City of Concord, North Carolina
Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013

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CITY OF CONCORD, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

Prepared by:

Finance Department

City of Concord, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

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October 31, 2013

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, 2013, 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 2013.

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 Potter & Company, P.A. a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Concord for the fiscal year ended June 30, 2013, 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 unqualified opinion on the City of Concord's financial statements for the fiscal year ended June 30, 2013, and is fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY

The City of Concord is located in the north central portion of Cabarrus County, North Carolina (the "County"). The County is located in the east central part of the Charlotte-Gastonia-Concord MSA. The City, incorporated in 1796, is the County seat and covers an area of approximately 60.71 square miles with an estimated population of 81,461. 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

Current economic events continue to be a concern for the City as it has been for the entire nation. Economic conditions are improving, although at a slower pace than anticipated. Per the North Carolina Fiscal Research Division's April 2013 report, economists anticipate the pace of economic growth to stay on a steady, upward trend. Consumer spending is finally starting to show signs of recovery and the forecasts predict the State's economy will begin to expand faster than the US economy overall. Unfortunately, that may not occur until we get closer to 2015.

Various national forecasts assume that the national unemployment rate will remain around 9% through much of 2014. North Carolina is not expected to fare any differently than the nation with respect to employment growth and the unemployment rate. The State's employment picture reflects the improvements in the overall economy, although job growth may not be strong enough to significantly lower the unemployment rate until mid-2014.

The City's economy does benefit from the close proximity to Charlotte and access to major Interstate and US highways, as well as Charlotte-Douglas International Airport and major Norfolk-Southern Railway lines. In the past, this has led to increased economic growth and diversification and as the economy recovers the City anticipates continuing to see these benefits.

The City has begun to see growth in sales tax collections and that trend should continue, although at a slow pace. Principal products and services of major businesses include electrical devices, plastics, light weight solar panels, lithium battery components, commercial flight training, materials handling, aerodynamics testing, apparel, telecommunications, internet service, automotive

products, beverages, food, gourmet coffee roasting and supply, printing and publishing, concrete products, lumber and wood, specialized coloring, fabricated metal and machinery products, motorsports, mobile and modular home components and corrugated packaging.

Concord has also evolved into a major tourist destination in North Carolina. Concord Mills has the highest number of visitors of any attraction in North Carolina and is adding a new aquarium to its offerings. Lowe's 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.

The distribution, warehousing and shipping industry is a growing sector of the City's economy. This industry also benefits from close proximity to Charlotte (a regional trucking and manufacturing center with a major commercial international airport) and from access to Interstate 85, which has seven existing interchanges in the City. In addition, Interstate 77 interchanges with Interstate 85 and three other major highways within 15 miles of the City. The final segment of the I-485 Outer Belt one mile west of the City on I-85 is nearing completion, which will significantly improve Concord's highway connectivity to I-77.

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 a new traffic management center.

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 Regional Partnership, 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 expects continued economic development in the area once the economic conditions improve.

For FY 2013-14, 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 and the lowest of those that do not charge solid waste and/or recycling fees. The tax rate remains at $.48 per $100 of valuation.

Since the June 2007 closing of Philip Morris local economic development efforts have not ceased aggressive efforts to find a buyer for the property and re-establish the facility as a major employment center. At least two viable prospects are in negotiations to acquire the property. Local Governments will continue to partner with Cabarrus Economic Development Corporation toward reuse of the former Philip Morris facilities.

The property value losses associated with the closing of Philip Morris were fully realized in FY 2012-13 and future declines are not anticipated.

LONG TERM FINANCIAL PLANNING

Interest in development is up, and new, job creating projects are starting to materialize. The Philip Morris property continues to be the largest unknown, though there are a number of interested parties.

There has been an increase in inquiries related to industrial projects and/or expansions. Actual projects include, but are not limited to, the just completed Pre-Gel expansion, an expansion of Oiles's facilities in International Business Park and speculative buildings under construction or in the planning stages on International Drive and near the intersection of Derita and Poplar Tent Roads. These speculative buildings are very important as there must be an inventory to effectively compete for many of the prospects in today's industrial recruitment environment. Having "product" available is essential. We are excited about the new S&D campus being developed off Westwinds Boulevard near Concord Regional Airport. S&D has already completed an up-fit and expansion of existing buildings to meet their needs and is preparing for the new campus. Nearby, Fly Right is preparing to bring in an additional flight simulator to enhance their ability to provide training for pilots of corporate aircraft.

Developers are discussing the possible resurrection of larger commercial projects approved before the onset of the recession. There has also been an increase in the volume of inquiries for potential commercial construction at existing and proposed major thoroughfare intersections.

Concord is seeing the strongest growth in investment in several years. We are also seeing growing sales tax revenues.

Consistent with the Council goal established a few years ago, the design of a new City Hall located at the intersection of Cabarrus and Market, adjacent to the Police Headquarters, will begin in the new fiscal year. It is anticipated that the City will then move forward to bid and construct the facility. It is recommended this cost be financed rather than using reserves as this would deplete any excess in the capital reserve and fund balance over the City Council's goal.

Concord Regional Airport (CRA) continues to be a vital resource in supporting the business and general aviation communities. FY 2012-13 has been a challenging year with the efforts at the Federal level to eliminate funding for the contract control tower program. At this point there is hope that funds will be restored for this program, at least until the end of the Federal fiscal year, but this has not been confirmed by the Federal Aviation Administration (FAA). If the funds are not forthcoming, Council has instructed staff to explore the development of alternative plans and partnerships for funding and staffing the control tower.

A promising development is the addition of scheduled commercial operations at Concord Regional Airport. On August 22nd the City of Concord announced and welcomed Allegiant Air service. Allegiant Air is a discount airline and will be starting its non-stop service to Florida directly from Concord Regional Airport beginning on December 20, 2013. Additional destinations may be added in the future to other popular vacation spots like South Florida and Las Vegas. While there may be some upfront costs to make this arrangement work, it provides the opportunity for other revenue sources and solidifies the airport's status to qualify for FAA funding for airports with commercial type operations.

Improvements to area roads are also planned. Because of developer and NCDOT delays, the projects anticipated for FY 2012-13 will be completed in FY 2013-14. This includes such projects as a traffic signal at the intersection of George Liles Parkway and Village Drive and the

rehabilitation of Burrage Road. In addition, the FY 2013-14 funds will be used for connecting Weddington Road with Old Holland, continuing design work for improvements to Brookwood Avenue, matching dollars for the traffic management grant and the NE Subset sidewalk extension and the Virginia Street improvements. Of course, it also includes dollars that have been set aside previously for participation with NCDOT on other projects.

The City will continue improvements to the Cabarrus Railroad Bridge which will add classic railing, decorative lighting and sidewalks on Cabarrus Avenue. The City will continue improvements to the extension of George Liles Parkway. This project is vital as it not only provides a direct link from I-85 through the Philip Morris property; it also addresses traffic congestion issues on Weddington Road and the Lowe's Motor Speedway area. Finally, NCDOT continues the project of widening I-85 in Concord and making major improvements to two Concord interchanges.

Charlotte Area Transit System (CATS) is currently constructing the light rail Blue Line Extension from uptown Charlotte northeastward to the UNC Charlotte campus. Regional transit is already an important component of transportation in Concord with the 80X express commuter bus route from five stops in Concord directly to the uptown Charlotte Transit Center. Completion of the Blue Line Extension will greatly enhance the commuting experience for Concord residents who work in uptown Charlotte. Concord leaders continue to be interested in further development of light rail extending into the City and will maintain communication with CATS toward that goal as funding and transit programs grow in the future.

The City's greenways continue to expand throughout the community. PARTF, Carolina Thread Trail and other grant money is being used to help fund the construction of the first segment of the Rocky River greenway adjacent to Moss Creek, with the private donation of the land serving as an additional part of the match. The Rocky River greenway remains a priority. In FY 2011- 12 the City matched State funding controlled through the Carolina Thread Trail to acquire property on the northwest side of Weddington Road to ensure control of necessary property for that segment of the Rocky River Greenway.

This City is investing in its electrical infrastructure to cover new growth in the western part of the City as well as to upgrade system capacity and reliability in existing areas. The City continues to monitor operations and procedures to ensure that the electric department is well positioned to meet the new challenges in today's electric markets.

The City continues to plan for future needs related to the City's water resources. While demand may not be growing significantly in the current economic environment, Concord cannot wait to move forward to prepare for the future and expand its supply of potable water. Concord, Kannapolis and Albemarle are jointly funding the work necessary to construct a line to bring treated Yadkin River water from the Albemarle system and construction is starting in the fall of 2013.

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 Wachovia Bank-Wells Fargo for liquidity and diversity.

As of June 30, 2013, the City's cash resources were invested as follows:

U.S. Government agencies	79%
Certificates of Deposit	4%
NCCMT	3%
All other	14%
Total	100%

The average yield on investments at June 30, 2013 is estimated at 1.2% as compared to less than 1% for all taxable money market funds for the same period.

RISK MANAGEMENT

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

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

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City of Concord administers a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The City is required by Article 12D of G.S. Chapter 143 to provide these benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The annual required contribution for the 2014 year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method.

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 90 retired employees receiving benefits, which are being partially funded.

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

FISCAL POLICIES

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

RESERVE POLICY

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Concord, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2012. 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 twenty-four consecutive years.

The presentation of this report could not have been accomplished without the assistance and dedication of the entire staff of the Finance Department. Special thanks go to Accounting Manager, 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, Potter & Company, P.A., in their assistance 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,

W. Brian Hiatt
City Manager

Pam Hinson
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Concord
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF CONCORD, NORTH CAROLINA

CITY GOVERNING BODY AND OFFICIALS

Members of the Governing Body

City Council

J. Scott Padgett	Mayor
Jim Ramseur	Mayor Pro Tempore

W. Lamar Barrier
Alfred M. Brown, Jr.
Hector H. Henry, II
David W. Phillips
Ella Mae Small
John Sweat, Jr.

W. Brian Hiatt	City Manager
Pam T. Hinson	Finance Director
Albert Benshoff	City Attorney
Kim Deason	City Clerk

CITY ORGANIZATIONAL CHART

Citizens of Concord

Mayor & City Council

City Attorney - 1 FTE

Deputy Attorney - 1 FTE
Assistant Attorney - 1 FTE
Support Services - 3 FTE

City Manager - 1 FTE

Deputy City Manager - 1 FTE

Assistant City Manager - 1FTE

Aviation - 33 FTE

Communications

Radio Shop - 2.5 FTE
Emergency Communications - 22.5 FTE

Fire & Life Safety

Fire & Life Safety Operations - 181 FTE
Fire Prevention - 6 FTE

Housing

Operations/Vouchers - 12 FTE

Parks & Recreation

Parks & Recreation - 21
Aquatics - 0 FTE (all staff are PT- temporary)

Police

Sworn - 160.25 FTE
Non-Sworn - 20 FTE
Code Enforcement - 7 FTE

Data Services (contract arrangement)

GIS - 1 FTE

Buildings & Grounds

Cemeteries - 8 FTE
Buildings & Grounds - 39.5 FTE

Rocky River Golf Course (contract arrangement)

Electric Systems

Administration - 2 FTE
Electric Construction - 34 FTE
Electric Engineering - 5 FTE
Peak Shaving - 2 FTE
Purchased Power - 0 FTE
Powerline Maintenance - 13 FTE
Tree Trimming - 9 FTE
Utility Locate Services - 4 FTE

Engineering - 24 FTE

Solid Waste & Recycling - 32 FTE

Stormwater - 19.77 FTE

Fleet Services - 13 FTE

Planning & Neighborhood Development

Planning & Neighborhood Dev. - 14.5 FTE
CDBG - 1 FTE
HOME - 1 FTE

Transportation

Traffic Services - 5 FTE
Traffic Signals - 5 FTE
Streets & Traffic - 27 FTE

Water Resources

Hillgrove Water Treatment Plant - 14.5 FTE
Coddle Creek Water Treatment Plant - 15.5 FTE
Waterlines Operations - 34.24 FTE

Wastewater Resources - 29.99 FTE

Public Transit - 2.70 FTE

City Manager's Office

Clerk - 1 FTE
Administrative Support - 1 FTE
Risk Management- 3 FTE
Public Affairs- 2 FTE
Econ. Develop. & Sustainability - 1 FTE
Emergency Management - 1 FTE

Finance

Billing - 10 FTE
Customer Service - 15.5 FTE
Finance - 14 FTE
Purchasing - 7 FTE
Tax - 4.5 FTE
Utilities Collections 4.5 FTE
Customer Care Center - 9.75 FTE

Human Resources - 7 FTE

Wellness Center (contract arrangement)

Note: City Manager provides functional supervision to City Attorney and coordinates prioritization of staff legal support.

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and The 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, as of and for the year ended June 30, 2013, 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.

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Concord ABC Board, the component unit. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Concord ABC Board, is based solely on the report of another auditor. 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 of material misstatement. The financial statements of City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions
In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of June 30, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

114 North Church Street ■ Monroe, NC 28112 ■ 704.283.8189 ■ 704.289.3439 fax ■ www.gotopotter.com

Other Matters

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's and the Health Care Plan of the City of Concord's Schedules of Funding Progress and Schedules of Employer Contributions be presented to supplement the basic financial statements. Such information, although not a required 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 general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Concord, North Carolina. The introductory section, the other supplementary information section, the statistical section, and the Schedule of Expenditures of Federal and State Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information section and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the other supplentary information section and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of basic financial statements and, accordingly, we express no opinion on them 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 29, 2013, on our consideration of the City of Concord's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of the 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 of Concord's internal control over financial reporting and compliance.

Potter & Company

October 29, 2013
Monroe, North Carolina

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, 2013. 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 $717,722,593 (*net position*). Of this amount, $183,318,573 (*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 $14,706,473 (2%). The growth is attributable to an increase in cash and investments and a decrease in long term liabilities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $86,794,238, an increase of $7,042,656 in comparison with the prior year. Approximately 42 percent of this total amount or $36,616,524 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 other governmental funds and an increase in reserves for future capital projects.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $40,600,448 or 56 percent of total general fund expenditures and transfers.
- The City holds the following underlying bond ratings at June 30, 2013:

	GO Bonds	Revenue Bonds
Fitch	AA	AA
Moody's	Aa1	Aa2
Standard & Poor's	AA	AA-

OVERVIEW OF FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public works, public safety, transportation, planning and community development and cultural and recreational. The business-type activities include electric, water, wastewater, aviation, transit, stormwater 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 31 through 33 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 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 sixteen individual non major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is considered to be a major fund. 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 Service department, Billing department, Engineering department, Purchasing department, Call Center department, Data Service 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 44 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 79 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 80 through 83 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 supplemental information. Combining and individual fund statements and schedules can be found on pages 87 through 104 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 144 through 145.

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 $717,722,593 as of June 30, 2013.

By far the largest portion of the City's net position (72 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	
	2013	2012	2013	2012	2013	2012
Current and other assets	$94,213,567	$87,112,419	$140,552,568	$127,047,891	$234,766,135	$214,160,310
Capital assets	284,288,129	294,147,772	361,712,279	364,944,423	646,000,408	659,092,195
Total Assets	378,501,696	381,260,191	502,264,847	491,992,314	880,766,543	873,252,505
Deferred outflows of resources	279,396	316,044	1,940,733	2,146,755	2,220,129	2,462,799
Long-term liabilities outstanding	37,708,133	38,441,045	111,653,801	119,416,247	149,361,934	157,857,292
Other liabilities	5,261,178	5,465,993	10,477,832	9,273,115	15,739,010	14,739,108
Total liabilities	42,969,311	43,907,038	122,131,633	128,689,362	165,100,944	172,596,400
Deferred inflows of resources	163,135	102,784	-	-	163,135	102,784
Net position:						
Net investment in capital assets	260,979,309	268,758,293	258,370,354	253,341,005	519,349,663	522,099,298
Restricted	15,054,357	15,197,259	-	-	15,054,357	15,197,259
Unrestricted	59,614,980	53,610,861	123,703,593	112,108,702	183,318,573	165,719,563
Total net position	$335,648,646	$337,566,413	$382,073,947	$365,449,707	$717,722,593	$703,016,120

An additional portion of the City's net position (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($183,318,573) 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 a decrease of $1,917,767 in net position reported in connection with the City of Concord's governmental type activities. This decrease is associated with a decrease in capital assets.

During the current fiscal year, total net position for business-type activities increased by $16,624,240. Business-type total liabilities decreased $7,762,446 due to principal payments which have reduced the City's debt. The increase in current assets is a result of more revenues from charges for services. The additional non restricted cash and continued reductions in liabilities have contributed to the large increase in net position.

City of Concord's Changes in Net Position

Table 2

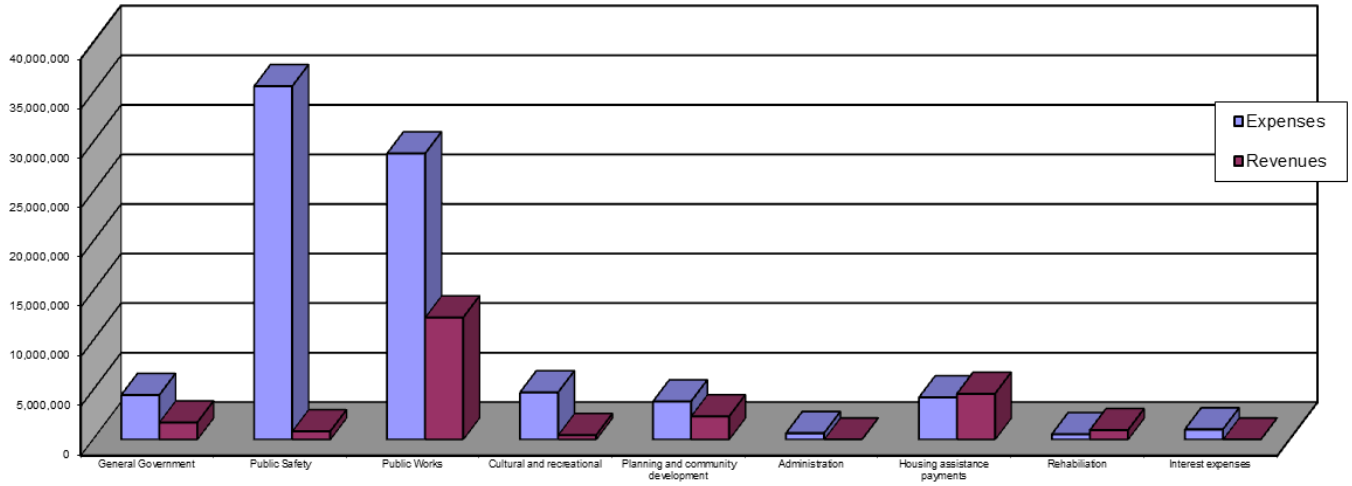
	Governmental Activites		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	$6,040,169	$5,185,534	$130,816,420	$128,991,318	$136,856,589	$134,176,852
Operating grants/ contributions	8,667,106	10,099,206	3,152,858	3,148,598	11,819,964	13,247,804
Capital grants/contributions	8,533,706	3,307,835	5,488,658	1,591,427	14,022,364	4,899,262
General revenues:						
Ad valorem taxes	43,549,135	43,163,621	-	-	43,549,135	43,163,621
Other taxes	14,046,489	13,366,521	-	-	14,046,489	13,366,521
Grants and contributions not restricted to specific programs	3,155,697	2,880,377	-	-	3,155,697	2,880,377
Investment earnings	(281,947)	730,032	(245,850)	1,206,493	(527,797)	1,936,525
Miscellaneous gain(loss)	926,090	876,108	494,871	402,869	1,420,961	1,278,977
Total revenues	84,636,445	79,609,234	139,706,957	135,340,705	224,343,402	214,949,939
Expenses:						
General government	4,494,000	4,968,795	-	-	4,494,000	4,968,795
Public safety	35,643,640	35,378,939	-	-	35,643,640	35,378,939
Public works	28,865,813	28,875,757	-	-	28,865,813	28,875,757
Cultural & recreational	4,771,467	4,299,687	-	-	4,771,467	4,299,687
Planning & community development	3,854,751	5,373,310	-	-	3,854,751	5,373,310
Administration	649,716	856,103	-	-	649,716	856,103
Housing assistance payments	4,258,426	3,698,736	-	-	4,258,426	3,698,736
Rehabilitation	554,455	3,227,906	-	-	554,455	3,227,906
Interest on long term debt	1,032,636	1,005,570	-	-	1,032,636	1,005,570
Electric	-	-	74,356,658	66,295,928	74,356,658	66,295,928
Water	-	-	15,211,584	15,255,937	15,211,584	15,255,937
Wastewater	-	-	13,668,630	13,772,351	13,668,630	13,772,351
Regional airport	-	-	11,477,819	11,904,850	11,477,819	11,904,850
Stormwater	-	-	3,744,547	3,731,359	3,744,547	3,731,359
Other nonmajor business-type activities	-	-	7,052,787	6,416,051	7,052,787	6,416,051
Total expenses	84,124,904	87,684,803	125,512,025	117,376,476	209,636,929	205,061,279
Increase (decrease) in net position before transfers	511,541	(8,075,569)	14,194,932	17,964,229	14,706,473	9,888,660
Transfers	(2,429,308)	(1,984,080)	2,429,308	1,984,080	-	-
Increase (decrease) in net position	(1,917,767)	(10,059,649)	16,624,240	19,948,309	14,706,473	9,888,660
Net position, July 1 (as restated Note 18)	337,566,413	347,626,062	365,449,707	345,501,398	703,016,120	693,127,460
Net position, June 30	$335,648,646	$337,566,413	$382,073,947	$365,449,707	$717,722,593	$703,016,120

Governmental Activities

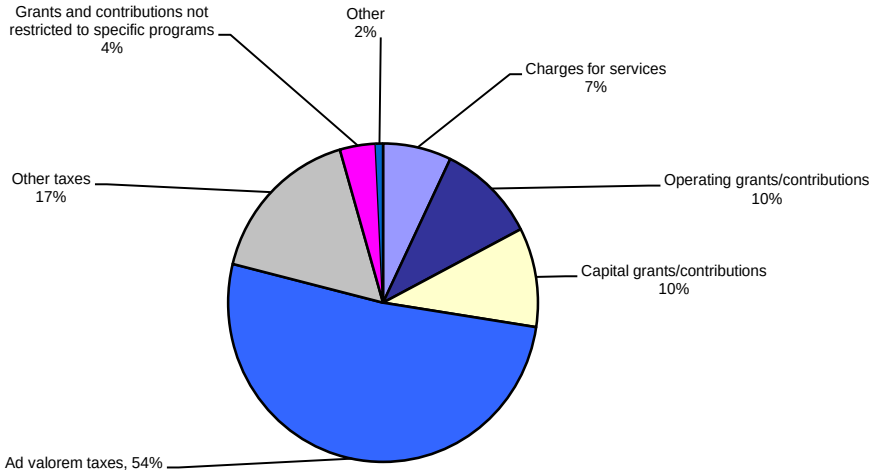
In fiscal year 2013, the net position of governmental activities decreased by $1,917,767, or less than 1%. This small decrease in net position results due to transfers for one time capital outlays. Table 2 above, illustrates key elements of the changes in the governmental activities net position. Listed below are a few points highlighting significant changes in net position.

- Property taxes increased by $385,514 (1%) during the year. Although this increase was modest, this positive number confirms that the City did not anticipate continued declines in assessed values as with the prior year revaluation numbers.
- Sales tax revenue increased 5% in FY2013 as the economy continued the slow recovery.
- Capital grants/contributions increased $5,225,871 due to an increase in infrastructure street values.
- Charges for services increased 16%, $854,635, as revenues city-wide continue to recover.
- The total governmental activities decrease in expenses, 4%, was the result of conservative operations within all departments. The City also decreased spending in the housing rehabilitation program as new projects were reviewed and planned for the upcoming year.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net position by $16,624,240 (5%).

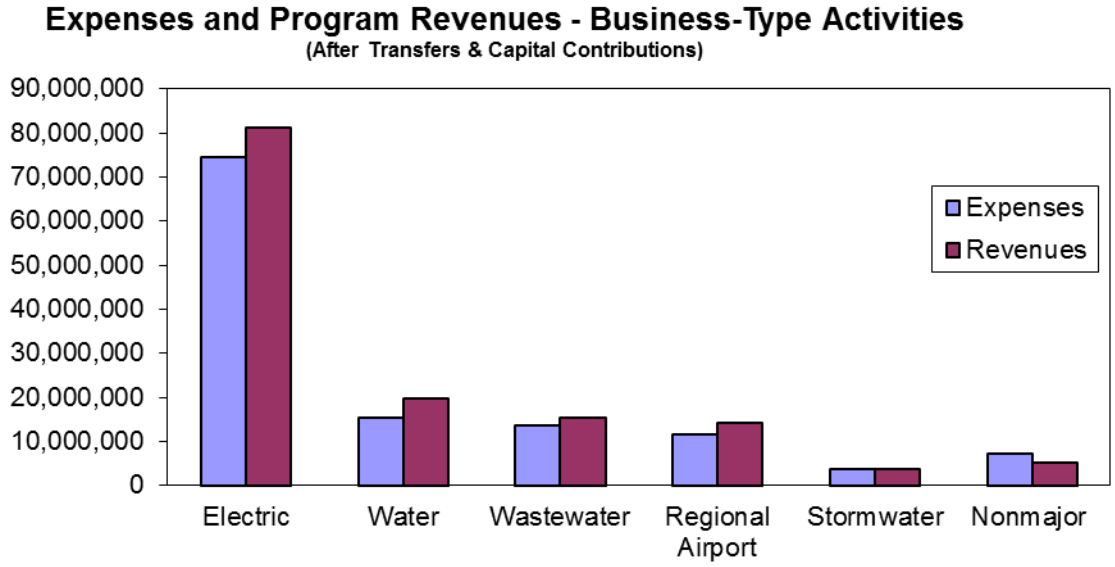
Key elements of the increase in business type activities, illustrated in table 2 located on page 20 are as follows:

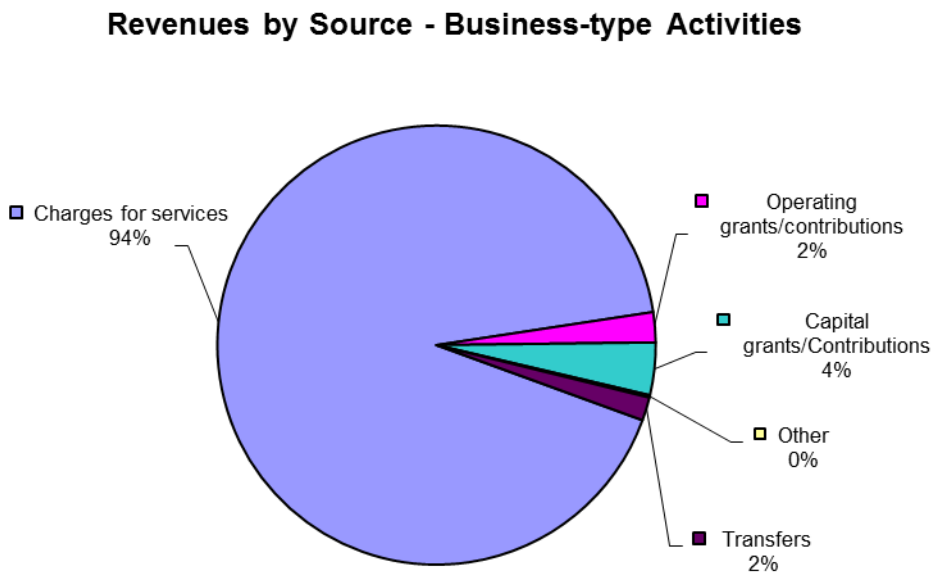
- Charges for services for business-type activities increased by 1%, $1,825,102.
  - Usage remained relatively stable for the water and wastewater customers, the cities wastewater division's charges for service increased 1%. The increase is due to a small increase in consumption, there were no wastewater rate increases. Water charges for service decreased around 1%. There were no water 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.
  - Aviation charges for service remained stable when compared to the previous year. The Concord Regional Airport (CRA) continues to be one of the busiest general aviation airports in North Carolina. The demand for fuel remained stable this year.
  - Stormwater charges for service remained stable when compared to last year's collections. The Stormwater program has operated for five full years, and the billing has been fully implemented. An internal review of the system is continuing to discover customers who should be added to the billing for Stormwater fees, but most customers are now being billed. With no major growth anticipated, the City expects this revenue source to remain stable in the future year.
  - Electric charges for service increased 2% for fiscal year 2013. Duke Energy Corporation, the main supplier for City power, continues to increase the wholesale costs to the City. During calendar year 2008, these 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 has 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 will be considered based on a cost of service analysis taking into account the Duke changes in January of every year. Due to Duke's schedule for wholesale increases, FY 2013 reflects an average 2% retail rate increase that was effective September 2012.

- Expenses increased 7% when compared to the prior year. The City had implemented budget cuts in the prior years when revenues began to slow due to the economic conditions within the nation and our area of the state. These conservative measures remained a practice of the City in FY2013 which ensured that operating costs did not outpace the City's revenue sources.
    - The City purchases the majority of power from Duke Energy, thus any increase in wholesale rates affect operating costs of this division. Operating expenses increased 12% in fiscal year 2013 which were entirely a result of the wholesale rate adjustment passed to the City from Duke Power.
    - Water operating expenses remained steady this year and wastewater operating costs also decreased 1% as these departments continued implementing operating budget cuts to ensure that any decreases in rate revenue would be offset by a reduction in expenses. Treatment costs were also down and there were no major weather issues this past year, such as a drought as in previous years.
    - The airport operating expenses decreased 4%; the majority of this decrease was associated with the cost of fuel for resale and the amount of fuel the airport purchased. The airport also works to manage operations as conservatively as possible.

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, Customer Service, Engineering, Customer Care Services, Purchasing, and Building and Grounds.





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 $86,794,238, an increase of almost 9 percent in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 42% 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 ($69,260), 2) restricted for streets, public safety and state statute stabilization ($14,985,097), 3) committed for future capital, planning & community development, and housing assistance ($16,733,371), and 4) assigned for specific purposes in other governmental funds ($18,389,986).

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 $40,600,448, while total fund balance for the general fund reached $55,160,067; representing a decrease of $2,320,060. 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 56 percent of total general fund expenditures, while total fund balance represents 76 percent of that same amount. Key factors in the fund balance decrease are as follows:

- The City's general fund operating revenues actually exceeded operating expenditures by $12,608,396 but transfers to other funds reduced the actual net change in fund balance for the year to ($2,320,060). The City transferred $15,455,456 to other funds. The majority of these funds are for capital projects and debt service.

Other governmental fund balance increased $9,362,716 due to reserve funds being increased 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 and the regional airport fund at the end of the year were $53,319,099, $44,344,153, $12,267,391 and $5,728,245 respectively. The unrestricted net position of all other enterprise funds was $8,044,705. The total growth in net position for the proprietary funds was $16,624,240. 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 22 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 by $724,047 or 1%. This does not represent a significant budgetary variance between original and final amended budget for the City. There is no major difference between original and amended budgets. Miscellaneous revenues came in a little higher than expected and so did State Street Aid funding which resulted in amendments to the original budget.

At year-end, *actual* revenues exceeded *final amended budget* numbers by 2.5%. *Actual* expenditures were less than *final budgetary* figures by 8.7%, resulting in excess of revenues over expenditures (before transfers) of $12,608,396.

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, 2013, totals $646,000,408 (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 2 percent (a 3 percent decrease for governmental activities and a 1 percent decrease for business-type activities).

Major capital asset transactions during the year included the following:

- Construction of electric substations and enhancements/improvements to the electric transmission lines in amount of $1,798,271.
- Purchase of vehicles and equipment for general fund totaling $1,515,009.
- Purchase of one new fire truck in the amount of $355,713.

- The extension of the distribution and transmission lines for the City's water system and upgrades/improvements to the system in the amount of $758,926.
- The extension of the distribution and transmission lines for the City's wastewater system totaling $793,460.
- Extension and improvements of the Parks & Recreation facilities, grounds, and the greenway systems totaling $122,156.
- Airport improvements totaling $8,381,350.

Additional information on the City of Concord's capital assets can be found in Note 5 of the Basic Financial Statements located on page 64.

Capital Assets

Table 3

	Governmental Activities		Buiness-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 51,749,134	$ 51,653,293	$ 41,606,719	$ 38,676,701	$ 93,355,853	$ 90,329,994
Construction in progress	3,001,523	2,636,822	17,093,779	19,126,178	20,095,302	21,763,000
Buildings and systems	47,496,124	47,469,809	57,804,100	54,912,839	105,300,224	102,382,648
Improvements other than buildings	2,850,711	2,804,215	415,948,076	409,330,260	418,798,787	412,134,475
Machinery and equipment	29,217,978	29,578,808	24,023,305	23,881,092	53,241,283	53,459,900
Infrastructure	495,416,884	485,567,657	-	-	495,416,884	485,567,657
Sub-total	629,732,354	619,710,604	556,475,979	545,927,070	1,186,208,333	1,165,637,674
Less Accum. Depreciation	(345,444,225)	(325,562,832)	(194,763,700)	(180,982,647)	(540,207,925)	(506,545,479)
Total	$ 284,288,129	$ 294,147,772	$ 361,712,279	$ 364,944,423	$ 646,000,408	$ 659,092,195

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of $127,079,636 (principal). Of this amount, $0 comprises debt backed by the full faith and credit of the City and $90,405,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has $24,645,000 and $12,029,636 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General Obligation bonds	$ -	$ -	$ -	$ -	$ -	$ -
Installment purchases	3,987,136	4,429,089	8,042,500	8,810,733	12,029,636	13,239,822
Revenue Bonds	2,708,947	2,928,572	87,696,053	94,266,428	90,405,000	97,195,000
Installment notes	16,544,900	17,958,200	8,100,100	8,986,800	24,645,000	26,945,000
Total long-term debt	$ 23,240,983	$ 25,315,861	$ 103,838,653	$ 112,063,961	$ 127,079,636	$ 137,379,822

In the current fiscal year, the City of Concord's total debt decreased by $7,837,389 (6 percent). There is no new debt for fiscal year ending June, 2013. There is more information available in the 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 legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is $708,508,164. The current debt limitation for the City of Concord is $729,040,200, 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 66 through 71 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Cabarrus County at June of 2013 was 8.8%, which is a decrease from a rate of 9.3% in June of 2012. The state's unemployment rate for June of 2013 was 9.3%. (Source: Cabarrus Economic Development Corporation)

- Population has increased from 27,347 in 1990 to an estimated 81,461 as of July 1, 2012 (per the Office of State Budget and Management), which represents a growth rate of 198%. The City experienced a 1% growth in current year population when compared to the certified population estimate as of July 1, 2011.

- The economic climate will be the biggest factor impacting future Concord budget recommendations. Unemployment continues to be high which slows sales tax collections. Foreclosures have continued to decrease which will aid in property tax collections. The sales tax revenues continue to recover but the growth is slow. Of course, some of this is related to the on-going weakness in the construction industry. These conditions have also led to a leveling off of growth in utility revenues. Experts are

saying the recovery will continue to be slow, with local governments being some of the last institutions to benefit.

- The City's Economic Development & Sustainability Director position within the City Manager's office 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 of North Carolina's economy is slowly gaining strength. The pace of this growth should continue at a steady upward trend. Sales tax collections have continued to grow and are expected to meet the 3% growth estimates for the year. One important element in the strengthening of the State's overall economy is the improving housing market. With so many jobs directly and indirectly tied to housing, the recent improvements in housing are encouraging. The revenue forecast produced in April envisioned a continued slow recovery throughout the fiscal year and produced a cautious estimate of 3.6% for the gross state product baseline growth.

- In FY 2012-13, the General Fund realized the full impact of the loss of Philip Morris. The appeal of the Philip Morris tax valuation has been settled so values will not change until new development starts to take place on the property.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2014. The amount of unassigned fund balance in the general fund is $40,600,448 as of July 1, 2013. Concord has no appropriation from fund balance for the 2014 fiscal year.

The tax base used in the fiscal year 2014 budget preparation represents a 4% increase in real property values from fiscal year 2013. One cent on the City's tax rate produces $892,962 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 City has now experienced the full financial impact of the Philip Morris plant closure that has resulted in a total assessed value decline of 82% ($895 million) since the closure was announced in June of 2007. The property value losses associated with Philip Morris should now be fully realized in prior years and future declines are not anticipated.

The City's contract to purchase power from Duke Energy is based on Duke Energy's system average cost. Costs are tied to Duke's expenditures and go up (or down) depending upon market conditions and infrastructure investment. As anticipated, wholesale costs from Duke Energy are starting to stabilize. This is leading to more predictability in the rates Concord charges its customers. In fact, FY 2012-13 saw the first Purchased Power Adjustment (PPA) that reduced user costs. We hope that increases needed for FY 2013-14, if any, will be minimal. Duke Energy continues to pursue retail rate increases that would be consistent with what it has passed on to its wholesale customers like Concord and is receiving incremental approvals from the North Carolina Utility Commission for such adjustments. Concord is impacted by the comparison of the Concord rates with Duke's. Staff will continue to make sure the same principles applied to retail rate reviews are used for the setting of wholesale rates so our customers are not subsidizing Duke's retail customers. At the same time, the wholesale energy market is changing and Concord must be preparing now for future wholesale purchase contracts, including talking with all potential suppliers.

Concord, Kannapolis and Albemarle are jointly funding a line to bring treated Yadkin River water from the Albemarle system. The bidding process has started for the project and construction will

begin early in FY 2013-14. Concord will fund its portion from reserves. Though no change is recommended this year, water rate increases will have to be evaluated annually against the amounts needed to fund major capital projects and to meet increasing environmental standards. It is likely that upfront capacity purchases, such as the "take or pay" amount in the Albemarle agreement, will result in the need to adjust rates in FY 2014-15. Faced with the reality that Cabarrus County has no additional water sources within its boundaries, we must go outside to obtain water. As a result, water continues to be more expensive in Cabarrus County than for its neighbors who are adjacent to free water sources fed by larger rivers. The Water and Sewer Authority of Cabarrus County is completing the new master plan for the entire County. This data will be used to develop strategic plans for upcoming water and wastewater budgets.

The wastewater rate structure is designed for all customers to pay a uniform volume rate based on their metered water consumption. Customers that do not have water service will pay a flat fee. Although it will be difficult, the 2013 budget year does not include any rate increase for wastewater charges. The City has elected to defer some capital projects to future years.

There is no increase in the stormwater fee that was implemented in FY 2005-06 to meet the mandated Phase II stormwater requirements. The fee remains at $4.30 per Equivalent Residential Unit. Revenues in FY 2013-14 will be used for required system mapping, for maintenance projects, to match federal dollars for stream restoration projects and to expand maintenance of the existing system.

The following projects impact NCDOT facilities and are programmed with Concord's participation**:**

- **I 85 Widening Projects - (I-3803-B) and NC 73 to 29-601 Connector in Rowan County**- Concord is participating with NCDOT to provide sidewalks and bicycle accommodations along both Poplar Tent Road and NC 73 for the sections impacted by the I-3803-B project. This **entire project is underway and is projected to be complete in 2014. NCDOT is now getting** ready to start another I-85 project from NC 73 to 29-601 Connector in Rowan County. This will include significant improvements to the interchanges at Exits 58 and 60.

- **Derita Road (U-4910)** - Traffic congestion is choking this corridor. As a result, the City of Concord sought Federal monies to assist NCDOT in solving the problem. Unfortunately, most of the Federal money allocated ended up being subject to the equity formula, so Concord had to "trade off" and delay the larger Poplar Tent Road widening project through a requested TIP priority change in order to add Derita Road. Even with this change, Concord was required to pick up the total cost to match the Federal funds for this NCDOT Road. The match is estimated to be $3,036,763. Concord and NCDOT have entered into a Municipal Agreement, AECOM has been contracted to perform the design and permitting with right-of-way acquisition scheduled for 2012 with construction possibly to begin in 2014.

- **George Liles Parkway Extension (R-2246B)** - With the closing of Philip Morris, it is imperative that this part of Concord be redeveloped to enhance tax base for Concord and Cabarrus County. The area adjacent to this road encompasses approximately 3000 acres of land zoned for business use. This project is essential to providing direct access to I-85. Right-of-way acquisition is underway and the project has been let by NCDOT.

Due to the economic conditions during the recession, the City has been very modest in providing performance based salary adjustments, if at all. Here is what the City has done the past four fiscal years:

FY09/10: No merit increases, no adjustment to the pay structure
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

It is clear that many employers in the public and private sectors are enhancing their compensation offers as the economy strengthens. During the recession, the City tried to benefit its coworkers by managing positions so to provide stability to employees. Many positions were frozen or eliminated, but no one was laid off. Now we are seeing other employers who laid off workers begin to rapidly ramp up to hire experienced personnel to meet the expanding workload. There were no overall adjustments to our pay structure that raised entry level salaries during this time. That is why this budget also includes money to fund a comprehensive classification and pay study. We want to make sure we capture the new reality in attracting and retaining good employees. We are 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.

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 internet located at the following address: *http://www.concordnc.gov.*

STATEMENT OF NET POSITION
June 30, 2013

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Cash and investments	$ 63,451,191	$ 108,084,263	$ 171,535,454	$ 2,939,648
Receivables, net	8,728,979	20,781,286	29,510,265	-
Due from (to) other funds	853,700	(853,700)	-	-
Inventories	52,766	4,109,230	4,161,996	781,873
Prepaid expenses	19,364	251,315	270,679	40,772
Restricted assets - cash and investments	21,107,567	8,180,174	29,287,741	-
Capital assets:				
Non-depreciable	54,750,657	58,700,498	113,451,155	20,000
Depreciable, net	229,537,472	303,011,781	532,549,253	306,617
Total assets	378,501,696	502,264,847	880,766,543	4,088,910
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	279,396	1,940,733	2,220,129	-
Total deferred outflows of resources	279,396	1,940,733	2,220,129	-
LIABILITIES				
Accounts payable and accrued liabilities	2,744,449	7,794,558	10,539,007	782,743
Accrued interest payable	-	335,870	335,870	-
Unearned revenues	577,723	-	577,723	-
Deposits	1,939,006	2,347,404	4,286,410	-
Non-current liabilities:				
Due within one year:				
Long-term debt	3,557,388	8,451,746	12,009,134	-
Installment purchases	342,136	602,500	944,636	-
Due in more than one year:				
Long-term debt	30,163,609	95,159,555	125,323,164	-
Long-term installment purchases	3,645,000	7,440,000	11,085,000	-
Total liabilities	42,969,311	122,131,633	165,100,944	782,743
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	163,135	-	163,135	-
Total deferred inflows of resources	163,135	-	163,135	-
NET POSITION				
Net investment in capital assets	260,979,309	258,370,354	519,349,663	326,617
Restricted for:				
Transportation	2,482,379	-	2,482,379	-
Stabilization by State Statute	12,203,853	-	12,203,853	-
Other	368,125	-	368,125	-
Unrestricted	59,614,980	123,703,593	183,318,573	2,979,550
Total net position	$ 335,648,646	$ 382,073,947	$ 717,722,593	$ 3,306,167

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 4,494,000	$ 1,724,338	$ -	$ -
Public safety	35,643,640	612,622	202,425	13,730
Public works	28,865,813	335,140	3,617,492	8,361,000
Cultural and recreational	4,771,467	290,561	-	158,976
Planning and community development	3,854,751	1,936,408	402,974	-
Administration	649,716	-	-	-
Housing assistance payments	4,258,426	745,975	3,880,347	-
Rehabilitation	554,455	395,125	563,868	-
Interest expense	1,032,636	-	-	-
Total governmental activities	84,124,904	6,040,169	8,667,106	8,533,706
Business-type activities:				
Electric	74,356,658	81,194,498	-	-
Water	15,211,584	19,443,009	-	341,150
Wastewater	13,668,630	14,683,027	-	666,824
Regional airport	11,477,819	9,807,609	-	4,480,684
Stormwater	3,744,547	3,778,496	-	-
Golf course	1,708,492	1,335,017	-	-
Housing	1,632,217	311,801	1,093,073	-
Transit	3,712,078	262,963	2,059,785	-
Total business-type activities	125,512,025	130,816,420	3,152,858	5,488,658
Total primary government	$ 209,636,929	$ 136,856,589	$ 11,819,964	$ 14,022,364
Component unit - City of Concord, ABC Board	$ 7,853,536	$ 7,953,240	$ -	$ -

General revenues:
- Taxes:
  - Ad valorem
  - Local government sales tax
- Grants and contributions not restricted to specific programs:
  - Intergovernmental
- Investment earnings
- Gain on sale of capital assets
- Miscellaneous

Total general revenues not including transfers

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning, as restated (see Note 18)

Net position - ending

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (2,769,662)	$ -	$ (2,769,662)	$ -
(34,814,863)	-	(34,814,863)	-
(16,552,181)	-	(16,552,181)	-
(4,321,930)	-	(4,321,930)	-
(1,515,369)	-	(1,515,369)	-
(649,716)	-	(649,716)	-
367,896	-	367,896	-
404,538	-	404,538	-
(1,032,636)	-	(1,032,636)	-
(60,883,923)	-	(60,883,923)	-
-	6,837,840	6,837,840	-
-	4,572,575	4,572,575	-
-	1,681,221	1,681,221	-
-	2,810,474	2,810,474	-
-	33,949	33,949	-
-	(373,475)	(373,475)	-
-	(227,343)	(227,343)	-
-	(1,389,330)	(1,389,330)	-
-	13,945,911	13,945,911	-
(60,883,923)	13,945,911	(46,938,012)	-
-	-	-	99,704
43,549,135	-	43,549,135	-
14,046,489	-	14,046,489	-
3,155,697	-	3,155,697	-
(281,947)	(245,850)	(527,797)	2,819
190,637	183,025	373,662	-
735,453	311,846	1,047,299	80,488
61,395,464	249,021	61,644,485	83,307
(2,429,308)	2,429,308	-	-
58,966,156	2,678,329	61,644,485	83,307
(1,917,767)	16,624,240	14,706,473	183,011
337,566,413	365,449,707	703,016,120	3,123,156
$ 335,648,646	$ 382,073,947	$ 717,722,593	$ 3,306,167

CITY OF CONCORD, NORTH CAROLINA **Exhibit C**

GOVERNMENTAL FUNDS

BALANCE SHEET
June 30, 2013

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	$ 44,520,396	$ 18,930,795	$ 63,451,191
Receivables:			
Ad valorem taxes, net	1,984,530	7,616	1,992,146
Due from other governmental agencies	506,562	199,528	706,090
Sales tax refunds	811,293	-	811,293
Interest	135,555	65,313	200,868
Due from other funds	4,753,879	-	4,753,879
Other, net	4,788,685	229,897	5,018,582
Inventories	52,766	-	52,766
Prepaid items	16,494	-	16,494
Restricted assets - cash and investments	4,698,916	16,408,651	21,107,567
Total assets	$ 62,269,076	$ 35,841,800	$ 98,110,876
LIABILITIES			
Accounts payable and accrued liabilities	$ 2,444,615	$ 299,834	$ 2,744,449
Due to other funds	-	3,900,179	3,900,179
Unearned revenues	577,723	-	577,723
Deposits	1,939,006	-	1,939,006
Total liabilities	4,961,344	4,200,013	9,161,357
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	1,984,530	7,616	1,992,146
Prepaid taxes	163,135	-	163,135
Total deferred inflows of resources	2,147,665	7,616	2,155,281
FUND BALANCES (DEFICITS)			
Non Spendable			
Inventories	52,766	-	52,766
Prepaids	16,494	-	16,494
Restricted			
Stabilization by State Statute	11,709,115	494,738	12,203,853
Transportation	2,482,379	-	2,482,379
Public safety	298,865	-	298,865
Committed			
Future capital purchases	-	16,408,640	16,408,640
Planning and community development	-	72,470	72,470
Housing assistance	-	252,261	252,261
Assigned			
Future capital purchases	-	18,389,986	18,389,986
Unassigned	40,600,448	(3,983,924)	36,616,524
Total fund balances (deficits)	55,160,067	31,634,171	86,794,238
Total liabilities, deferred inflows of resources and fund balances	$ 62,269,076	$ 35,841,800	$ 98,110,876

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA **Exhibit D**

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2013

Fund balances - total governmental funds		$ 86,794,238
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	$ 629,732,354	
Less accumulated depreciation	345,444,225	284,288,129
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Bond insurance cost	4,842	
Less accumulated amortization	1,972	2,870
Long-term liabilities, including accrued interest are not due and payable in the current period and therefore are not reported in the governmental fund		
Governmental bond payable	(19,253,847)	
HUD Loan	(1,756,000)	
Governmental installment purchases	(3,987,136)	
Separation allowance	(1,701,191)	
OPEB Liability	(7,771,356)	
Accrued vacation payable	(2,891,370)	(37,360,900)
Deferred charge on refunding	393,290	
Less accumulated amortization	113,894	279,396
Bond premium	(472,196)	
Less accumulated amortization	(124,963)	(347,233)
Liabilities for earned revenues considered deferred inflows of resources in fund statements		1,992,146
Net position of governmental activities		$ 335,648,646

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA **Exhibit E**

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	$ 43,246,435	$ 99,263	$ 43,345,698
Other taxes	14,046,489	-	14,046,489
Unrestricted intergovernmental revenues	3,155,697	-	3,155,697
Restricted intergovernmental revenues	3,726,944	5,278,480	9,005,424
Licenses and permits	1,885,610	-	1,885,610
Investment earnings	(181,834)	(100,113)	(281,947)
Investment earnings, restricted	25,628	-	25,628
Program income	-	1,476,240	1,476,240
Other revenues	3,507,258	2,905	3,510,163
Total revenues	69,412,227	6,756,775	76,169,002
Expenditures			
Current:			
General government	4,077,954	-	4,077,954
Public safety	31,688,874	-	31,688,874
Public works	10,493,535	-	10,493,535
Cultural and recreational	4,399,504	-	4,399,504
Planning and community development	3,693,507	99,263	3,792,770
Administration	-	649,716	649,716
Housing assistance payments	-	4,258,426	4,258,426
Rehabilitation	-	554,455	554,455
Capital outlay	1,485,140	2,037,719	3,522,859
Debt service	965,317	2,293,628	3,258,945
Total expenditures	56,803,831	9,893,207	66,697,038
Excess (deficiency) of revenues over (under) expenditures	12,608,396	(3,136,432)	9,471,964
Other Financing Sources (Uses)			
Transfers from other funds	527,000	16,100,650	16,627,650
Transfers to other funds	(15,455,456)	(3,601,502)	(19,056,958)
Total other financing sources (uses)	(14,928,456)	12,499,148	(2,429,308)
Net change in fund balances	(2,320,060)	9,362,716	7,042,656
Fund Balances			
Beginning	57,480,127	22,271,455	79,751,582
Ending	$ 55,160,067	$ 31,634,171	$ 86,794,238

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA **Exhibit F**

GOVERNMENTAL FUNDS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

Net change in fund balances - total governmental funds		$ 7,042,656
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	$ 3,522,859	
Capital contributions	8,374,730	
Current year's depreciation	(21,646,508)	(9,748,919)
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		2,183,878
Premium		42,431
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	(484)	
Current year amortization of deferred charge on refunding	(36,648)	
Change in law enforcement officers special separation allowance	(181,219)	
Change in OPEB liability	(1,210,396)	
Change in long-term compensated absences	(101,779)	(1,530,526)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		203,437
Basis of property disposed of during the year		(110,724)
Change in net position of governmental activities		$ (1,917,767)

See Notes to Financial Statements.

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes:				
Current year	$ 41,248,165	$ 41,248,165	**$ 42,208,701**	$ 960,536
Prior years	491,450	491,450	**752,029**	260,579
Penalties and interest	300,000	300,000	**285,705**	(14,295)
	42,039,615	42,039,615	**43,246,435**	1,206,820
Other taxes:				
Local government sales tax	13,469,634	13,472,634	**14,046,489**	573,855
Unrestricted intergovernmental revenues:				
Officers' fees	50,000	50,000	**37,930**	(12,070)
Utilities franchise tax	2,532,000	2,532,000	**2,782,240**	250,240
Beer and wine tax	358,000	358,000	**324,556**	(33,444)
Fire protection	7,000	7,000	**10,971**	3,971
	2,947,000	2,947,000	**3,155,697**	208,697
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,100,000	2,168,910	**2,168,910**	-
Cabarrus County schools	204,970	204,970	**204,970**	-
Transportation (federal, state and local)	287,688	315,288	**320,548**	5,260
FEMA	339,142	212,261	**192,165**	(20,096)
Other restricted intergovernmental revenues	865,468	997,214	**840,351**	(156,863)
	3,797,268	3,898,643	**3,726,944**	(171,699)
Licenses and permits:				
Vehicle licenses	370,000	370,000	**443,519**	73,519
Zoning permits	160,000	167,686	**211,280**	43,594
Fire permits and inspections	125,000	125,000	**161,272**	36,272
Privilege license	1,000,000	1,018,417	**1,061,049**	42,632
Other	14,700	14,700	**8,490**	(6,210)
	1,669,700	1,695,803	**1,885,610**	189,807
Investment earnings	250,000	250,000	**(181,834)**	(431,834)
Investment earnings restricted	15,000	15,000	**25,628**	10,628
	265,000	265,000	**(156,206)**	(421,206)
Other general revenues:				
Public safety	161,261	248,069	**246,380**	(1,689)
Environmental protection	1,964,700	1,964,700	**1,936,408**	(28,292)
Miscellaneous	377,808	884,569	**1,033,909**	149,340
Recreational	244,300	244,300	**290,561**	46,261
	2,748,069	3,341,638	**3,507,258**	165,620
Total revenues	66,936,286	67,660,333	**69,412,227**	1,751,894

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits	$ 164,662	$ 164,662	**$ 163,397**	$ 1,265
Professional services	85,600	89,100	**66,300**	22,800
Operating expenditures	81,124	85,724	**94,408**	(8,684)
Capital outlay	7,523	7,523	**-**	7,523
Governing body cost allocations	(189,247)	(189,247)	**(181,499)**	(7,748)
	149,662	157,762	**142,606**	15,156
City Manager's Office:				
Salaries and employee benefits	629,493	659,493	**656,040**	3,453
Professional services	180,555	180,555	**123,538**	57,017
Operating expenditures	52,988	52,988	**44,504**	8,484
Administrative cost allocations	(371,571)	(371,571)	**(441,825)**	70,254
	491,465	521,465	**382,257**	139,208
Public Service Administration department:				
Salaries and employee benefits	175,828	185,828	**184,517**	1,311
Professional services	2,770	2,770	**3,403**	(633)
Operating expenditures	316,660	316,660	**266,893**	49,767
Capital outlay	177,000	-	**-**	-
Debt service	331,232	331,232	**331,232**	-
Administrative cost allocations	(924,468)	(924,468)	**(646,346)**	(278,122)
	79,022	(87,978)	**139,699**	(227,677)
Risk Management department:				
Salaries and employee benefits	214,132	214,132	**135,199**	78,933
Professional services	92,350	95,350	**53,205**	42,145
Operating expenditures	24,306	24,306	**25,678**	(1,372)
Risk management cost allocations	(189,921)	(189,921)	**(114,194)**	(75,727)
	140,867	143,867	**99,888**	43,979
Finance department:				
Salaries and employee benefits	922,207	948,487	**948,228**	259
Professional services	45,097	45,097	**47,241**	(2,144)
Operating expenditures	77,194	77,194	**66,805**	10,389
Capital outlay	-	5,000	**5,000**	-
Finance cost allocations	(571,689)	(571,689)	**(587,271)**	15,582
	472,809	504,089	**480,003**	24,086

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Tax department:				
Salaries and employee benefits	$ 243,977	$ 243,977	**$ 247,616**	$ (3,639)
Professional services	20,500	20,500	**9,414**	11,086
Operating expenditures	127,723	127,723	**132,524**	(4,801)
Cost allocations	4,343	4,343	**4,163**	180
	396,543	396,543	**393,717**	2,826
Legal department:				
Salaries and employee benefits	424,489	424,489	**429,720**	(5,231)
Professional services	55,530	55,530	**28,103**	27,427
Operating expenditures	44,662	44,662	**39,313**	5,349
Cost allocations	(280,872)	(280,872)	**(266,848)**	(14,024)
	243,809	243,809	**230,288**	13,521
Human resources:				
Salaries and employee benefits	494,895	497,615	**452,382**	45,233
Professional services	116,000	116,000	**76,986**	39,014
Operating expenditures	104,214	104,214	**81,627**	22,587
Human resources cost allocations	(367,805)	(367,805)	**(326,718)**	(41,087)
	347,304	350,024	**284,277**	65,747
Wellness center:				
Professional services	433,937	433,937	**468,764**	(34,827)
Operating expenditures	26,359	26,359	**27,777**	(1,418)
Wellness center cost allocations	(153,766)	(153,766)	**(183,720)**	29,954
	306,530	306,530	**312,821**	(6,291)
Nondepartmental:				
Professional services	54,725	54,725	**48,030**	6,695
Operating expenditures	2,232,247	1,314,647	**1,198,066**	116,581
Outside agencies	500	9,350	**1,482**	7,868
Cost allocations	721,735	721,735	**701,052**	20,683
	3,009,207	2,100,457	**1,948,630**	151,827
Total general government	5,637,218	4,636,568	**4,414,186**	222,382
Public safety:				
Police department:				
Salaries and employee benefits	12,009,904	12,055,325	**11,804,008**	251,317
Professional services	239,622	299,622	**224,112**	75,510
Operating expenditures	2,449,909	2,471,769	**1,941,022**	530,747
Capital outlay	409,622	476,801	**381,685**	95,116
Cost allocations	488,470	488,470	**469,096**	19,374
	15,597,527	15,791,987	**14,819,923**	972,064

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Communications:				
Salaries and employee benefits	$ 1,111,419	$ 1,131,419	**$ 1,127,434**	$ 3,985
Professional services	7,923	7,923	**4,163**	3,760
Operating expenditures	360,810	360,810	**351,366**	9,444
Capital outlay	-	-	**11,120**	(11,120)
Cost allocations	5,894	5,894	**5,650**	244
	1,486,046	1,506,046	**1,499,733**	6,313
Fire department:				
Salaries and employee benefits	11,995,958	12,277,111	**12,234,752**	42,359
Professional services	163,406	141,694	**124,652**	17,042
Operating expenditures	1,997,227	1,929,426	**1,947,906**	(18,480)
Capital outlay	464,347	492,313	**413,549**	78,764
Debt service	630,419	630,419	**634,085**	(3,666)
Cost allocations	496,883	496,883	**474,282**	22,601
	15,748,240	15,967,846	**15,829,226**	138,620
Code enforcement:				
Salaries and employee benefits	479,171	479,171	**484,958**	(5,787)
Professional services	1,569	1,569	**946**	623
Operating expenditures	214,360	214,360	**151,939**	62,421
Capital outlay	22,500	22,500	**20,209**	2,291
	717,600	717,600	**658,052**	59,548
Emergency management:				
Salaries and employee benefits	102,364	127,364	**125,328**	2,036
Professional services	15,000	15,000	**1,789**	13,211
Operating expenditures	12,271	12,271	**8,288**	3,983
	129,635	154,635	**135,405**	19,230
Radio shop:				
Salaries and employee benefits	173,664	173,664	**171,058**	2,606
Professional services	1,962	1,962	**1,183**	779
Operating expenditures	47,728	47,728	**34,942**	12,786
	223,354	223,354	**207,183**	16,171
Total public safety	33,902,402	34,361,468	**33,149,522**	1,211,946
Public works:				
Traffic services:				
Salaries and employee benefits	300,874	305,874	**304,964**	910
Professional services	785	785	**473**	312
Operating expenditures	211,993	211,993	**140,931**	71,062
Cost allocations	24,514	24,514	**23,564**	950
	538,166	543,166	**469,932**	73,234

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Transportation signal:				
Salaries and employee benefits	$ 229,206	$ 242,206	**$ 241,474**	$ 732
Professional services	5,392	5,392	**236**	5,156
Operating expenditures	307,372	325,005	**300,597**	24,408
Capital outlay	60,000	75,950	**65,567**	10,383
Cost allocations	30,558	30,558	**29,293**	1,265
	632,528	679,111	**637,167**	41,944
Transportation:				
Salaries and employee benefits	1,648,084	1,648,084	**1,600,672**	47,412
Professional services	17,621	17,621	**9,828**	7,793
Operating expenditures	1,640,964	3,672,304	**1,571,813**	2,100,491
Capital outlay	199,300	285,302	**193,776**	91,526
Cost allocations	290,335	290,335	**259,499**	30,836
	3,796,304	5,913,646	**3,635,588**	2,278,058
Fleet services:				
Salaries and employee benefits	838,890	838,890	**831,849**	7,041
Professional services	589	589	**355**	234
Operating expenditures	2,672,599	2,817,159	**2,517,228**	299,931
Capital outlay	113,000	93,000	**71,745**	21,255
Cost allocations	(3,622,407)	(3,652,407)	**(3,166,360)**	(486,047)
	2,671	97,231	**254,817**	(157,586)
Solid waste and recycling:				
Salaries and employee benefits	1,735,001	1,735,001	**1,673,375**	61,626
Professional services	73,174	73,174	**78,080**	(4,906)
Operating expenditures	3,747,709	3,747,709	**3,404,009**	343,700
Capital outlay	330,500	330,500	**305,833**	24,667
Cost allocations	173,251	173,251	**175,169**	(1,918)
	6,059,635	6,059,635	**5,636,466**	423,169
Cemetery:				
Salaries and employee benefits	394,349	424,349	**404,395**	19,954
Professional services	2,700	2,700	**25,041**	(22,341)
Operating expenditures	73,589	76,589	**66,604**	9,985
Capital outlay	7,500	7,500	**7,460**	40
Cost allocations	465	465	**446**	19
	478,603	511,603	**503,946**	7,657
Total public works	11,507,907	13,804,392	**11,137,916**	2,824,062

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	$ 1,245,052	$ 1,495,052	**$ 1,408,143**	$ 86,909
Professional services	269,778	269,778	**232,524**	37,254
Operating expenditures	1,239,578	1,243,078	**1,160,307**	82,771
Capital outlay	701,634	45,634	**-**	45,634
Cost allocations	1,662,613	1,662,613	**1,598,530**	64,083
Total cultural and recreational	5,118,655	4,716,155	**4,399,504**	316,651
Planning and community development				
Planning department:				
Salaries and employee benefits	1,210,110	1,210,110	**1,207,728**	2,382
Professional services	388,682	400,682	**370,978**	29,704
Operating expenditures	432,449	432,449	**344,239**	88,210
Capital outlay	10,000	10,000	**9,196**	804
Incentive grants	2,108,643	2,108,643	**1,397,572**	711,071
Cost allocations	419,137	419,137	**372,990**	46,147
Total planning and community development	4,569,021	4,581,021	**3,702,703**	878,318
Total expenditures	60,735,203	62,099,604	**56,803,831**	5,453,359
Excess of revenues over expenditures	6,201,083	5,560,729	**12,608,396**	7,047,667
Other Financing Sources (Uses)				
Fund balance appropriated	964,480	9,416,504	**-**	9,416,504
Transfers from other funds	527,000	527,000	**527,000**	-
Transfers to other funds	(7,692,563)	(15,504,233)	**(15,455,456)**	(48,777)
Total other financing uses	(6,201,083)	(5,560,729)	**(14,928,456)**	9,367,727
Net change in fund balance	$ -	$ -	**(2,320,060)**	$ (2,320,060)
Fund Balance				
Beginning			**57,480,127**	
Ending			**$ 55,160,067**	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF NET POSITION
June 30, 2013

	Business-type Activities - Enterprise Funds			
ASSETS	**Electric Fund**	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Current Assets				
Cash and investments	$ 42,143,554	$ 41,352,762	$ 9,492,032	$ 5,515,543
Receivables:				
Accounts receivable, net	13,551,892	2,570,064	1,766,359	783,877
Due from other governmental agencies	-	-	-	-
Interest	114,704	84,717	23,158	10,946
Other receivables	-	-	-	-
Inventories and prepaid expenses	3,066,926	710,259	124,970	201,403
Total current assets	58,877,076	44,717,802	11,406,519	6,511,769
Noncurrent Assets				
Restricted assets - cash and investments	2,947,482	3,170,401	1,952,445	77,607
Capital assets	130,846,194	137,976,085	104,559,968	92,848,686
Less accumulated depreciation	(64,199,641)	(51,811,118)	(36,255,332)	(19,204,094)
Total noncurrent assets	69,594,035	89,335,368	70,257,081	73,722,199
Total assets	128,471,111	134,053,170	81,663,600	80,233,968
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	521,630	1,143,401	213,310	62,392
Total deferred outflows of resources	521,630	1,143,401	213,310	62,392
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	5,462,705	607,402	751,544	430,795
Current portion of long-term debt	2,228,319	3,447,933	1,497,637	877,835
Accrued interest	88,901	137,676	75,892	4,882
Due to other funds	-	-	-	-
Total current liabilities	7,779,925	4,193,011	2,325,073	1,313,512
Noncurrent Liabilities				
Long-term debt due after one year	25,431,995	39,665,161	20,564,564	9,181,465
Deposits	1,780,450	455,884	1,225	77,606
Total noncurrent liabilities	27,212,445	40,121,045	20,565,789	9,259,071
Total liabilities	34,992,370	44,314,056	22,890,862	10,572,583
NET POSITION				
Net investment in capital assets	40,681,272	46,538,362	46,718,657	63,995,532
Unrestricted	53,319,099	44,344,153	12,267,391	5,728,245
Total net position	$ 94,000,371	$ 90,882,515	$ 58,986,048	$ 69,723,777

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

Net position of business-type activities

See Notes to Financial Statements.

Exhibit H

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 7,893,855	$ 608,236	$ 107,005,982	$ 1,078,281
254,350	96,818	19,023,360	-
-	1,242,074	1,242,074	-
15,876	2,035	251,436	-
-	260,091	260,091	4,325
595	95,004	4,199,157	161,388
8,164,676	2,304,258	131,982,100	1,243,994
-	32,239	8,180,174	-
57,490,577	29,087,541	552,809,051	3,666,928
(12,398,407)	(8,159,541)	(192,028,133)	(2,735,567)
45,092,170	20,960,239	368,961,092	931,361
53,256,846	23,264,497	500,943,192	2,175,355
-	-	1,940,733	-
-	-	1,940,733	-
48,284	349,088	7,649,818	144,740
42,417	730,147	8,824,288	229,958
-	28,519	335,870	-
-	853,700	853,700	-
90,701	1,961,454	17,663,676	374,698
128,752	5,972,397	100,944,334	1,655,221
-	32,239	2,347,404	-
128,752	6,004,636	103,291,738	1,655,221
219,453	7,966,090	120,955,414	2,029,919
45,092,170	14,413,000	257,438,993	931,361
7,945,223	885,407	124,489,518	(785,925)
$ 53,037,393	$ 15,298,407	$ 381,928,511	$ 145,436
		145,436	
		$ 382,073,947	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Operating Revenues				
Charges for services	$ 79,745,486	$ 18,290,115	$ 14,173,168	$ 9,797,723
Other operating revenues	1,449,012	1,152,894	509,859	9,886
Total operating revenue	81,194,498	19,443,009	14,683,027	9,807,609
Operating Expenses				
General and administrative	2,094,635	-	-	-
Professional services	-	-	-	-
Water plant and lakes	-	5,533,234	-	-
Water line operation and maintenance	-	5,559,140	-	-
Wastewater line and plant	-	-	9,960,091	-
Purchased power	56,681,692	-	-	-
Power line and plant	10,552,258	-	-	-
Airport operation and maintenance	-	-	-	9,073,959
Stormwater operation and maintenance	-	-	-	-
Utilities	-	-	-	-
Housing maintenance and repairs	-	-	-	-
Operating supplies	-	-	-	-
Other operating costs	-	-	-	-
Depreciation and amortization	3,921,166	3,615,313	2,801,741	1,958,566
Total operating expenses	73,249,751	14,707,687	12,761,832	11,032,525
Operating income (loss)	7,944,747	4,735,322	1,921,195	(1,224,916)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	-	-	-
Interest earned on investments	(137,086)	(101,046)	32,633	(10,226)
Interest expense	(1,106,907)	(503,897)	(906,798)	(445,294)
Gain (loss) on sale of capital assets	73,969	17,261	59,882	-
Other	-	-	245,990	20,448
Total nonoperating revenues (expenses)	(1,170,024)	(587,682)	(568,293)	(435,072)
Income (loss) before capital contributions and transfers	6,774,723	4,147,640	1,352,902	(1,659,988)
Capital contributions	-	341,150	666,824	4,480,684
Transfers in	-	-	-	775,742
Transfers out	(545,630)	(20,642)	(9,970)	-
Transfers in (out)	(545,630)	(20,642)	(9,970)	775,742
Change in net position	6,229,093	4,468,148	2,009,756	3,596,438
Net Position				
Beginning, as restated (Note 18)	87,771,278	86,414,367	56,976,292	66,127,339
Ending	$ 94,000,371	$ 90,882,515	$ 58,986,048	$ 69,723,777

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

Change in net position of business-type activities

See Notes to Financial Statements.

Exhibit I

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 3,723,552	$ 1,436,109	$ 127,166,153	$ 9,483,551
54,944	473,672	3,650,267	-
3,778,496	1,909,781	130,816,420	9,483,551
-	838,100	2,932,735	6,187,114
-	3,001,955	3,001,955	1,040,747
-	-	5,533,234	-
-	-	5,559,140	-
-	-	9,960,091	-
-	-	56,681,692	-
-	-	10,552,258	-
-	-	9,073,959	-
2,165,808	-	2,165,808	-
-	263,198	263,198	-
-	327,366	327,366	-
-	674,824	674,824	-
-	640,323	640,323	2,063,628
1,578,115	983,170	14,858,071	192,062
3,743,923	6,728,936	122,224,654	9,483,551
34,573	(4,819,155)	8,591,766	-
-	3,152,858	3,152,858	-
(26,488)	(3,637)	(245,850)	-
(624)	(323,851)	(3,287,371)	-
31,913	-	183,025	-
-	45,408	311,846	-
4,801	2,870,778	114,508	-
39,374	(1,948,377)	8,706,274	-
-	-	5,488,658	-
-	2,254,178	3,029,920	-
(4,701)	(19,669)	(600,612)	-
(4,701)	2,234,509	2,429,308	-
34,673	286,132	16,624,240	-
53,002,720	15,012,275		145,436
$ 53,037,393	$ 15,298,407		$ 145,436
		-	
		$ 16,624,240	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Cash Flows From Operating Activities				
Receipts from customers	$ 84,436,805	$ 19,323,303	$ 14,921,261	$ 9,552,357
Payments to employees	(4,706,228)	(3,503,608)	(1,563,077)	(1,642,979)
Payments to suppliers	(64,765,544)	(7,094,135)	(7,653,297)	(7,126,392)
Net cash provided by (used in) operating activities	14,965,033	8,725,560	5,704,887	782,986
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	-	-	-	-
Transfers in	-	-	-	775,742
Transfers out	(545,630)	(20,642)	(9,970)	-
Operating grants received	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(545,630)	(20,642)	(9,970)	775,742
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(2,075,865)	(3,208,186)	(1,409,309)	(819,200)
Interest paid	(1,112,934)	(1,701,953)	(910,426)	(445,841)
Acquisition and construction of capital assets	(2,227,283)	(867,113)	(932,430)	(4,666,070)
Capital contributions - federal grant	-	-	-	4,480,684
Proceeds from the sale of capital assets	93,526	17,261	59,882	-
Net cash provided by (used in) capital and related financing activities	(5,322,556)	(5,759,991)	(3,192,283)	(1,450,427)
Cash Flows From Investing Activities				
Earnings on investments	(157,793)	(86,868)	19,015	(21,171)
Net cash provided by (used in) investing activities	(157,793)	(86,868)	19,015	(21,171)
Net increase (decrease) in cash and cash equivalents	8,939,054	2,858,059	2,521,649	87,130
Cash and cash equivalents:				
Beginning	36,151,982	41,665,104	8,922,828	5,506,020
Ending	$ 45,091,036	$ 44,523,163	$ 11,444,477	$ 5,593,150

Noncash investing, capital and financing activities:
The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of $1,007,974 representing donated capital assets.

Continued

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 3,799,621	$ 1,857,627	$ 133,890,974	$ 9,479,226
(1,191,188)	(461,555)	(13,068,635)	(5,733,359)
(961,982)	(5,196,888)	(92,798,238)	(3,391,080)
1,646,451	(3,800,816)	28,024,101	354,787
-	(320,559)	(320,559)	-
-	2,254,178	3,029,920	-
(4,701)	(19,669)	(600,612)	-
-	3,152,858	3,152,858	-
(4,701)	5,066,808	5,261,607	-
(42,748)	(670,000)	(8,225,308)	-
(624)	(325,330)	(4,497,108)	-
(301,301)	(420,333)	(9,414,530)	(275,753)
-	-	4,480,684	-
31,913	-	202,582	-
(312,760)	(1,415,663)	(17,453,680)	(275,753)
(27,031)	(3,457)	(277,305)	-
(27,031)	(3,457)	(277,305)	-
1,301,959	(153,128)	15,554,723	79,034
6,591,896	793,603	99,631,433	999,247
$ 7,893,855	$ 640,475	$ 115,186,156	$ 1,078,281

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds			
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Operating income (loss)	**$ 7,944,747**	**$ 4,735,322**	**$ 1,921,195**	**$ (1,224,916)**
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	**3,921,166**	**3,615,313**	**2,801,741**	**1,958,566**
Other income	**-**	**-**	**245,990**	**20,448**
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	**3,242,307**	**(119,706)**	**(7,756)**	**(275,700)**
Due from other governmental agencies	**-**	**-**	**-**	**-**
Inventories and prepaid expenses	**(416,522)**	**(31,615)**	**11,052**	**(3,071)**
Increase (decrease) in:				
Accounts payable and accrued expenses	**20,881**	**355,121**	**672,512**	**232,652**
Vacation accrual	**10,575**	**10,976**	**(4,621)**	**1,022**
OPEB liability	**148,461**	**139,340**	**64,624**	**71,029**
Deposits	**93,418**	**20,809**	**150**	**2,956**
Net cash provided by (used in) operating activities	**$ 14,965,033**	**$ 8,725,560**	**$ 5,704,887**	**$ 782,986**

See Notes to Financial Statements

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 34,573	$ (4,819,155)	$ 8,591,766	$ -
1,578,115	983,170	14,858,071	192,062
-	80,749	347,187	-
21,125	79	2,860,349	(4,325)
-	(16,627)	(16,627)	-
1,520	(8,654)	(447,290)	35,754
(36,094)	(48,243)	1,196,829	(85,506)
3,741	(6,459)	15,234	(12,197)
43,471	34,350	501,275	228,999
-	(26)	117,307	-
$ 1,646,451	$ (3,800,816)	$ 28,024,101	$ 354,787

CITY OF CONCORD, NORTH CAROLINA **Exhibit K**

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	$ 622,117	$ 1,938,580
Total assets	$ 622,117	$ 1,938,580
LIABILITIES		
Agency payable	$ -	$ 1,938,580
NET POSITION		
Net position held in trust for OPEB benefits and other purposes	$ 622,117	$ -

See Notes to Financial Statements

CITY OF CONCORD, NORTH CAROLINA **Exhibit L**

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2013

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	**$ 677,836**
Member contributions	**165,613**
	843,449
Investment income	**60,245**
Total additions	**903,694**
Deductions:	
Benefits	**743,449**
Change in net position	**160,245**
Net position, beginning	**461,872**
Net position, ending	**$ 622,117**

See Notes to Financial Statements

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Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

The City of Concord is a municipal corporation governed by an elected mayor, mayor pro tempore and a six-member City Council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. The discretely presented component 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, 1255 Concord Parkway North, Concord, North Carolina 28025.

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all 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.

Note 1. Summary of Significant Accounting Policies (Continued)

The government reports the following major governmental fund:

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.

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. As permitted by accounting principles generally accepted in the United States of America, the City of Concord and the City of Concord ABC Board have elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in their accounting and reporting practices for their enterprise fund operations.

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 Fund: 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 Joe Cannon Trust and 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

Note 1. Summary of Significant Accounting Policies (Continued)

year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, 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, Cabarrus County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Concord. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the City's vehicle taxes for vehicles registered in Cabarrus County from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period 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 utilities franchise tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned 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 are 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 by 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 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 EECBG Stimulus Fund, the ARRA Stimulus Fund, the Housing Capital Project Fund, the Parks and Recreation Capital Project Fund, the Parks & Recreation Capital Reserve 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 Water Projects Capital Project Fund, the Stormwater Capital Project Fund, the Fiber Project Capital Project Fund, the Transit Fund, the Utility Capital Reserve Project Fund, the Golf Capital Project Fund, the 2008 Debt Issuance 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 nonmoney market investments are reported at cost or amortized cost, which approximates their fair value as determined by quoted market prices. The NCCMT Cash Portfolio's securities, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued 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 her 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 long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B authorized under G.S. 147-69.2(b)(8). The STIF securities are reported at cost and maintain a constant $1 per share value. 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 LTIF is also valued at $1 per share. The Global Ex-US Alpha Tilts Fund B is priced at 17.8953 per share and the Russell 3000 Alpha Tilts Fund B is priced at 38.4784 per share at June 30, 2013.

Note 1. Summary of Significant Accounting Policies (Continued)

CASH AND CASH EQUILAVENTS

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 2008 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.

AD VALOREM TAXES RECEIVABLE

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

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 are recorded at estimated fair market value at the date of donation. General infrastructure assets acquired prior to July 1, 2001, consist of roads, curbs and gutters, and bridges that were acquired, contributed or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical deflated replacement cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The City reported $1,185,824 in capitalized interest as part of the cost of capital assets under construction in fiscal year 2013.

Note 1. Summary of Significant Accounting Policies (Continued)

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 one item that meets this criterion, an unamortized loss on a bond defeasance for refunding bonds. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has only two items that meet the criterion for this category – prepaid taxes and property taxes receivable.

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 expenses 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 maturity of accrued vacation pay has 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.

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.

Prepaids – 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 – portion of fund balance that is restricted by State statute (G.S. 159-8(a)).

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

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for certain public safety expenditures.

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by resolution of City of Concord's governing body (highest level of decision-making authority). Any changes or removal of specific purpose requires a resolution be approved by the governing body.

Committed for Future Capital Purchases – portion of fund balance assigned by the City Council for future capital purchases.

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

Committed for Housing Assistance – portion of fund balance assigned by the City Council for housing assistance payments.

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

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

Unassigned Fund Balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Note 1. Summary of Significant Accounting Policies (Continued)

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

The City of Concord has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that 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.

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 $1,992,146 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 $203,437 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, 2013 and June 30, 2012.

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

Note 3. Cash and Investments

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

At June 30, 2013, the City's deposits had a carrying amount of $28,761,093 and a bank balance of $29,196,370. Of the bank balance, $1,500,000 was covered by federal depository insurance and $27,696,370 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of $16,889 at June 30, 2013.

Note 3. Cash and Investments (Continued)

At June 30, 2013, the carrying amount of deposits for the ABC Board was $2,930,148 and the bank balance was $2,871,656. All of the bank balances were covered by federal depository insurance or collateralized deposits. The ABC Board had cash on hand of $9,500 at June 30, 2013.

At June 30, 2013, the City's investment balances were as follows:

	Reported Value	Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years	More than 3 Years
U. S. Government agencies	$ 145,157,969	$ 11,177,181	$ 6,788,531	$ 23,685,372	$ 103,506,885
U. S. Treasuries	1,402,958	-	-	-	1,402,958
Commercial paper	19,995,730	19,995,730	-	-	-
North Carolina Capital Management Trust – Cash Portfolio	2,413,832	2,413,832	N/A	N/A	N/A
North Carolina Capital Management Trust – Term Portfolio	5,013,304	N/A	N/A	N/A	N/A
Total	$ 173,983,793	$ 33,586,743	$ 6,788,531	$ 23,685,372	$ 104,909,843

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

Credit Risk – The City limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issues nationally recognized statistical rating organizations (NRSROs). As of June 30, 2013, the City's investments in commercial paper consisted of four different issuers. Three of these issuers were rated A1 by Standard & Poor's and F1 by Fitch Ratings. The fourth issuer was rated B by Standard & Poor's. The City's investment in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poors as of June 30, 2013. 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 (Federal Home Loan Bank, Federal Farm Credit, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk – As noted above under Interest Rate Risk, the City's investment policy limits the amount the City may invest in any one issuer. More than 5 percent of the City's investments are in FNMA Discount Notes, the Federal Home Loan Bank, and Federal Home Loan Mortgage Corporation. These investments are 37%, 30%, and 11% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2013, the City's Health Care Plan had $622,117 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) 25.64%; State Treasurer's Long Term Investment Fund (LTIF) 9.77% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 64.59% (the equities were split with 75% in domestic securities and 25% in international securities). The STIF is not an SEC registered security and is stated at fair value.

Interest Rate Risk – The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.6 years at June 30, 2013. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 15.9 years at June 30, 2013.

Credit Risk – 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 treasuries, agencies, and money market instruments. The LTIF is

Note 3. Cash and Investments (Continued)

unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's LTIF is invested in treasuries, agencies and corporate bonds with longer term maturities.

At June 30, 2013, 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	$ -	$ 19,023,360
Ad valorem taxes, net	1,992,146	-
Due from other governmental agencies	706,090	1,242,074
Sales tax refunds	811,293	-
Interest	200,868	251,436
Other, net	5,018,582	264,416
	$ 8,728,979	$ 20,781,286

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

Governmental Activities, allowance for doubtful ad valorem taxes	$ 664,049
Governmental Activities, allowance for doubtful other receivables	$ 17,004
Business-type Activities, allowance for doubtful accounts receivable	$ 201,021

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	July 1, 2012	Increases	Decreases	Transfers	June 30, 2013
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 51,653,293	$ 95,841	$ -	$ -	$ 51,749,134
Construction in progress	2,636,822	1,852,928	1,488,227	-	3,001,523
Total capital assets, not being depreciated	54,290,115	1,948,769	1,488,227	-	54,750,657
Capital assets, being depreciated:					
Buildings	47,469,809	26,315	-	-	47,496,124
Improvements other than buildings	2,804,215	46,496	-	-	2,850,711
Machinery and equipment	29,578,808	1,515,009	1,893,358	17,519	29,217,978
Infrastructure	485,567,657	9,849,227	-	-	495,416,884
Total capital assets, being depreciated	565,420,489	11,437,047	1,893,358	17,519	574,981,697
Accumulated depreciation:					
Buildings	16,260,797	1,768,118	-	-	18,028,915
Improvements other than buildings	1,719,750	99,898	-	-	1,819,648
Machinery and equipment	21,722,624	2,347,538	1,782,634	17,519	22,305,047
Infrastructure	285,859,661	17,430,954	-	-	303,290,615
Total accumulated depreciation	325,562,832	21,646,508	1,782,634	17,519	345,444,225
Total capital assets, being depreciated, net	239,857,657	$ (10,209,461)	$ 110,724	$ -	229,537,472
Government activities capital assets, net	$ 294,147,772				$ 284,288,129

Note 5. Capital Assets (Continued)

	July 1, 2012	Increases	Decreases	Transfers	June 30, 2013
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 38,676,701	$ 4,337,901	$ 1,407,883	$ -	$ 41,606,719
Construction in progress	19,126,178	8,519,968	10,552,367	-	17,093,779
Total capital assets, not being depreciated	57,802,879	12,857,869	11,960,250	-	58,700,498
Capital assets, being depreciated:					
Buildings	54,912,839	4,516,451	1,625,190	-	57,804,100
Improvements other than buildings	409,330,260	6,654,816	37,000	-	415,948,076
Machinery and equipment	23,881,092	1,191,159	1,031,427	(17,519)	24,023,305
Total capital assets, being depreciated	488,124,191	12,362,426	2,693,617	(17,519)	497,775,481
Accumulated depreciation:					
Buildings	17,547,355	1,887,879	222,105	-	19,213,129
Improvements other than buildings	145,830,585	11,180,716	26,640	-	156,984,661
Machinery and equipment	17,604,707	1,992,731	1,014,009	(17,519)	18,565,910
Total accumulated depreciation	180,982,647	15,061,326	1,262,754	(17,519)	194,763,700
Total capital assets, being depreciated, net	307,141,544	$ (2,698,900)	$ 1,430,863	$ -	303,011,781
Business-type activities capital assets, net	$ 364,944,423				$ 361,712,279

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

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

Governmental activities:	
General government	$ 272,198
Public safety	2,849,565
Public works	18,159,580
Culture & recreational	335,727
Planning and community development	29,438
Total depreciation expense – governmental activities	$ 21,646,508
Business-type activities:	
Electric	$ 3,914,388
Water	3,639,106
Wastewater	2,800,998
Regional airport	1,961,167
Stormwater	1,578,115
Other nonmajor business-type activities	975,489
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	192,063
Total depreciation expense – business-type activities	$ 15,061,326

Note 5. Capital Assets (Continued)

Activity for the ABC Board for the year ended June 30, 2013, was as follows:

	July 1, 2012	Increases	Decreases	June 30, 2013
Component unit:				
Capital assets, not being depreciated - land	$ 20,000	$ -	$ -	$ 20,000
Capital assets, being depreciated:				
Buildings	51,078	-	-	51,078
Improvements other than buildings	366,094	109,703	9,615	466,182
Machinery and equipment	398,278	-	18,209	380,069
Total capital assets, being depreciated	815,450	109,703	27,824	897,329
Accumulated depreciation	573,238	45,298	27,824	590,712
Total capital assets, being depreciated, net	242,212	$ 64,405	$ -	306,617
Component unit capital assets, net	$ 262,212			$ 326,617

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	$ 854,702	$ 7,356,143
Accrued payroll and payroll related liabilities	1,598,587	372,119
Accrued sales tax payable	-	31,554
Other accrued liabilities	291,160	34,742
	$ 2,744,449	$ 7,794,558

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

Note 7. Long-Term Debt

Installment purchases: The City has various 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 2.58% and 5.15%. The debt is collateralized by the assets acquired and serviced by the funds holding such debt.

Assets acquired through the installment purchase contracts are as follows:

	Governmental Activities	Business-type Activities
Capital Asset		
Machinery and equipment	$ 6,253,553	$ 12,050,000
Less accumulated depreciation	1,098,347	1,407,645
	$ 5,155,206	$ 10,642,355

Installment purchases payable at June 30, 2013 are comprised of the following individual issues:

Governmental activities:	
$900,936, two fire trucks purchased in November 2006 due in annual installments of $72,136 to $121,636 through November 2014; interest 3.61%, to be paid from General Fund	$ 72,136
$5,400,000, contract for construction of fire station in fiscal year 2008 due in annual installments of $270,000 through November 2027; interest 4.44%, to be paid from General Fund	3,915,000
	$ 3,987,136

Note 7. Long-Term Debt (Continued)

Business-type activities:

$4,500,000, contract for construction of aviation hangar in fiscal year 2004 due in annual installments of $225,000; interest 5.01%, payable from Regional Airport Fund	$ 2,568,750
$7,550,000, contract for construction of aviation projects in fiscal year 2008 due in annual installments of $377,500; interest 4.44%, payable from Regional Airport Fund	5,473,750
	$ 8,042,500

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

	Governmental Activities		Business-type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2014	$ 342,136	$ 171,832	$ 602,500	$ 362,407
2015	270,000	158,870	602,500	334,368
2016	270,000	147,139	602,500	306,695
2017	270,000	134,649	602,500	277,961
2018	270,000	122,905	602,500	250,269
2019-2023	1,350,000	434,714	3,012,500	830,867
2024-2028	1,215,000	135,005	2,017,500	200,724
	$ 3,987,136	$ 1,305,114	$ 8,042,500	$ 2,563,291

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. Revenue bonds outstanding at June 30, 2013 are as follows:

Governmental activities:

$670,180 (of $23,935,000 issue), Utilities Systems Refunding Revenue Bonds Series 2009 due in annual installments of $63,700 to $104,860 through December 1, 2017; interest from 3.00% to 5.00%.	$ 373,800
$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%.	2,335,147
	$ 2,708,947

Business-type activities:

$27,365,000, Utilities Systems Revenue Bonds, Series 2008 due in annual installments of $500,000 to $1,595,000; through December 1, 2035; interest from 3.00% to 5.00%	$ 25,065,000
$23,264,820 (of $23,935,000 issue), Utilities Systems Refunding Revenue Bonds Series 2009 due in annual installments of $2,211,300 to $3,640,140 through December 1, 2017; interest from 3.00% to 5.00%.	12,976,200
$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%.	32,779,853
$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%.	16,875,000
	$ 87,696,053

Note 7. Long-Term Debt (Continued)

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

	Governmental Activities		Business-type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2014	$ 225,225	$ 104,934	$ 6,754,775	$ 3,525,297
2015	295,785	96,730	6,939,215	3,311,038
2016	303,398	86,735	7,136,602	3,067,446
2017	312,130	76,152	7,357,870	2,806,967
2018	320,548	64,656	7,579,452	2,525,400
2019-2023	1,251,861	156,348	26,953,139	8,903,844
2024-2028	-	-	11,670,000	4,408,878
2029-2033	-	-	8,270,000	2,175,838
2034-2036	-	-	5,035,000	386,125
	$ 2,708,947	$ 585,555	$ 87,696,053	$ 31,110,833

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 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 2008, 2009 and 2012. Section 6.6 of the General Trust Indenture requires the debt service coverage ratio to be no less than 120%. The debt service coverage ratio calculation for the year ended June 30, 2013, is as follows:

Net Income (GAAP Basis)	$ 9,388,608
Add: Depreciation Expense	10,354,491
Interest Expense	3,700,362
Income available for debt service	23,443,461
Debt service, principal and interest paid (Revenue bond only)	$ 10,292,624
Debt service coverage ratio	228%

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay $106,468,308 in electric, water, and wastewater system revenue bonds issued in 2008 through 2012. 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 9 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $118,806,886. Principal and interest paid for the current year and total customer net revenues were $10,292,624 and $115,320,534, respectively.

Note 7. Long-Term Debt (Continued)

Advance Refunding Bonds: In May 2012, the City issued $17,635,000 of Utilities Systems advance refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's Series 2002A Utilities Systems Revenue Bonds. The refunding debt was issued at a net interest cost of 2.84%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2013 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, 2013 was $969,472.

Current Refunding Bonds: In May 2009, the City issued $23,935,000 of Utilities Systems current refunding bonds and retired the outstanding balance of the Series 1998A and 1998B Utilities Systems Revenue Bonds. The current refunding reduced total debt service payments over the following nine years by $2,231,709 and resulted in an economic gain of $2,023,033. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred ($1,322,340) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2013 was $782,384.

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, 2013 was $184,672.

Loan and installment notes: Loan and installment notes payable at June 30, 2013 are comprised of the following individual issues:

Governmental activities:		
$16,105,000 of $17,000,000 issue, 2005 Certificates of Participation due in annual installments of $640,000 to $650,000 through June 1, 2030, plus interest due semiannually at 3% to 5% financed through First Concord Corporation, to be paid from General Fund	$	10,925,000
$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.		5,619,900
	$	16,544,900
Business-type activities:		
$10,895,500 of $27,000,000 issue, 2005 Certificates of Participation due in annual installments of $100,000 to $950,000 through 2021, plus interest due semiannually at 3% to 5% financed through First Concord Corporation, to be paid from Golf Course Fund	$	6,515,000
$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.		1,585,100
	$	8,100,100

Note 7. Long-Term Debt (Continued)

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

	Governmental Activities		Business-type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2014	$ 1,401,600	$ 685,546	$ 913,400	$ 354,629
2015	1,381,000	640,273	929,000	323,727
2016	1,370,400	596,148	954,600	289,702
2017	1,350,900	651,638	984,100	141,212
2018	1,331,400	495,865	1,023,600	202,860
2019-2023	5,224,600	1,621,488	3,295,400	305,512
2024-2028	3,205,000	720,225	-	-
2029-2030	1,280,000	86,400	-	-
	$ 16,544,900	$ 5,497,583	$ 8,100,100	$ 1,617,642

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, 2013 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, 2013 was $283,601.

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 facitlity, 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	$ 1,756,000
	$ 1,756,000

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

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2014	$ 109,000	$ 87,774
2015	109,000	83,512
2016	109,000	79,076
2017	109,000	74,460
2018	109,000	69,658
2019-2023	545,000	245,423
2024-2028	545,000	105,407
2029	121,000	3,279
	$ 1,756,000	$ 748,589

Note 7. Long-Term Debt (Continued)

A summary of changes in long-term debt follows:

	July 1, 2012	Additions	Reductions	June 30, 2013
Governmental activities:				
Installment purchases	$ 4,429,089	$ -	$ 441,953	$ 3,987,136
Less current maturities				342,136
Long-term installment purchases				$ 3,645,000
Bond payables:				
Installment notes	$ 17,958,200	$ -	$ 1,413,300	$ 16,544,900
Plus premium on limited obligation bonds	333,334	-	36,036	297,298
Revenue bonds	2,928,572	-	219,625	2,708,947
Plus premium on revenue bonds	56,329	-	6,394	49,935
Total bond payable	$ 21,276,435	$ -	$ 1,675,355	19,601,080
HUD loan	$ 1,865,000	$ -	$ 109,000	1,756,000
Compensated absences	$ 2,789,591	$ 1,702,730	$ 1,600,951	2,891,370
Separation allowance	$ 1,519,972	$ 181,219	$ -	1,701,191
OPEB liability	$ 6,560,959	$ 1,210,397	$ -	7,771,356
Less current maturities:				
Installment notes				1,401,600
Revenue bonds				225,225
HUD loan				109,000
Compensated absences				1,821,563
Long-term debt				$ 30,163,609

	July 1, 2012	Additions	Reductions	June 30, 2013
Business-type activities:				
Installment purchases	$ 8,810,733	$ -	$ 768,233	$ 8,042,500
Less current maturities				602,500
Long-term installment purchases				$ 7,440,000
Bond payables:				
Installment notes	$ 8,986,800	$ -	$ 886,700	$ 8,100,100
Plus premium on limited obligation bonds	94,017	-	10,164	83,853
Revenue bonds	94,266,428	-	6,570,375	87,696,053
Plus premium on revenue bonds	3,057,336	-	260,285	2,797,051
Total bond payable	$ 106,404,581	$ -	$ 7,727,524	98,677,057
Compensated absences	$ 1,240,728	$ 943,441	$ 940,404	1,243,765
OPEB liability	$ 2,960,205	$ 730,274	$ -	3,690,479
Less current maturities:				
Installment notes				913,400
Revenue bonds				6,754,775
Compensated absences				783,571
Long-term debt				$ 95,159,555

A detailed breakdown of business-type activities long-term debt by fund can be found at Schedule 6 in the supplemental information.

The legal debt margin of the City at June 30, 2013 was $708,508,164.

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2013 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 3,900,179
General Fund	Nonmajor enterprise funds	853,700
		$ 4,753,879

The outstanding balances between funds result mainly 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, 2013 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	$ 527,000
From the General Fund to the Debt Service Fund for debt service principal and interest payments	2,143,780
From the General Fund to the General Fund Capital Projects Fund for various capital projects	973,799
From the General Fund to the General Fund Capital Reserve Fund to set aside funds for future capital projects	6,500,000
From the General Fund to the Community Development Special Revenue Fund for administrative expenses	6,802
From the General Fund to the Fire and Life Safety Capital Projects Fund for fire department capital projects	629,877
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	1,737,092
From the General Fund to the Home Special Revenue Fund to provide required grant matching funds	8,289
From the General Fund to the Parks Capital Project Fund for various park capital projects	746,000
From the General Fund to the Transit Fund for current operating needs	921,352
From the General Fund to the Golf Course Fund for current operating needs	1,012,723
From the General Fund to the Regional Airport Fund for current operating needs	775,742
From the Housing Department Operating Fund to the Home Special Revenue Fund to pay for properties transferred to the Housing Department	19,669
From the Additional Vehicle Tax Fund to the Transit Fund to move portion of license fee required to be transferred to Transit Fund	320,103
From the Parks Capital Reserve Fund to the Parks Capital Project Fund for various park capital projects	379,253
From the Parks Capital Reserve Fund to the Fire and Life Safety Capital Project Fund for various fire department capital projects	575,531
From the General Fund Capital Reserve Fund to the Fire and Life Safety Capital Project Fund for various fire department capital projects	2,093,342
From the General Fund Capital Reserve Fund to the Parks Capital Project Fund for various park capital projects	45,000
From the Transportation Capital Project Fund to the General Fund Capital Project Fund for various capital projects	188,273
From the Electric Fund to the General Fund Capital Project Fund for various capital projects	18,630
From the Water Fund to the General Fund Capital Project Fund for various capital projects	17,307
From the Water Fund to the Transportation Capital Project Fund for various transportation capital projects	3,335
From the Wastewater Fund to the General Fund Capital Project Fund for various capital projects	9,970
From the Stormwater Fund to the General Fund Capital Project Fund for various capital projects	4,701
	$ 19,657,570

Note 9. Pension Plan Obligations

A. Local Governmental Employee's Retirement System

(1) Plan description:

The City of Concord and the ABC Board contribute to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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.

(2) Funding policy:

Plan members are required to contribute six percent of their annual covered salary. The City and the ABC Board are required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 6.74% of annual covered payroll. The contribution requirements of members and of the City of Concord and the ABC Board are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were $2,777,205, $2,945,515, and $2,582,477, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were $44,064, $50,813, and $50,466, respectively. The contributions made by the City and the ABC Board equaled the required contributions for each year.

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. 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 allowance 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. A separate report was not issued for the plan.

All full-time law enforcement officers to the City are covered by the Separation Allowance. At December 31, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	157
Total	168

(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.

Method used to value investments – No funds are set aside to pay benefits and administration costs. These expenditures are paid as they become due.

Note 9. Pension Plan Obligations (Continued)

(3) Contributions:

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement 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 City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the 2013 current year was determined as part of the December 31, 2011 actuarial valuations using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2011 was 19 years.

Actual pension cost and pension obligation – The City's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Annual required contribution	$	399,319
Interest on net pension obligation		75,999
Adjustment to annual required contribution		(94,590)
Annual pension cost		380,728
Employer contributions made during the year		199,509
Increase in net pension obligation		181,219
Net pension obligation beginning of year		1,519,972
Net pension obligation end of year (included in the General Fund's long-term debt)	$	1,701,191

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2011	366,813	39	1,308,477
June 30, 2012	359,282	41	1,519,972
June 30, 2013	380,728	52	1,701,191

(4) Funded Status and Funding Progress:

As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was $3,981,099. The covered payroll (annual payroll of active employees covered by the plan) was $7,943,867, and the ratio of the UAAL to the covered payroll was 50 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Note 9. Pension Plan Obligations (Continued)

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.

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. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2013 were $538,403, which consisted of $394,873 from the City and $143,530 from the law enforcement officers.

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

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.

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. Also, the city's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2013 were $1,782,539, which consisted of $1,166,625 from the City and $615,914 from the employees. Contribution requirements are established and may be amended by the City Council.

Note 10. Other Postemployment Benefits

(1) Plan Description:

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 provided postemployment healthcare benefits to retirees of the City provided they have ten (10) years of service with the City of Concord. The City will pay the portion of health coverage as listed below until the retiree is eligible for Medicare. 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. A separate report was not issued for the plan.

Membership of the Health Care Plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers	Firefighters
Retirees and dependents receiving benefits	91	-	-
Terminated plan members entitled to but not yet receiving benefits	-	-	-
Active plan members	546	159	190
Total	637	159	190

(2) Funding Policy:

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 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 with the same level of coverage as active employees. Those with at least 10 years of service but less than 25 years of service shall receive one-half (1/2) of the benefit provided to retiring employees with at least 25 years of service.

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

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

Note 10. Other Postemployment Benefits (Continued)

The current ARC rate is 5.86% of annual covered payroll. The City obtains healthcare coverage through private insurers. The City's required contributions, under a City resolution, for employees not engaged in law enforcement and for law enforcement officers represented 1.26% and 0.39% of covered payroll, respectively. For the year ended June 30, 2013, the City made payments for postretirement health benefit premiums of $843,448 of which $165,613 was collected from retirees for dependent coverage. The City's obligation to contribute to the Health Care Plan is established and may be amended by the City Council.

(3) Summary of Significant Accounting Policies:

Plan member contributions are recognized in the period in which the contributions are due. Under a City resolution, the contributions are recognized when due and the City will provide the benefits to the Health Care Plan. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. Short-term money market debt instruments and deposits are reported at cost or amortized cost, which approximates fair value.

(4) Annual OPEB Cost and Net OPEB Obligation:

The City's annual other postemployement benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for the healthcare benefits:

Annual required contribution	$ 2,513,935
Interest on net obligation	571,270
Adjustment to annual required contribution	(466,699)
Annual OPEB cost (expense)	2,618,506
Contributions made	(677,835)
Increase (decrease) in net OPEB obligation	1,940,671
Net OPEB obligation, beginning of year	9,521,164
Net OPEB obligation, end of year	$ 11,461,835

The City's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	2,624,301	24.8%	7,514,801
2012	2,645,977	24.2%	9,521,164
2013	2,618,506	25.9%	11,461,834

(5) Funded Status and Funding Progress:

As of December 31, 2012, the most recent actuarial valuation date, the plan was 1.8% funded. The actuarial accrued liability for benefits was $26,715,502 and the actuarial value of assets was $489,939, resulting in an unfunded actuarial accrued liability (UAAL) of $26,225,563. The covered payroll (annual payroll of active employees covered by the plan) was $41,114,325, and the ratio of the UAAL to the covered payroll was 63.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and

Note 10. Other Postemployment Benefits (Continued)

new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(6) Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6.00 percent investment rate of return, which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 8.50 to 5.00 percent annually. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using market value of investments. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012 was 30 years.

Note 11. Deferred Outflows and Inflows of Resources

Deferred outflows of resources is the deferred amount for loss on defeasance of debt.

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

	Unavailable Revenue	Unearned Revenue
Governmental funds:		
Reserve for taxes receivable - General fund	$ 1,984,530	$ -
Reserve for taxes receivable - Other governmental funds	7,616	-
Prepaid taxes, not yet earned - General fund	-	163,135
	$ 1,992,146	$ 163,135

Note 12. 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	$ 55,160,067
Less:	
Inventories	52,766
Prepaids	16,494
Stabilization by State Statute	11,709,115
Streets – Powell Bill	2,482,379
Public Safety	298,865
Remaining Fund Balance	$ 40,600,448

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 expenditures.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The total amount of encumbrances outstanding at June 30, 2013 in the General Fund was $713,141.

Note 13. Commitments and Contingencies

The City had commitments on contracts of approximately $3.1 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, 2013, these awards were subject to audit in accordance with Government Auditing Standards and the provisions of OMB Circular A-133 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, 2013, 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. 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 obtained auto liability coverage of $1 million for combined single limit and excess liability of $4 million per occurrence. Property is insured through blanket coverage up to $205,985,257. 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 covers workers' compensation claims up to an individual stop-loss of $750,000 per employee, after which the excess workers compensation insurance company will pay until the claim is closed.

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. This coverage excludes locations that are included in FEMA areas designated as "A" or "V." 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. Employees that have access to funds are bonded under a blanket bond for $250,000. The finance officer and tax collector are each individually bonded for $250,000 each.

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 property, general liability, auto liability, workers compensation, and employee health coverage. The ABC Board also had 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 15. 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 Cities 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 City of Harrisburg City Council, one member by the City 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 $6 million for wastewater treatment and raw water charges during the year ended June 30, 2013.

Note 16. Stewardship, Compliance and Accountability

Deficit Fund Balance

North Carolina General Statutes prohibits the City from having a deficit fund balance in any fund. The Community Development Special Revenue Fund had deficit fund balance in the amount of $5,801. The deficit balance in fund balance for the Community Development Fund resulted from an excess of rehabilitation expenses over grants received. This deficit will be reduced in the coming years as more grant money is received.

Note 17. Subsequent Events

Management has evaluated subsequent events through October 29, 2013, the date the financial statements were available to be issued.

Note 18. Change in Accounting Principles/Restatement

The City implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized, must be included in current expenditures. Previously deferred bond issuance costs were recognized as an expenditure in the current year. The restatement of beginning net position of the enterprise funds and net position of the governmental and business-type activities is summarized as follows:

	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund	Golf Course Fund
Net position at July 1, 2012, as originally stated	$ 88,702,887	$ 87,737,772	$ 58,342,053	$ 66,158,930	$ 2,698,176
Restatement	(931,609)	(1,323,405)	(1,365,761)	(31,591)	(398,439)
Net position at July 1, 2012, as restated	$ 87,771,278	$ 86,414,367	$ 56,976,292	$ 66,127,339	$ 2,299,737

	Business-type Activities	Governmental Activities
Net position at July 1, 2012, as originally stated	$ 369,500,512	$ 337,842,992
Restatement	(4,050,805)	(276,579)
Net position at July 1, 2012, as restated	$ 365,449,707	$ 337,566,413

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF FUNDING PROGRESS

Last Six Fiscal Years

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Valuation Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2007	-	2,293,806	2,293,806	-	6,359,818	36 %
December 31, 2008	-	2,460,448	2,460,448	-	6,856,993	36
December 31, 2009	-	3,395,640	3,395,640	-	7,439,469	46
December 31, 2010	-	3,313,233	3,313,233	-	7,864,037	42
December 31, 2011	-	3,573,036	3,573,036	-	7,746,401	46
December 31, 2012	-	3,981,099	3,981,099	-	7,943,867	50

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTAL INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTION

Last Six Fiscal Years

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2008	213,871	61 %
2009	247,540	54
2010	273,092	52
2011	370,643	39
2012	371,915	40
2013	399,319	50

Notes to the Required Schedules:

The information presented in the required supplemental schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the last actuarial valuation follows.

Valuation date	December 30, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% to 7.85%
*Includes inflation at	3.00%
Cost-of-living adjustments	None

THE HEALTH CARE PLAN OF THE CITY OF CONCORD
SUPPLEMENTAL INFORMATION SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Valuation Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
December 31, 2005	-	18,700,188	18,700,188	- %	31,090,816	60 %
December 31, 2006	-	20,318,847	20,318,847	-	34,379,482	59
December 31, 2007	-	18,088,200	18,088,200	-	34,691,076	52
December 31, 2008	-	25,153,845	25,153,845	-	36,818,549	68
December 31, 2010	237,585	23,851,562	23,613,977	1	41,605,416	57
December 31, 2012	489,939	26,715,502	26,225,563	2	41,114,325	64

THE HEALTH CARE PLAN OF THE CITY OF CONCORD
SUPPLEMENTAL INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTION
Last Six Fiscal Years

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2008	2,015,726	19 %
2009	2,470,787	21
2010	2,470,787	21
2011	2,563,442	25
2012	2,563,442	24
2013	2,513,935	27

Notes to the Required Schedules:

The information presented in the required supplemental schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the last actuarial valuation follows.

Valuation date	December 30, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	6.00%
Medical cost trend*	8.50%-5.00%
Year of ultimate trend rate	2018
*Includes inflation at	3.00%
Cost-of-living adjustments	None

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Nonmajor Governmental Funds

Special Revenue Funds

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

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 Econcomic 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.

EECBG Stimulus - This fund is used to account for funds received under the EECBG Stimulus program.

ARRA Stimulus - This fund is used to account for funds received under the ARRA Stimulus program.

Capital Project Funds

Police Station - This fund is used to account for all resources used for the construction of police stations in the City.

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

Parks & Recreation Capital Reserve Project Fund - This fund is used to account for funds reserved for future Parks and Recreation department capital purchases.

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

General Capital Reserve Project Fund - This fund is used to account for funds reserved for future capital purchases.

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

Debt Service Fund

Debt Service Fund - This fund is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of certain governmental funds.

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CITY OF CONCORD, NORTH CAROLINA **Statement 1**

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
June 30, 2013

ASSETS	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Cash and investments	$ 449,860	$ 18,480,935	$ -	$ 18,930,795
Receivables:				
Ad valorem taxes, net	7,616	-	-	7,616
Due from other governmental agencies	199,528	-	-	199,528
Interest	769	64,544	-	65,313
Other, net	72,994	156,903	-	229,897
Restricted assets - cash and investments	-	16,408,647	4	16,408,651
Total assets	$ 730,767	$ 35,111,029	$ 4	$ 35,841,800
LIABILITIES				
Accounts payable and accrued liabilities	$ 149,409	$ 90,956	$ 59,469	$ 299,834
Due to other funds	17,694	-	3,882,485	3,900,179
Total liabilities	167,103	90,956	3,941,954	4,200,013
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	7,616	-	-	7,616
Total deferred inflows of resources	7,616	-	-	7,616
FUND BALANCES (DEFICITS)				
Restricted				
Stabilization by State Statute	273,291	221,447	-	494,738
Committed				
Future capital purchases	-	16,408,640	-	16,408,640
Planning and community development	72,470	-	-	72,470
Housing assistance	252,261	-	-	252,261
Assigned				
Future capital purchases	-	18,389,986	-	18,389,986
Unassigned	(41,974)	-	(3,941,950)	(3,983,924)
Total fund balance (deficit)	556,048	35,020,073	(3,941,950)	31,634,171
Total liabilities, deferred inflows of resources, and fund balances	$ 730,767	$ 35,111,029	$ 4	$ 35,841,800

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 2013

ASSETS	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Cash and investments	$ 307,849	$ -	$ -	$ 138,308
Receivables:				
Ad valorem taxes, net	-	-	-	-
Due from other governmental agencies	-	36,037	-	163,491
Interest	633	-	-	-
Other, net	72,994	-	-	-
Total assets	$ 381,476	$ 36,037	$ -	$ 301,799
LIABILITIES				
Accounts payable and accrued liabilities	$ 55,588	$ 24,280	$ -	$ 69,490
Due to other funds	-	17,558	-	-
Total liabilities	55,588	41,838	-	69,490
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted				
Stabilization by State Statute	73,627	36,037	-	163,491
Committed				
Planning and community development	-	-	-	68,818
Housing assistance	252,261	-	-	-
Unassigned	-	(41,838)	-	-
Total fund balances (deficit)	325,888	(5,801)	-	232,309
Total liabilities, deferred inflows of resources, and fund balances	$ 381,476	$ 36,037	$ -	$ 301,799

Statement 2

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ 51	$ -	$ 3,652	$ -	$ 449,860
7,616	-	-	-	7,616
-	-	-	-	199,528
-	136	-	-	769
-	-	-	-	72,994
$ 7,667	$ 136	$ 3,652	$ -	$ 730,767
$ 51	$ -	$ -	$ -	$ 149,409
-	136	-	-	17,694
51	136	-	-	167,103
7,616	-	-	-	7,616
7,616	-	-	-	7,616
-	136	-	-	273,291
-	-	3,652	-	72,470
-	-	-	-	252,261
-	(136)	-	-	(41,974)
-	-	3,652	-	556,048
$ 7,667	$ 136	$ 3,652	$ -	$ 730,767

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
June 30, 2013

ASSETS	Police Station	Parks	Parks Capital Reserve	Transportation
Cash and investments	$ 2,860,882	$ 1,674,233	$ -	$ 9,209,514
Receivables:				
Interest	-	-	-	23,158
Other, net	-	14,674	-	140,309
Restricted assets - cash and investments	7	-	-	-
Total assets	$ 2,860,889	$ 1,688,907	$ -	$ 9,372,981
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 50,857
Total liabilities	-	-	-	50,857
FUND BALANCES				
Restricted				
Stabilization by State Statute	-	14,674	-	163,467
Committed				
Future capital purchases	-	-	-	-
Assigned				
Future capital purchases	2,860,889	1,674,233	-	9,158,657
Total fund balances	2,860,889	1,688,907	-	9,322,124
Total liabilities and fund balances	$ 2,860,889	$ 1,688,907	$ -	$ 9,372,981

Statement 3

General Fund Capital Projects	General Fund Capital Reserve	Fire and Life Safety	Total Capital Projects Funds
$ 1,371,773	$ -	$ 3,364,533	$ 18,480,935
-	41,386	-	64,544
1,920	-	-	156,903
-	16,408,640	-	16,408,647
$ 1,373,693	$ 16,450,026	$ 3,364,533	$ 35,111,029
$ 40,099	$ -	$ -	$ 90,956
40,099	-	-	90,956
1,920	41,386	-	221,447
-	16,408,640	-	16,408,640
1,331,674	-	3,364,533	18,389,986
1,333,594	16,450,026	3,364,533	35,020,073
$ 1,373,693	$ 16,450,026	$ 3,364,533	$ 35,111,029

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CITY OF CONCORD, NORTH CAROLINA **Statement 4**

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2013

	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Revenues				
Ad valorem taxes	$ 99,263	$ -	$ -	$ 99,263
Restricted intergovernmental revenues	4,456,721	821,759	-	5,278,480
Investment earnings	6,730	(106,848)	5	(100,113)
Program income	1,141,100	335,140	-	1,476,240
Other revenues	2,905	-	-	2,905
Total revenues	5,706,719	1,050,051	5	6,756,775
Expenditures				
Current:				
Planning and community development	99,263	-	-	99,263
Administration	463,245	186,471	-	649,716
Housing assistance payments	4,258,426	-	-	4,258,426
Rehabilitation	554,455	-	-	554,455
Capital outlay	-	2,037,719	-	2,037,719
Debt service	153,928	-	2,139,700	2,293,628
Total expenditures	5,529,317	2,224,190	2,139,700	9,893,207
Excess (deficiency) of revenues over (under) expenditures	177,402	(1,174,139)	(2,139,695)	(3,136,432)
Other Financing Sources (Uses)				
Transfers from other funds	34,760	13,922,110	2,143,780	16,100,650
Transfers to other funds	(320,103)	(3,281,399)	-	(3,601,502)
Total other financing sources	(285,343)	10,640,711	2,143,780	12,499,148
Net change in fund balances	(107,941)	9,466,572	4,085	9,362,716
Fund Balances (Deficit)				
Beginning	663,989	25,553,501	(3,946,035)	22,271,455
Ending	$ 556,048	$ 35,020,073	$ (3,941,950)	$ 31,634,171

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, 2013

	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Revenues				
Ad valorem taxes	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	3,880,347	341,624	-	222,244
Investment earnings	6,868	-	-	-
Program income	745,975	25,497	-	49,387
Other income (loss)	2,905	-	-	-
Total revenue	4,636,095	367,121	-	271,631
Expenditures				
Current:				
Planning & community development	-	-	-	-
Administration	330,397	61,038	-	59,304
Housing assistance payments	4,258,426	-	-	-
Rehabilitation	-	309,550	-	231,994
Capital outlay	-	-	-	-
Debt service	-	-	153,928	-
Total expenditures	4,588,823	370,588	153,928	291,298
Excess (deficiency) of revenues over (under) expenditures	47,272	(3,467)	(153,928)	(19,667)
Other Financing Sources (Uses)				
Transfers from other funds	-	6,802	-	27,958
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	6,802	-	27,958
Net change in fund balances	47,272	3,335	(153,928)	8,291
Fund Balances (Deficit)				
Beginning	278,616	(9,136)	153,928	224,018
Ending	$ 325,888	$ (5,801)	$ -	$ 232,309

Statement 5

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ 99,263	$ -	$ -	$ -	99,263
-	-	-	12,506	4,456,721
-	(138)	-	-	6,730
-	320,241	-	-	1,141,100
-	-	-	-	2,905
99,263	320,103	-	12,506	5,706,719
99,263	-	-	-	99,263
-	-	-	12,506	463,245
-	-	-	-	4,258,426
-	-	12,911	-	554,455
-	-	-	-	-
-	-		-	153,928
99,263	-	12,911	12,506	5,529,317
-	320,103	(12,911)	-	177,402
-	-	-	-	34,760
-	(320,103)	-	-	(320,103)
-	(320,103)	-	-	(285,343)
-	-	(12,911)	-	(107,941)
-	-	16,563	-	663,989
$ -	$ -	$ 3,652	$ -	$ 556,048

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, 2013

	Police Station	Parks	Parks Capital Reserve	Transportation
Revenues				
Restricted intergovernmental revenues	$ -	$ 158,976	$ -	$ 349,783
Program income	-	-	-	335,140
Investment earnings	14	-	3,499	(26,685)
Total revenues	14	158,976	3,499	658,238
Expenditures				
Administration	-	400	-	91,751
Capital outlay	-	122,156	-	396,850
Total expenditures	-	122,556	-	488,601
Excess (deficiency) of revenues over expenditures	14	36,420	3,499	169,637
Other Financing Sources (Uses)				
Transfers in	-	1,170,253	-	1,740,427
Transfers out	-	-	(954,784)	(188,273)
Total other financing sources (uses)	-	1,170,253	(954,784)	1,552,154
Net change in fund balances	14	1,206,673	(951,285)	1,721,791
Fund Balances (Deficit)				
Beginning	2,860,875	482,234	951,285	7,600,333
Ending	$ 2,860,889	$ 1,688,907	$ -	$ 9,322,124

Statement 6

General Fund Capital Projects	General Fund Capital Reserve	Fire and Life Safety	Total Capital Projects Funds
$ 313,000	$ -	$ -	$ 821,759
-	-	-	335,140
-	(83,676)	-	(106,848)
313,000	(83,676)	-	1,050,051
89,057	-	5,263	186,471
1,518,713	-	-	2,037,719
1,607,770	-	5,263	2,224,190
(1,294,770)	(83,676)	(5,263)	(1,174,139)
1,212,680	6,500,000	3,298,750	13,922,110
-	(2,138,342)	-	(3,281,399)
1,212,680	4,361,658	3,298,750	10,640,711
(82,090)	4,277,982	3,293,487	9,466,572
1,415,684	12,172,044	71,046	25,553,501
$ 1,333,594	$ 16,450,026	$ 3,364,533	$ 35,020,073

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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 accountabilitiy purposes.

The following funds have been established as Enterprise Funds:

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

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

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

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CITY OF CONCORD, NORTH CAROLINA **Statement 7**

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION
June 30, 2013

ASSETS	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Current Assets				
Cash and investments	$ -	$ 608,236	$ -	$ 608,236
Receivables:				
Accounts receivable, net	-	9,158	87,660	96,818
Due from other governments	-	138,065	1,104,009	1,242,074
Interest	-	2,035	-	2,035
Other	260,091	-	-	260,091
Inventories and prepaid expenses	77,025	15,846	2,133	95,004
Total current assets	337,116	773,340	1,193,802	2,304,258
Noncurrent assets:				
Restricted assets - cash and investments	-	32,239	-	32,239
Capital assets	9,625,480	11,357,681	8,104,380	29,087,541
Less accumulated depreciation	(219,654)	(4,749,192)	(3,190,695)	(8,159,541)
Total noncurrent assets	9,405,826	6,640,728	4,913,685	20,960,239
Total assets	9,742,942	7,414,068	6,107,487	23,264,497
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	120,945	61,012	167,131	349,088
Current portion of long-term debt	700,000	28,055	2,092	730,147
Accrued interest	28,519	-	-	28,519
Due to other funds	129,469	-	724,231	853,700
Total current liabilities	978,933	89,067	893,454	1,961,454
Noncurrent liabilities				
Long-term debt due after one year	5,815,000	147,484	9,913	5,972,397
Deposits	-	32,239	-	32,239
Total noncurrent liabilities	5,815,000	179,723	9,913	6,004,636
Total liabilities	6,793,933	268,790	903,367	7,966,090
NET POSITION				
Net investment in capital assets	2,890,826	6,608,489	4,913,685	14,413,000
Unrestricted	58,183	536,789	290,435	885,407
Total net position	$ 2,949,009	$ 7,145,278	$ 5,204,120	$ 15,298,407

CITY OF CONCORD, NORTH CAROLINA **Statement 8**

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2013

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 868,123	$ 311,801	$ 256,185	$ 1,436,109
Other operating revenues	466,894	-	6,778	473,672
Total operating revenue	1,335,017	311,801	262,963	1,909,781
Operating Expenses				
General and administrative	-	645,412	192,688	838,100
Professional services	716,992	-	2,284,963	3,001,955
Utilities	-	263,198	-	263,198
Maintenance and repairs	-	327,366	-	327,366
Operating supplies	-	-	674,824	674,824
Other operating costs	640,442	-	(119)	640,323
Depreciation and amortization	27,207	396,241	559,722	983,170
Total operating expenses	1,384,641	1,632,217	3,712,078	6,728,936
Operating income (loss)	(49,624)	(1,320,416)	(3,449,115)	(4,819,155)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,093,073	2,059,785	3,152,858
Interest earned on investments	-	(3,637)	-	(3,637)
Interest expense	(323,851)	-	-	(323,851)
Other	10,024	35,384	-	45,408
Total nonoperating revenues (expenses)	(313,827)	1,124,820	2,059,785	2,870,778
Income (loss) before transfers	(363,451)	(195,596)	(1,389,330)	(1,948,377)
Transfers In (Out)				
Transfers Out	-	(19,669)	-	(19,669)
Transfers In	1,012,723	-	1,241,455	2,254,178
Transfers in (out)	1,012,723	(19,669)	1,241,455	2,234,509
Change in net position	649,272	(215,265)	(147,875)	286,132
Net Position				
Beginning, as restated (Note 18)	2,299,737	7,360,543	5,351,995	15,012,275
Ending	$ 2,949,009	$ 7,145,278	$ 5,204,120	$ 15,298,407

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2013

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers	$ 1,339,637	$ 243,022	$ 274,968	$ 1,857,627
Payments to employees	-	(305,456)	(156,099)	(461,555)
Payments to suppliers	(1,391,360)	(907,897)	(2,897,631)	(5,196,888)
Net cash provided by (used in) operating activities	(51,723)	(970,331)	(2,778,762)	(3,800,816)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	129,469	-	(450,028)	(320,559)
Transfers in	1,012,723	-	1,241,455	2,254,178
Transfers out	-	(19,669)	-	(19,669)
Operating grants received	-	1,093,073	2,059,785	3,152,858
Net cash provided by noncapital financing activities	1,142,192	1,073,404	2,851,212	5,066,808
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(670,000)	-	-	(670,000)
Interest paid	(325,330)	-	-	(325,330)
Acquisition and construction of capital assets	(142,151)	(205,732)	(72,450)	(420,333)
Proceeds from the sale of capital assets	-	-	-	-
Net cash used in capital and related financing activities	(1,137,481)	(205,732)	(72,450)	(1,415,663)
Cash Flows Provided by Investing Activities				
Earnings on investments	-	(3,457)	-	(3,457)
Net increase in cash and cash equivalents	(47,012)	(106,116)	-	(153,128)
Cash and cash equivalents:				
Beginning	47,012	746,591	-	793,603
Ending	$ -	$ 640,475	$ -	$ 640,475

Continued

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2013

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	$ (49,624)	$ (1,320,416)	$ (3,449,115)	$ (4,819,155)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	27,207	396,241	559,722	983,170
Other income	10,024	70,725	-	80,749
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(5,404)	(6,522)	12,005	79
Due from other governmental agencies	-	(132,982)	116,355	(16,627)
Inventories and prepaid expenses	(7,197)	676	(2,133)	(8,654)
Increase (decrease) in:				
Accounts payable and accrued expenses	(26,729)	(3,908)	(17,606)	(48,243)
Vacation accrual	-	(4,199)	(2,260)	(6,459)
OPEB liability	-	30,080	4,270	34,350
Deposits	-	(26)	-	(26)
Net cash provided by (used in) operating activities	$ (51,723)	$ (970,331)	$ (2,778,762)	$ (3,800,816)

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, 2013

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment
General Government				
Governing body	$ -	$ -	$ -	$ 5,429
Administration	3,160,338	5,231,884	310,512	1,101,377
Finance	-	-	-	492,178
Tax office	-	-	-	79,152
Legal	-	-	-	-
Human resources	-	451,282	-	71,026
Total general government	3,160,338	5,683,166	310,512	1,749,162
Public Safety				
Communications	-	-	-	1,547,169
Police	48,130	15,212,803	110,922	6,538,125
Fire	600,570	14,289,384	246,686	11,535,168
Sign shop	-	-	-	46,837
Total public safety	648,700	29,502,187	357,608	19,667,299
Public Works				
Streets	40,826,364	329,086	76,177	3,465,431
Sanitation	-	3,498,290	18,169	2,983,216
Cemeteries	-	-	191,522	160,112
Transportation	50,987	-	-	-
Fleet Services	-	322,090	-	454,643
Total public works	40,877,351	4,149,466	285,868	7,063,402
Cultural and Recreational				
Parks and recreation	6,625,193	8,006,847	1,896,723	542,342
Planning and Community Development				
Planning and zoning	437,552	29,450	-	174,577
Section 8, Housing Assistance	-	125,008	-	21,196
Total planning and community development	437,552	154,458	-	195,773
Total capital assets	$ 51,749,134	$ 47,496,124	$ 2,850,711	$ 29,217,978

Infrastructure	Construction in Progress	Total
$ -	$ -	$ 5,429
446,014	-	10,250,125
-	-	492,178
-	-	79,152
-	-	-
-	-	522,308
446,014	-	11,349,192
-	-	1,547,169
-	-	21,909,980
-	-	26,671,808
-	-	46,837
-	-	50,175,794
487,564,554	1,471,342	533,732,954
-	115,701	6,615,376
168,239	-	519,873
6,843,848	-	6,894,835
-	702,705	1,479,438
494,576,641	2,289,748	549,242,476
-	-	17,071,105
394,229	711,775	1,747,583
-	-	146,204
394,229	711,775	1,893,787
$ 495,416,884	$ 3,001,523	$ 629,732,354

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, 2013

Function/Activity	June 30, 2012	Additions	Retirements/ Transfers	June 30, 2013
General Government				
Governing body	$ 5,429	**$ -**	**$ -**	**$ 5,429**
Administration	10,383,696	**57,345**	**190,916**	**10,250,125**
Finance	487,178	**5,000**	**-**	**492,178**
Tax office	79,152	**-**	**-**	**79,152**
Legal	-	**-**	**-**	**-**
Human resources	522,308	**-**	**-**	**522,308**
Total general government	11,477,763	**62,345**	**190,916**	**11,349,192**
Public Safety				
Communications	1,536,049	**11,120**	**-**	**1,547,169**
Police	22,274,924	**415,624**	**780,568**	**21,909,980**
Fire	26,798,348	**413,549**	**540,089**	**26,671,808**
Sign shop	67,715	**-**	**20,878**	**46,837**
Total public safety	50,677,036	**840,293**	**1,341,535**	**50,175,794**
Public Works				
Streets	524,892,820	**10,505,420**	**1,665,286**	**533,732,954**
Sanitation	6,348,981	**421,535**	**155,140**	**6,615,376**
Cemeteries	525,103	**7,460**	**12,690**	**519,873**
Transportation	6,894,835	**-**	**-**	**6,894,835**
Fleet services	733,430	**728,788**	**(17,220)**	**1,479,438**
Total public works	539,395,169	**11,663,203**	**1,815,896**	**549,242,476**
Cultural and Recreational				
Parks and recreation	16,936,661	**122,156**	**(12,288)**	**17,071,105**
Planning and Community Development				
Planning and zoning	1,057,514	**697,819**	**7,750**	**1,747,583**
Section 8, Housing Assistance	166,461	**-**	**20,257**	**146,204**
Total planning and community development	1,223,975	**697,819**	**28,007**	**1,893,787**
Total capital assets	$ 619,710,604	**$ 13,385,816**	**$ 3,364,066**	**$ 629,732,354**

Supplemental Information

- Budget to actual comparison for other major and 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

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CITY OF CONCORD, NORTH CAROLINA **Statement 12**

HOUSING ASSISTANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Restricted intergovernmental revenues	$ 3,715,424	$ 3,715,424	**$ 3,880,347**	$ 164,923
Investment earnings	1,200	1,200	**6,868**	5,668
Program income	500	500	**745,975**	745,475
Other income (loss)	4,000	4,000	**2,905**	(1,095)
Total revenues	3,721,124	3,721,124	**4,636,095**	914,971
Expenditures				
Administration	316,904	316,904	**330,397**	(13,493)
Housing assistance payments	3,404,220	3,404,220	**4,258,426**	(854,206)
Total expenditures	3,721,124	3,721,124	**4,588,823**	(867,699)
Excess of revenues over expenditures	-	-	**47,272**	47,272
Other Financing Sources				
Appropriated fund balance	-	-	-	-
Total other financing sources	-	-	-	-
Excess of revenues and other financing sources over expenditures	$ -	$ -	**47,272**	$ 47,272
Fund Balance				
Beginning			**278,616**	
Ending			**$ 325,888**	

CITY OF CONCORD, NORTH CAROLINA **Statement 13**

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B07-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 383,917	$ 383,869	**$ -**	$ 383,869
Program income	140,488	140,488	-	140,488
Total revenues	524,405	524,357	-	524,357
Expenditures				
Administration	37,022	43,825	-	43,825
Rehabilitation	498,581	498,532	-	498,532
Total expenditures	535,603	542,357	-	542,357
Excess (deficiency) of revenues over expenditures	(11,198)	(18,000)	-	(18,000)
Other Financing Sources (Uses)				
Transfers In	11,198	11,198	**6,802**	18,000
Total other financing sources	11,198	11,198	**6,802**	18,000
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (6,802)	**$ 6,802**	$ -

CITY OF CONCORD, NORTH CAROLINA **Statement 14**

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B08-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 369,909	$ 362,245	**$ 7,664**	$ 369,909
Program income	63,515	63,515	**-**	63,515
Total revenues	433,424	425,760	**7,664**	433,424
Expenditures				
Administration	2,517	2,516	**-**	2,516
Rehabilitation	443,928	443,729	**200**	443,929
Total expenditures	446,445	446,245	**200**	446,445
Excess (deficiency) of revenues over expenditures	(13,021)	(20,485)	**7,464**	(13,021)
Other Financing Sources (Uses)				
Transfers In	13,021	13,021	**-**	13,021
Total other financing sources	13,021	13,021	**-**	13,021
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (7,464)	**$ 7,464**	$ -

CITY OF CONCORD, NORTH CAROLINA **Statement 15**

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B09-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 389,737	$ 384,538	$ -	$ 384,538
Program income	52,721	52,720	-	52,720
Total revenues	442,458	437,258	-	437,258
Expenditures				
Administration	88,156	88,156	-	88,156
Rehabilitation	355,344	350,144	-	350,144
Total expenditures	443,500	438,300	-	438,300
Excess (deficiency) of revenues over expenditures	(1,042)	(1,042)	-	(1,042)
Other Financing Sources (Uses)				
Transfers In	1,042	1,042	-	1,042
Total other financing sources	1,042	1,042	-	1,042
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ -	$ -	$ -

CITY OF CONCORD, NORTH CAROLINA **Statement 16**

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B10-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 425,304	$ 389,284	**$ 16,809**	$ 406,093
Program income	39,534	39,534	**-**	39,534
Total revenues	464,838	428,818	**16,809**	445,627
Expenditures				
Administration	92,895	92,895	**-**	92,895
Rehabilitation	371,943	332,054	**20,678**	352,732
Total expenditures	464,838	424,949	**20,678**	445,627
Excess (deficiency) of revenues over expenditures	$ -	$ 3,869	**$ (3,869)**	$ -

CITY OF CONCORD, NORTH CAROLINA **Statement 17**

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B11-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 355,477	$ 228,883	**$ 45,052**	$ 273,935
Program income	44,606	44,606	**-**	44,606
Total revenues	400,083	273,489	**45,052**	318,541
Expenditures				
Administration	75,800	75,799	**-**	75,799
Rehabilitation	324,283	196,429	**46,313**	242,742
Total expenditures	400,083	272,228	**46,313**	318,541
Excess (deficiency) of revenues over expenditures	$ -	$ 1,261	**$ (1,261)**	$ -

CITY OF CONCORD, NORTH CAROLINA **Statement 18**

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B12-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 420,764	$ -	**$ 272,099**	$ 272,099
Program income	35,000	-	**25,497**	25,497
Total revenues	455,764	-	**297,596**	297,596
Expenditures				
Administration	91,153	-	**61,038**	61,038
Rehabilitation	364,611	-	**242,359**	242,359
Total expenditures	455,764	-	**303,397**	303,397
Excess (deficiency) of revenues over expenditures	$ -	$ -	**$ (5,801)**	$ (5,801)

CITY OF CONCORD, NORTH CAROLINA **Statement 19**

SECTION 108 LOAN/BEDI GRANT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual 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	287,865	287,864	-	287,864
Total revenues	1,304,294	1,304,293	-	1,304,293
Expenditures				
Rehabilitation	2,676,880	2,676,879	-	2,676,879
Total expenditures	2,676,880	2,676,879	-	2,676,879
Excess (deficiency) of revenues over expenditures	(1,372,586)	(1,372,586)	-	(1,372,586)
Other Financing Sources (Uses)				
Debt issued	1,974,000	1,974,000	-	1,974,000
Debt service	(601,414)	(447,486)	**(153,928)**	(601,414)
Transfers In	99,930	99,930	-	99,930
Transfers Out	(99,930)	(99,930)	-	(99,930)
Total other financing sources (uses)	1,372,586	1,526,514	**(153,928)**	1,372,586
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ 153,928	**(153,928)**	$ -
Fund Balance				
Beginning			**153,928**	
Ending			**$ -**	

HOME FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,257,998	$ 491,619	**$ 222,244**	$ 713,863
Program income	868,530	821,818	**49,387**	871,205
Total revenues	2,126,528	1,313,437	**271,631**	1,585,068
Expenditures				
Administration	510,342	357,059	**59,304**	416,363
Rehabilitation	1,881,078	969,293	**231,994**	1,201,287
Total expenditures	2,391,420	1,326,352	**291,298**	1,617,650
Excess (deficiency) of revenues over expenditures	(264,892)	(12,915)	**(19,667)**	(32,582)
Other Financing Sources (Uses)				
Transfers In	264,892	236,933	**27,958**	264,891
Total other financing sources	264,892	236,933	**27,958**	264,891
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 224,018	**8,291**	$ 232,309
Fund Balance				
Beginning			**224,018**	
Ending			**$ 232,309**	

CITY OF CONCORD, NORTH CAROLINA **Statement 21**

MUNICIPAL SERVICE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes	$ 84,885	$ 99,212	**$ 99,263**	$ 51
Expenditures				
Community development	84,885	99,212	**99,263**	(51)
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

CITY OF CONCORD, NORTH CAROLINA **Statement 22**

ADDITIONAL VEHICLE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Program income	$ 294,154	$ 344,154	**$ 320,241**	$ (23,913)
Investment earnings	-	357	**(138)**	(495)
Total revenues	294,154	344,511	**320,103**	(24,408)
Other Financing Uses				
Transfers out	(294,154)	(344,511)	**(320,103)**	24,408
Total other financing uses	(294,154)	(344,511)	**(320,103)**	24,408
Total of revenues and other financing sources	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

CITY OF CONCORD, NORTH CAROLINA **Statement 23**

EECBG STIMULUS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 638,825	$ 638,824	**$ -**	$ 638,824
Total revenues	638,825	638,824	**-**	638,824
Expenditures				
Rehabilitation	271,513	254,949	**12,911**	267,860
Capital outlay	492,812	492,812	**-**	492,812
Total expenditures	764,325	747,761	**12,911**	760,672
Excess (deficiency) of revenues over expenditures	(125,500)	(108,937)	**(12,911)**	(121,848)
Other Financing Sources				
Transfers In	125,500	125,500	**-**	125,500
Total other financing sources	125,500	125,500	**-**	125,500
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 16,563	**(12,911)**	$ 3,652
Fund Balance				
Beginning			**16,563**	
Ending			**$ 3,652**	

CITY OF CONCORD, NORTH CAROLINA **Statement 24**

PARKS AND RECREATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Contributions	$ 50,250	$ 50,250	**$ -**	$ 50,250
Restricted intergovernmental revenues	635,000	-	**158,976**	158,976
Total operating revenues	685,250	50,250	**158,976**	209,226
Operating Expenditures				
Lake Howell Park	511,031	-	**-**	-
Park Light Project	431,000	-	**-**	-
Logan Multipurpose Improvements	375,545	349,230	**26,315**	375,545
Hartsell Stairwell	77,777	77,777	**-**	77,777
Logan Parking Lot	128,461	128,461	**-**	128,461
McEachern Greenway	276,330	133,664	**52,734**	186,398
Rocky River Greenway	1,582,998	406,522	**43,507**	450,029
Total operating expenditures	3,383,142	1,095,654	**122,556**	1,218,210
Deficiency of revenues over expenditures before transfers	(2,697,892)	(1,045,404)	**36,420**	(1,008,984)
Transfers In (Out)				
Transfers in	2,711,892	1,541,638	**1,170,253**	2,711,891
Transfer out	(14,000)	(14,000)	**-**	(14,000)
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 482,234	**$ 1,206,673**	$ 1,688,907

CITY OF CONCORD, NORTH CAROLINA **Statement 25**

PARKS & RECREATION 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, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Other income	$ 89,919	$ 86,420	**$ 3,499**	$ 89,919
Excess of revenues over expenditures	89,919	86,420	**3,499**	89,919
Other Financing Sources				
Transfers from other funds	864,865	864,865	**-**	864,865
Transfers to other funds	(954,784)	-	**(954,784)**	(954,784)
Total other financing sources (uses)	(89,919)	864,865	**(954,784)**	(89,919)
Excess of revenues and other financing sources over expenditures	$ -	$ 951,285	**(951,285)**	$ -
Fund Balance				
Beginning			**951,285**	
Ending			**$ -**	

CITY OF CONCORD, NORTH CAROLINA **Statement 26**

TRANSPORTATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 13,977,668	$ 835,311	**$ 349,783**	$ 1,185,094
Investment earnings	66,389	36,956	**(26,685)**	10,271
Program income	526,000	301,643	**335,140**	636,783
Total operating revenues	14,570,057	1,173,910	**658,238**	1,832,148
Operating Expenditures				
George Liles Extension	10,767,000	-	**-**	-
Poplar Tent/Hwy 29 CMAQ	940,973	188,824	**34,812**	223,636
Hwy 601/Hwy 3 CMAQ	1,294,915	48,177	**155,025**	203,202
Future Improvements	3,642,128	-	**-**	-
Signal & Fiber - Lake Concord Rd	243,303	238,015	**5,288**	243,303
Signal & Fiber - 29/LC/NCDOT	216,446	156,743	**49,509**	206,252
Poplar Tent/Hwy 73 Sidewalks & Bike Ln	500,000	-	**-**	-
Cabarrus RR Bridge Railing	250,000	-	**-**	-
Burrage Rd NE Street	1,200,000	-	**-**	-
Terminal Court	110,400	-	**-**	-
G Liles Village Signal	161,000	-	**42,243**	42,243
Infrastructure	357,795	50,605	**48,031**	98,636
Burrage Rd Bridge Replacement	2,748,900	310,361	**88,329**	398,690
Morehead Improvements	1,511,727	1,488,227	**-**	1,488,227
Derita Rd	12,333,813	481,814	**65,364**	547,178
Contract services	538	538	**-**	538
Total operating expenditures	36,278,938	2,963,304	**488,601**	3,451,905
Deficiency of revenues over expenditures before transfers	(21,708,881)	(1,789,394)	**169,637**	(1,619,757)
Other Financing Sources (Uses)				
Financing Proceeds	10,767,000	-	**-**	-
Transfers In	11,244,107	9,503,680	**1,740,427**	11,244,107
Transfers Out	(302,226)	(113,953)	**(188,273)**	(302,226)
Total other financing sources	21,708,881	9,389,727	**1,552,154**	10,941,881
Excess of revenues and transfers over expenditures	$ -	$ 7,600,333	**$ 1,721,791**	$ 9,322,124

CITY OF CONCORD, NORTH CAROLINA **Statement 27**

GENERAL FUND CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 313,000	$ -	**$ 313,000**	$ 313,000
Total revenues	313,000	-	**313,000**	313,000
Expenditures				
Capital outlay	3,176,044	230,693	**1,607,770**	1,838,463
Total expenditures	3,176,044	230,693	**1,607,770**	1,838,463
Deficiency of revenues over expenditures before transfers	(2,863,044)	(230,693)	**(1,294,770)**	(1,525,463)
Transfer In	2,863,044	1,646,377	**1,212,680**	2,859,057
Excess of revenues and transfers over expenditures	$ -	$ 1,415,684	**$ (82,090)**	$ 1,333,594

CITY OF CONCORD, NORTH CAROLINA **Statement 28**

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, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment Earnings	$ 431,652	$ 499,934	**$ (83,676)**	$ 416,258
Expenditures				
Capital outlay	16,465,419	-	**-**	-
Total expenditures	16,465,419	-	**-**	-
Excess (deficiency) of revenues over expenditures	(16,033,767)	499,934	**(83,676)**	416,258
Other Financing Sources (Uses)				
Transfers In	18,172,110	11,672,110	**6,500,000**	18,172,110
Transfers Out	(2,138,343)	-	**(2,138,342)**	(2,138,342)
Total other financing sources (uses)	16,033,767	11,672,110	**4,361,658**	16,033,768
Excess of revenues and other financing sources (uses) over expenditures	$ -	$ 12,172,044	**4,277,982**	$ 16,450,026
Fund Balance				
Beginning			**12,172,044**	
Ending			**$ 16,450,026**	

CITY OF CONCORD, NORTH CAROLINA **Statement 29**

FIRE AND LIFE SAFETY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Capital outlay	$ 3,381,030	$ 6,030	**$ 4,000**	$ 10,030
Total operating expenditures	3,381,030	6,030	**4,000**	10,030
Deficiency of revenues over expenditures before transfers	(3,381,030)	(6,030)	**(4,000)**	(10,030)
Transfer In (Out)	3,381,030	82,280	**3,298,750**	3,381,030
Excess of revenues and transfers over expenditures	$ -	$ 76,250	**$ 3,294,750**	$ 3,371,000

Change in net position:	
Fire and Life Safety Capital Project Fund	**$ 3,294,750**
2008 Debt Issuance Capital Project Fund (Statement 47)	**(1,263)**
	$ 3,293,487

CITY OF CONCORD, NORTH CAROLINA **Statement 30**

ELECTRIC OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 80,470,000	$ 80,579,747	**$ 79,745,486**	$ (834,261)
Other operating revenues	695,150	1,272,320	**1,449,012**	176,692
Total operating revenues	81,165,150	81,852,067	**81,194,498**	(657,569)
Operating Expenditures				
Administration	2,308,750	2,308,750	**1,946,174**	362,576
Purchased power	62,320,502	62,190,627	**56,681,692**	5,508,935
Power line and plant	10,642,053	11,020,690	**10,552,258**	468,432
Total operating expenditures	75,271,305	75,520,067	**69,180,124**	6,339,943
Nonoperating Revenues (Expenditures)				
Capital outlay	(3,486,394)	(4,037,632)	**(2,227,283)**	1,810,349
Interest earned on investments	190,000	240,695	**(137,086)**	(377,781)
Debt service and capital lease payments	(3,245,941)	(3,245,941)	**(3,182,772)**	63,169
Appropriated Fund Balance	1,444,120	3,844,120	**-**	(3,844,120)
Appropriation to Fund Balance	(250,000)	(250,000)	**-**	250,000
Gain on sale of capital assets	-	62,388	**73,969**	11,581
Total nonoperating expenditures	(5,348,215)	(3,386,370)	**(5,473,172)**	(2,086,802)
Income before capital contributions and transfers	545,630	2,945,630	**6,541,202**	3,595,572
Transfers In (Out)				
Transfers out	(545,630)	(2,945,630)	**(2,945,630)**	-
Excess of revenues over expenditures and transfers	$ -	$ -	**3,595,572**	$ 3,595,572
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,921,166)**	
Capital outlay			**2,227,283**	
Unfunded OPEB Expense			**(148,461)**	
Debt service			**2,075,865**	
Change in net position			**$ 3,829,093**	
Change in net position:				
Electric Operating Fund			**$ 3,829,093**	
Utility Capital Reserve Project Fund (Statement 36)			**2,400,000**	
			$ 6,229,093	

WATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 17,910,500	$ 17,910,500	**$ 18,290,115**	$ 379,615
Other operating revenues	755,985	755,985	**1,152,894**	396,909
Total operating revenues	18,666,485	18,666,485	**19,443,009**	776,524
Operating Expenditures				
Repairs and maintenance	1,126,049	1,126,049	**1,278,727**	(152,678)
Water plants and lakes	5,917,597	5,917,597	**4,418,511**	1,499,086
Water line operation and maintenance	5,803,185	5,803,185	**5,255,796**	547,389
Total operating expenditures	12,846,831	12,846,831	**10,953,034**	1,893,797
Nonoperating Revenues (Expenditures)				
Interest earned on investments	150,000	150,000	**(101,770)**	(251,770)
Capital outlay	(2,526,274)	(2,235,274)	**(1,452,021)**	783,253
Debt service	(3,939,356)	(3,939,356)	**(3,712,083)**	227,273
Gain on sale of capital assets	-	-	**17,261**	17,261
Appropriated Fund Balance	1,143,283	1,143,283	**-**	(1,143,283)
Total nonoperating expenditures	(5,172,347)	(4,881,347)	**(5,248,613)**	(367,266)
Income before capital contributions and transfers	647,307	938,307	**3,241,362**	2,303,055
Transfers In (Out)				
To Project Fund	(647,307)	(938,307)	**(938,307)**	-
Capital Contributions	-	-	**341,150**	341,150
Excess of revenues, capital contributions over expenditures	$ -	$ -	**2,644,205**	$ 2,644,205
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,615,313)**	
Unfunded OPEB Expense			**(139,340)**	
Capital outlay			**1,452,021**	
Debt service			**3,208,186**	
Change in net position			**$ 3,549,759**	
Change in net position:				
Water Operating Fund			**$ 3,549,759**	
2008 Revenue Bonds Capital Project Fund (Statement 32)			**(2,611)**	
Water Projects Capital Project Fund (Statement 33)			**921,000**	
			$ 4,468,148	

CITY OF CONCORD, NORTH CAROLINA **Statement 32**

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, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 10,075	$ 9,550	**$ 724**	$ 10,274
	10,075	9,550	**724**	10,274
Expenditures				
Capital Outlay:				
Westside tank design & construction	3,172,351	3,162,242	**15,047**	3,177,289
Fire Flow Improvements	1,434,389	-	**-**	-
George Liles waterline	1,432,480	1,225,071	**-**	1,225,071
Total expenditures	6,039,220	4,387,313	**15,047**	4,402,360
Deficiency of revenues over expenditures	(6,029,145)	(4,377,763)	**(14,323)**	(4,392,086)
Other Financing Sources				
Operating Transfer Out	(3,335)	-	**(3,335)**	(3,335)
Bond proceeds	6,032,480	6,032,480	**-**	6,032,480
	6,029,145	6,032,480	**(3,335)**	6,029,145
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 1,654,717	**(17,658)**	$ 1,637,059
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**15,047**	
Change in net position			**$ (2,611)**	

CITY OF CONCORD, NORTH CAROLINA **Statement 33**

WATER PROJECTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	9,574,095	489,641	**585,869**	1,075,510
Total operating expenditures	9,574,095	489,641	**585,869**	1,075,510
Deficiency of revenues over expenditures before transfers	(9,574,095)	(489,641)	**(585,869)**	(1,075,510)
Transfer In	9,574,095	8,813,095	**921,000**	9,734,095
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 8,323,454	**335,131**	$ 8,658,585
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**585,869**	
Change in net position			**$ 921,000**	

CITY OF CONCORD, NORTH CAROLINA **Statement 34**

WASTEWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 13,600,000	$ 13,600,000	**$ 14,173,168**	$ 573,168
Other operating revenues	322,000	316,603	**509,859**	193,256
Total operating revenues	13,922,000	13,916,603	**14,683,027**	766,424
Operating Expenditures				
Repairs and maintenance	304,334	311,764	**179,093**	132,671
Wastewater line and plant	10,523,999	10,727,676	**9,716,374**	1,011,302
Total operating expenditures	10,828,333	11,039,440	**9,895,467**	1,143,973
Nonoperating Revenues (Expenditures)				
Interest earned on investments	110,000	110,000	**32,633**	(77,367)
Capital outlay	(1,086,398)	(997,684)	**(932,430)**	65,254
Debt service	(2,319,735)	(2,319,735)	**(2,316,107)**	3,628
Miscellaneous Revenues	-	-	**245,990**	245,990
Gain (loss) on sale of capital assets	-	-	**59,882**	59,882
Appropriated Fund Balance	212,436	333,154	**-**	(333,154)
Total nonoperating expenditures	(3,083,697)	(2,874,265)	**(2,910,032)**	(35,767)
Income before capital contributions and transfers in	9,970	2,898	**1,877,528**	1,874,630
Capital Contributions	-	-	**666,824**	666,824
Transfers In (Out)				
From General Fund	-	7,072	**-**	(7,072)
Transfers out	(9,970)	(9,970)	**(9,970)**	-
Excess of revenues and operating transfers over expenditures	$ -	$ -	**2,534,382**	$ 2,534,382
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(2,801,741)**	
Capital outlay			**932,430**	
Unfunded OPEB Expense			**(64,624)**	
Debt service			**1,409,309**	
Change in net position			**$ 2,009,756**	
Change in net position:				
Wastewater Operating Fund			**$ 2,009,756**	
2008 Revenue Bonds Capital Project Fund (Statement 35)			**-**	
			$ 2,009,756	

2008 REVENUE BONDS CAPITAL PROJECT FUND - WASTEWATER FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Capital Outlay:				
Old Farm	600,000	-	-	-
Total expenditures	600,000	-	-	-
Deficiency of revenues over expenditures	(600,000)	-	-	-
Other Financing Sources				
Bond proceeds	600,000	600,000	-	600,000
	600,000	600,000	-	600,000
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 600,000	-	$ 600,000
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			$ -	

CITY OF CONCORD, NORTH CAROLINA **Statement 36**

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, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Capital outlay	$ 4,400,000	$ -	**$ -**	$ -
Other Financing Sources				
Transfers In	4,400,000	2,000,000	**2,400,000**	4,400,000
Excess of other financing sources over expenditures	$ -	$ 2,000,000	**2,400,000**	$ 4,400,000
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**-**	
Change in net position			**$ 2,400,000**	

The change in net position is allocated as follows:

Electric Operating Fund	**$ 2,400,000**

CITY OF CONCORD, NORTH CAROLINA **Statement 37**

REGIONAL AIRPORT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 10,075,235	$ 10,075,235	**$ 9,797,723**	$ (277,512)
Other operating revenues	13,000	13,000	**9,886**	(3,114)
Total operating revenues	10,088,235	10,088,235	**9,807,609**	(280,626)
Operating Expenditures				
Airport operation and maintenance	9,801,163	9,801,164	**9,002,930**	798,234
Total operating expenditures	9,801,163	9,801,164	**9,002,930**	798,234
Nonoperating Revenues (Expenditures)				
Interest earned on investments	40,000	40,000	**(10,227)**	(50,227)
Capital outlay	(1,023,825)	(6,480,268)	**(4,666,070)**	1,814,198
Debt service	(992,478)	(992,478)	**(989,761)**	2,717
Miscellaneous revenues	6,000	6,000	**20,448**	14,448
Appropriated Fund Balance	1,187,063	1,055,736	**-**	(1,055,736)
Total nonoperating expenditures	(783,240)	(6,371,010)	**(5,645,610)**	725,400
Income (loss) before capital contributions and transfers	(496,168)	(6,083,939)	**(4,840,931)**	1,243,008
Capital Contributions	-	5,456,443	**4,480,684**	(975,759)
Transfers In (Out)				
Transfers in	775,742	854,212	**775,742**	(78,470)
Among Airport Funds	(279,574)	(226,716)	**(222,419)**	4,297
Deficiency of revenues and operating transfers over expenditures	$ -	$ -	**193,076**	$ 193,076
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(1,556,148)**	
Capital outlay			**4,666,070**	
Unfunded OPEB Expense			**(71,029)**	
Debt service			**602,500**	
Change in net position			**$ 3,834,469**	

Change in net position:	
Regional Airport Operating Fund	**$ 3,834,469**
2008 Debt Issuance Capital Project Fund (Statement 47)	**(52,858)**
First Concord Capital Project Fund (Statement 49)	**(185,173)**
	$ 3,596,438

CITY OF CONCORD, NORTH CAROLINA **Statement 38**

STORMWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 3,600,000	$ 3,650,000	**$ 3,723,552**	$ 73,552
Other operating revenues	12,000	12,000	**16,050**	4,050
Total operating revenues	3,612,000	3,662,000	**3,739,602**	77,602
Operating Expenditures				
Stormwater operation and maintenance	2,206,639	2,288,552	**2,030,088**	258,464
Total operating expenditures	2,206,639	2,288,552	**2,030,088**	258,464
Nonoperating Revenues (Expenditures)				
Capital outlay	(238,670)	(238,670)	**(176,220)**	62,450
Interest earned on investments	60,000	60,000	**(26,488)**	(86,488)
Gain on sale of capital assets	-	31,913	**31,913**	-
Debt service and capital lease payments	(43,372)	(43,372)	**(43,372)**	-
Appropriation to Fund Balance	(672,618)	(672,618)	**-**	672,618
Total nonoperating expenditures	(894,660)	(862,747)	**(214,167)**	648,580
Income before capital contributions and transfers	510,701	510,701	**1,495,347**	984,646
Transfers Out				
To Project Fund	(510,701)	(510,701)	**(510,701)**	-
Excess of revenues over expenditures and transfers out	$ -	$ -	**984,646**	$ 984,646
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(1,578,115)**	
Debt service			**42,748**	
Unfunded OPEB Expense			**(43,471)**	
Capital outlay			**176,220**	
Change in net position			**$ (417,972)**	
Change in net position:				
Stormwater Operating Fund			**$ (417,972)**	
Stormwater Capital Project Fund (Statement 39)			**452,645**	
			$ 34,673	

CITY OF CONCORD, NORTH CAROLINA **Statement 39**

STORMWATER CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 167,788	$ 140,000	**$ 38,894**	$ 178,894
Total operating revenues	167,788	140,000	**38,894**	178,894
Operating Expenditures				
Contract cost	92,249	-	**92,249**	92,249
Capital outlay	2,740,443	1,051,106	**125,081**	1,176,187
Total operating expenditures	2,832,692	1,051,106	**217,330**	1,268,436
Deficiency of revenues over expenditures before transfers	(2,664,904)	(911,106)	**(178,436)**	(1,089,542)
Transfer In	2,664,904	2,158,904	**506,000**	2,664,904
Excess of revenues and transfers over expenditures	$ -	$ 1,247,798	**327,564**	$ 1,575,362
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**125,081**	
Change in net position			**$ 452,645**	

CITY OF CONCORD, NORTH CAROLINA **Statement 40**

GOLF COURSE OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 813,447	$ 813,447	**$ 868,123**	$ 54,676
Other operating revenues	430,915	430,915	**466,894**	35,979
Total operating revenues	1,244,362	1,244,362	**1,335,017**	90,655
Operating Expenditures				
Professional services	756,178	756,178	**716,992**	39,186
Other operating costs	589,478	589,478	**640,442**	(50,964)
Total operating expenditures	1,345,656	1,345,656	**1,357,434**	(11,778)
Nonoperating Revenues (Expenditures)				
Miscellaneous revenue	35,168	35,168	**5,024**	(30,144)
Total nonoperating revenues	35,168	35,168	**5,024**	(30,144)
Loss before transfers	(66,126)	(66,126)	**(17,393)**	48,733
Transfers in (out)				
Transfers in	1,061,456	1,061,456	**1,012,723**	(48,733)
Among golf course funds	(995,330)	(995,330)	**(995,330)**	-
Excess of revenues over expenditures and transfers in (out)	$ -	$ -	-	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(19,318)**	
Change in net position			**$ (19,318)**	

Change in net position:	
Golf Course Operating Fund	**$ (19,318)**
Golf Capital Project Fund (Statement 41)	**5,000**
First Concord Capital Project Fund (Statement 49)	**663,590**
	$ 649,272

CITY OF CONCORD, NORTH CAROLINA **Statement 41**

GOLF CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	$ 255,000	$ 110,254	**$ 142,151**	$ 252,405
Total operating expenditures	255,000	110,254	**142,151**	252,405
Deficiency of revenues over expenditures	(255,000)	(110,254)	**(142,151)**	(252,405)
Nonoperating Revenues				
Miscellaneous	5,000	-	**5,000**	5,000
Total nonoperating revenues	5,000	-	**5,000**	5,000
Loss before transfers	(250,000)	(110,254)	**(137,151)**	(247,405)
Transfer In	250,000	250,000	**-**	250,000
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 139,746	**(137,151)**	$ 2,595
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**142,151**	
Change in net position			**$ 5,000**	

CITY OF CONCORD, NORTH CAROLINA **Statement 42**

HOUSING DEPARTMENT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 290,000	$ 290,000	**$ 311,801**	$ 21,801
Total operating revenues	290,000	290,000	**311,801**	21,801
Operating Expenditures				
Administrative	549,549	566,270	**541,938**	24,332
Utilities	275,000	266,279	**263,198**	3,081
Housing maintenance and repairs	338,734	355,018	**327,366**	27,652
Total operating expenditures	1,163,283	1,187,567	**1,132,502**	55,065
Nonoperating Revenues (Expenditures)				
Operating subsidy	872,788	897,072	**813,947**	(83,125)
Interest earned on investments	1,500	1,500	**(3,637)**	(5,137)
Miscellaneous	15,000	15,000	**35,384**	20,384
Appropriated Fund Balance	3,664	3,664	**-**	(3,664)
Total nonoperating revenues	892,952	917,236	**845,694**	(71,542)
Income before transfers	19,669	19,669	**24,993**	5,324
Transfers in (out)				
Transfer out	(19,669)	(19,669)	**(19,669)**	-
Transfer in	-	-	**-**	-
Excess of revenues and transfers over expenditures	$ -	$ -	**5,324**	$ 5,324
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			**(30,080)**	
Capital outlay			**-**	
Depreciation			**(396,241)**	
Change in net position			**$ (420,997)**	
Change in net position:				
Housing Operating Fund			**$ (420,997)**	
Housing Capital Project Fund (Statement 43)			**205,732**	
			$ (215,265)	

CITY OF CONCORD, NORTH CAROLINA **Statement 43**

HOUSING CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Administrative	$ 341,791	$ -	**$ 73,394**	$ 73,394
Capital outlay	592,427	386,696	**205,732**	592,428
Total expenditures	934,218	386,696	**279,126**	665,822
Other Financing Sources (Uses)				
Federal grants	934,218	386,696	**279,126**	665,822
Excess of other financing sources over expenditures	$ -	$ -	**-**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**205,732**	
Change in net position			**$ 205,732**	

CITY OF CONCORD, NORTH CAROLINA **Statement 44**

TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Charges for services	$ 473,162	$ 224,597	**$ 256,185**	$ 480,782
Restricted intergovernmental revenues	34,625	27,847	**6,778**	34,625
Total operating revenues	507,787	252,444	**262,963**	515,407
Operating Expenditures				
Administrative	406,872	175,276	**188,418**	363,694
Professional services	4,681,115	2,137,972	**2,284,963**	4,422,935
Operating supplies	1,480,490	468,456	**614,587**	1,083,043
Miscellaneous	-	6,407	**(119)**	6,288
Total operating expenditures	6,568,477	2,788,111	**3,087,849**	5,875,960
Nonoperating Revenues (Expenditures)				
Operating subsidy	11,691,182	3,816,661	**1,999,548**	5,816,209
Capital outlay	(7,511,869)	(2,228,917)	**(72,450)**	(2,301,367)
Deficiency of revenues over expenditures before transfers	(1,881,377)	(947,923)	**(897,788)**	(1,845,711)
Transfer In	1,887,377	908,869	**1,241,455**	2,150,324
Transfer Out	(6,000)	(6,000)	**-**	(6,000)
Excess of revenues and transfers over expenditures	$ -	$ (45,054)	**343,667**	$ 298,613
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(559,722)**	
Unfunded OPEB Expense			**(4,270)**	
Capital outlay			**72,450**	
Change in net position			**$ (147,875)**	
Change in net position:				
Transit Fund			**$ (147,875)**	
ARRA Stimulus Fund (Statement 48)			**-**	
			$ (147,875)	

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2013

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	$ 1,914,689	**$ 1,935,140**	$ (20,451)
Professional services	34,069	**21,267**	12,802
Other expenses	703,705	**545,293**	158,412
Capital outlay	76,000	**68,915**	7,085
Building and grounds allocation	(2,728,463)	**(2,628,888)**	(99,575)
	-	**(58,273)**	58,273
Data Services			
Salaries and benefits	86,350	**87,187**	(837)
Professional services	971,110	**953,032**	18,078
Other expenses	394,091	**384,553**	9,538
Capital outlay	220,454	**49,369**	171,085
Data services allocation	(1,672,005)	**(1,486,915)**	(185,090)
	-	**(12,774)**	12,774
Engineering			
Salaries and benefits	1,738,778	**1,498,582**	240,196
Professional services	13,000	**11,883**	1,117
Other expenses	203,327	**161,407**	41,920
Capital outlay	15,820	**10,614**	5,206
Engineering allocation	(1,970,925)	**(1,738,806)**	(232,119)
	-	**(56,320)**	56,320
Call Center			
Salaries and benefits	410,955	**424,017**	(13,062)
Other expenses	59,736	**54,439**	5,297
Call center allocation	(470,691)	**(497,115)**	26,424
	-	**(18,659)**	18,659
Billing			
Salaries and benefits	597,693	**566,351**	31,342
Other expenses	292,325	**291,603**	722
Capital outlay	78,500	**70,278**	8,222
Billing allocation	(968,518)	**(920,773)**	(47,745)
	-	**7,459**	(7,459)

(Continued)

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2013

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Customer Service			
Salaries and benefits	$ 823,224	**$ 814,620**	$ 8,604
Professional services	3,966	**1,665**	2,301
Other expenses	446,601	**459,026**	(12,425)
Capital outlay	34,000	**33,077**	923
Customer service allocation	(1,307,791)	**(1,315,910)**	8,119
	-	**(7,522)**	7,522
Warehouse Operations			
Salaries and benefits	410,971	**417,121**	(6,150)
Other expenses	67,378	**68,517**	(1,139)
Capital outlay	22,000	**19,692**	2,308
Warehouse allocation	(500,349)	**(515,844)**	15,495
	-	**(10,514)**	10,514
Utilities Collection			
Salaries and benefits	212,632	**215,097**	(2,465)
Professional services	53,500	**52,900**	600
Other expenses	96,237	**98,790**	(2,553)
Utilities collection allocation	(362,369)	**(379,300)**	16,931
	-	**(12,513)**	12,513
Total operating expenditures	-	**(169,116)**	169,116
Nonoperating Revenues (Expenditures)			
Loss on sale of capital assets	-	**-**	-
Deficiency of revenues over expenditures	$ -	**169,116**	$ 169,116
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		**(192,062)**	
Unfunded OPEB Expense		**(228,999)**	
Capital outlay		**251,945**	
Change in net position		**$ -**	

Change in net position:	
Internal Service Fund	**$ -**
Fiber Optic Capital Project Fund (Statement 46)	**-**
	$ -

CITY OF CONCORD, NORTH CAROLINA **Statement 46**

FIBER PROJECT CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Fiber project	$ 244,000	$ 173,128	**$ 23,808**	$ 196,936
Total operating expenditures	244,000	173,128	**23,808**	196,936
Deficiency of revenues over expenditures before transfers	(244,000)	(173,128)	**(23,808)**	(196,936)
Transfer In	244,000	244,000	**-**	244,000
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 70,872	**(23,808)**	$ 47,064
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**23,808**	
Change in net position			**$ -**	

2008 DEBT ISSUANCE CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ 60,631	$ 60,630	**$ -**	$ 60,630
Restricted intergovernmental revenues	40,000	40,000	**-**	40,000
Total revenue	100,631	100,630	**-**	100,630
Expenditures				
Capital outlay:				
Fire Station #10	597,633	595,335	**1,263**	596,598
Total expenditures	597,633	595,335	**1,263**	596,598
Deficiency of revenues over expenditures	(497,002)	(494,705)	**(1,263)**	(495,968)
Other Financing Sources (Uses)				
Transfers in	502,000	502,000	**-**	502,000
Transfers out	(52,858)	-	**(52,858)**	(52,858)
Bond proceeds	47,860	47,859	**-**	47,859
Total other financing sources (uses)	497,002	549,859	**(52,858)**	497,001
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ 55,154	**(54,121)**	$ 1,033
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			**-**	
Change in net position			**$ (54,121)**	

The change in net position is allocated as follows:	
Fire & Life Safety Capital Project Fund	**$ (1,263)**
Regional Airport Fund	**(52,858)**
	$ (54,121)

CITY OF CONCORD, NORTH CAROLINA **Statement 48**

ARRA STIMULUS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,709,533	$ 1,636,790	**$ 72,743**	$ 1,709,533
Total revenue	1,709,533	1,636,790	**72,743**	1,709,533
Expenditures				
Administration	444,533	432,028	**12,506**	444,534
Transit operating supplies	39,326	128,130	**60,237**	188,367
Capital outlay	1,225,674	1,076,632	**-**	1,076,632
Total expenditures	1,709,533	1,636,790	**72,743**	1,709,533
Excess of revenues over expenditures	$ -	$ -	**-**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			**-**	
Change in net position			**$ -**	

The change in net position is allocated as follows:

ARRA Stimulus Special Revenue Fund	**$ -**
Transit Fund	**-**
	$ -

FIRST CONCORD CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2013

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 329,326	$ 329,325	**$ -**	$ 329,325
Investment earnings	-	712,456	**20**	712,476
Miscellaneous earnings	-	24,939	**-**	24,939
Total revenue	329,326	1,066,720	**20**	1,066,740
Expenditures				
Debt service	29,427,130	23,080,741	**3,408,284**	26,489,025
Cost of issuance	1,096,201	548,896	**-**	548,896
Administration	-	3,809	**-**	3,809
Capital outlay:				
Police Headquarters	14,737,000	14,547,983	**-**	14,547,983
Communication equipment	1,164,326	1,160,722	**-**	1,160,722
Total expenditures	46,424,657	39,342,151	**3,408,284**	42,750,435
Deficiency of revenues over expenditures	(46,095,331)	(38,275,431)	**(3,408,264)**	(41,683,695)
Other Financing Sources				
Transfers in	29,427,130	22,153,995	**3,414,386**	25,568,381
Issuance of refunding bonds	9,235,000	9,235,000	**-**	9,235,000
Premium on refunding bonds	508,201	508,201	**-**	508,201
Payment to refunded bonds escrow agent	(9,180,000)	(9,180,000)	**-**	(9,180,000)
Bond proceeds	16,105,000	16,374,141	**-**	16,374,141
Total other financing sources	46,095,331	39,091,337	**3,414,386**	42,505,723
Deficiency of revenues and other financing sources over expenditures	$ -	$ 815,906	**6,122**	$ 822,028
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Debt service principal payments			**2,300,000**	
Depreciation and amortization			**(2,552,116)**	
Change in net position			**$ (245,994)**	

The change in First Concord net position is allocated as follows:

Debt Service Fund	**$ 4,085**
Police Station Capital Project Fund	**14**
Governmental activities	**(728,510)**
Golf Course Fund	**663,590**
Regional Airport Fund	**(185,173)**
	$ (245,994)

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2013

	Balance July 1, 2012	Addition	Deduction	Balance June 30, 2013
Joe Cannon Trust:				
Assets:				
Cash	$ 11,185	$ 93,215	$ 48,072	$ 56,328
Liabilities:				
Agency payable	$ 11,185	$ 93,215	$ 48,072	$ 56,328
Employee's Insurance Fund:				
Assets:				
Cash	$ 1,310,915	$ 7,134,296	$ 6,562,959	$ 1,882,252
Liabilities:				
Agency payable	$ 1,310,915	$ 7,134,296	$ 6,562,959	$ 1,882,252
Total agency funds:				
Assets:				
Cash	$ 1,322,100	$ 7,227,511	$ 6,611,031	$ 1,938,580
Liabilities:				
Agency payable	$ 1,322,100	$ 7,227,511	$ 6,611,031	$ 1,938,580

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2013

Fiscal Year	Uncollected Balance June 30, 2012	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2013
2012-2013	$ -	$ 43,495,763	$ 42,331,970	$ 1,163,793
2011-2012	1,019,937	-	566,878	453,059
2010-2011	420,180	-	130,283	289,897
2009-2010	271,777	-	53,472	218,305
2008-2009	252,511	-	77,432	175,079
2007-2008	89,668	-	5,928	83,740
2006-2007	81,011	-	2,477	78,534
2005-2006	46,404	-	1,692	44,712
2004-2005	40,562	-	1,446	39,116
2003-2004	111,230	-	1,270	109,960
2002-2003	51,665	-	51,665	-
	$ 2,384,945	$ 43,495,763	$ 43,224,513	2,656,195
Less allowance for uncollectible ad valorem taxes receivable				664,049
Ad valorem taxes receivable				$ 1,992,146

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	$ 42,960,729	$ 98,229	
Taxes written off	87,325	46	
Total collections and credits	$ 43,048,054	$ 98,275	$ 43,146,329
Interest billed and collected during the year			286,740
Taxes written off			(87,371)
Total Ad valorem taxes			$ 43,345,698

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2013

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy: Property	Total Levy: Registered Motor Vehicles
Original levy:					
City wide	$ 8,334,044,975	**0.48**	**$ 40,003,416**	**$ 40,003,416**	**$ -**
Municipal Service District	40,951,509	**0.23**	**94,188**	**94,188**	**-**
Current year's rate, Motor vehicles	323,431,566	**0.48**	**1,551,337**	**-**	**1,551,337**
Prior year taxes, Motor vehicles	238,978,881	**0.42**	**1,003,343**	**-**	**1,003,343**
Penalties			**108,910**	**108,910**	**-**
Discoveries/additional listings:					
Current year taxes, City wide	234,251,073	**0.48**	**1,124,405**	**1,124,405**	**-**
Current year taxes, MSD	833,730	**0.23**	**1,918**	**1,918**	**-**
Current year's rate, Motor vehicles	106,707,354	**0.48**	**511,765**	**-**	**511,765**
Prior year taxes, Motor vehicles	2,853,398	**0.42**	**11,895**	**-**	**11,895**
Penalties			**36,847**	**36,847**	**-**
Abatements:					
Current year's rate, City wide	(157,912,852)	**0.48**	**(757,982)**	**(757,982)**	**-**
Current year's rate, MSD	(272,217)	**0.23**	**(626)**	**(626)**	
Current year's rate, Motor vehicles	(6,084,681)	**0.48**	**(29,206)**	**-**	**(29,206)**
Prior year taxes, Motor vehicles	(4,780,231)	**0.42**	**(20,077)**	**-**	**(20,077)**
Penalties			**(31,256)**	**(31,256)**	**-**
Total for year	**$ 9,113,002,505**		**43,608,877**	**40,579,820**	**3,029,057**
Less uncollected tax at June 30, 2013			**1,163,793**	**828,527**	**335,266**
Current year's taxes collected			**$ 42,445,084**	**$ 39,751,293**	**$ 2,693,791**
Current levy collection percentage			**97.33%**	**97.96%**	**88.93%**

Distribution of levy:	
General Fund	**$ 43,512,884**
Municipal Service District	**95,993**
	$ 43,608,877

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2013

	Reported Value	Fair Value
Cash		
On hand	$ 16,889	$ 16,889
Demand deposits	21,235,928	21,235,928
Certificates of deposit	7,525,165	7,525,165
Total cash	28,777,982	28,777,982
Investments		
North Carolina Capital Management Trust	7,427,136	7,427,136
Federal Farm Credit	9,880,430	9,880,430
FNMA Discount Notes	63,676,297	63,677,457
Federal Home Loan	51,667,852	51,667,852
Federal Home Loan Mortgage Corporation	19,933,390	19,933,390
US Treasury Obligation	1,402,958	1,402,958
Commercial Paper	19,995,730	19,995,730
Total investments	173,983,793	173,984,953
Total cash and investments	$ 202,761,775	$ 202,762,935
Distribution by Fund		
General Fund:		
Unrestricted	$ 44,520,396	
Restricted	4,698,916	$ 49,219,312
Special Revenue Funds (Unrestricted):		
Housing Assistance Fund		307,849
Section 108 Loan/BEDI Grant Fund		-
Home Fund		138,308
Municipal Service District		51
EECBG Stimulus		3,652
Capital Project Funds:		
Police Station:		
Unrestricted	2,860,882	
Restricted	7	2,860,889
Parks (Unrestricted)		1,674,233
Parks & Recreation Capital Reserve Project Fund (Restricted)		-
Transportation (Unrestricted)		9,209,514
General Fund Capital Project Fund (Unrestricted)		1,371,773
General Fund Capital Reserve Project Fund (Restricted)		16,408,640
Fire and Life Safety (Unrestricted)		3,364,533
Debt Service Fund (Restricted)		4

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2013

Distribution by Fund (Continued)		
Enterprise Funds:		
Electric Fund:		
Unrestricted	**$ 42,143,554**	
Restricted	**2,947,482**	**$ 45,091,036**
Water Fund:		
Unrestricted	**41,352,762**	
Restricted	**3,170,401**	**44,523,163**
Wastewater Fund:		
Unrestricted	**9,492,032**	
Restricted	**1,952,445**	**11,444,477**
Regional Airport Fund:		
Unrestricted	**5,515,543**	
Restricted	**77,607**	**5,593,150**
Stormwater Fund (Unrestricted)		**7,893,855**
Golf Course Fund (Unrestricted)		**-**
Housing Department Fund:		
Unrestricted	**608,236**	
Restricted	**32,239**	**640,475**
Internal Service Fund (Unrestricted)		**1,078,281**
Agency Fund		**1,938,580**
Total reported value		**$ 202,761,775**

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2013

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Opportunity and Support 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872
	Assets:				
	Current Assets:				
	Cash:				
111	Cash - unrestricted	$ 666,894	$ -	$ 256,954	$ -
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	32,022	-	-	-
115	Cash - restricted for payment of current liabilities	87,985	-	54,095	-
100	**Total cash**	786,901	-	311,049	-
	Accounts and notes receivable:				
121	Accounts receivable - PHA Projects	-	-	72,994	-
126	Accounts receivable - tenants - dwelling units	9,786	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(629)	-	-	-
127	Notes, loans, and mortgages receivable - current	624	-	-	-
129	Accrued interest receivable	2,035	-	633	-
120	**Total receivables**	11,816	-	73,627	-
142	Prepaid expenses and other assets	-	-	-	-
143	Inventories	17,607	-	-	-
143.1	Allowance for obsolete inventories	(1,761)	-	-	-
150	**Total current assets**	814,563	-	384,676	-
	Noncurrent Assets:				
161	Land	577,382	-	-	-
162	Buildings	2,540,025	-	-	-
164	Furniture, equipment, machinery - administration	104,526	-	-	-
165	Leasehold improvements	20,120	-	-	-
166	Accumulated depreciation	(1,437,756)	-	-	-
167	Construction in progress	-	-	-	-
180	**Total non-current assets**	1,804,297	-	-	-
190	**Total Assets**	$ 2,618,860	$ -	$ 384,676	$ -
	Liabilities and Equity:				
	Liabilities:				
	Current Liabilities:				
312	Accounts payable (less than or equal to 90 days)	$ 35,272	$ -	$ 5,556	$ -
321	Accrued wage/payroll taxes payable	4,531	-	5,400	-
322	Accrued compensated absences	28,055	-	2,542	-
341	Tenant security deposits	32,022	-	837	-
342	Unearned revenue	216	-	-	-
345	Other current liabilities	19,910	-	39,760	-
310	**Total current liabilities**	120,006	-	54,095	-
	Non-current Liabilities:				
354	Accrued compensated absensces - non current	16,477	-	1,493	-
357	Accrued pension and OPEB liabilities	131,007	-	-	-
350	**Total non-current liabilities**	147,484	-	1,493	-
300	**Total liabilities**	267,490	-	55,588	-
	Equity:				
	Contributed Capital:				
508.1	Net investment in capital assets	1,804,297	-	-	-
511.1	Restricted net position	-	-	322,715	-
512.1	Unrestricted net position	547,073	-	6,373	-
513	**Total equity**	2,351,370	-	329,088	-
600	**Total liabilities and equity**	$ 2,618,860	$ -	$ 384,676	$ -

(Continued)

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2013

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Opportunity and Support 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872
	Revenues:				
70300	Net tenant rental revenue	$ 268,739	$ -	$ -	$ -
70600	HUD PHA grants	767,129	46,461	3,880,346	198,747
70610	Capital grants	-	-	-	71,568
71100	Investment income - unrestricted	6,649	-	-	-
71400	Fraud recovery	-	-	-	-
71500	Other income	113,787	-	754,751	-
71600	Gain or loss on sale of capital assets	-	-	2,905	-
72000	Investment income - restricted	-	-	1,293	-
70000	**Total revenues**	1,156,304	46,461	4,639,295	270,315
	Expenses:				
	Administrative:				
91100	Administrative salaries	191,746	40,169	206,198	-
91200	Auditing fees	1,560	-	1,063	-
91310	Bookkeeping fees	36,963	-	-	-
91500	Employee benefit contributions	158,181	6,292	69,826	-
91600	Office expenses	68,850	-	23,373	-
91800	Travel	18,290	-	995	-
91900	Other	211	-	-	-
92100	Tenant services - salaries	-	-	12,399	-
92400	Tenant services - other	16,317	-	6,677	-
93100	Water	41,952	-	-	-
93200	Electricity	85,764	-	-	-
93300	Gas	82,896	-	-	-
93600	Sewer	43,541	-	-	-
93800	Other utility expense	9,045	-	-	-
94100	Ordinary maintenance and operations - labor	89,551	-	-	-
94200	Ordinary maintenance and operations - materials and other	71,574	-	-	-
94300	Ordinary maintenance and operations - contract costs	170,034	-	-	198,747
96100	Insurance premiums	19,448	-	-	-
96200	Other general expense	-	-	-	-
96300	Bad debt - tenant rents	10,199	-	-	-
96900	**Total operating expenses**	1,116,122	46,461	320,531	198,747
97000	**Excess of operating revenues over expenditures**	40,182	-	4,318,764	71,568
97300	Housing assistance payments	-	-	3,521,690	-
97350	HAP Portability-in	-	-	746,602	-
97400	Depreciation expense	95,940	-	-	-
90000	**Total expenses**	1,212,062	46,461	4,588,823	198,747
10030	Operating transfers from/to primary government	(19,669)	-	-	-
10000	**Excess of revenue over expenses**	(75,427)	-	50,472	71,568
11030	Beginning equity	2,356,310	-	278,616	-
11040	Prior period adjustments, equity transfers & correction of errors	70,487	-	-	(71,568)
11170	Administrative fee equity	-	-	181	-
11180	Housing assistance payments equity	-	-	50,291	-
	Ending equity	$ 2,351,370	$ -	$ 329,088	$ -
11190	Unit months available	2,088	-	-	-
11210	Number of unit months leased	2,049	-	-	-
11270	Excess cash	585,701	-	-	-

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS
June 30, 2013

	July 1, 2012	Increases	Decreases	Transfers	June 30, 2013
Electric Fund					
Capital assets, not being depreciated:					
Land	$ 1,172,514	$ -	$ -	$ -	$ 1,172,514
Construction in progress	5,179,657	1,664,184	4,417,010	-	2,426,831
Total capital assets, not being depreciated	6,352,171	1,664,184	4,417,010	-	3,599,345
Capital assets, being depreciated:					
Buildings	5,608,551	-	-	-	5,608,551
Improvements other than buildings	109,669,456	4,682,863	37,000	-	114,315,319
Machinery and equipment	7,536,136	297,245	510,402	-	7,322,979
Total capital assets, being depreciated	122,814,143	4,980,108	547,402	-	127,246,849
Accumulated depreciation:					
Buildings	1,776,423	158,203	-	-	1,934,626
Improvements other than buildings	53,074,722	3,190,030	26,640	-	56,238,112
Machinery and equipment	5,961,953	566,155	501,205	-	6,026,903
Total accumulated depreciation	60,813,098	3,914,388	527,845	-	64,199,641
Total capital assets, being depreciated, net	62,001,045	1,065,720	19,557	-	63,047,208
Electric Fund capital assets, net	$ 68,353,216	$ 2,729,904	$ 4,436,567	$ -	$ 66,646,553
Water Fund					
Capital assets, not being depreciated:					
Land	$ 814,060	$ -	$ -	$ -	$ 814,060
Construction in progress	5,505,743	1,786,740	-	-	7,292,483
Total capital assets, not being depreciated	6,319,803	1,786,740	-	-	8,106,543
Capital assets, being depreciated:					
Buildings	15,169,384	-	-	-	15,169,384
Improvements other than buildings	111,595,311	507,561	-	-	112,102,872
Machinery and equipment	2,558,549	99,787	61,050	-	2,597,286
Total capital assets, being depreciated	129,323,244	607,348	61,050	-	129,869,542
Accumulated depreciation:					
Buildings	2,837,952	494,286	-	-	3,332,238
Improvements other than buildings	43,393,075	2,970,738	-	-	46,363,813
Machinery and equipment	2,002,035	174,082	61,050	-	2,115,067
Total accumulated depreciation	48,233,062	3,639,106	61,050	-	51,811,118
Total capital assets, being depreciated, net	81,090,182	(3,031,758)	-	-	78,058,424
Water Fund capital assets, net	$ 87,409,985	$ (1,245,018)	$ -	$ -	$ 86,164,967

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2013

	July 1, 2012	Increases	Decreases	Transfers	June 30, 2013
Wastewater Fund					
Capital assets, not being depreciated:					
Land	$ 1,065,402	$ -	$ -	$ -	$ 1,065,402
Construction in progress	377,784	16,011	-	-	393,795
Total capital assets, not being depreciated	1,443,186	16,011	-	-	1,459,197
Capital assets, being depreciated:					
Buildings	1,920,754	-	-	-	1,920,754
Improvements other than buildings	97,220,288	1,444,272	-	-	98,664,560
Machinery and equipment	2,480,910	138,971	104,424	-	2,515,457
Total capital assets, being depreciated	101,621,952	1,583,243	104,424	-	103,100,771
Accumulated depreciation:					
Buildings	520,697	50,279	-	-	570,976
Improvements other than buildings	31,323,486	2,555,567	-	-	33,879,053
Machinery and equipment	1,714,575	195,152	104,424	-	1,805,303
Total accumulated depreciation	33,558,758	2,800,998	104,424	-	36,255,332
Total capital assets, being depreciated, net	68,063,194	(1,217,755)	-	-	66,845,439
Wastewater Fund capital assets, net	$ 69,506,380	$ (1,201,744)	$ -	$ -	$ 68,304,636
Regional Airport Fund					
Capital assets, not being depreciated:					
Land	$ 22,475,939	$ 3,760,519	$ -	$ -	$ 26,236,458
Construction in progress	4,220,340	4,620,831	3,760,519	-	5,080,652
Total capital assets, not being depreciated	26,696,279	8,381,350	3,760,519	-	31,317,110
Capital assets, being depreciated:					
Buildings	23,489,461	-	-	-	23,489,461
Improvements other than buildings	36,079,993	-	-	-	36,079,993
Machinery and equipment	2,002,474	45,238	85,590	-	1,962,122
Total capital assets, being depreciated	61,571,928	45,238	85,590	-	61,531,576
Accumulated depreciation:					
Buildings	7,746,902	809,266	-	-	8,556,168
Improvements other than buildings	8,170,775	1,061,177	-	-	9,231,952
Machinery and equipment	1,410,840	90,724	85,590	-	1,415,974
Total accumulated depreciation	17,328,517	1,961,167	85,590	-	19,204,094
Total capital assets, being depreciated, net	44,243,411	(1,915,929)	-	-	42,327,482
Regional Airport Fund capital assets, net	$ 70,939,690	$ 6,465,421	$ 3,760,519	$ -	$ 73,644,592

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2013

	July 1, 2012	Increases	Decreases	Transfers	June 30, 2013
Stormwater Fund					
Capital assets, not being depreciated:					
Land	$ 114,282	$ -	$ -	$ -	$ 114,282
Construction in progress	1,051,106	125,081	-	-	1,176,187
Total capital assets, not being depreciated	1,165,388	125,081	-	-	1,290,469
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	54,407,350	-	-	-	54,407,350
Machinery and equipment	1,540,029	176,220	-	-	1,716,249
Total capital assets, being depreciated	56,023,888	176,220	-	-	56,200,108
Accumulated depreciation:					
Buildings	7,390	2,891	-	-	10,281
Improvements other than buildings	9,648,327	1,384,404	-	-	11,032,731
Machinery and equipment	1,164,575	190,820	-	-	1,355,395
Total accumulated depreciation	10,820,292	1,578,115	-	-	12,398,407
Total capital assets, being depreciated, net	45,203,596	(1,401,895)	-	-	43,801,701
Stormwater Fund capital assets, net	$ 46,368,984	$ (1,276,814)	$ -	$ -	$ 45,092,170
Nonmajor Enterprise Funds					
Capital assets, not being depreciated:					
Land	$ 13,034,504	$ 577,382	$ 1,407,883	$ -	$ 12,204,003
Construction in progress	2,791,548	307,121	2,374,838	-	723,831
Total capital assets, not being depreciated	15,826,052	884,503	3,782,721	-	12,927,834
Capital assets, being depreciated:					
Buildings	8,648,180	4,516,451	1,625,190	-	11,539,441
Improvements other than buildings	357,862	20,120	-	-	377,982
Machinery and equipment	7,762,994	433,698	269,961	(17,519)	7,909,212
Total capital assets, being depreciated	16,769,036	4,970,269	1,895,151	(17,519)	19,826,635
Accumulated depreciation:					
Buildings	4,657,991	372,954	222,105	-	4,808,840
Improvements other than buildings	220,200	18,800	-	-	239,000
Machinery and equipment	5,350,729	775,798	261,740	(17,519)	5,847,268
Total accumulated depreciation	10,228,920	1,167,552	483,845	(17,519)	10,895,108
Total capital assets, being depreciated, net	6,540,116	3,802,717	1,411,306	-	8,931,527
Nonmajor Enterprise Funds capital assets, net	$ 22,366,168	$ 4,687,220	$ 5,194,027	$ -	$ 21,859,361
Business-type activities capital assets, net	$364,944,423	$10,158,969	$13,391,113	$ -	$361,712,279

SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT
June 30, 2013

	July 1, 2012	Increases	Decreases	June 30, 2013	Current Maturities
Electric Fund					
Installment purchase	$ 122,985	$ -	$ 122,985	$ -	$ -
Revenue bonds	27,753,970	-	1,952,880	25,801,090	2,008,750
Plus premium on revenue bonds	755,528	-	69,705	685,823	-
Compensated absences	337,948	253,804	243,229	348,523	219,569
OPEB liability	676,417	148,461	-	824,878	-
Electric Fund long-term debt	$ 29,646,848	$ 402,265	$ 2,388,799	$ 27,660,314	$ 2,228,319
Water Fund					
Revenue bonds	$ 43,608,201	$ -	$ 3,208,186	$ 40,400,015	$ 3,299,998
Plus premium on revenue bonds	1,959,928	-	153,041	1,806,887	-
Compensated absences	223,842	214,680	203,704	234,818	147,935
OPEB liability	532,034	139,340	-	671,374	-
Water Fund long-term debt	$ 46,324,005	$ 354,020	$ 3,564,931	$ 43,113,094	$ 3,447,933
Wastewater Fund					
Revenue bonds	$ 22,904,257	$ -	$ 1,409,309	$ 21,494,948	$ 1,446,027
Plus premium on revenue bonds	341,880	-	37,539	304,341	-
Compensated absences	86,541	63,668	68,289	81,920	51,610
OPEB liability	116,368	64,624	-	180,992	-
Wastewater Fund long-term debt	$ 23,449,046	$ 128,292	$ 1,515,137	$ 22,062,201	$ 1,497,637
Regional Airport Fund					
Installment purchase	$ 8,645,000	$ -	$ 602,500	$ 8,042,500	$ 602,500
Installment notes	1,801,800	-	216,700	1,585,100	213,400
Plus premium on LOBs	94,017	-	10,164	83,853	-
Compensated absences	97,288	55,966	54,944	98,310	61,935
OPEB liability	178,508	71,029	-	249,537	-
Regional Airport Fund long-term debt	$ 10,816,613	$ 126,995	$ 884,308	$ 10,059,300	$ 877,835
Stormwater Fund					
Installment purchase	$ 42,748	$ -	$ 42,748	$ -	$ -
Compensated absences	63,587	70,076	66,335	67,328	42,417
OPEB liability	60,370	43,471	-	103,841	-
Stormwater Fund long-term debt	$ 166,705	$ 113,547	$ 109,083	$ 171,169	$ 42,417
Nonmajor Enterprise Funds					
Installment notes	$ 7,185,000	$ -	$ 670,000	$ 6,515,000	$ 700,000
Compensated absences	431,522	285,247	303,903	412,866	260,105
OPEB liability	1,396,508	263,349	-	1,659,857	-
Nonmajor Enterprise Funds long-term debt	$ 9,013,030	$ 548,596	$ 973,903	$ 8,587,723	$ 960,105
Business-type activities long-term debt	$ 119,416,247	$ 1,673,715	$ 9,436,161	$ 111,653,801	$ 9,054,246

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.

	Page
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.	162
Revenue Capacity These tables contain information to help the reader assess the factors affecting the city's ability to generate its electric revenues and property taxes.	173
Debt Capacity These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	182
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.	189
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.	192

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

CITY OF CONCORD, NORTH CAROLINA

NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007
Governmental activities				
Net investment in capital assest	$ 326,920,735	$ 309,986,003	$ 284,946,314	$ 269,225,599
Restricted	1,726,972	14,161,024	1,401,030	1,732,787
Unrestricted	27,409,054	33,933,025	27,394,767	47,184,219
Total governmental activities net position	$ 356,056,761	$ 358,080,052	$ 313,742,111	$ 318,142,605
Business-type activities				
Net investment in capital assest	$ 131,359,965	$ 134,962,615	$ 202,771,280	$ 224,285,478
Restricted	9,724,792	8,430,158	-	-
Unrestricted	34,559,284	44,878,471	57,039,952	59,665,695
Total business-type activities net position	$ 175,644,041	$ 188,271,244	$ 259,811,232	$ 283,951,173
Primary government				
Net investment in capital assest	$ 458,280,700	$ 444,948,618	$ 487,717,594	$ 493,511,077
Restricted	11,451,764	22,591,182	1,401,030	1,732,787
Unrestricted	61,968,338	78,811,496	84,434,719	106,849,914
Total primary government activities net position	$ 531,700,802	$ 546,351,296	$ 573,553,343	$ 602,093,778

Table 1

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 299,422,732	$ 299,238,599	$ 285,243,071	$ 280,799,254	$ 268,758,293	$ 260,979,309
2,000,450	1,716,091	1,710,932	17,123,716	15,197,259	15,054,357
52,092,724	55,488,182	62,723,954	50,007,074	53,887,440	59,614,980
$ 353,515,906	$ 356,442,872	$ 349,677,957	$ 347,930,044	$ 337,842,992	$ 335,648,646
$ 247,374,035	$ 232,711,487	$ 243,365,138	$ 249,883,977	$ 253,341,005	$ 258,370,354
-	-	-	-	-	-
55,299,614	79,999,678	90,837,386	99,653,376	116,159,507	123,703,593
$ 302,673,649	$ 312,711,165	$ 334,202,524	$ 349,537,353	$ 369,500,512	$ 382,073,947
$ 546,796,767	$ 531,950,086	$ 528,608,209	$ 530,683,231	$ 522,099,298	$ 519,349,663
2,000,450	1,716,091	1,710,932	17,123,716	15,197,259	15,054,357
107,392,338	135,487,860	153,561,340	149,660,450	170,046,947	183,318,573
$ 656,189,555	$ 669,154,037	$ 683,880,481	$ 697,467,397	$ 707,343,504	$ 717,722,593

CITY OF CONCORD, NORTH CAROLINA

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

	2004	2005	2006	2007
Expenses				
Governmental activities:				
General government	$ 4,557,587	$ 4,876,678	$ 4,788,163	$ 4,240,566
Public safety	21,523,893	22,594,274	23,013,748	25,711,447
Public works	26,934,935	27,309,037	26,382,096	28,358,904
Cultural & recreational	3,525,572	3,465,415	3,686,163	4,097,842
Planning & community development	3,214,575	3,459,007	3,504,571	2,214,193
Administration	477,794	540,718	513,157	444,287
Housing assistance Payments	3,149,939	3,231,539	3,177,960	3,081,332
Rehabilitation	603,691	897,186	3,027,682	2,529,418
Professional Services	23,183	49,974	-	-
Protective Services	-	-	-	-
Interest on long-term debt	1,525,505	1,685,824	2,108,260	1,760,202
Total governmental activities expenses	65,536,674	68,109,652	70,201,800	72,438,191
Business-type activities:				
Electric	43,493,600	45,875,830	49,358,049	54,551,657
Water	12,884,358	12,335,344	13,532,054	14,559,911
Wastewater	12,004,226	12,619,272	12,393,861	12,598,417
Regional airport	7,102,300	8,476,592	9,849,839	9,948,799
Stormwater *	-	-	3,045,795	3,097,290
Other non major business-type	3,919,178	4,897,152	5,312,094	5,827,627
Total business-type activities expenses	79,403,662	84,204,190	93,491,692	100,583,701
Total primary government expenses	$ 144,940,336	$ 152,313,842	$ 163,693,492	$ 173,021,892
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 1,734,293	$ 1,664,787	$ 1,724,914	$ 1,957,522
Public safety	581,284	579,516	615,923	717,881
Public works	33,353	38,964	-	-
Cultural and recreational	257,311	254,378	261,141	266,775
Planning and community development	292,747	270,777	629,386	890,214
Housing assistance	14,822	21,694	32,107	14,085
Rehabilitation	194,718	525,269	629,192	858,730
Operating grants and contributions	6,174,770	6,604,130	6,455,832	6,735,548
Capital grants and contributions	14,746,573	13,276,425	20,750,187	13,875,367
Total government activities program revenues	24,029,871	23,235,940	31,098,682	25,316,122

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 3,217,768	$ 3,603,395	$ 4,354,769	$ 4,439,667	$ 4,996,198	$ 4,494,000
29,389,987	32,327,159	33,333,315	34,818,159	35,378,939	35,643,640
30,592,926	31,815,013	33,362,313	31,612,314	28,875,757	28,865,813
4,263,979	4,356,816	4,287,048	4,233,575	4,299,687	4,771,467
2,612,748	2,516,223	2,840,033	3,096,020	5,373,310	3,854,751
526,464	557,556	656,431	784,000	856,103	649,716
3,251,666	3,351,185	3,119,188	3,344,522	3,698,736	4,258,426
1,586,145	680,796	553,868	1,053,446	3,227,906	554,455
-	-	-	-	-	-
-	-	-	-	-	-
1,815,914	1,847,213	1,773,371	1,508,832	1,005,570	1,032,636
77,257,597	81,055,356	84,280,336	84,890,535	87,712,206	84,124,904
57,480,622	63,073,567	63,797,452	69,740,487	66,381,454	74,356,658
16,915,149	15,692,404	15,550,286	15,618,503	15,377,435	15,211,584
13,381,789	14,205,883	13,507,142	13,802,561	13,905,343	13,668,630
13,106,629	10,668,036	10,023,077	11,432,960	11,908,265	11,477,819
3,613,613	3,879,657	3,946,044	3,729,861	3,731,359	3,744,547
5,842,740	6,403,396	5,856,696	6,349,265	6,477,130	7,052,787
110,340,542	113,922,943	112,680,697	120,673,637	117,780,986	125,512,025
$ 187,598,139	$ 194,978,299	$ 196,961,033	$ 205,564,172	$ 205,493,192	$ 209,636,929
$ 1,851,370	$ 1,752,112	$ 1,593,175	$ 1,527,420	$ 1,710,506	$ 1,724,338
925,384	706,749	739,461	622,544	749,902	612,622
-	-	-	-	-	335,140
268,988	352,470	251,425	266,110	265,249	290,561
1,247,480	853,001	1,316,731	2,025,498	2,063,363	1,936,408
4,438	3,055	4,046	3,009	-	745,975
1,327,157	816,778	654,957	660,865	396,514	395,125
7,589,562	6,772,165	8,039,500	8,361,322	10,099,206	8,667,106
45,810,044	12,178,471	4,399,871	9,750,000	3,307,835	8,533,706
59,024,423	23,434,801	16,999,166	23,216,768	18,592,575	23,240,981

(Continued)

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

	2004	2005	2006	2007
Business-type activities:				
Charges for services				
Electric	$ 48,828,093	$ 50,625,078	$ 55,127,472	$ 57,784,175
Water	13,875,415	15,171,631	17,390,495	19,484,661
Wastewater	10,981,818	11,032,814	12,700,502	13,824,857
Regional airport	5,898,965	7,112,333	8,997,417	9,329,042
Stormwater *	-	-	1,810,605	3,140,958
Other non major business-type	1,778,627	1,824,525	1,901,989	2,487,179
Operating grants and contributions	3,570,403	2,015,190	2,139,688	2,804,136
Capital grants and contributions	6,614,817	7,937,240	6,605,150	9,735,545
Total business-type activities program revenues	91,548,138	95,718,811	106,673,318	118,590,553
Total primary government program revenue	$ 115,578,009	$ 118,954,751	$ 137,772,000	$ 143,906,675
Net (Expenses)/Revenue				
Governmental activities	$ (41,506,803)	$ (44,873,712)	$ (39,103,118)	$ (47,122,069)
Business-type activities	12,144,476	11,514,621	13,181,626	18,006,852
Total primary government net expense	$ (29,362,327)	$ (33,359,091)	$ (25,921,492)	$ (29,115,217)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Ad Valorem taxes	$ 27,085,722	$ 30,055,475	$ 31,727,866	$ 34,049,377
Other taxes	11,227,814	11,721,923	12,634,031	13,034,399
Operating grants and contributions	2,794,866	2,729,405	2,761,579	2,607,041
Investment earnings	230,081	915,247	1,709,502	2,318,298
Miscellaneous gain (loss)	1,157,108	840,042	1,313,009	2,327,114
Transfers	(2,798,252)	634,911	(55,380,810)	(2,813,666)
Total governmental activities	39,697,339	46,897,003	(5,234,823)	51,522,563
Business-type activities				
Investment earnings	639,566	1,381,335	1,966,270	2,630,486
Miscellaneous gain (loss)	(351,920)	366,158	1,011,282	688,937
Transfers	2,798,252	(634,911)	55,380,810	2,813,666
Total business-type activities	3,085,898	1,112,582	58,358,362	6,133,089
Total primary government	$ 42,783,237	$ 48,009,585	$ 53,123,539	$ 57,655,652
Change in Net Position				
Governmental activities	$ (1,809,464)	$ 2,023,291	$ (44,337,941)	$ 4,400,494
Business-type activities	15,230,374	12,627,203	71,539,988	24,139,941
Total primary government	$ 13,420,910	$ 14,650,494	$ 27,202,047	$ 28,540,435

* Beginning in FY06 Stormwater is a business type fund. Prior to that it is shown in the General Fund.

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 61,920,483	$ 61,902,700	$ 69,955,857	$ 74,971,026	$ 78,948,101	$ 81,194,498
18,692,941	17,491,941	19,272,961	19,105,584	19,856,057	19,443,009
13,478,931	12,903,815	13,773,878	14,384,621	14,772,364	14,683,027
11,406,644	9,911,053	8,092,461	9,124,603	9,809,448	9,807,609
3,325,017	3,489,201	3,989,017	3,730,742	3,714,155	3,778,496
2,386,692	1,907,614	1,720,911	1,943,291	1,891,193	1,909,781
2,934,222	3,191,973	5,178,504	4,252,712	3,148,598	3,152,858
8,199,207	7,721,792	8,497,858	5,026,770	1,591,427	5,488,658
122,344,137	118,520,089	130,481,447	132,539,349	133,731,343	139,457,936
$ 181,368,560	$ 141,954,890	$ 147,480,613	$ 155,756,117	$ 152,323,918	$ 162,698,917
$ (18,233,174)	$ (57,620,555)	$ (67,281,170)	$ (61,673,767)	$ (69,119,631)	$ (60,883,923)
12,003,595	4,597,146	17,800,750	11,865,712	15,950,357	13,945,911
$ (6,229,579)	$ (53,023,409)	$ (49,480,420)	$ (49,808,055)	$ (53,169,274)	$ (46,938,012)
$ 37,881,901	$ 44,094,142	$ 45,363,018	$ 44,236,917	$ 43,163,621	$ 43,549,135
13,899,527	13,390,448	12,567,428	12,226,782	13,366,521	14,046,489
2,745,792	3,237,013	2,642,020	3,159,222	2,880,377	3,155,697
2,439,936	1,385,206	1,322,057	1,022,184	730,032	(281,947)
646,073	1,230,921	761,842	936,229	876,108	926,090
(4,006,754)	(2,790,209)	(2,140,110)	(1,655,480)	(1,984,080)	(2,429,308)
53,606,475	60,547,521	60,516,255	59,925,854	59,032,579	58,966,156
2,648,596	2,467,828	1,571,516	1,396,578	1,206,493	(245,850)
63,531	182,333	(21,017)	417,059	402,869	494,871
4,006,754	2,790,209	2,140,110	1,655,480	1,984,080	2,429,308
6,718,881	5,440,370	3,690,609	3,469,117	3,593,442	2,678,329
$ 60,325,356	$ 65,987,891	$ 64,206,864	$ 63,394,971	$ 62,626,021	$ 61,644,485
$ 35,373,301	$ 2,926,966	$ (6,764,915)	$ (1,747,913)	$ (10,087,052)	$ (1,917,767)
18,722,476	10,037,516	21,491,359	15,334,829	19,543,799	16,624,240
$ 54,095,777	$ 12,964,482	$ 14,726,444	$ 13,586,916	$ 9,456,747	$ 14,706,473

CITY OF CONCORD, NORTH CAROLINA

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

	2004	2005	2006	2007
General Fund				
Nonspendable	$ 64,080	$ 59,593	$ 62,926	$ 77,207
Restricted	10,974,673	12,102,471	11,254,425	14,173,093
Assigned	1,900,000	1,400,000	1,000,000	2,500,000
Unassigned	15,365,039	18,043,420	23,556,065	25,463,521
Total General Fund	$ 28,303,792	$ 31,605,484	$ 35,873,416	$ 42,213,821
All Other Governmental funds				
Restricted	2,878,557	$ 13,809,540	$ 5,356,295	$ 2,451,186
Committed	3,102,669	4,996,183	3,725,056	2,969,987
Assigned	-	1,602,900	1,034,851	3,143,818
Unassigned	(4,339,359)	(2,973,416)	(2,937,456)	(2,877,789)
Total all other governmental funds	$ 1,641,867	$ 17,435,207	$ 7,178,746	$ 5,687,202

Table 3

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 82,097	$ 128,476	$ 128,127	$ 109,186	$ 91,095	$ 69,260
15,500,611	13,577,559	13,436,085	15,998,293	14,140,696	14,490,359
-	1,500,000	-	-	-	-
31,263,025	37,301,067	37,504,311	36,921,449	43,248,336	40,600,448
$ 46,845,733	$ 52,507,102	$ 51,068,523	$ 53,028,928	$ 57,480,127	$ 55,160,067
$ 380,095	$ 1,166,853	$ 606,815	$ 1,016,237	$ 965,468	$ 494,738
9,211,002	9,129,724	17,321,294	17,156,767	13,452,847	16,733,371
7,204,539	5,556,958	6,964,454	9,839,140	11,925,525	18,389,986
(4,368,446)	(4,627,540)	(3,978,046)	(4,767,945)	(4,072,385)	(3,983,924)
$ 12,427,190	$ 11,225,995	$ 20,914,517	$ 23,244,199	$ 22,271,455	$ 31,634,171

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

	2004	2005	2006	2007
Revenues				
Taxes	$ 27,034,919	$ 29,944,032	$ 31,590,195	$ 34,215,412
Other taxes	11,227,814	11,721,923	12,634,031	13,034,399
Unrestricted intergovernmental revenues	2,468,473	2,216,581	2,370,415	2,563,097
Restricted Intergovernmental revenues	6,622,348	7,543,542	7,294,501	8,301,691
Licenses, fees, and permits	1,901,077	1,810,650	1,860,604	2,124,094
Contributions, net of refunds	(11,962)	-	-	-
Investment earnings	230,081	915,247	1,709,502	2,318,298
Investment earnings restricted	11,900	22,562	20,460	71,580
Program income	209,540	546,963	661,299	872,815
Other revenues	1,306,182	1,782,727	2,641,356	3,908,482
Total revenues	51,000,372	56,504,227	60,782,363	67,409,868
Expenditures				
General government	3,174,553	3,557,999	3,536,022	2,854,944
Public safety	20,229,685	21,063,625	21,492,133	24,200,346
Public works	7,755,198	7,721,365	7,704,046	9,271,991
Cultural and recreational	3,321,160	3,252,320	3,489,498	3,900,738
Planning and community development	3,201,518	3,433,787	3,487,888	2,194,719
Administration	477,794	540,718	513,157	444,287
Housing assistance payments	3,149,939	3,231,539	3,177,960	3,081,332
Rehabilitation	603,691	897,186	3,027,682	2,529,418
Professional services	23,183	49,974	1,662	-
Capital outlay	4,294,814	5,469,582	13,545,494	6,313,426
Debt service				
Interest	268,950	686,309	1,010,025	560,949
Principal	4,410,482	4,244,702	5,101,402	5,296,127
Total expenditures	50,910,967	54,149,106	66,086,969	60,648,277
Excess of revenues over (under) expenditures	89,405	2,355,121	(5,304,606)	6,761,591
Other Financing Sources (Uses)				
Proceeds of installment purchase contracts	-	-	794,543	900,936
Debt issued	410,875	16,105,000	-	-
Loss on refunding	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Redemption of refunded bonds	-	-	-	-
Transfers in	3,370,872	7,492,150	6,526,804	8,118,956
Transfers out	(6,169,124)	(6,857,239)	(8,005,270)	(10,932,622)
Total Other Financing Sources (Uses)	(2,387,377)	16,739,911	(683,923)	(1,912,730)
Net change in fund balances	$ (2,297,972)	$ 19,095,032	$ (5,988,529)	$ 4,848,861
Debt service as a percentage of non capital expenditures	10.04%	10.13%	11.63%	10.78%

Table 4

Fiscal Year 2008	2009	2010	2011	2012	2013
$ 37,911,743	$ 43,689,541	$ 44,974,492	$ 44,213,325	$ 43,091,490	$ 43,345,698
13,899,527	13,390,448	12,567,428	12,226,782	13,366,521	14,046,489
2,745,792	3,237,013	2,642,020	3,159,222	2,880,377	3,155,697
8,416,850	6,870,323	8,161,071	8,534,858	9,713,210	9,005,424
2,055,273	1,912,088	1,755,810	1,650,649	1,873,658	1,885,610
147,312	-	-	-	-	-
2,439,936	1,385,206	1,322,057	1,022,184	730,032	(281,947)
82,799	46,022	36,179	26,044	19,323	25,628
1,327,157	816,778	654,957	660,865	698,157	1,476,240
2,668,896	2,836,489	2,788,234	3,549,375	3,862,921	3,510,163
71,695,285	74,183,908	74,902,248	75,043,304	76,235,689	76,169,002
3,021,404	3,393,127	4,215,552	4,511,799	4,563,849	4,077,954
25,995,498	28,388,096	29,472,135	30,708,135	31,353,312	31,688,874
9,804,616	11,578,500	11,422,287	12,807,858	10,215,647	10,493,535
3,870,407	3,948,833	3,839,337	3,803,036	3,956,149	4,399,504
2,540,302	2,346,714	2,780,589	3,005,580	5,312,219	3,792,770
526,464	557,556	656,431	784,000	856,103	649,716
3,251,666	3,351,185	3,119,188	3,344,522	3,698,736	4,258,426
1,586,145	680,796	553,868	1,053,446	3,227,906	554,455
-	-	-	-	-	-
6,955,436	6,708,441	3,432,237	3,641,809	3,998,026	3,522,859
1,815,914	1,847,213	1,779,766	1,542,254	1,048,001	1,075,067
4,322,779	4,830,733	3,512,055	4,064,454	2,273,244	2,183,878
63,690,631	67,631,194	64,783,445	69,266,893	70,503,192	66,697,038
8,004,654	6,552,714	10,118,803	5,776,411	5,732,497	9,471,964
5,400,000	-	-	-	-	-
1,974,000	704,487	-	-	-	-
-	(6,818)	-	-	-	-
-	-	2,721,512	7,203,300	-	-
-	-	41,493	396,397	-	-
-	-	-	(7,400,939)	-	-
-	-	(2,491,755)	-	-	-
10,983,594	8,951,756	17,455,195	14,095,374	8,858,563	16,627,650
(14,990,348)	(11,741,965)	(19,595,305)	(15,780,456)	(11,112,605)	(19,056,958)
3,367,246	(2,092,540)	(1,868,860)	(1,486,324)	(2,254,042)	(2,429,308)
$ 11,371,900	$ 4,460,174	$ 8,249,943	$ 4,290,087	$ 3,478,455	$ 7,042,656
10.82%	10.96%	8.86%	10.04%	4.99%	5.16%

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NUMBER OF ELECTRIC CUSTOMERS BY TYPE,
Last Eight Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Total
2006	21,888	3,816	77	25,781
2007	22,874	3,997	72	26,943
2008	23,441	4,002	71	27,514
2009	23,003	3,846	71	26,920
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

Note: This information was not available prior to FY06. This will become a ten (10) year schedule.

CITY OF CONCORD, NORTH CAROLINA

ELECTRIC RATES
Last Eight Fiscal Years

	Fiscal Year			
	2006	**2007**	**2008**	**2009**
Residential Customers				
Basic charges	$ 7.87	$ 7.87	$ 7.87	$ 8.58
Energy Charges per kWh (July - October)				
First 350	0.068348	0.070193	0.073572	0.083982
Over 350	0.072245	0.074090	0.072121	0.082401
Energy Charges per kWh (November - June)				
First 350	0.068348	0.070193	0.073572	0.083982
Over 350	0.071791	0.073636	0.064837	0.074461
Commercial Customers				
Basic Facilities Charge	10.88	10.88	15.75	17.17
Demand Charge per kW (over 30 kW of billing demand)	3.48	3.48	3.27	3.56
Energy Charge				
First 125 kWh per kW billing demand per month				
First 3,000	0.097250	0.099095	0.095361	0.107729
Next 87,000	0.051491	0.053336	0.055878	0.064693
Over 90,000	0.037937	0.039782	0.053880	0.062515
Next 275 kWh per kW billing demand per month				
First 6,000	0.052794	0.054639	0.053179	0.061751
Next 134,000	0.051580	0.053425	0.046879	0.054884
Over 140,000	0.047676	0.049521	0.044880	0.052705
All over 400 kWh per kW billing demand	0.045303	0.047148	0.043880	0.051615
Industrial Customers				
Basic Facilities Charge	16.35	16.35	15.75	17.17
Demand Charge per kW (over 30 kW of billing demand)	3.45	3.45	3.07	3.35
Energy Charge				
First 125 kWh per kW billing demand per month				
First 3,000	0.096114	0.097959	0.088579	0.099641
Next 87,000	0.052940	0.054785	0.051467	0.059189
Over 90,000	0.037489	0.039334	0.049590	0.057143
Next 275 kWh per kW billing demand per month				
First 140,000	0.049088	0.050933	0.043008	0.049969
Over 140,000	0.442900	0.046135	0.041129	0.047921
All over 400 kWh per kW billing demand	0.042383	0.044228	0.040189	0.046896

Note: This information was not available prior to FY06. This will become a ten (10) year schedule.

Table 6

2010	2011	2012	2013
$ 9.11	$ 9.46	$ 9.46	$ 9.46
0.880000	0.091331	0.091331	0.091331
0.880000	0.091331	0.091331	0.091331
0.880000	0.091331	0.091331	0.091331
0.795700	0.082582	0.082582	0.082582
17.51	18.20	18.20	18.20
3.63	3.77	3.77	3.77
0.109884	0.114193	0.114193	0.114193
0.065987	0.068575	0.068575	0.068575
0.063765	0.066266	0.066266	0.066266
0.062986	0.065456	0.065456	0.065456
0.055982	0.058177	0.058177	0.058177
0.053759	0.055867	0.055867	0.055867
0.052647	0.054712	0.054712	0.054712
17.86	18.54	18.54	18.54
3.48	3.62	3.62	3.62
0.103627	0.107612	0.107612	0.107612
0.061557	0.063924	0.063924	0.063924
0.059429	0.061714	0.061714	0.061714
0.051968	0.053967	0.053967	0.053967
0.049838	0.051755	0.051755	0.051755
0.048772	0.050648	0.050648	0.050648

TEN LARGEST ELECTRIC CUSTOMERS, June 30, 2013

	2013	
Customer	**Electric Revenue**	**Percentage of Total Electric Revenue**
Concord Mills LLC	$ 2,053,318	2.52 %
Perdue Farms Inc	1,605,153	1.97
Legrand	1,427,552	1.75
Celgard LLC	1,666,035	2.04
S&D Coffee	1,258,113	1.54
City of Concord	2,074,401	2.54
Cabarrus County Schools	1,529,104	1.88
Rocky River Water Treatment Plant	1,085,257	1.33
Cabarrus Plastics Mfg	845,475	1.04
Great Wolf of the Carolinas LLC	737,829	0.90
Total	$ 14,282,237	17.51 %

Note: Information on the ten largest electric customers for nine years ago was not available. In future years, this comparative information will be presented as it becomes available.

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

	Real Property						
Fiscal Year	Residential Property (1)	Commercial Property (2)	Industrial Property (2)	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Weighted Average Rate (3)
2004	2,505,076,501	945,109,900	680,144,410	1,704,945,305	92,385,143	5,927,661,259	0.4490
2005	2,711,722,859	1,316,477,080	1,026,374,420	1,725,103,531	99,477,808	6,879,155,698	0.4291
2006	3,145,193,005	1,335,093,953	1,037,318,170	1,709,254,154	95,850,302	7,322,709,584	0.4291
2007	3,221,672,614	1,412,619,284	1,052,816,970	1,801,060,832	98,426,970	7,586,596,670	0.4465
2008	4,475,275,680	1,484,084,314	1,107,189,190	1,245,849,849	98,227,012	8,410,626,045	0.4464
2009	4,809,375,162	2,196,907,577	1,363,626,910	1,271,731,925	106,578,350	9,748,219,924	0.4190
2010	5,758,517,238	2,273,328,224	1,348,874,420	1,223,590,403	104,295,461	10,708,605,746	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

Source: Cabarrus County Tax Office

(1) Tax Exempt Property is subtracted from Residential Property
(2) Commercial and Industrial Property estimates are as of January 1, 2006
(3) Per $100 of value

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

	City of Concord			Overlapping Rates	
Fiscal Year	General Fund Basic Rate	Municipal Service District Basic Rate	Total Weighted Average Rate (1)	Cabarrus County	Combined Tax Rate
2004	0.4500	0.2100	0.4490	0.5600	1.0090
2005	0.4300	0.2100	0.4291	0.5300	0.9591
2006	0.4300	0.2100	0.4291	0.6300	1.0591
2007	0.4475	0.2100	0.4465	0.6289	1.0754
2008	0.4475	0.1800	0.4464	0.6300	1.0764
2009	0.4200	0.1800	0.4190	0.6300	1.0490
2010	0.4200	0.1800	0.4190	0.6300	1.0490
2011	0.4200	0.1800	0.4190	0.6300	1.0490
2012	0.4200	0.1800	0.4190	0.6300	1.0490
2013	0.4800	0.2300	0.4788	0.7000	1.1788

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

	2013			2004		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Charlotte Motor Speedway LLC	$ 368,903,613	1	4.05 %	$ 136,584,809	3	2.55 %
Celgard LLC	246,648,889	2	2.71	168,177,144	2	3.14
Mall at Concord Mills Mall LP	224,248,930	3	2.46	-		-
Philip Morris USA Inc	93,008,387	4	1.02	1,034,892,391	1	19.30
Great Wolf Lodge	80,289,220	5	0.88	-		-
Hendrick Motorsports Inc	62,175,998	6	0.68	-		-
JQH-Concord Development LLC	48,480,900	7	0.53	33,048,652	6	0.63
HSREI LLC	38,641,152	8	0.42	-		-
WMCI Charlotte XIII LLC	35,365,711	9	0.39	-		-
S&D Coffee Company	34,373,702	10	0.38	24,841,334	8	0.46
Concord Telephone Company	-		-	52,261,557	4	0.97
Pass & Seymour, Inc.	-		-	37,682,932	5	0.70
Bell/Sysco Food Services Inc	-		-	28,258,899	6	0.53
Owens Corning	-		-	25,232,263	7	0.47
Progress Place Realty, LLC	-		-	20,110,910	9	0.38
Concord Commons Ltd Prtnshp	-		-	18,107,930	10	0.34
Total	$1,232,136,502		13.52 %	$1,579,198,821		29.47 %

Source: Cabarrus County Tax Office

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

		Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2004	26,821,016	26,168,438	97.6%	542,618	26,711,056	99.6%
2005	29,739,025	29,143,606	98.0%	556,303	29,699,909	99.9%
2006	31,617,094	31,020,263	98.1%	552,119	31,572,382	99.9%
2007	34,290,995	33,605,746	98.0%	606,715	34,212,461	99.8%
2008	37,819,888	37,086,369	98.1%	649,779	37,736,148	99.8%
2009	44,077,915	42,894,749	97.3%	1,008,087	43,902,836	99.6%
2010	44,956,754	43,881,105	97.6%	857,344	44,738,449	99.5%
2011	44,365,653	43,329,051	97.7%	746,705	44,075,756	99.3%
2012	43,076,823	42,056,886	97.6%	566,878	42,623,764	98.9%
2013	43,608,877	42,445,084	97.3%	-	42,445,084	97.3%

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CITY OF CONCORD, NORTH CAROLINA

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

	Governmental activities				Business type activities			
Fiscal Year	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes
2004	1,464	759	3,944	25,436	28	4,846	105,887	17,799
2005	895	659	3,811	39,198	4,371	3,751	102,309	16,925
2006	1,214	560	3,672	35,856	4,144	2,700	98,561	15,174
2007	1,665	463	3,527	32,452	3,919	1,677	94,534	14,028
2008	6,577	367	3,376	28,865	11,055	678	90,359	13,260
2009	5,991	235	3,206	25,593	11,082	-	112,005	12,217
2010	5,479	85	3,420	22,827	10,330	-	111,372	10,703
2011	4,958	-	3,205	19,749	9,573	-	104,994	9,960
2012	4,429	-	2,985	18,292	8,811	-	97,324	9,081
2013	3,987	-	2,759	16,842	8,043	-	90,493	8,184

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

Table 12

Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
160,163	3.48%	2,623
171,919	3.49%	2,760
161,881	3.00%	2,552
152,265	2.62%	2,231
154,537	2.51%	2,174
170,329	2.88%	2,138
164,216	2.71%	2,065
152,439	2.49%	1,896
140,922	2.28%	1,736
130,308	2.09%	1,600

RATIOS OF GENERAL BONDED DEBT OUTSTANDING,
Last Ten Fiscal Years

	General Bonded Debt Outstanding				
Fiscal Year	Gross Bonded Debt	Debt Payable From Enterprise Revenue	Net Bonded Debt	Percentage of Total Taxable Assessed Value (1)	Per Capita (2)
2004	5,604,999	4,845,522	759,477	0.02%	12.44
2005	4,410,000	3,750,568	659,432	0.01%	10.59
2006	3,260,000	2,699,527	560,473	0.01%	8.84
2007	2,140,002	1,677,035	462,967	0.01%	6.78
2008	1,044,999	678,089	366,910	0.01%	5.16
2009	235,000	-	235,000	0.01%	2.95
2010	85,000	-	85,000	0.01%	1.07
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-

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, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (3)	Estimated Share of Direct and Overlapping Debt
City of Concord (1)	$ 23,588,216	100%	**$ 23,588,216**
Cabarrus County (2)	347,473,072	49%	**168,599,056**
Total			**$ 192,187,272**

(1) Includes total debt expected to be paid from governmental activities
(2) Source: Cabarrus County Finance Department
(3) The percentage used to calculate the overlapping debt for Cabarrus County is calculated based on the percentage of the County's Assessed Value that is within City limits.

CITY OF CONCORD, NORTH CAROLINA

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

	2004	2005	2006	2007
Debt Limit	$ 474,213	$ 550,332	$ 585,817	$ 606,928
Total net debt applicable to limit	45,561	62,048	41,775	38,499
Legal debt margin	$ 428,652	$ 488,284	$ 544,042	$ 568,429
Total net debt applicable to the limit as a percentage of debt limit	10%	11%	7%	6%

Table 15

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
$ 672,850	$ 779,858	$ 856,688	$ 779,768	$ 820,665	$ 729,040
35,809	31,819	28,391	24,337	22,387	20,532
$ 637,041	$ 748,039	$ 828,297	$ 755,431	$ 798,278	$ 708,508
5%	4%	3%	3%	3%	3%

Legal Debt Margin Calculation for Fiscal Years

Total assessed value	$ 9,113,002,505
Debt limit (8% of assessed value)	729,040,200
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	12,029,636
Installment notes	24,645,000
Less: Amount of bonded debt incurred for Electric, Water and Wastewater purposes	(16,142,600)
Total net debt applicable to limit	20,532,036
Legal Debt Margin	$ 708,508,164
Net debt as a % of assessed values	0.23%

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

	Water Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2004	13,875	10,749	3,126	1,330	2,254	0.87
2005	15,172	10,232	4,940	1,479	2,184	1.35
2006	17,390	13,532	3,858	1,944	2,108	0.95
2007	19,485	14,560	4,925	2,038	2,027	1.21
2008	18,693	16,869	1,824	2,114	1,931	0.45
2009	17,492	15,692	1,800	2,194	2,563	0.38
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

	Wastewater Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2004	10,982	10,633	349	1,116	1,210	0.15
2005	11,033	11,270	(237)	1,171	1,157	(0.10)
2006	12,701	12,394	307	1,223	1,102	0.13
2007	13,825	12,598	1,227	1,363	1,041	0.51
2008	13,479	13,345	134	1,552	855	0.06
2009	12,904	14,206	(1,302)	1,915	1,383	(0.39)
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

	Electric Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2004	48,828	42,318	6,510	857	1,193	3.18
2005	50,625	44,719	5,906	663	1,153	3.25
2006	55,127	49,358	5,769	1,064	1,110	2.65
2007	57,784	54,552	3,232	1,109	1,064	1.49
2008	61,920	57,322	4,598	1,158	1,009	2.12
2009	61,903	63,074	(1,171)	1,208	1,527	(0.43)
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

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)
2004	61,070	4,605,198	31,450	22,446	7.0%
2005	62,291	4,931,757	32,705	23,906	4.3%
2006	63,429	5,389,062	34,165	23,684	3.8%
2007	68,249	5,810,277	35,061	25,000	4.0%
2008	71,071	6,144,892	35,744	27,152	5.1%
2009	79,673	5,922,390	33,651	28,550	8.2%
2010	79,519	6,057,692	33,926	28,127	8.3%
2011	80,386	6,118,269	34,265	28,827	7.8%
2012 (5)	81,190	6,179,452	34,608	29,298	6.6%
2013 (5)	81,461	6,241,247	34,954	29,721	8.5%

(1) State Demographer's Office. 2013 is an estimate.
(2) Bureau of Economic Analysis. Information only available at the county level.
(3) 2004-2006 Cabarrus County School Board Accountability Office; 2007-2012 N.C. Public Schools
(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 1 percentage increase from prior year.

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2013			2004		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Carolina Medical Center-NorthEast	4,500	1	5.37%	3,200	1	4.43%
Concord Mills Mall	4,000	2	4.77%	-		-
Cabarrus County Schools	3,800	3	4.53%	2,476	3	3.43%
Cabarrus County Government	950	4	1.13%	1,000	4	1.38%
City of Concord	901	5	1.08%	822	5	1.14%
Connextions	900	6	1.07%	-		-
North Carolina Government	770	7	0.92%	-		-
Kannapolis City Schools	750	8	0.89%	649	7	0.90%
S&D Coffee and Tea	575	9	0.69%	-		-
Shoe Show	550	10	0.66%	-		-
Philip Morris	-		-	2,900	2	4.01%
CT Communications	-		-	700	6	0.97%
Pass & Seymour Legrands	-		-	550	8	0.76%
Sysco	-		-	520	9	0.72%
Walmart	-		-	480	10	0.66%
	17,696		21.11%	13,297		18.40%

Source: Cabarrus County Finance

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

Function/Program	2004	2005	2006	2007
General Fund				
General Government				
Public Service Administration	2.00	2.00	2.00	2.00
City Manager's Office	6.00	6.00	6.00	6.00
Risk Management	-	-	-	-
Human Resources	5.88	6.00	7.00	7.00
Finance	12.00	12.00	12.75	13.00
Tax	3.00	4.00	4.00	4.75
Legal	2.63	3.01	4.00	4.00
Emergency Mangement Coordinator	-	-	-	-
Non-Departmental	-	-	-	-
Public Safety				
Police	154.00	154.50	160.00	161.50
Code Enforcement	-	-	-	7.00
Communications	20.50	20.50	20.94	20.94
Radio Shop	3.70	3.70	4.20	4.70
Fire & Life Safety (Operations)	154.65	154.65	154.65	159.63
Fire & Life Safety (Prevention)	-	-	-	-
Fire & Life Safety (Training)	-	-	-	-
Fire & Life Safety (Emergency Management)	-	-	-	-
Public Works				
Street & Traffic	20.00	20.00	23.50	26.00
Powell Bill	-	-	-	-
Traffic Services	6.00	6.00	5.00	5.83
Traffic Signals	2.66	1.75	2.50	3.00
Solid Waste & Recycling	31.33	31.00	32.49	34.00
Cemeteries	-	8.00	8.00	8.00
Fleet Services	13.00	13.00	14.00	14.00
Other Public Works				
Economic Development				
Business & Neighborhood Services	19.50	18.50	15.50	8.50
Transportation (Contract)	-	-	-	-
Economic Development	-	-	-	-
Development Services	5.00	6.00	9.00	9.00
Culture & Recreation				
Parks and recreation	19.37	19.37	20.81	21.00
Parks and recreation Aquatics (seasonal staff)	-	-	-	-
Total FTE General Fund	481.22	489.98	506.34	519.85

(Continued)

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
2.00	2.00	2.00	2.00	1.00	1.00
6.00	6.00	6.00	6.00	5.00	6.00
-	-	-	2.00	2.00	3.00
7.00	8.00	8.00	6.00	7.00	7.00
13.00	13.00	13.00	13.35	14.00	14.00
5.00	5.00	4.50	4.50	4.50	4.50
5.00	5.00	5.00	5.00	5.00	5.00
-	-	-	-	-	1.00
-	-	-	-	-	-
170.25	174.25	175.25	177.25	178.25	178.25
7.00	7.00	7.00	7.00	7.00	7.00
22.50	22.50	22.50	22.50	21.50	21.50
4.70	4.70	4.50	4.50	3.50	3.50
160.30	173.30	170.00	182.00	182.00	181.00
6.00	6.00	6.00	6.00	6.00	6.00
2.00	2.00	2.00	2.00	2.00	4.00
2.85	2.80	2.80	2.85	2.85	-
27.00	27.00	26.00	27.00	27.00	27.00
-	-	-	-	-	-
6.00	6.00	6.00	5.00	5.00	5.00
3.00	3.00	3.00	4.00	4.00	4.00
35.34	37.00	36.50	33.00	32.00	32.00
8.00	8.00	8.00	8.00	8.00	8.00
14.00	14.00	13.25	13.00	13.00	13.00
8.50	9.00	9.00	8.85	15.00	14.00
-	-	-	-	-	-
-	-	-	-	1.00	1.00
10.00	10.00	9.00	9.00	-	-
21.75	22.75	22.00	22.00	20.00	20.00
-	-	-	-	-	-
547.19	568.30	561.30	572.80	566.60	566.75

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

	2004	2005	2006	2007
Other Funds				
Municipal Service District Fund	-	-	-	-
Home Consortium Fund	1.00	1.00	1.50	1.50
Transportation Improvement Fund	-	-	-	-
CDBG	1.50	1.50	2.00	1.50
Addl. $5 Vehicle Tax (Transit Fund)	-	-	-	-
Stormwater	13.66	15.00	15.00	18.00
Electric				
Electric Administration	2.00	2.00	2.00	2.00
Purchased Power	-	-	-	-
Powerlines Maintenance	14.00	14.00	14.00	14.00
Tree Trimming	10.00	10.00	10.00	10.00
Electric Construction	42.00	36.00	36.00	34.00
Peak Shaving	1.00	1.00	1.00	1.00
Electric Engineering	-	6.00	6.00	6.00
Utility Locate Services	-	-	-	4.50
Water Resources				
Hillgrove Water Treatment Plant	14.50	14.50	14.50	14.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.50
Waterlines Operations & Maintenance	33.00	33.00	36.50	37.00
Public Transit				
Rider Transit System	-	-	-	-
Wastewater Resources	29.00	29.00	29.00	29.50
Golf Course (contract)	-	-	-	-
Internal Services				
Utility Collections	5.00	5.00	5.00	5.00
Data Services	-	1.00	1.00	1.00
Billing	16.00	16.00	15.00	14.00
Customer Service	14.00	14.00	15.00	15.00
Engineering	28.00	28.00	27.00	27.92
Purchasing	9.00	9.00	9.00	9.00
Customer Care Center	6.15	6.15	6.15	6.90
Buildings & Grounds	42.75	37.75	37.43	38.69
Aviation	36.33	36.33	36.33	37.59
Public Housing	12.00	12.00	13.00	16.00
Total FTE Other Funds	346.39	343.73	347.91	360.10
Total	827.61	833.71	854.25	879.95

Source: City of Concord Budget Department

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
-	-	-	-	-	-
1.50	1.50	1.50	1.30	0.90	0.90
-	-	-	-	-	
2.00	1.50	1.50	1.50	1.10	1.10
-	-	-	-	-	-
20.00	21.00	20.50	20.25	20.25	20.25
2.75	3.00	2.00	2.00	2.00	2.00
-	-	-	-	-	-
14.00	13.00	13.00	13.00	13.00	13.00
10.00	10.00	9.00	9.00	9.00	9.00
34.00	34.00	34.00	34.00	34.00	34.00
1.00	2.00	2.00	2.00	2.00	2.00
6.00	6.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	5.00	4.00	4.00
14.50	14.50	14.50	14.50	14.50	14.50
15.50	15.50	15.50	15.50	15.50	15.50
37.00	37.00	35.00	34.75	34.75	34.75
-	-	-	2.00	2.75	2.55
31.00	31.00	30.00	30.00	30.00	30.00
-	-	-	-	-	-
5.00	5.00	4.50	4.50	4.50	4.50
1.00	1.00	1.00	1.00	1.00	1.00
13.00	13.00	11.00	11.00	11.00	11.00
17.00	17.00	17.00	16.00	16.00	15.50
28.00	28.00	25.00	25.00	25.00	24.00
9.00	9.00	9.00	8.00	7.00	7.00
7.15	7.95	7.70	7.65	8.15	8.50
41.27	41.50	39.60	38.50	39.50	39.00
38.00	40.50	36.50	35.25	36.00	36.00
16.00	16.00	16.50	16.00	14.00	13.00
369.67	373.95	356.30	352.70	350.90	348.05
916.86	942.25	917.60	925.50	917.50	914.80

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007
Police				
Physical arrests	6,864	7,223	4,914	7,749
Parking violations	N/A	1,393	1,163	2,990
Traffic violations	7,501	9,011	8,461	15,775
Communications				
Calls received	82,151	88,082	89,180	101,130
Fire				
Emergency responses	6,284	6,291	6,304	6,870
Fires extinguished	290	325	390	404
Inspections	4,409	2,857	3,155	3,648
Education classes conducted	725	775	918	927
Customer Care Center				
Calls answered	9,416	115,832	127,747	136,958
Solid Waste & Recycling				
Refuse collected (tons per day)	71	91	86	93
Recyclables collected (tons per day)	8	9	8	9
Other Public Works				
Street resurfacing (miles)	6	26	8	10
Potholes repaired	585	370	226	199
NCDOT signalized street lights	N/A	N/A	N/A	92
NCDOT road (Non Interstate)	N/A	N/A	N/A	87
Economic Development				
Single family residential	607	693	1,007	524
Single family attached in units	8	44	N/A	53
Two family residential in units	2	1	2	1
Commercial building permits issued	175	130	118	27
Parks and recreation				
% Cost recovery Adult programs	80	86	89	87
Youth participation	3,186	5,488	10,220	10,367
Rec center attendance	64,755	66,700	68,751	71,625
Stormwater				
Accounts	N/A	N/A	25,477	26,639
Electric				
Accounts	24,537	24,933	26,194	26,945
Average megawatt hours daily use (2)	1,992	2,083	2,132	2,132
Substations	12	12	12	12
Water				
Accounts	27,836	28,993	31,130	32,629
Water Main Breaks	N/A	N/A	N/A	73
Average daily consumption (mgd)	N/A	N/A	N/A	11
Peak daily consumption (mgd)	N/A	N/A	N/A	13

(Continued)

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
10,113	6,128	6,275	5,783	5,837	5,072
3,879	2,506	1,576	3,343	2,964	2,696
16,293	13,629	13,004	13,561	9,878	9,422
107,265	105,912	107,585	107,341	100,197	108,843
7,310	7,324	7,287	7,920	8,856	9,077
378	327	322	402	315	293
5,137	5,255	5,166	5,564	5,764	6,343
389	492	668	575	446	681
151,419	159,197	153,503	153,158	206,144	191,689
92	94	99	92	89	86
11	11	13	14	22	22
11	11	10	7	8	10
60	80	72	78	74	28
78	75	95	96	101	105
89	89	89	89	90	90
614	212	346	284	403	460
146	49	30	20	4	0
1	13	13	0	66	550
128	36	11	18	52	53
90	90	90	90	90	92
9,127	11,097	11,285	9,974	9,974	10,848
73,227	73,194	73,947	93,846	93,846	79,014
28,935	28,823	29,007	29,292	29,683	30,168
27,514	26,920	27,368	27,447	27,675	28,062
2,272	2,241	2,221	2,401	2,332	2,318
14	14	14	14	15	15
33,988	33,522	33,688	33,859	34,431	35,843
65	27	36	43	33	2
10	9	10	9	9	9
11	10	13	12	13	12

CITY OF CONCORD, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

	2004	2005	2006	2007
Transit				
Average daily use	602	893	1,122	1,202
Days of operation	54	260	270	304
Wastewater				
Accounts	24,181	25,417	27,550	29,050
Average daily treatment (thousands of gallons)	8,541	8,159	8,048	8,071
Golf Course				
Total Green Fee Rounds (3)	30,210	29,920	31,657	35,018
Cart Fee Rounds	29,001	27,226	27,571	29,978
Tournaments hosted	60	51	63	73
Aviation				
Avgas (annual gallons)	355,297	330,900	309,740	277,269
Jeta (annual gallons)	1,746,389	1,904,926	1,858,589	1,926,918
Operations = take off & landing (1)	68,914	67,416	63,084	64,660
Tax Base listings				
T Hanger	64	67	65	67
HIC	26	30	29	40
Tiedown	36	38	34	42
Corporate	5	5	5	6
Ground	7	8	7	8
Office	15	18	18	18
Public Housing				
Units in use	174	174	174	174
Housing Choice Vouchers	534	534	534	534

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

Table 20
Page 2 of 2
(Continued)

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
1,239	1,328	1,264	1,252	1,451	1,411
307	307	307	307	310	306
30,423	30,338	30,729	30,972	31,569	31,939
7,741	9,047	8,875	7,821	8,193	8,011
33,663	23,237	30,085	26,256	25,410	26,028
27,760	28,498	27,942	23,488	22,183	20,237
67	78	66	63	70	72
278,882	221,096	222,943	193,419	197,687	173,006
2,093,295	1,655,052	1,661,764	1,660,208	1,516,123	1,465,484
70,519	60,506	56,706	61,553	60,612	59,179
67	67	67	67	67	67
41	42	42	41	46	46
51	51	51	32	30	30
6	6	7	6	9	9
8	8	10	11	18	18
23	29	31	34	35	35
174	174	174	174	174	174
534	534	541	541	541	541

CITY OF CONCORD, NORTH CAROLINA

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

Function/Program	2004	2005	2006	2007
Police				
Stations	1	1	1	1
Patrol Units	104	110	116	116
Fire				
Stations	8	8	8	8
Fire Units	14	14	14	14
Solid Waste & Recycling				
Refuse collection trucks	N/A	N/A	N/A	23
Other Public Works				
Paved streets (miles)	293	300	308	312
Signalized Street	12	13	13	13
Control Beacons	N/A	N/A	8	6
Guardrail	N/A	N/A	N/A	3
Sidewalk	79	89	99	106
School Zond Flashers	N/A	N/A	N/A	N/A
Facilities (City owned):				
Parks (acreage)	13	83	101	101
Playgrounds	14	14	14	14
Gymnasiums	3	3	3	3
Basketball courts	9	9	9	9
Tennis courts	14	14	14	14
Playing fields	28	28	28	28
Swimming pool	1	1	1	1
Green Way	1	1	2	2
Walking Trails	3	3	3	3
Stormwater				
Storm Sewers (miles)	N/A	N/A	N/A	N/A
Electric				
Substations	12	12	12	12
Water				
Water Mains (miles)	N/A	N/A	N/A	628
Fire hydrants	N/A	N/A	N/A	3,910
Storage capacity (millions of gallons)	14	14	14	14
Transit				
Transit Center	N/A	N/A	N/A	N/A
Buses	N/A	8	8	8
Wastewater				
Sanitary sewers (miles)	458	462	475	500
Treatment capacity (thousands of gallons)	2,978,056	2,937,536	2,946,068	3,340,866
Golf Course	1	1	1	1
Aviation				
Terminal	1	1	1	1
T Hangars	67	67	67	67
Corporate Hangar	2	2	2	2
Private Hangar	N/A	N/A	N/A	N/A
Hanger in Common	5	5	5	6
Acreage approximately	N/A	N/A	N/A	N/A
Public Housing				
Units	174	174	174	174

Source: City of Concord Finance Department

Table 21

Fiscal Year					
2008	**2009**	**2010**	**2011**	**2012**	**2013**
1	1	1	1	1	1
120	120	120	132	134	134
8	9	9	10	10	10
14	14	14	14	14	14
23	27	29	28	28	28
321	323	324	326	329	331
13	14	14	14	15	15
6	6	6	6	6	6
3	4	4	4	4	4
195	199	202	205	206	209
N/A	N/A	N/A	19	21	22
101	101	101	101	101	101
14	14	14	14	14	14
3	3	3	3	3	3
9	9	9	11	11	11
14	14	14	14	14	14
28	28	28	28	28	28
1	1	1	1	1	1
2	2	5	5	5	5
3	3	3	3	3	3
86	161	229	254	256	263
14	14	14	14	15	15
658	663	667	680	681	683
4,219	4,648	3,898	3,898	4,633	4,642
14	14	14	14	14	16
N/A	N/A	N/A	1	1	1
8	10	12	12	12	12
516	516	530	530	530	530
2,825,589	3,302,270	3,239,373	2,854,630	2,997,804	2,923,870
1	1	1	1	1	1
1	1	1	1	1	1
67	67	67	67	67	66
2	2	2	2	3	3
N/A	N/A	N/A	9	9	9
6	7	7	8	7	7
585	625	688	713	713	713
174	174	174	174	174	174

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POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregated remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprises the City of Concord's basic financial statements, and have issued our report thereon dated October 29, 2013. Our report includes a reference to other auditors who have audited the financial statements of the City of Concord ABC Board, as described in our report on the City of Concord, North Carolina's financial statements. This report does not include the results of the 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 City of 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 of Concord'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 of Concord'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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material

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weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Concord's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

October 29, 2013
Monroe, North Carolina

Potter & Company

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CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A-133; AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Concord, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Concord's major federal programs for the year ended June 30, 2013. The City of Concord's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Concord's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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 of Concord's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the City of Concord complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City of Concord is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Concord's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 a 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 federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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 significant deficiencies or material weaknesses. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Potter & Company

October 29, 2013
Monroe, North Carolina

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; IN ACCORDANCE WITH OMB CIRCULAR A-133; AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the City of Concord, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Concord's major state programs for the year ended June 30, 2013. The City of Concord's major state programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Concord's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, 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 of Concord's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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Opinion on Each Major State Program

In our opinion, the City of Concord complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City of Concord is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Concord's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 a 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 significant deficiencies or material weaknesses. 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Potter & Company

October 29, 2013
Monroe, North Carolina

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
Federal Financial Assistance					
U.S. Department of Housing and Urban Development:					
Direct Programs:					
Community Development Block Grant/Entitlement	14.218	B-08-MC-37-0012	**$ 200**	**$ -**	**$ -**
	14.218	B-10-MC-37-0012	**20,678**	**-**	**-**
	14.218	B-11-MC-37-0012	**46,313**	**-**	**-**
	14.218	B-12-MC-37-0012	**277,900**	**-**	**25,497**
			345,091	**-**	**25,497**
HOME Program - Program Income	14.239	M-07-DC-370209	**8,203**	**-**	**-**
	14.239	M-08-DC-370209	**174,873**	**-**	**-**
	14.239	M-09-DC-370209	**21,702**	**-**	**-**
	14.239	M-10-DC-370209	**9,176**	**-**	**7,749**
	14.239	M-11-DC-370209	**-**	**-**	**69,502**
	14.239	M-12-DC-370209	**-**	**-**	**93**
			213,954	**-**	**77,344**
Public Housing: Operating subsidy	14.850	A-3249	**1,064,847**	**-**	**-**
Public Housing Capital Fund	14.872	NC19P00850109	**8,811**	**-**	**-**
	14.872	NC19P00850110	**125,353**	**-**	**-**
	14.872	NC19P00850111	**134,749**	**-**	**-**
	14.872	NC19P00850112	**10,214**	**-**	**-**
			279,127	**-**	**-**
Section 8, Housing Assistance Payments for Housing Vouchers	14.871	A-3344-V	**4,614,524**	**-**	**-**
Ross Homeownership Grant	14.870	NC008RFS103A008	**48,568**	**-**	**-**
U.S. Department of Energy:					
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DE-SC0002340	**-**	**-**	**12,911**
U.S. Department of Justice:					
Justice Assistance Grant	16.738	2010-DJ-BX-0287	**1,125**	**-**	**-**
Justice Assistance Grant	16.738	2011-DJ-BX-2465	**4,040**	**-**	**239**
Justice Assistance Grant	16.738	2012-DJ-BX-0616	**20,121**	**-**	**7,770**
			25,286	**-**	**8,009**

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
U.S. Department of Transportation					
Federal Transit:					
ARRA - Transit Grant	20.507	NC-96-X011-00	**$ 60,237**	**$ -**	**$ -**
Federal Transit Grant	20.507	NC-90-X481-00	**1,261,501**	**298,738**	**1,180,268**
			1,321,738	**298,738**	**1,180,268**
Passed through North Carolina Department of Transportation:					
Airport Improvement Program:					
Weather Equip & Tower	20.106	36237.29.14.1	**49,278**	**-**	**5,475**
Pavement Strengthening	20.106	36237.29.14.2	**222,291**	**-**	**24,699**
Terminal/Parking Lot Imprv	20.106	36237.29.15.2	**16,056**	**-**	**1,784**
Taxiway Strengthening	20.106	36237.29.16.1	**1,593,932**	**-**	**177,104**
Pavement Strenghening	20.106	36237.29.16.2	**2,179,821**	**-**	**242,202**
			4,061,378	**-**	**451,264**
U.S. Department of Homeland Security:					
SAFER Grant	97.083	EMW2008FF00773	**192,311**	**-**	**287,155**
Environmental Protection Agency:					
Brownfield Economic Development	66.818	B-05-BD-37-0025	**153,928**	**-**	**-**
ARRA - Brownfield	66.818	2B-95426709-0	**12,506**	**-**	**-**
			166,434	**-**	**-**
Total federal awards			**12,333,258**	**298,738**	**2,042,448**
State Financial Assistance:					
Department of Transportation:					
Metropolitan Planning Grant	20.505	39225.1.3	**-**	**245,296**	**61,323**
Metropolitan Planning Grant	20.505	36230.7.12.6	**-**	**38,259**	**4,251**
Powell Bill	N/A		**-**	**1,802,806**	**-**
			-	**2,086,361**	**65,574**
Department of Environment and Natural Resources					
Parks and Recreation Trust Fund	N/A	4005	**-**	**48,976**	**-**
Total state awards			**-**	**2,135,337**	**65,574**
Total federal and state awards			**$ 12,333,258**	**$ 2,434,075**	**$ 2,108,022**

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, 2013

(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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* 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) Relationship to Basic Financial Statements

Federal and state financial assistance revenues are reported in the City's basic financial statements as follows:

	Intergovernmental Revenues	Operating Grants	Capital Contributions	Total
Federal assistance:				
Special revenue funds:				
Housing assistance	$ 3,880,347	$ -	$ -	$ 3,880,347
Community development	341,624	-	-	341,624
Section 108 Loan/BEDI Grant	-			
Home	222,244	-	-	222,244
EECBG Stimulus	-	-	-	-
ARRA Stimulus	12,506	-	-	12,506
Capital project funds:				
Transportation	349,783	-	-	349,783
Enterprise funds:				
Regional Airport	-	-	4,480,684	4,480,684
Housing Department	-	1,093,073	-	1,093,073
Transit	-	2,059,785	-	2,059,785
Total federal	4,806,504	3,152,858	4,480,684	12,440,046
State assistance:				
General fund	3,726,944	-	-	3,726,944
Total state	3,726,944	-	-	3,726,944
	$ 8,533,448	$ 3,152,858	$ 4,480,684	$ 16,166,990

(3) Statement and Certification of Capital Fund Grant Cost for Annual Contributions Contract A-3249 (NC19S00850109)

1. The Actual Capital Fund Program Costs of NC19S00850109 were as follows:

Funds Approved	$ 331,941
Funds Expended	331,941
Excess (Deficiency) of Funds Approved	$ -
Funds Advanced:	
HUD Grants	$ 331,941
Funds Expended	331,941
Excess (Deficiency) of Funds Advanced	$ -

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

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

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant Deficiency(s) identified that are not considered to be material weaknesses _____ yes X none reported

Noncompliance material to financial statements noted _____ yes X no

Federal Awards
Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant Deficiency(s) identified that are not considered to be material weaknesses _____ yes X none reported

Type of auditors' report issued on compliance for major federal programs: Unqualified.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 _____ yes X no

Identification of major federal programs:

CFDA Number	Name of Federal Program
14.218	Community Development Block Grants/Entitlement Grants
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B Programs $ 300,000

Auditee qualified as low-risk auditee? X yes _____ no

State Awards
Internal control over major State programs:

- Material weakness(es) identified? _____ yes X no
- Significant Deficiency(s) identified that are not considered to be material weaknesses _____ yes X none reported

Type of auditors' report issued on compliance for major State programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act _____ yes __X__ no

Identification of major State programs:

Program Name
Powell Bill

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Awards Findings and Questioned Costs

None reported.

CITY OF CONCORD, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2013

Finding: **12 – 1**

Status: Corrected