental activities	\$ (6,764,915)	\$ (1,747,913)	\$(10,087,052)	\$ (1,917,767)	\$ 24,688,074	\$ 30,523,792	\$ 5,517,361	\$ 22,583,281	\$ 13,251,448	\$ 3,591,416
Business-type activities	21,491,359	15,334,829	19,543,799	16,624,240	24,206,431	20,710,286	37,317,816	17,107,846	18,717,402	44,972,104
Total primary government	\$ 14,726,444	\$ 13,586,916	\$ 9,456,747	\$ 14,706,473	\$ 48,894,505	\$ 51,234,078	\$ 42,835,177	\$ 39,691,127	\$ 31,968,850	\$ 48,563,520

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ 128,127	\$ 109,186	\$ 91,095	\$ 69,260	\$ 178,322	\$ 166,024	\$ 174,692	\$ 231,111	\$ 160,215	\$ 137,814
Restricted	13,436,085	15,998,293	14,140,696	14,490,359	20,037,416	19,459,163	16,012,423	18,619,318	22,741,178	21,044,719
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	37,504,311	36,921,449	43,248,336	40,600,448	37,663,790	50,118,453	52,968,474	46,910,753	48,122,752	53,901,650
Total General Fund	<u>\$51,068,523</u>	<u>\$53,028,928</u>	<u>\$57,480,127</u>	<u>\$55,160,067</u>	<u>\$57,879,528</u>	<u>\$69,743,640</u>	<u>\$69,155,589</u>	<u>\$65,761,182</u>	<u>\$71,024,145</u>	<u>\$75,084,183</u>
All Other Governmental funds										
Restricted	\$ 606,815	\$ 1,016,237	\$ 965,468	\$ 494,738	\$ 1,761,249	\$ 1,588,779	\$ 513,519	\$ 1,639,470	\$ 1,257,370	\$ 1,117,010
Committed	17,321,294	17,156,767	13,452,847	16,733,371	20,189,379	17,164,075	26,658,640	35,587,791	37,647,614	32,583,208
Assigned	6,964,454	9,839,140	11,925,525	18,389,986	17,935,054	19,181,632	14,795,995	18,580,293	21,870,916	28,992,222
Unassigned	(3,978,046)	(4,767,945)	(4,072,385)	(3,983,924)	(3,968,089)	(619,797)	(127,780)	(236,053)	(56,534)	(760,463)
Total all other governmental funds	<u>\$20,914,517</u>	<u>\$23,244,199</u>	<u>\$22,271,455</u>	<u>\$31,634,171</u>	<u>\$35,917,593</u>	<u>\$37,314,689</u>	<u>\$41,840,374</u>	<u>\$55,571,501</u>	<u>\$60,719,366</u>	<u>\$61,931,977</u>

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 44,974,492	\$ 44,213,325	\$ 43,091,490	\$ 43,345,698	\$ 46,104,178	\$ 45,758,123	\$ 48,134,096	\$ 51,179,474	\$ 54,835,072	\$ 55,441,784
Other taxes	12,567,428	12,226,782	13,366,521	14,046,489	14,042,681	16,917,828	16,191,844	17,675,132	18,602,265	20,168,719
Unrestricted intergovernmental revenues	2,642,020	3,159,222	2,880,377	3,155,697	3,142,852	3,932,956	5,100,371	4,740,748	5,168,960	5,415,685
Restricted intergovernmental revenues	8,161,071	8,534,858	9,713,210	9,005,424	9,373,076	8,667,584	8,079,968	9,792,222	9,296,854	9,877,589
Licenses, fees, and permits	1,755,810	1,650,649	1,873,658	1,885,610	2,210,200	2,004,511	1,289,489	1,169,815	1,385,999	1,142,845
Investment earnings	1,322,057	1,022,184	730,032	(281,947)	1,260,653	640,669	1,032,220	646,692	672,167	4,484,578
Investment earnings restricted	36,179	26,044	19,323	25,628	16,234	23,385	32,037	49,118	58,934	81,536
Program income	654,957	660,865	698,157	1,476,240	2,247,742	2,460,878	1,712,599	1,474,389	2,371,806	1,830,997
Other revenues	2,788,234	3,549,375	3,862,921	3,510,163	3,832,913	4,186,913	3,797,617	3,651,331	3,927,847	3,646,729
Total revenues	74,902,248	75,043,304	76,235,689	76,169,002	82,230,529	84,592,847	85,370,241	90,378,921	96,319,904	102,090,462
Expenditures										
General government	4,215,552	4,511,799	4,563,849	4,077,954	4,802,271	4,857,917	4,420,117	4,735,511	5,872,583	5,059,155
Public safety	29,472,135	30,708,135	31,353,312	31,688,874	32,950,943	34,244,381	34,797,980	37,606,924	39,654,458	43,902,224
Public works	11,422,287	12,807,858	10,215,647	10,493,535	11,854,052	10,463,847	10,956,118	11,120,147	12,447,406	13,795,997
Cultural and recreational	3,839,337	3,803,036	3,956,149	4,399,504	4,310,686	4,335,081	4,325,132	4,719,578	4,885,244	5,398,744
Planning and community development	2,780,589	3,005,580	5,312,219	3,792,770	3,124,932	3,007,670	3,270,248	2,995,872	3,918,391	6,511,658
Administration	656,431	784,000	856,103	649,716	1,036,472	2,076,215	2,010,137	895,927	1,083,360	1,001,208
Housing assistance payments	3,119,188	3,344,522	3,698,736	4,258,426	4,279,279	4,127,317	3,832,265	4,195,694	4,275,944	4,527,057
Rehabilitation	553,868	1,053,446	3,227,906	554,455	568,412	214,316	1,072,157	895,828	1,004,575	1,380,879
Capital outlay	3,432,237	3,641,809	3,998,026	3,522,859	7,463,803	17,688,922	10,698,997	7,291,213	7,350,932	9,777,426
Debt service										
Interest	1,779,766	1,542,254	1,048,001	1,075,067	1,045,012	1,233,584	1,408,299	1,194,385	1,063,021	928,031
Principal	3,512,055	4,064,454	2,273,244	2,183,878	2,077,961	1,477,547	2,510,447	2,639,222	5,355,079	2,628,105
Total expenditures	64,783,445	69,266,893	70,503,192	66,697,038	73,513,823	83,726,797	79,301,897	78,290,301	86,910,993	94,910,484
Excess of revenues over (under) expenditures	10,118,803	5,776,411	5,732,497	9,471,964	8,716,706	866,050	6,068,344	12,088,620	9,408,911	7,179,978
Other Financing Sources (Uses)										
Gain on sale of capital assets	-	-	-	-	-	-	-	-	295,328	217,636
Debt issued	-	-	-	-	-	15,208,806	-	-	2,724,477	-
Issuance of refunding bonds	2,721,512	7,203,300	-	-	-	8,895,000	-	-	-	-
Premium on refunding bonds	41,493	396,397	-	-	-	760,844	-	-	-	-
Payment to refunded bonds escrow agent	-	(7,400,939)	-	-	-	(10,519,638)	-	-	-	-
Redemption of refunded bonds	(2,491,755)	-	-	-	-	-	-	-	-	-
Transfers in	17,455,195	14,095,374	8,858,563	16,627,650	12,360,954	22,263,320	20,886,597	22,401,709	17,815,721	15,290,722
Transfers out	(19,595,305)	(15,780,456)	(11,112,605)	(19,056,958)	(14,074,777)	(24,213,174)	(23,017,307)	(24,153,609)	(19,833,609)	(17,415,271)
Total Other Financing Sources (Uses)	(1,868,860)	(1,486,324)	(2,254,042)	(2,429,308)	(1,713,823)	12,395,158	(2,130,710)	(1,751,900)	1,001,917	(1,906,913)
Net change in fund balances	\$ 8,249,943	\$ 4,290,087	\$ 3,478,455	\$ 7,042,656	\$ 7,002,883	\$ 13,261,208	\$ 3,937,634	\$ 10,336,720	\$ 10,410,828	\$ 5,273,065
Debt service as a percentage of non capital expenditures	8.86%	10.04%	4.99%	5.16%	4.73%	4.11%	5.71%	5.40%	8.07%	4.18%

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

Fiscal Year	Residential	Commercial	Industrial	Total
2010	23,343	3,982	43	27,368
2011	23,450	3,957	40	27,447
2012	23,502	4,107	46	27,655
2013	23,847	4,164	51	28,062
2014	24,327	4,197	52	28,576
2015	24,735	4,276	58	29,069
2016	25,008	4,306	57	29,371
2017	25,628	4,386	60	30,074
2018	26,482	4,488	61	31,031
2019	27,010	4,531	63	31,604

Source: City of Concord Finance and Electric Departments

ELECTRIC RATES
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential Customers										
Basic charges	\$ 9.11	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.46	\$ 9.65	\$ 9.65	\$ 9.65	\$ 9.65
Energy Charges per kWh (July - October)										
First 350	0.880000	0.091331	0.091331	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476
Over 350	0.880000	0.091331	0.091331	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476
Energy Charges per kWh (November - June)										
First 350	0.880000	0.091331	0.091331	0.091331	0.091331	0.091331	0.097476	0.097476	0.097476	0.097476
Over 350	0.795700	0.082582	0.082582	0.082582	0.082582	0.082582	0.088476	0.088476	0.088476	0.088476
Commercial Customers										
Basic Facilities Charge	17.51	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)	3.63	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	0.109884	0.114193	0.114193	0.114193	0.114193	0.114193	0.120344	0.120344	0.120344	0.120344
Next 87,000	0.065987	0.068575	0.068575	0.068575	0.068575	0.068575	0.074726	0.074726	0.074726	0.074726
Over 90,000	0.063765	0.066266	0.066266	0.066266	0.066266	0.066266	0.072417	0.072417	0.072417	0.072417
Next 275 kWh per kW billing demand per month										
First 6,000	0.062986	0.065456	0.065456	0.065456	0.065456	0.065456	0.071607	0.071607	0.071607	0.071607
Next 134,000	0.055982	0.058177	0.058177	0.058177	0.058177	0.058177	0.064328	0.064328	0.064328	0.064328
Over 140,000	0.053759	0.055867	0.055867	0.055867	0.055867	0.055867	0.062018	0.062018	0.062018	0.062018
All over 400 kWh per kW billing demand	0.052647	0.054712	0.054712	0.054712	0.054712	0.054712	0.060813	0.060863	0.060863	0.060813
Industrial Customers										
Basic Facilities Charge	17.86	18.54	18.54	18.54	18.54	18.54	19.30	19.30	19.30	19.30
Demand Charge per kW (over 30 kW of billing demand)	3.48	3.62	3.62	3.62	3.62	3.62	3.80	3.80	3.80	3.80
Energy Charge										
First 125 kWh per kW billing demand per month										
First 3,000	0.103627	0.107612	0.107612	0.107612	0.107612	0.107612	0.115251	0.0115251	0.115251	0.115251
Next 87,000	0.061557	0.063924	0.063924	0.063924	0.063924	0.063924	0.070911	0.070911	0.070911	0.070911
Over 90,000	0.059429	0.061714	0.061714	0.061714	0.061714	0.061714	0.069151	0.069151	0.069151	0.069151
Next 275 kWh per kW billing demand per month										
First 140,000	0.051968	0.053967	0.053967	0.053967	0.053967	0.053967	0.060471	0.060471	0.060471	0.060471
Over 140,000	0.049838	0.051755	0.051755	0.051755	0.051755	0.051755	0.058651	0.058651	0.058651	0.058651
All over 400 kWh per kW billing demand	0.048772	0.050648	0.050648	0.050648	0.050648	0.050648	0.056751	0.056751	0.056751	0.056751

Source: City of Concord Finance and Electric Departments

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

Customer	2019				2010			
	Electric Revenue	Rank	Percentage of Total Electric Revenue		Electric Revenue	Rank	Percentage of Total Electric Revenue	
Celgard LLC	2,430,047	1	2.68	%	\$ -	-	-	%
City of Concord	2,374,477	2	2.62		1,448,389	3	2.06	
Cabarrus County Schools	1,648,449	3	1.82		1,347,124	5	1.92	
Concord Mills LLC	1,614,682	4	1.78		1,761,371	1	2.50	
S&D Coffee	1,472,190	5	1.62		935,862	7	1.33	
Perdue Farms Inc	1,412,490	6	1.56		1,362,092	4	1.94	
Legrand	1,335,130	7	1.47		1,595,636	2	2.27	
DNP IMP America Corporation	1,185,205	8	1.31		-	-	-	
Water and Sewer Authority of Cabarrus County	1,160,092	9	1.28		-	-	-	
Wind Shear Inc	1,033,897	10	1.14		-	-	-	
Rocky River Water Treatment Plant	-		-		1,053,776	6	1.50	
Northeast Medical Center	-		-		804,776	8	1.14	
Cabarrus Plastics Mfg	-		-		634,957	9	0.90	
Great Wolf of the Carolinas LLC	-		-		596,515	10	0.85	
Total	<u>\$ 15,666,659</u>		<u>17.28</u>	%	<u>\$ 11,540,498</u>		<u>16.41</u>	%

Source: City of Concord Finance and Electric Departments

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property			Personal Property	Public Service Companies	Total Taxable Assessed Value	Direct Tax Rate (3)
	Residential Property (1)	Commercial Property (2)	Industrial Property (2)				
2010	5,758,517,238	2,273,328,224	1,345,874,420	1,223,590,403	104,295,461	10,705,605,746	0.4190
2011	5,487,235,382	2,815,229,000	1,203,378,000	950,770,388	102,087,173	10,558,699,943	0.4190
2012	5,533,750,240	2,523,536,878	1,212,065,051	871,682,129	117,277,340	10,258,311,638	0.4190
2013	5,034,683,767	2,335,914,165	851,422,138	771,628,872	119,353,563	9,113,002,505	0.4788
2014	5,381,821,598	2,325,550,728	847,644,748	988,004,711	130,283,114	9,673,304,899	0.4788
2015	5,488,950,807	2,438,815,784	748,623,832	978,492,143	124,486,420	9,779,368,986	0.4788
2016	5,562,324,699	2,474,039,979	759,436,323	1,033,191,542	124,486,420	9,953,478,963	0.4788
2017	7,198,546,266	1,642,104,405	767,219,663	1,035,500,636	153,919,497	10,797,290,467	0.4788
2018	7,308,226,072	1,775,705,266	814,494,754	1,149,787,848	159,207,805	11,207,421,745	0.4788
2019	6,672,628,388	2,711,577,147	989,371,655	1,097,323,976	135,500,000	11,606,401,166	0.4788

Source: Cabarrus County Tax Office

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

(1) Tax Exempt Property is subtracted from Residential and Personal Property

(2) Commercial and Industrial Property estimates are as of January 1, 2018

(3) Per \$100 of value

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

Fiscal Year	City of Concord			Overlapping Rates	
	General Fund Basic Rate	Municipal Service District Basic Rate	Total Weighted Average Rate (1)	Cabarrus County	Combined Tax Rate
2010	0.42	0.18	0.4190	0.63	1.05
2011	0.42	0.18	0.4190	0.63	1.05
2012	0.42	0.18	0.4190	0.63	1.05
2013	0.48	0.23	0.4788	0.70	1.18
2014	0.48	0.23	0.4788	0.70	1.18
2015	0.48	0.23	0.4788	0.71	1.19
2016	0.48	0.23	0.4788	0.70	1.18
2017	0.48	0.23	0.4788	0.70	1.18
2018	0.48	0.23	0.4788	0.70	1.18
2019	0.48	0.23	0.4788	0.72	1.20

Source: Cabarrus County Tax Office

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

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2019				2010			
	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	\$ 228,868,920	1	1.97 %	\$	209,894,700	3	2.07 %	
Celgard LLC	176,326,992	2	1.52		-		-	
Charlotte Motor Speedway LLC	166,257,904	3	1.43		271,357,828	2	2.68	
Weinstein Properties	101,646,310	4	0.88		-		-	
Hendrick Motorsports Inc	99,863,940	5	0.86		62,258,448	4	0.61	
Great Wolf Lodge	96,461,210	6	0.83		-		-	
JQH-Concord Development LLC	78,818,361	7	0.68		-		-	
Bootsmead LLC	76,581,220	8	0.66		-		-	
S&D Coffee	72,604,160	9	0.63		57,449,998	5	0.57	
DNP IMS America Corporation	70,583,578	10	0.61		56,832,500	6	0.56	
Philip Morris	-		-		940,533,809	1	9.27	
Pass & Seymour, Inc.	-		-		51,538,419	7	0.51	
PDG/Inland Concord Venture	-		-		50,411,822	8	0.50	
Wal-Mart Real Est Business Trs	-		-		36,899,690	9	0.36	
Concord Telephone Company	-		-		34,147,739	10	0.34	
Total	<u>\$ 1,168,012,595</u>		<u>10.07 %</u>		<u>\$ 1,771,324,953</u>		<u>17.47 %</u>	

Source: Cabarrus County Tax Office

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	44,956,754	43,881,105	97.6%	1,010,155	44,891,260	99.9%
2011	44,365,653	43,329,051	97.7%	994,001	44,323,052	99.9%
2012	43,076,823	42,056,886	97.6%	944,349	43,001,235	99.8%
2013	43,608,877	42,445,084	97.3%	1,058,321	43,503,405	99.8%
2014	46,548,215	45,126,093	96.9%	1,378,987	46,505,080	99.9%
2015	46,943,610	46,174,814	98.4%	702,220	46,877,034	99.9%
2016	47,667,548	46,909,735	98.4%	691,302	47,601,037	99.9%
2017	51,709,905	50,820,322	98.3%	830,878	51,651,200	99.9%
2018	53,695,713	53,071,029	98.8%	223,286	53,294,315	99.3%
2019	55,614,536	54,719,919	98.4%	-	54,719,919	98.4%

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

Fiscal Year	Governmental activities					Business type activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes	HUD Loan	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes			
2010	5,479	85	3,420	22,827	1,974	10,330	-	111,372	10,703	166,190	2.74%	2,090
2011	4,958	-	3,205	19,749	1,974	9,573	-	104,994	9,960	154,413	2.39%	1,942
2012	4,429	-	2,985	18,292	1,865	8,811	-	97,324	9,081	142,787	2.03%	1,776
2013	3,987	-	2,759	16,842	1,756	8,043	-	90,493	8,184	132,064	1.81%	1,621
2014	3,645	-	2,527	15,405	1,647	7,440	-	83,478	7,260	121,402	1.64%	1,458
2015	3,375	-	2,225	28,859	1,538	6,838	-	76,279	13,675	132,789	1.70%	1,554
2016	3,105	-	1,915	26,892	1,429	11,994	-	71,221	12,302	128,858	1.56%	1,473
2017	2,835	-	1,597	24,950	1,320	11,042	-	63,400	10,923	116,067	1.28%	1,307
2018	2,578	-	1,270	23,012	1,211	10,098	-	55,357	9,525	103,051	1.03%	1,135
2019	2,280	-	1,006	21,055	1,102	9,089	-	49,571	8,101	92,204	0.91%	999

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

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

General Bonded Debt Outstanding				Percentage of Total Taxable Assessed Value (1)	Per Capita (2)
Fiscal Year	Gross Bonded Debt	Debt Payable From Enterprise Revenue	Net Bonded Debt		
2010	85,000	-	85,000	0.01%	1.07
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-

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

(1) See Table 8 for property value data.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (3)	Estimated Share of Direct and Overlapping Debt
City of Concord (1)	\$ 25,442,936	100%	\$ 25,442,936
Cabarrus County (2)	402,433,263	50%	201,216,632
Total			<u>\$ 226,659,568</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.

LEGAL DEBT MARGIN INFORMATION**Last Ten Fiscal Years****(dollars in thousands, with the exception of the calculation for the current year)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 856,688	\$ 779,768	\$ 820,665	\$ 729,040	\$ 773,864	\$ 782,350	\$ 796,278	\$ 863,783	\$ 896,594	\$ 928,512
Total net debt applicable to limit	28,391	24,337	22,387	20,532	18,788	30,096	27,997	25,925	23,870	21,754
Legal debt margin	\$ 828,297	\$ 755,431	\$ 798,278	\$ 708,508	\$ 755,076	\$ 752,254	\$ 768,281	\$ 837,858	\$ 872,724	\$ 906,758
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	3%	3%	2%	4%	4%	3%	3%	2%

Legal Debt Margin Calculation for Fiscal Years

Total assessed value	\$11,606,401,166
Debt limit (8% of assessed value)	928,512,093
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	11,368,683
Installment notes	27,040,000
Less: Amount of bonded debt incurred for Electric, Water and Wastewater purposes	(16,654,330)
Total net debt applicable to limit	21,754,353
Legal Debt Margin	\$ 906,757,740
Net debt as a % of assessed values	0.19%

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

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	19,273	15,550	3,723	2,524	2,156	0.80
2011	21,683	10,381	11,302	3,024	1,621	2.43
2012	20,370	14,477	5,893	3,127	1,927	1.17
2013	19,443	10,564	8,879	3,208	1,702	1.81
2014	19,829	9,734	10,095	3,300	1,608	2.06
2015	22,902	13,638	9,264	2,953	1,505	2.08
2016	26,447	10,739	15,708	3,041	1,341	3.58
2017	28,036	13,829	14,207	3,137	1,282	3.21
2018	28,139	15,104	13,035	3,236	1,107	3.00
2019	29,474	15,266	14,208	2,022	996	4.71

Wastewater Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	13,774	13,507	267	1,294	949	0.12
2011	16,515	10,260	6,255	1,350	909	2.77
2012	15,219	9,984	5,235	1,374	953	2.25
2013	14,683	8,965	5,718	1,409	910	2.47
2014	15,076	3,169	11,907	1,446	867	5.15
2015	19,704	10,144	9,560	2,000	804	3.41
2016	21,140	11,666	9,474	2,052	720	3.42
2017	21,246	11,406	9,840	2,111	665	3.54
2018	22,710	11,702	11,008	2,169	570	4.02
2019	24,204	13,116	11,088	1,857	485	4.73

Electric Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2010	69,956	63,797	6,159	1,538	1,301	2.17
2011	75,516	65,646	9,870	1,958	893	3.46
2012	79,450	63,939	15,511	1,900	1,203	5.00
2013	81,195	72,348	8,847	1,953	1,110	2.89
2014	80,753	69,825	10,928	2,009	1,050	3.57
2015	81,533	66,407	15,126	1,986	983	5.09
2016	82,754	62,489	20,265	2,043	865	6.97
2017	84,851	78,082	6,769	2,110	833	2.30
2018	85,756	77,413	8,343	2,175	711	2.89
2019	88,530	60,431	28,099	1,453	636	13.45

DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)
2010	79,519	6,057,692	33,926	27,682	7.7%
2011	79,521	6,453,148	35,561	28,465	7.1%
2012	80,386	7,025,450	38,079	29,023	6.3%
2013	81,461	7,301,723	39,000	29,721	5.4%
2014	83,279	7,399,908	38,521	29,952	4.4%
2015	85,428	7,799,648	39,640	30,532	4.3%
2016	87,452	8,286,025	41,103	31,271	4.5%
2017	88,815	9,085,784	43,920	31,941	4.2%
2018 (5)	90,827	9,985,502	45,238	32,341	3.6%
2019 (5)	92,280	10,112,705	46,595	32,913	3.8%

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

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

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

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

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

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2019				2010			
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment	
Atrium Health	4,500	1	9.69	%	4,500	1	13.03	%
Cabarrus County Schools	4,000	2	8.62		3,800	2	11.00	
Cabarrus County Government	1,221	3	2.63		975	3	2.82	
S&D Coffee and Tea	1,100	4	2.37		-		-	
City of Concord	1,079	5	2.32		936	4	2.71	
Amazon	1,000	6	2.15		-		-	
Speedway Motorsports, Inc	1,000	7	2.15		-		-	
Kannapolis City Schools	925	8	1.99		750	7	2.17	
Shoe Show	750	9	1.62		700	8	2.03	
ACN	600	10	1.29		480	10	1.39	
Corning	600	11	1.29		-		-	
Hendrick Motorsports	600	12	1.29		500	9	1.45	
Connexions	-		-		900	5	2.61	
North Carolina Government	-		-		771	6	2.23	
	<u>17,375</u>		<u>37.41</u>	%	<u>14,312</u>		<u>41.44</u>	%

Source: City of Concord Planning & Neighborhood Services

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function/Program										
General Fund										
General Government										
Public Service Administration	2.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Manager's Office	6.00	6.00	5.00	6.00	6.00	6.00	6.00	6.50	6.50	6.50
Human Resources	8.00	8.00	9.00	10.00	10.00	10.00	10.00	11.00	12.00	13.00
Finance	13.00	13.35	14.00	14.00	14.00	13.25	13.00	13.00	13.00	13.00
Tax	4.50	4.50	4.50	4.50	4.50	4.50	4.00	3.50	0.75	0.75
Legal	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Safety										
Police	175.25	177.25	178.25	178.25	180.25	189.25	191.00	200.00	204.00	206.00
Code Enforcement	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	9.00
Communications	22.50	22.50	21.50	21.50	22.50	22.50	22.00	23.50	25.50	25.50
Radio Shop	4.50	4.50	3.50	3.50	2.50	3.50	3.00	3.50	4.10	4.10
Fire & Life Safety (Operations)	170.00	182.00	182.00	181.00	181.00	181.00	181.00	187.00	194.00	203.00
Fire & Life Safety (Prevention)	6.00	6.00	6.00	6.00	6.00	9.00	9.00	9.50	10.50	10.50
Fire & Life Safety (Training)	2.00	2.00	2.00	4.00	4.00	2.00	4.00	4.00	4.00	4.00
Emergency Mangement Coordinator	2.80	2.85	2.85	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Public Works										
Street & Traffic	26.00	27.00	27.00	27.00	27.00	27.00	28.00	30.00	34.00	34.50
Traffic Services	6.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Traffic Signals	3.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Solid Waste & Recycling	36.50	33.00	32.00	32.00	32.00	32.00	32.00	31.50	32.50	34.50
Cemeteries	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Fleet Services	13.25	13.00	13.00	13.00	13.00	13.00	13.00	14.00	14.00	14.00
Other Public Works										
Economic Development										
Business & Neighborhood Services	9.00	8.85	15.00	14.00	14.50	14.50	14.00	16.00	17.00	18.00
Economic Development	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Development Services	9.00	9.00	-	-	-	-	-	-	-	-
Culture & Recreation										
Parks and recreation	22.00	22.00	20.00	20.00	21.25	21.00	17.00	17.00	29.93	31.50
Total FTE General Fund	561.30	572.80	566.60	566.75	572.50	583.50	582.00	607.00	638.78	656.85

(Continued)

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Funds										
Home Consortium Fund	1.50	1.30	0.90	0.90	1.00	0.90	1.00	0.80	0.80	0.80
CDBG	1.50	1.50	1.10	1.10	1.00	1.10	1.00	1.20	1.20	1.20
Stormwater	20.50	20.25	20.25	20.25	19.77	22.09	22.00	21.00	21.09	20.58
Electric										
Electric Administration	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Powerlines Maintenance	13.00	13.00	13.00	13.00	13.00	17.00	17.00	17.00	18.00	18.00
Tree Trimming	9.00	9.00	9.00	9.00	9.00	7.00	7.00	7.00	7.00	8.00
Electric Construction	34.00	34.00	34.00	34.00	34.00	33.00	33.00	33.00	35.00	37.00
Peak Shaving	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
Electric Engineering	5.00	5.00	5.00	5.00	5.00	5.00	7.00	8.00	8.00	8.00
Utility Locate Services	5.00	5.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Water Resources										
Hillgrove Water Treatment Plant	14.50	14.50	14.50	14.50	14.50	14.50	15.00	15.00	14.50	14.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.50	15.50	15.50	15.00	15.00	15.50	16.50
Waterlines Operations & Maintenance	35.00	34.75	34.75	34.75	34.24	34.59	36.00	37.00	35.60	35.09
Public Transit										
Rider Transit System	-	2.00	2.75	2.55	2.70	3.70	4.00	5.00	6.50	6.50
Wastewater Resources	30.00	30.00	30.00	30.00	30.00	30.32	29.00	30.00	31.31	31.83
Internal Services										
Utility Collections	4.50	4.50	4.50	4.50	4.50	4.50	4.00	4.00	5.00	5.00
Data Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Billing	11.00	11.00	11.00	11.00	10.00	10.00	10.00	10.00	11.25	14.25
Customer Service	17.00	16.00	16.00	15.50	15.50	25.00	26.00	26.00	27.00	25.00
Engineering	25.00	25.00	25.00	24.00	24.00	23.00	23.00	24.00	26.00	26.00
Purchasing	9.00	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Customer Care Center	7.70	7.65	8.15	8.50	9.50	-	-	-	-	-
Buildings & Grounds	39.60	38.50	39.50	39.00	39.50	40.65	38.00	39.00	44.60	48.50
Aviation	36.50	35.25	36.00	36.00	33.00	34.00	34.00	40.00	41.50	43.50
Public Housing	16.50	16.00	14.00	13.00	12.00	13.38	14.00	14.00	13.00	14.00
Total FTE Other Funds	356.30	352.70	350.90	348.05	343.71	351.23	352.00	363.00	378.85	390.25
Total	917.60	925.50	917.50	914.80	916.21	934.73	934.00	970.00	1,017.63	1,047.10

Source: City of Concord Budget Department

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Physical arrests	6,275	5,783	5,837	5,072	4,925	3,948	4,486	4,207	4,655	4,445
Parking violations	1,576	3,343	2,964	2,696	2,375	2,365	2,671	2,764	2,922	2,399
Traffic violations	13,004	13,561	9,878	9,422	8,135	9,209	10,699	12,335	12,748	9,795
Communications										
Calls received	107,585	107,341	100,197	108,843	109,382	100,830	102,526	106,933	100,286	98,013
Fire										
Emergency responses	7,287	7,920	8,856	9,077	9,246	10,008	10,616	11,561	12,078	12,335
Fires extinguished	322	402	315	293	192	245	261	270	269	205
Inspections	5,166	5,564	5,764	6,343	5,900	5,939	7,128	826	7,533	7,433
Education classes conducted (4)	668	575	446	681	739	334	384	826	632	218
Number of people reached by educators (4) Total	16,841	25,364	37,187	29,774	31,008	25,096	28,361	25,633	41,081	125,286
Emergency Management (7)										
Exerciser/Drill	0	0	0	0	0	0	0	9	11	6
Hazmat	0	0	0	0	0	0	0	14	44	29
Risk Assessment	0	0	0	0	0	0	0	105	145	113
Special Event	0	0	0	0	0	0	0	106	12	13
Planning	0	0	0	0	0	0	0	14	34	20
UAS (Drone)	0	0	0	0	0	0	0	0	6	20
Certified UAS Pilots	0	0	0	0	0	0	0	0	0	11
Education classes conducted (4)	0	0	0	0	0	0	0	26	11	11
Customer Care Center										
Calls answered	153,503	153,158	206,144	191,689	116,672	112,652	121,843	129,263	120,517	186,840
Solid Waste & Recycling										
Refuse collected (tons per day)	99	92	89	86	90	94	96	94	100	127
Recyclables collected (tons per day)	13	14	22	22	22	21	23	23	21	17
Other Public Works										
Street resurfacing (miles) (5)	10	7	8	10	6	0	18	9	24	12
Potholes repaired	72	78	74	28	36	50	92	112	101	162
NCDOT signalized street lights	95	96	101	105	102	114	115	113	119	123
NCDOT road (Non Interstate)	89	89	90	90	90	90	92	92	92	92
Economic Development										
Single family residential	346	284	403	460	397	441	661	637	931	803
Single family attached in units	30	20	4	0	15	22	2	6	74	5
Two family residential in units	13	0	66	550	18	2	0	2	6	0
Multi-family residential in units	0	0	0	0	66	348	264	264	89	80
Commercial building permits issued	11	18	52	53	59	96	82	27	58	52
Parks and recreation										
% Cost recovery Adult programs	90	90	90	92	92	100	105	107	120	113
Youth participation	11,285	9,974	9,974	10,848	11,672	11,251	14,793	18,432	29,867	27,631
Rec center attendance (6)	73,947	93,846	93,846	79,014	81,093	85,663	87,165	79,302	140,000	222,447
Stormwater										
Accounts	29,007	29,292	29,683	30,168	30,701	31,285	31,978	32,643	33,462	33,891

(Continued)

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Electric										
Accounts	27,368	27,447	27,675	28,062	28,576	29,069	29,371	30,074	31,031	31,604
Average megawatt hours daily use (2)	2,221	2,401	2,332	2,318	2,282	2,358	2,427	2,498	2,439	1,992
Substations	14	14	15	15	15	15	15	15	15	15
Water										
Accounts	33,688	33,859	34,431	35,843	36,692	37,348	37,088	38,961	40,050	41,303
Water Main Breaks	36	43	33	2	13	21	25	18	75	49
Average daily consumption (mgd)	10	9	9	9	9	10	9	11	12	13
Peak daily consumption (mgd)	13	12	13	12	13	13	14	14	15	17
Transit										
Average daily use	1,264	1,252	1,451	1,411	1,345	1,316	1,188	1,157	1,129	1,193
Days of operation	307	307	310	306	346	359	359	357	359	359
Wastewater										
Accounts	30,729	30,972	31,569	31,939	32,745	33,307	34,029	34,878	35,807	36,900
Average daily treatment (thousands of gallons)	8,875	7,821	8,193	8,011	9,150	8,478	8,870	9,211	8,387	10,695
Golf Course										
Total Green Fee Rounds (3)	30,085	26,256	25,410	26,028	31,341	31,241	28,998	32,034	32,982	31,241
Cart Fee Rounds	27,942	23,488	22,183	20,237	23,553	23,462	23,534	27,406	27,470	26,242
Tournaments hosted	66	63	70	72	76	67	68	64	60	53
Aviation										
Avgas (annual gallons)	222,943	193,419	197,687	173,006	169,452	151,505	168,627	189,923	222,290	232,064
Jeta (annual gallons)	1,661,764	1,660,208	1,516,123	1,465,484	1,685,731	1,983,963	2,355,783	2,760,003	2,722,010	2,843,033
Operations = take off & landing (1)	56,706	61,553	60,612	59,179	59,010	54,200	57,736	67,223	77,646	84,629
Total enplanements	0	0	0	0	8,672	35,572	63,316	106,718	128,250	159,361
Tax Base listings										
T Hanger	67	67	67	67	67	67	67	67	67	67
HIC	42	41	46	46	45	45	41	58	58	58
Tiedown	51	32	30	30	25	25	27	31	54	54
Corporate	7	6	9	9	3	3	4	3	4	4
Ground	10	11	18	18	9	9	11	11	11	7
Office	31	34	35	35	27	27	26	26	26	26
Public Housing										
Units in use	174	174	174	174	174	174	174	174	174	174
Housing Choice Vouchers	541	541	541	541	534	541	541	541	541	541

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

- (1) Control tower hours of operation 0700-0000
- (2) From Annual EIA 861 which is based on calendar year information
- (3) Green Fee rounds have been converted to 18 hole rounds
- (4) Calculation method changed in 2015
- (5) For 2015, 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 Manager's Office. Previously reported under Fire.

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	120	132	134	134	135	150	159	169	172	166
Fire										
Stations	9	10	10	10	10	10	11	11	11	11
Fire Units	14	14	14	14	14	14	14	16	16	N/A
Engine, Ladder, Rescue, Crash Fire Rescue	0	0	0	0	0	0	0	0	0	23
Support vehicles	0	0	0	0	0	0	0	0	0	12
Emergency Management (7)										
EM Units	0	0	0	0	0	0	0	2	2	1
Mobile Command Unit	0	0	0	0	0	0	0	1	1	1
Solid Waste & Recycling										
Refuse collection trucks	29	28	28	28	29	28	29	29	31	32
Other Public Works										
Paved streets (miles)	324	326	329	331	337	341	343	348	354	354
Signalized Street	14	14	15	15	15	15	16	17	18	18
Control Beacons	6	6	6	6	6	6	6	6	6	7
Guardrail	4	4	4	4	4	4	5	5	5	5
Curb and Gutter	416	421	423	427	440	452	462	472	548	548
Sidewalk	202	205	206	209	222	235	245	254	254	258
School Zone Flashers	N/A	19	21	22	22	22	22	22	22	22
Facilities (City owned):										
Parks (developed acreage)	101	101	101	101	101	157	157	157	157	157
Parks (undeveloped acreage)	N/A	N/A	N/A	N/A	N/A	N/A	69	69	69	69
Playgrounds	14	14	14	14	14	13	13	14	14	13
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Basketball courts (1)	9	11	11	11	11	11	9	9	9	5
Tennis courts	14	14	14	14	14	14	14	16	14	16
Pickleball courts	0	0	0	0	0	0	0	0	2	2
Playing fields (2)	28	28	28	28	28	28	23	23	23	23
Swimming pool	1	1	1	1	1	1	1	1	1	1
Green Way	4.5	5	5	5	5	7	7	7	8	8
Walking Trails	3	3	3	3	3	4	4	4	4	4
Stormwater										
Storm Sewers (miles)	229	254	256	263	275	263	264	267	280	294

(Continued)

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Electric										
Substations	14	14	15	15	15	15	15	15	15	15
Water										
Water Mains (miles)	667	680	681	683	691	692	709	717	725	744
Fire hydrants	3,898	3,898	4,633	4,642	4,697	4,737	4,772	4,820	4,946	5,014
Storage capacity (millions of gallons)	14	14	14	16	16	16	16	16	16	16
Transit										
Transit Center	N/A	1	1	1	1	1	1	1	1	1
Buses	12	12	12	12	12	12	12	12	12	12
Wastewater										
Sanitary sewers (miles)	530	530	530	530	539	540	544	563	583	583
Treatment capacity (thousands of gallons)	3,239,373	2,854,630	2,997,804	2,923,870	3,339,746	3,102,774	3,237,594	3,362,198	3,061,566	3,903,644
Golf Course	1	1	1	1	1	1	1	1	1	1
Aviation										
Terminal	1	1	1	1	1	1	1	1	2	2
T Hangars	67	67	67	66	67	67	67	67	67	67
Corporate Hangar	2	2	3	3	3	3	3	3	4	4
Private Hangar	N/A	9	9	9	9	9	9	9	8	7
Hanger in Common	7	8	7	7	7	7	7	7	7	8
Acreage approximately	688	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

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with
*Government Auditing Standards***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina (the "City") as of and for the year ended June 30, 2019, 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 31, 2019. Our report includes a reference to other auditors who audited the financial statements of the Concord ABC Board, as described in our report on the City's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Concord ABC Board were not audited in accordance with *Government Auditing Standards*.

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") to determine the 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purposes 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 and therefore, material weaknesses or significant deficiencies in internal control may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 noncompliance 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.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 31, 2019

**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control over Compliance; in Accordance with
OMB Uniform Guidance; and the State Single Audit Implementation Act**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Concord, North Carolina's (the "City") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 31, 2019

**Independent Auditor's Report on Compliance for Each Major State Program;
Report on Internal Control over Compliance; in Accordance with
OMB Uniform Guidance; and the State Single Audit Implementation Act**

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

Report on Compliance for Each Major State Program

We have audited the City of Concord, North Carolina's (the "City") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City's major state programs for the year ended June 30, 2019. The City's major state programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance 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 noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 31, 2019

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
Federal Financial Assistance						
U.S. Department of Housing and Urban Development:						
Direct Programs:						
CDBG Entitlement Grants Cluster:						
Community Development Block Grant/Entitlement	14.218	B-15-MC-37-0012	\$ -	\$ 45,569	\$ -	\$ -
	14.218	B-16-MC-37-0012	-	46,607	-	-
	14.218	B-17-MC-37-0012	-	147,157	-	-
	14.218	B-18-MC-37-0012	-	146,899	-	39,750
Total CDBG Entitlement Grants Cluster			-	386,232	-	39,750
HOME Program - Program Income						
	14.239	M-14-DC-370209	438,770	506,261	-	-
	14.239	M-15-DC-370209	159,671	159,671	-	-
	14.239	M-16-DC-370209	219,898	221,857	-	-
	14.239	M-17-DC-370209	102,875	188,857	-	565,932
	14.239	M-18-DC-370209	16,362	18,507	-	58,386
			937,576	1,095,153	-	624,318
Public Housing: Operating subsidy	14.850	A-4309	-	847,643	-	377,801
Resident Opportunity and Supp Services	14.870	NC008RPS126A015	-	86,978	-	-
Public Housing Capital Fund	14.872	NC19P00850117	-	87,959	-	-
	14.872	NC19E00850118	-	64,993	-	-
			-	152,952	-	-
Family Self-Sufficiency Grant	14.896	FSS17NC0032	-	21,217	-	-
	14.896	FSS18NC2204	-	15,951	-	-
			-	37,168	-	-

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
Housing Voucher Cluster: Section 8 Housing Choice Vouchers	14.871	A-3344-V	\$ -	\$ 3,950,439	\$ -	\$ 946,522
Total U.S. Department of Housing and Urban Development			937,576	6,556,565	-	1,988,391
U.S. Department of Homeland Security: SAFER Grant	97.083	EMW2016FH00423	-	210,003	-	71,205
U.S. Department of Justice: Bulletproof Vest Partnership	16.607	2016	-	1,544	-	1,544
Bulletproof Vest Partnership	16.607	2018	-	16,169	-	16,504
Justice Assistance Grant	16.738	2017-DJ-BX-0129	-	-	23,417	-
Justice Assistance Grant	16.738	2017-DJ-BX-0454	-	10,327	-	-
Justice Assistance Grant	16.738	2018-DJ-BX-0682	-	8,586	-	-
			-	36,626	23,417	18,048
U.S. Department of Transportation Federal Transit Cluster: Federal Transit Formula Grant	20.507	NC-90-X511-00	-	841,817	215,001	822,299
Transit Services Program Cluster Enhanced Mobility Grant	20.513	NC-2016-45-00	17,105	19,006	-	17,105
Enhanced Mobility Grant	20.513	NC-2017-27-00	127,595	141,772	-	31,899
			144,700	160,778	-	49,004
Federal Aviation Administration Airport Improvement Program: Master Plan	20.106	3-37-0015-003-2017	-	174,798	-	19,422
Runway Strengthening	20.106	3-37-0015-004-2017	-	4,067,548	-	451,950
Taxiway Strengthening	20.106	3-37-0015-006-2018	-	133,167	-	14,796
			-	4,375,513	-	486,168

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Passed Through To Subrecipients	Total Federal Expenditures	State Expenditures	Local Expenditures
Passed through North Carolina Department of Transportation:						
Metropolitan Planning Grant	20.505	36230.7.13.6	\$ -	\$ 44,000	\$ 5,500	\$ 5,500
Metropolitan Planning Grant	20.505	39225.1.3	-	235,430	-	59,086
			-	279,430	5,500	64,586
Total U.S. Department of Transportation			144,700	5,657,538	220,501	1,422,057
Total federal awards			1,082,276	12,460,732	243,918	3,499,701
State Financial Assistance:						
Department of Transportation:						
Powell Bill	N/A		-	-	2,407,995	-
Airport Improvement Program:						
Airport Improvements and Debt Service	N/A	36244.41.6.1	-	-	706,137	-
Total state awards			-	-	3,114,132	-
Total federal and state awards			\$ 1,082,276	\$ 12,460,732	\$ 3,358,050	\$ 3,499,701

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, 2019

(1) General

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of the City of Concord, North Carolina and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and The State Single Audit Implementation Act*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Indirect Cost Rate

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

City of Concord, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

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

Any audit findings disclosed that are required to be reported in accordance
2 CFR 200.516(a): ☐ Yes ☒ No

Identification of major federal programs:

CFDA Number

20.106

14.239

Name of Federal Program or Cluster

Airport Improvement Program

HOME Investment Partnerships Program

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

Auditee qualified as low-risk auditee? Yes

State Awards

Internal control over major programs:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

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

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

Identification of major state programs:

Powell Bill

Airport Improvements and Debt Service

City of Concord, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019

II. FINANCIAL STATEMENT FINDINGS

No matters were reported

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported