CITY OF CONCORD, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2010

Prepared by:

Finance Department

City of Concord, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

TABLE OF CONTENTS

	Exhibit	
INTRODUCTORY SECTION		
Letter of Transmittal		1 – 8
Certificate of Achievement for Excellence in Financial Reporting		9
City Governing Body and Officials		10
Organizational Chart		11
FINANCIAL STATEMENTS AND SUPPLEMENTARY FINANCIAL INFORMATION		
Independent Auditor's Report		12 – 13
Management's Discussion and Analysis		14 – 29
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Assets	A	30
Statement of Activities	B	31 – 32
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C	33
Reconciliation of the Balance Sheet to the Statement of Net Assets	D	34
Statement of Revenues, Expenditures and Changes in Fund Balances	E	35
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	F	36
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	G	37 – 42
Proprietary Funds:		
Statement of Net Assets	H	43 – 44
Statement of Revenues, Expenses and Changes in Fund Net Assets	I	45 – 46
Statement of Cash Flows	J	47 – 50
Fiduciary Funds:		
Statement of Fiduciary Net Assets	K	51
Statement of Changes in Fiduciary Net Assets	L	52
Notes to Financial Statements		54 – 77
Required Supplementary Information:		
Law enforcement officers' special separation allowance required supplemental information schedule of funding progress	M	78
Law enforcement officers' special separation allowance required supplemental information schedule of employer contribution	N	79
Health care plan of the City of Concord required supplemental information schedule of funding progress	O	80
Health care plan of the City of Concord required supplemental information schedule of employer contribution	P	81
Other Supplemental Information:		
Combining and Individual Fund Statements and Schedules:		
Nonmajor Governmental Funds:		
Combining Balance Sheet	1	84
Combining Balance Sheet – Special Revenue Funds	2	85 – 86
Combining Balance Sheet – Capital Projects Funds	3	87 – 88
Combining Statements of Revenues, Expenditures and Changes in Fund Balances	4	90

	Statement	Page
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	5	91 – 92
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds	6	93 – 94
Nonmajor Proprietary Funds:		
Combining Statement of Net Assets	7	98
Combining Statements of Revenues, Expenses and Changes in Fund Net Assets	8	99
Combining Statement of Cash Flows	9	100 – 101
Capital Assets Used in the Operation of Governmental Funds:		
Schedule of Function and Activity	10	103 – 104
Schedule of Changes by Function and Activity	11	105
Budget to Actual Comparison – Other Major and Nonmajor Governmental Funds, Enterprise Funds and Internal Service Fund of the Primary Government:		
Housing Assistance Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	12	108
Community Development Fund:		
Schedule of Revenues and Expenditures – Budget and Actual:		
Grant Number B07-MC-37-0012	13	109
Grant Number B04-MC-37-0012	14	110
Grant Number B06-MC-37-0012	15	111
Grant Number B08-MC-37-0012	16	112
Grant Number B09-MC-37-0012	17	113
Section 108 Loan/BEDI Grant:		
Schedule of Revenues and Expenditures – Budget and Actual	18	114
Home Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	19	115
Future Parks & Recreation Land Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	20	116
General Capital Reserve Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	21	117
Municipal Service District Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	22	118
Transportation Improvement Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	23	119
Cabarrus Avenue Roundabout Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	24	120
Additional Vehicle Tax Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	25	121
EECBG Stimulus Fund:		
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	26	122
Parks and Recreation Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	27	123
Transportation Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	28	124

	Statement	Page
General Fund Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	29	125
Fire and Life Safety Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	30	126
Wellness Center Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	31	127
Oakwood Cemetery Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	32	128
MLK Memorial Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual	33	129
Electric Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	34	130
2002 Revenue Bonds Capital Project Fund – Electric Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	35	131
2008 Revenue Bonds Capital Project Fund – Electric Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	36	132
Water Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	37	133
2002 Revenue Bonds Capital Project Fund – Water Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	38	134
2008 Revenue Bonds Capital Project Fund – Water Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	39	135
Future Water Connections Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	40	136
Wastewater Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	41	137
2008 Revenue Bonds Capital Project Fund – Wastewater Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	42	138
Regional Airport Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	43	139
Stormwater Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	44	140
Stormwater Capital Projects Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	45	141
Golf Course Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	46	142
Housing Department Operating Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	47	143
Housing Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	48	144
Transit Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	49	145
Internal Service Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	50	146 – 147
Fiber Project Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	51	148
2008 Debt Issuance Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	52	149
ARRA Stimulus Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	53	150
First Concord Capital Project Fund:		
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	54	151 – 152
Statement of Changes in Assets and Liabilities – Agency Funds	55	153

	Statement	Page
Other Financial Data:	Schedule	
Schedule of Ad Valorem Taxes Receivable	1	154
Analysis of Current Tax Levy	2	155
Schedule of Cash and Investment Balances	3	156 – 157
Supplemental Financial Data Schedule Section 8 Housing Programs	4	158 – 159
Schedule of Business-Type Activities Capital Assets	5	160 – 162
STATISTICAL SECTION	Table	
Net Assets by Component, Last Nine Fiscal Years	1	165 – 166
Changes in Net Assets, Last Nine Fiscal Years	2	167 – 170
Fund Balances, Governmental Funds, Last Ten Fiscal Years	3	171 – 172
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	4	173 – 174
Number of Electric Customers by Type, Last Five Fiscal Years	5	175
Electric Rates, Last Five Fiscal Years	6	176
Ten Largest Electric Customers, June 30, 2010	7	177
Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	8	178
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	9	179
Principal Property Taxpayers, Current Year and Nine Years Ago	10	180
Property Tax Levies and Collections, Last Ten Fiscal Years	11	181
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	12	183 – 184
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	13	185
Direct and Overlapping Governmental Activities Debt, As of June 30, 2010	14	186
Legal Debt Margin Information, Last Ten Fiscal Years	15	187 – 188
Pledged-Revenue Coverage, Last Ten Fiscal Years	16	189
Demographic and Economic Statistics, Last Ten Calendar Years	17	190
Principal Employers, Current Year and Nine Years Ago	18	191
Full-Time-Equivalent City Government Employees by Function/Program, Last Nine Fiscal Years	19	193 – 196
Operating Indicators by Function/Program, Last Ten Fiscal Years	20	197 – 200
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	21	201 – 202
COMPLIANCE SECTION		
Reports Required by *Government Auditing Standards*, OMB Circular A-133 And the State Single Audit Implementation Act:		
Independent Auditor's Report on:		
Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*		204 – 205
Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133 and the State Single Audit Implementation Act		206 – 207
Compliance With Requirements Applicable to Each Major State Program and on Internal Control Over Compliance in Accordance With Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act		208 – 209
Schedule of Expenditures of Federal and State Awards		210 – 211
Notes to Schedule of Expenditures of Federal and State Awards		212
Schedule of Findings and Questioned Costs		213 – 215
Corrective Action Plan		216
Summary Schedule of Prior Audit Findings		217

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October 31, 2010

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, 2010, 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 2010.

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, 2010, 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, 2010, 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 60.032 square miles with an estimated population of 81,370. The City is located approximately one mile northeast of the City of Charlotte, North Carolina, and is one of seven incorporated municipalities in the 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 no later than April 30 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 effect 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. These outstanding encumbrances are reported as "Reserved for Encumbrances" in the fund balance section of the Governmental Funds Balance Sheet (Exhibit C) 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 just like it has been for the entire nation. Local indicators point to little to no growth in revenue due to recent declines in consumer spending and the market effects on investment earnings. The City has projected little to no growth in the current fiscal year due to conservative budget estimates. Per the North Carolina Fiscal Research Division's September report, the latest expectations are that the stagnant, slow growth scenario that emerged this summer will stay with us the rest of 2010. Most economic forecasts expect an uptick in economic growth by mid-2011. Various national forecasts assume that the national unemployment rate will remain above 9% through much of 2011. North Carolina is not expected to fare any different than the nation with respect to employment growth and the unemployment rate. 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. Consumer spending is finally starting to show signs of recovery, but the growth remains at low levels. Principal products and services of major businesses include electrical devices, plastics, 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. 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.

Concord has been aggressive in pursuing Federal stimulus money intended to spark economic activity across the country. The City has received the following awards:

- Brownfield Assessment Grant for private sector entities to conduct Phase 1 and, if needed, Phase 2 environmental assessments on privately owned property
- FTA - Section 5307 Grant (urban area formula grant) awarded through NCDOT for Transit Center furnishings and technology for automated bus locator/real-time arrival system
- Energy Efficiency and Conservation Block Grant (EECBG) for traffic signals, street lighting, and energy efficiency building retrofit improvements
- Department of Justice Byrne/JAG Grant to upgrade police radios and purchase in-car cameras for vehicles
- Community Development Block Grant (CDBG) for sidewalks on Cabarrus Ave. and Lincoln St., and storm drainage on Swink St.
- Public Housing Capital Fund Grant for improvements to public housing units' water service infrastructure

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.

In late June of 2007, Philip Morris announced it would cease operating its manufacturing facility in Concord by the end of 2010. In April of this year Philip Morris announced this closure would occur in July of 2010. This "double hit" of the recession and the loss of Concord's largest taxpayer and one of the largest water and sewer ratepayers are substantial. The advanced notice allowed the City to prepare for the loss in Philip Morris revenues through careful financial planning. Of course, the City will be in better shape when the region's economy begins to rebound.

Philip Morris currently represents around $2,500,000 in tax revenues for Concord, a reduction in excess of $2,000,000 when compared to prior years. The City met this challenge by preparing in advance for the loss of this revenue. While proportionally the impact on overall water and wastewater revenues is not as great as the reduction in tax base, the loss was immediate. A combined $1.8 million will be lost due to the closing of the plant in FY 2009-10. This was partially offset by water and sewer rate increases for 2009-10.

LONG TERM FINANCIAL PLANNING

Despite the economy, investment in infrastructure continues. For example, a new common aircraft hangar has been completed at Concord Regional Airport and work is getting ready to begin on privately funded hangars in the south development area, which the City has worked on for the past several years. Work on Airport runways and taxiways have been continuous, as this infrastructure has proven vital to our local economy.

In the area of surface transportation, a new Transit Center is expected to open this fall. This center will accommodate the buses from the joint Concord and Kannapolis RIDER Transit system. The facilities are designed to meet LEED certification levels as a "green" building. Ridership in this system as well as the Concord Express connection between Concord and Charlotte continues to be strong.

Improvements to area roads are also planned. The City is matching federal dollars to design and construct a widening project for Derita Road, a major economic development corridor and the entrance to Concord Regional Airport. The City is partnering with NCDOT to improve Morehead Road to address safety and congestion problems and to fund improvements to the Cabarrus Railroad bridge. Finally, the City is up-fronting dollars so that the extension of George Liles Parkway can start earlier than programmed in the NC Transportation Improvement Plan. 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.

During the past fiscal year the City opened Fire Station 9, located on City property at the intersection of Poplar Tent and Ivey Cline Roads. The City is now placing a temporary fire station building, Station 10, on Poplar Tent Road further out near Harris Road. This has been the fastest growing part of Concord. When this station is completed, the firefighters assigned to the pumper at Station 6 at Concord Regional Airport will be relocated, leaving those assigned to ensuring the safety at Airport. Federal funds are being pursued for the construction of this new station, but if this is not achieved there is a good chance a temporary facility will be constructed. Station 5 is also undergoing renovations and a new ladder truck will be purchased in this fiscal year.

The City's greenways continue to expand though out the community. Preliminary routing of a portion of the Rocky River Greenway is complete. The plan is to use this information to seek matching funding for actual projects. This greenway is part of the regional Carolina Thread Trail effort. The downtown greenway connector was completed connecting Mickey McGee Park and Harold McEachern Greenway to McCachern Blvd.

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 also conducted extensive reviews of 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. Revenue bonds have been issued to pay for an elevated storage tank and other improvements to provide coverage to growing areas in Concord. Additional water sources are being actively pursued. It is anticipated that by the end of this fiscal year, Concord will be well underway with the design of a water line to connect with the City of Albemarle's system in partnership with Albemarle and Kannapolis. This involves using an interbasin transfer certificate obtained in 2007 which provides

for 10 MGD from the Yadkin and 10 MGD from the Catawba River. The City will also continue to be a leader in North Carolina in maximizing conservation efforts with its customers.

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, 2010, the City's cash resources were invested as follows:

U.S. Government agencies	90%
Certificates of Deposit	8%
NCCMT	2%
Total	100%

The average yield on investments at June 30, 2010 is estimated at 1.9% 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 2010 year was determined as part of the December 31, 2008 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 89 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 undesignated General Fund fund balance minimum between 30% and 35% of General Fund expenditures.
2. The City will evaluate ending undesignated General Fund fund balance each year to determine if an amount is available for transfer to the capital reserve fund. Any amount over the undesignated 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, 2009.

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 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

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

CITY OF CONCORD, NORTH CAROLINA

CITY GOVERNING BODY AND OFFICIALS

Members of the Governing Body

City Council

J. Scott Padgett	Mayor
David W. Phillips	Mayor Pro Tempore

W. Lamar Barrier
Alfred M. Brown, Jr.
Hector H. Henry, II
Jim Ramseur
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 ORGANIZATION CHART

Citizens of Concord

Mayor & City Council

City Attorney - 2 FTE
- Support Services - 3 FTE

City Manager - 1 FTE

Assistant City Manager - 1FTE

- Aviation - 35.25 FTE
- Communications
  - Radio Shop - 4.5 FTE
  - Emergency Communications - 22.5 FTE
- Fire & Life Safety
  - Fire & Life Safety Operations - 182 FTE
  - Fire Prevention - 6 FTE
  - Fire Training - 2 FTE
  - Emergency Management - 2.85 FTE
- Housing
  - Operations/Vouchers/Networks/Ross - 16 FTE
- Parks & Recreation
  - Parks & Recreation - 22
  - Aquatics - 0 FTE (all staff are PT- temporary)
- Police
  - Sworn - 157.25 FTE
  - Non-Sworn - 20 FTE
  - Code Enforcement - 7 FTE
- Data Services (contract arrangement)
  - GIS - 1 FTE
- Customer Care Center - 7.65 FTE

Deputy City Manager - 1 FTE
- Administrative Support - 1 FTE

- Buildings & Grounds
  - Cemeteries - 8 FTE
  - Buildings & Grounds - 38.5 FTE
- 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 - 5 FTE
- Engineering - 25 FTE
- Solid Waste & Recycling - 33 FTE
- Stormwater - 20.25 FTE
- Fleet Services - 13 FTE
- Development Services - 9 FTE
- Business & Neighborhood Services
  - Business & Neighborhood Services - 8.85 FTE
  - CDBG - 1.5 FTE
  - HOME - 1.3 FTE
- Transportation
  - Traffic Services - 5 FTE
  - Traffic Signals - 4 FTE
  - Streets & Traffic - 27 FTE
- Water Resources
  - Hillgrove Water Treatment Plant - 14.5 FTE
  - Coddle Creek Water Treatment Plant - 15.5 FTE
  - Waterlines Operations - 34.75 FTE
- Wastewater Resources - 30 FTE
- Public Transit - 2 FTE

City Manager's Office
- Clerk - 1 FTE
- Management Analyst- 1 FTE
- Administrative Support - 1 FTE
- Risk Management- 2 FTE
- Public Information- 1 FTE

Finance
- Billing - 11 FTE
- Customer Service - 16 FTE
- Finance - 13.35 FTE
- Purchasing - 8 FTE
- Tax - 4.5 FTE
- Utilities Collections - 4.5 FTE

Human Resources - 6 FTE
- Wellness Center (contract arrangement)

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

POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2010, which collectively comprise the City of Concord, North Carolina's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Concord, North Carolina's management. Our responsibility is to express an opinion 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of the other auditor, provides a reasonable basis for our 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 City's component unit, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2010 on our consideration of the City of Concord, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and

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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* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule and Other Postemployment Benefits (OPEB) Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Concord, North Carolina's financial statements as a whole. The introductory section, the other supplementary information section, and the statistical section as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The other supplementary information and the schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

October 25, 2010
Monroe, North Carolina

Potter & Company

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, 2010. 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 of the City's governmental and business type activities exceeded its liabilities at the close of the most recent fiscal year by $683,880,481 (*net assets*). Of this amount, $153,561,340 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by $14,726,444 (2%). The growth is attributable to an increase in cash and investments.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $71,983,040, an increase of $8,249,943 in comparison with the prior year. Approximately 80 percent of this total amount or $57,749,667 is available for spending at the government's discretion (*unreserved fund balance*). The increase in combined ending fund balances is a result of an excess of revenues over expenditures for the fiscal year.
- At the end of the current fiscal year, unreserved fund balance for the general fund was $37,441,965 or 51 percent of total general fund expenditures.
- The City holds the following underlying bond ratings:

	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 two 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 assets* and how they have changed.

The *statement of net assets* includes all of the City's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 30 through 32 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 twenty one individual 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 Assets 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, Fleet Service 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 43 through 50 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 51 through 52 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 54 through 77 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 78 through 81 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 84 through 101 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 146 through 147.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the City exceeded liabilities by $683,880,481 as of June 30, 2010.

By far the largest portion of the City's net assets (77 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 Net Assets
Table 1

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	$79,108,927	$69,827,601	$108,928,351	$97,703,307	$188,037,278	$167,530,908
Capital assets	316,966,698	334,185,850	368,713,796	364,408,757	685,680,494	698,594,607
Total Assets	396,075,625	404,013,451	477,642,147	462,112,064	873,717,772	866,125,515
Long-term liabilities outstanding	41,164,252	42,794,276	133,847,742	137,432,441	175,011,994	180,226,717
Other liabilities	5,233,416	4,776,303	9,591,881	11,968,458	14,825,297	16,744,761
Total liabilities	46,397,668	47,570,579	143,439,623	149,400,899	189,837,291	196,971,478
Net assets:						
Invested in capital assets, net of related debt	285,243,071	299,238,599	243,365,138	232,711,487	528,608,209	531,950,086
Restricted	1,710,932	1,716,091	-	-	1,710,932	1,716,091
Unrestricted	62,723,954	55,488,182	90,837,386	79,999,678	153,561,340	135,487,860
Total net assets	$349,677,957	$356,442,872	$334,202,524	$312,711,165	$683,880,481	$669,154,037

An additional portion of the City's net assets (less than 1 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($153,561,340) 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 assets, 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 $6,764,915 in net assets reported in connection with the City of Concord's governmental type activities. This decrease is associated with a decrease in capital assets. Governmental-type activity's total liabilities decreased $1,172,911 as the City continues to reduce long term debt balances. Unrestricted assets increased as more resources are not subject to external restrictions.

During the current fiscal year, total net assets for business-type activities increased by $21,491,359. Business-type total liabilities decreased $5,961,276. 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 assets.

City of Concord's Changes in Net Assets

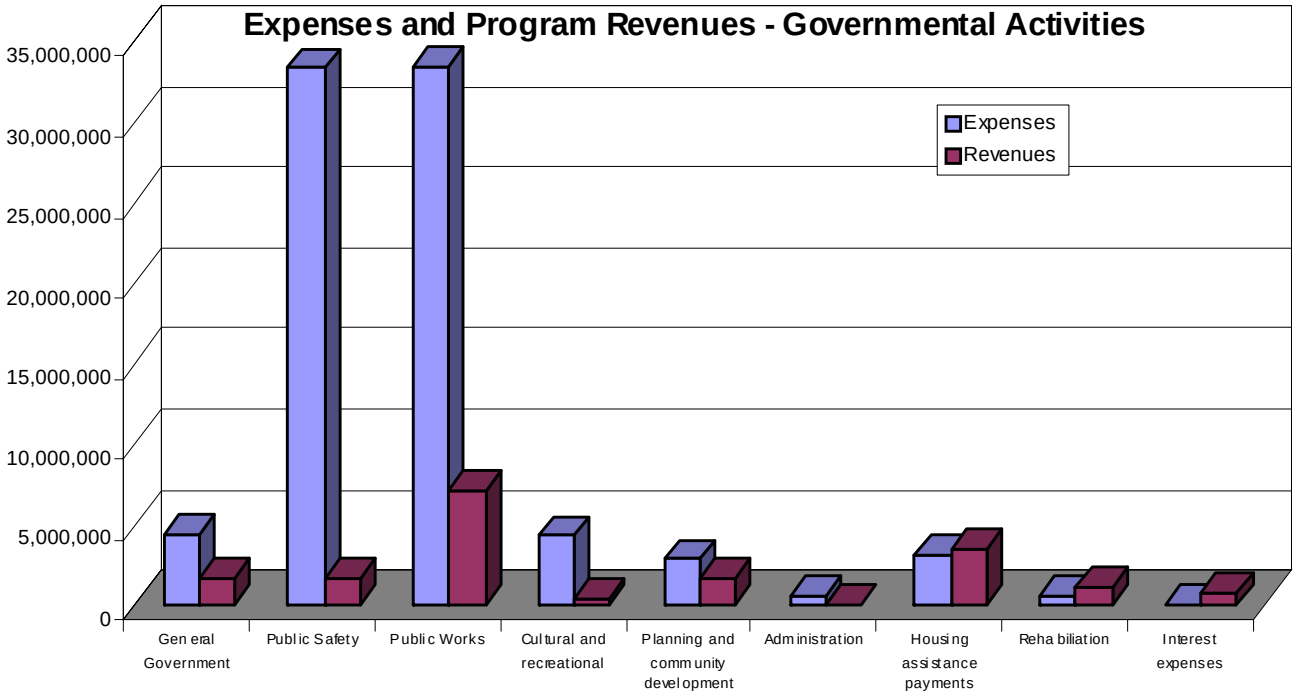
Table 2

	Governmental Activites		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	$4,559,795	$4,484,165	$116,805,085	$107,606,324	$121,364,880	$112,090,489
Operating grants/ contributions	8,039,500	6,772,165	5,178,504	3,191,973	13,218,004	9,964,138
Capital grants/contributions	4,399,871	12,178,471	8,497,858	7,721,792	12,897,729	19,900,263
General revenues:						
Ad valorem taxes	45,363,018	44,094,142	-	-	45,363,018	44,094,142
Other taxes	12,567,428	13,390,448	-	-	12,567,428	13,390,448
Grants and contributions not restricted to specific programs	2,642,020	3,237,013	-	-	2,642,020	3,237,013
Investment earnings	1,322,057	1,385,206	1,571,516	2,467,828	2,893,573	3,853,034
Miscellaneous gain(loss)	761,842	1,230,921	(21,017)	182,333	740,825	1,413,254
Total revenues	79,655,531	86,772,531	132,031,946	121,170,250	211,687,477	207,942,781
Expenses:						
General government	4,354,769	3,603,395	-	-	4,354,769	3,603,395
Public safety	33,333,315	32,327,159	-	-	33,333,315	32,327,159
Public works	33,362,313	31,815,013	-	-	33,362,313	31,815,013
Cultural & recreational	4,287,048	4,356,816	-	-	4,287,048	4,356,816
Planning & community development	2,840,033	2,516,223	-	-	2,840,033	2,516,223
Administration	656,431	557,556	-	-	656,431	557,556
Housing assistance payments	3,119,188	3,351,185	-	-	3,119,188	3,351,185
Rehabilitation	553,868	680,796	-	-	553,868	680,796
Interest on long term debt	1,773,371	1,847,213	-	-	1,773,371	1,847,213
Electric	-	-	63,797,452	63,073,567	63,797,452	63,073,567
Water	-	-	15,550,286	15,692,404	15,550,286	15,692,404
Wastewater	-	-	13,507,142	14,205,883	13,507,142	14,205,883
Regional airport	-	-	10,023,077	10,668,036	10,023,077	10,668,036
Stormwater	-	-	3,946,044	3,879,657	3,946,044	3,879,657
Other nonmajor business-type activities	-	-	5,856,696	6,403,396	5,856,696	6,403,396
Total expenses	84,280,336	81,055,356	112,680,697	113,922,943	196,961,033	194,978,299
Increase (decrease) in net assets before transfers	(4,624,805)	5,717,175	19,351,249	7,247,307	14,726,444	12,964,482
Transfers	(2,140,110)	(2,790,209)	2,140,110	2,790,209	-	-
Increase (decrease) in net assets	(6,764,915)	2,926,966	21,491,359	10,037,516	14,726,444	12,964,482
Net assets, July 1	356,442,872	353,515,906	312,711,165	302,673,649	669,154,037	656,189,555
Net assets, June 30	$349,677,957	$356,442,872	$334,202,524	$312,711,165	$683,880,481	$669,154,037

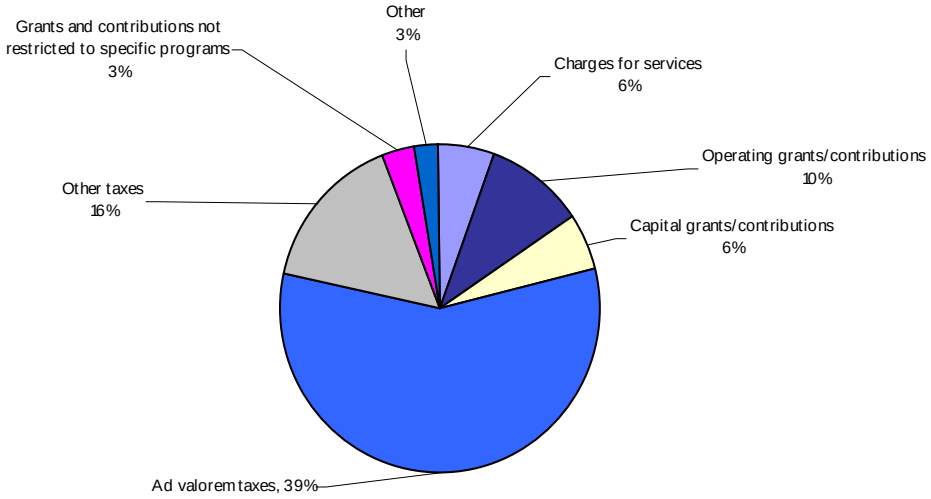
Governmental Activities

In fiscal year 2010, the net assets of governmental activities decreased by $6,764,915. This decrease is the result of continued declines in the City's total revenues (8%). Table 2 above, illustrates key elements of the decrease in the governmental activities net assets. Listed below are a few points highlighting significant changes in net assets.

- Property taxes increased by $1,268,876 (3%) during the year. This increase represents a small amount of assessed value growth over the past year.
- As the economy continued to decline, so did many of the City's revenue sources. Various grants and contributions declined $8,373,593.
- Investment earnings decreased 5% as interest rates remain below 1%.
- The governmental activities increase in expenses (4%) closely parallel inflation and increases for personnel costs. The City implemented spending restrictions in fiscal year 2010, which were needed due to the decrease in revenue collections.



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net assets by $21,491,359 (7%). The water, wastewater and aviation funds recorded capital contributions of $789,010, $2,824,982 and $4,883,866 respectively, in the most recent fiscal year. Developers of subdivisions within the City's service area donated this water and wastewater infrastructure.

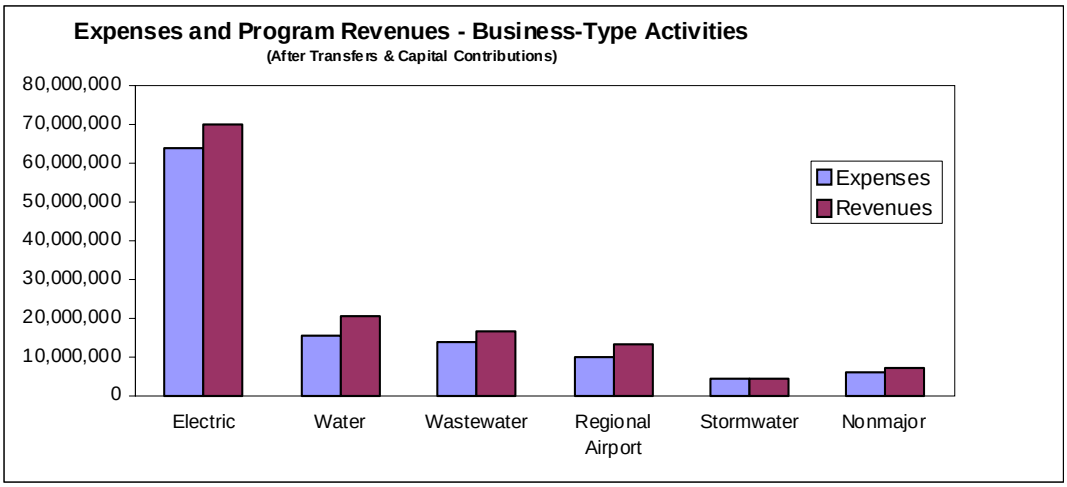
Key elements of the increase in business type activities, illustrated in table 2 located on page 19 are as follows:

- Charges for services for business-type activities increased by 9%, $9,198,761.
  - The cities water and wastewater divisions' increased 10% and 7% respectively. The increase is due to system usage returning to more normal levels as this area of the state recovers from a severe drought in the prior year. The City also implemented rate increases, an average 4% for water and wastewater residential customers, which were needed to offset the immediate loss of the City's major user, Philip Morris. The City continues to encourage customers to conserve and use less water and a tier water rate schedule was adopted by City Council to encourage conservation.
  - Aviation charges for service decreased 18% when compared to the previous year. The Concord Regional Airport (CRA) continues to be one of the busiest general aviation airports in North Carolina, but current economic conditions have resulted in a decrease in demand from recreational flyers, motorsports industry employees and clientele. Current projections indicate that the demand for fuel will increase, but it will take time for the economy to recover and growth will be slow.
  - Stormwater charges for service increased 14% when compared to last year's collections. The Stormwater program has operated for four 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.

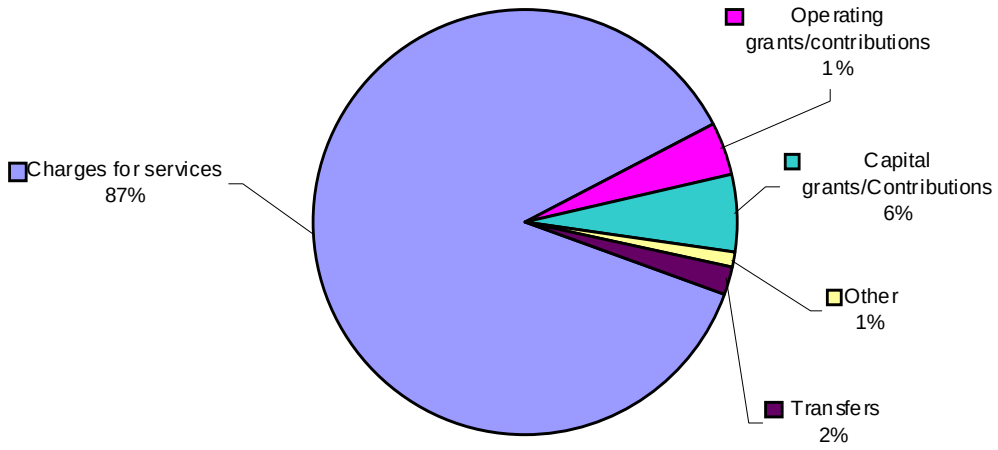
- Electric charges for service increased 13% for fiscal year 2010. Duke Energy Corporation, the main supplier for City power, continues to increase the wholesale costs to the City. During calendar year 2008, these costs increased approximately 18.5%. Due to these large increases, the City evaluated rates during fiscal year 2009. Effective May of 2009, the City Council approved a 9% rate increase to offset the large increase in wholesale costs. 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 2010 reflects another 7% retail rate increase that was effective January 1, 2010.

- Expenses were relatively unchanged (less than 1%) when compared to the prior year. The City had implemented budget cuts in the prior year 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 FY2010 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 2% in fiscal year 2010 which were entirely a result of the wholesale rate increases passed to the City from Duke Power.
  - Water operating expenses increased 2% this year, due to an increase in water plant and lake operating costs which was associated with the increase in water sales as discussed earlier. Wastewater operating costs were down 2% as this department implemented operating budget cuts to ensure that any decrease in rate revenue would be offset by a reduction in expenses.
  - The airport operating expenses decreased 6%; the majority of this decrease was associated with the cost of fuel for resale and the amount of fuel the airport purchased. As previously discussed, the demand for fuel was not as high; therefore, the airport did not purchase as much fuel.

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, Fleet, Purchasing, and Building and Grounds.



Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City of Concord's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unreserved 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 $71,983,040, an increase of 13 percent in comparison with the prior year. Funds that are available for spending at the government's discretion (unreserved and undesignated) represent 80% of the City's ending fund balance. The remaining fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate purchase orders of the prior period ($1,414,130), 2) to fund eligible Powell Bill expenses ($1,578,359), 3) to reserve the amount required by state statute ($11,050,411) and 4) for a variety of other restricted purposes ($190,473).

The general fund is the principal operating fund of the City of Concord. At the end of the current fiscal year, the unreserved fund balance in the general fund was $37,441,965, while total fund balance for the general fund reached $51,068,523; representing a decrease of $1,438,579. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 51 percent of total general fund expenditures, while total fund balance represents 69 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 $15,086,545 but transfers to other funds depleted the operating income. The City transferred $7,000,000 to the capital reserve fund for future projects and capital outlay.

Other governmental fund balance increased $9,688,522 due to the large transfers from the general fund for City projects and reserve funds.

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 assets of the electric fund, the water fund, the wastewater fund and the regional airport fund at the end of the year were $31,987,624, $39,369,821, $8,587,685 and $6,019,352 respectively. The unrestricted net assets of all other enterprise funds were $10,037,516. The total growth in net assets for the proprietary funds was $21,491,359. Factors affecting the growth are addressed in more detail in the discussion of the City of Concord's business-type activities above.

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 $10,997,069 or 17%. This does represent a significant budgetary variance between original and final amended budget for the City. A few material differences between original and amended budgets are as follows:

- The restricted intergovernmental revenue's budget was increased $1,045,052 (includes Powell Bill) to reflect grants and other restricted intergovernmental revenues that were received during that but not included in the City's original budget.
- Revenue bonds were refunded in the current year. This refunding was not in the original budget and the refunding resulted in an increase to the City's budget of $2,763,005.
- The City Council also approved moving $7,000,000 to the capital reserve fund for future projects and capital; this item also increased the City's original budget.

At year-end, *actual* revenues exceeded *final amended budget* numbers by 6%. *Actual* expenditures were less than *final budgetary* figures by 7%, resulting in excess of revenues over expenditures of $15,086,545.

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, 2010, totals $685,680,494 (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 1.4 percent (a 4.3 percent decrease for governmental activities and a 1 percent increase 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 $3,696,574.
- Construction of airport runway extension and improvements totaling $6,667,235.
- Purchase of 1 new fire truck totaling $489,938.
- Purchase of vehicles and equipment for general fund totaling $1,394,665.
- The extension of the distribution and transmission lines for the City's water system and upgrades/improvements to the system in the amount of $1,257,641.
- The extension of the distribution and transmission lines for the City's wastewater system totaling $780,340.
- Extension and improvements of the Parks & Recreation facilities, grounds, and the greenway systems totaling $2,530,634.
- New Transit Center land purchase, construction in progress and upgrades to vehicles and equipment totaling $2,116,845.

Additional information on the City of Concord's capital assets can be found in Note 5 of the Basic Financial Statements located on page 63.

Capital Assets

Table 3

	Governmental Activities		Buiness-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	$ 51,104,175	$ 50,692,012	$ 37,998,398	$ 37,496,435	$ 89,102,573	$ 88,188,447
Construction in progress	1,667,943	5,779,345	22,964,022	22,936,341	24,631,965	28,715,686
Buildings and systems	45,831,393	40,413,989	55,587,123	55,570,411	101,418,516	95,984,400
Improvements other than buildings	2,540,715	2,430,708	383,704,500	367,416,145	386,245,215	369,846,853
Machinery and equipment	31,951,840	31,332,761	25,748,533	24,517,581	57,700,373	55,850,342
Infrastructure	472,274,498	467,645,226	-	-	472,274,498	467,645,226
Sub-total	605,370,564	598,294,041	526,002,576	507,936,913	1,131,373,140	1,106,230,954
Less Accum. Depreciation	(288,403,866)	(266,896,986)	(157,288,780)	(143,561,826)	(445,692,646)	(410,458,812)
Total	$ 316,966,698	$ 331,397,055	$ 368,713,796	$ 364,375,087	$ 685,680,494	$ 695,772,142

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of $161,124,582 (principal). Of this amount, $85,000 comprises debt backed by the full faith and credit of the City and $111,700,838 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has $33,530,000 and $15,808,744 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General Obligation bonds	$ 85,000	$ 235,000	$ -	$ -	$ 85,000	$ 235,000
Installment purchases	5,478,589	5,990,676	10,330,155	11,081,737	15,808,744	17,072,413
Revenue Bonds	3,263,436	3,107,985	108,437,402	110,790,695	111,700,838	113,898,680
Installment notes	22,827,483	25,593,310	10,702,517	12,216,690	33,530,000	37,810,000
Total long-term debt	$ 31,654,508	$ 34,926,971	$ 129,470,074	$ 134,089,122	$ 161,124,582	$ 169,016,093

In the current fiscal year, the City of Concord's total debt decreased by $7,891,511 (4.5 percent). New debt is listed below:

- 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, 2010 was $240,074.

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 $828,297,388. The current debt limitation for the City of Concord is $856,688,460, 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 65 through 71 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Cabarrus County at June of 2010 was 10.8%, which is a decrease from a rate of 11.7% in June of 2009. The state's unemployment rate for June of 2010 was 10%. (Source: Cabarrus Economic Development Corporation)

- Population has increased from 27,347 in 1990 to an estimated 81,370 as of July 1, 2009 (per the Office of State Budget and Management), which represents a growth rate of 197%. The City experienced a 2% growth in current year population when compared to the certified population estimate as of July 1, 2008.

- The economy will be the biggest factor impacting future Concord budget recommendations. The economic conditions have hurt sales and property tax collections. Even if consumer spending begins to grow, the City will likely not see a rebound in sales tax receipts related to 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 challenges faced by the State of North Carolina will likely be even greater. The State is in the process of making additional cuts to prepare for FY 2010-11 with the knowledge that the loss of Federal stimulus dollars will lead to an even deeper hole for FY 2011-12. The State withheld a portion of the FY2009-10 beer and wine taxes due to local governments. It is unknown if this will carry through to FY2010-11. Powell Bill receipts continue to decline due to economic conditions and changes in driving habits.

- In late June of 2007, Philip Morris announced it would cease operating its manufacturing facility in Concord by the end of 2010. In April of this year Philip Morris announced this closure would occur in July of 2010. This "double hit" of the recession and the loss of Concord's largest taxpayer and one of the largest water and sewer ratepayers are substantial. Because of the size of the property and the status of the economy, the marketing of the 2,000+ acre site formerly occupied by Philip Morris has been slow. The General Fund will continue to see the impact of the loss of this industry until new development starts to take place on the property. We continue to plan for an eventual loss in tax revenues of at least $2,101,200, which is equivalent to approximately 2.1 cents to the tax rate. This loss in valuation also impacts Concord's sales tax receipts since the City's share goes down as its proportion of the overall tax assessment declines. The water and wastewater funds also experienced revenue losses due to the closing. While proportionally the impact on overall water and wastewater revenues is not as great as the eventual reduction in tax base, a combined $1.8 million was lost due to the closing of the plant in FY 2009-10. This led to the recommendation to cut costs significantly in both FY 2008-09 and 2009-10 and the necessity of increasing rates. The impact of the loss of Philip Morris as a water and wastewater utility customer has been fully realized.

- Concord has been aggressive in pursuing Federal stimulus money intended to spark economic activity across the country. Most of these funds, to date around $3,000,000, are reflected in the budget because the projects are underway and approved by the appropriate Federal agencies.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2011. The amount available for appropriation in the general fund is $37,441,965. Concord has no appropriation from fund balance for the 2011 fiscal year.

The tax base used in the fiscal year 2011 budget preparation represented a 2% decrease in real property values from fiscal year 2010. The decrease is a result of the lost property values associated with Philip Morris as discussed earlier in this document. The tax rate will remain at $.4200 per $100 for fiscal year 2011.

During FY 2009-10, the City undertook the most comprehensive evaluation of the municipal electric system that has occurred since its beginning over 100 years ago. The study included a cost-of-service and revenue study, comparison of service levels and efficiencies with other benchmark electric providers, an analysis of the financial interrelationships between the Concord electric system and other City utility and non-utility functions, legal issues, the value of the current system, and the pros and cons of operating a municipal system in today's market. This study was necessary due to the dramatic changes that have occurred in the energy sector. Economic conditions have impacted the growth in consumption at the same time that alternative fuels and energy conservation have become a nationwide focus. The City also finished its first year under a new purchased power contract with Duke Energy, so the study included recommendations on how the City should keep the Electric fund financially sound as the provisions impact the cost of power in the future. The contract 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. This increased the cost to Concord and, when added to the significant fuel adjustment increases Duke imposed over the past several years, led to the need to adjust rates. The structure of the agreement also makes it more challenging for the City to predict Duke's peak usage to save money by using our own generation and it also allows Duke to use these City's peak shaving resources on a defined basis. The Council adopted new policies on setting rates based on purchased power costs and factors that include operation and maintenance expenses, debt service requirements, maintaining reserves and return to the City. Customer rate classes were updated to better reflect the market. In late 2009, Council adopted a two phased rate adjustment across customer classes that were designed to increase total system rate revenue over two years by approximately 7.7%. The first phase was implemented in January 2010 which will increase retail rates by 3.44%. The current budget contains projections to implement the second phase in January 2011 which will increase rates 4.3%.

Water rates and charges will remain unchanged for the 2011 budget year. The three tier water rate structure is designed to promote water conservation and to adjust volumetric rates charged to each customer class to be more consistent with actual differences in the cost of service among classes.

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. Wastewater volume charges increase in the 2011 budget year. The wastewater rates were increased by an average of $.96 per month for the average residential customer's bill based upon average consumption per household of 4,800 gallons. The primary reason for the wastewater rate increase is the immediate loss of revenues from the Philip Morris shutdown. Due to the sudden nature of this announcement and the current economic conditions, there has not been time for adequate new growth to offset the loss of this customer. In addition, capital funds are needed for vital future wastewater projects.

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 2010-11 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.

Due to the continued economy issues, the City increased each full-time employee's annually salary by the modest amount of $600 in FY 2010-11. Any coworker receiving a performance evaluation rating of "meets expectations" or better would have this amount added to their annual salary at the time of the evaluation. Also, the City's annual salary survey did identify the need to adjust salaries for a very few classifications that were found to be behind the labor market. Monies were budgeted to implement the study findings. Management would have liked to

recommend a higher performance based increase using a formula based on percentage of salary; however, financial limitations would not allow this across funds. Certainly the City will have to pay particular attention to the action of other local governments in the region to make sure salaries remain competitive.

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.ci.concord.nc.us*.

STATEMENT OF NET ASSETS
June 30, 2010

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Cash and investments	$ 68,502,162	$ 62,709,425	$ 131,211,587	$ 2,253,586
Receivables, net	9,031,812	22,793,234	31,825,046	-
Inventories	70,227	3,238,578	3,308,805	1,131,033
Prepaid expenses	57,900	358,061	415,961	35,321
Restricted assets - cash and investments	1,247,341	14,089,116	15,336,457	-
Capital assets:				
Non-depreciable	52,772,118	60,962,420	113,734,538	20,000
Depreciable, net	264,194,580	307,751,376	571,945,956	220,296
Bond issuance costs, net	199,485	5,739,937	5,939,422	-
Total assets	396,075,625	477,642,147	873,717,772	3,660,236
LIABILITIES				
Accounts payable and accrued liabilities	3,476,885	7,144,819	10,621,704	417,162
Accrued interest payable	-	404,526	404,526	-
Unearned revenues	858,177	-	858,177	-
Deposits	898,354	2,042,536	2,940,890	-
Non-current liabilities:				
Due within one year:				
Long-term debt	5,770,223	8,403,995	14,174,218	-
Installment purchases	520,433	756,937	1,277,370	-
Due in more than one year:				
Long-term debt	29,915,440	115,113,592	145,029,032	-
Long-term installment purchases	4,958,156	9,573,218	14,531,374	-
Total liabilities	46,397,668	143,439,623	189,837,291	417,162
NET ASSETS				
Invested in capital assets, net of related debt	285,243,071	243,365,138	528,608,209	240,296
Restricted:				
Streets and highways	1,578,359	-	1,578,359	-
Other	132,573	-	132,573	-
Unrestricted	62,723,954	90,837,386	153,561,340	3,002,778
Total net assets	$ 349,677,957	$ 334,202,524	$ 683,880,481	$ 3,243,074

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

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	$ 4,354,769	$ 1,593,175	$ -	$ -
Public safety	33,333,315	739,461	902,861	-
Public works	33,362,313	-	2,699,011	4,399,871
Cultural and recreational	4,287,048	251,425	145,000	-
Planning and community development	2,840,033	1,316,731	312,310	-
Administration	656,431	-	-	-
Housing assistance payments	3,119,188	4,046	3,507,646	-
Rehabilitation	553,868	654,957	472,672	-
Interest expense	1,773,371	-	-	-
Total governmental activities	84,280,336	4,559,795	8,039,500	4,399,871
Business-type activities:				
Electric	63,797,452	69,955,857	-	-
Water	15,550,286	19,272,961	-	789,010
Wastewater	13,507,142	13,773,878	-	2,824,982
Regional airport	10,023,077	8,092,461	-	4,883,866
Stormwater	3,946,044	3,989,017	-	-
Golf course	1,839,807	1,283,011	-	-
Housing	1,423,946	254,087	1,450,298	-
Transit	2,592,943	183,813	3,728,206	-
Total business-type activities	112,680,697	116,805,085	5,178,504	8,497,858
Total primary government	$ 196,961,033	$ 121,364,880	$ 13,218,004	$ 12,897,729
Component unit - City of Concord, ABC Board	$ 6,878,576	$ 6,924,380	$ -	$ -

General revenues:
- Taxes:
  - Ad valorem
  - Local government sales tax
- Grants and contributions not restricted to specific programs:
  - Intergovernmental
- Investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (2,761,594)	$ -	$ (2,761,594)	$ -
(31,690,993)	-	(31,690,993)	-
(26,263,431)	-	(26,263,431)	-
(3,890,623)	-	(3,890,623)	-
(1,210,992)	-	(1,210,992)	-
(656,431)	-	(656,431)	-
392,504	-	392,504	-
573,761	-	573,761	-
(1,773,371)	-	(1,773,371)	-
(67,281,170)	-	(67,281,170)	-
-	6,158,405	6,158,405	-
-	4,511,685	4,511,685	-
-	3,091,718	3,091,718	-
-	2,953,250	2,953,250	-
-	42,973	42,973	-
-	(556,796)	(556,796)	-
-	280,439	280,439	-
-	1,319,076	1,319,076	-
-	17,800,750	17,800,750	-
(67,281,170)	17,800,750	(49,480,420)	-
-	-	-	45,804
45,363,018	-	45,363,018	-
12,567,428	-	12,567,428	-
2,642,020	-	2,642,020	-
1,322,057	1,571,516	2,893,573	6,187
761,842	(21,017)	740,825	57,750
(2,140,110)	2,140,110	-	-
60,516,255	3,690,609	64,206,864	63,937
(6,764,915)	21,491,359	14,726,444	109,741
356,442,872	312,711,165	669,154,037	3,133,333
$ 349,677,957	$ 334,202,524	$ 683,880,481	$ 3,243,074

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

GOVERNMENTAL FUNDS

BALANCE SHEET
June 30, 2010

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	$ 43,911,272	$ 24,590,890	$ 68,502,162
Receivables:			
Ad valorem taxes, net	1,687,223	5,763	1,692,986
Due from other governmental agencies	756,312	374,960	1,131,272
Sales tax refunds	787,497	-	787,497
Interest	233,376	34,230	267,606
Due from other funds	4,524,963	-	4,524,963
Other, net	4,141,448	197,625	4,339,073
Inventories	70,227	-	70,227
Prepaid items	57,900	-	57,900
Restricted assets - cash and investments	1,247,022	319	1,247,341
Total assets	$ 57,417,240	$ 25,203,787	$ 82,621,027
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	$ 2,904,963	$ 571,922	$ 3,476,885
Due to other funds	-	3,711,585	3,711,585
Deferred revenues	2,545,400	5,763	2,551,163
Deposits	898,354	-	898,354
Total liabilities	6,348,717	4,289,270	10,637,987
Fund Balances (Deficits)			
Reserved by State Statute	10,443,596	606,815	11,050,411
Reserved for encumbrances	1,414,130	-	1,414,130
Reserved for streets, Powell Bill	1,578,359	-	1,578,359
Reserved for other specific uses	62,346	-	62,346
Reserved for inventories	70,227	-	70,227
Reserved for prepaids	57,900	-	57,900
Unreserved:			
Designated for subsequent year's expenditures - general fund	-	-	-
Undesignated			
General fund	37,441,965	-	37,441,965
Capital project funds	-	6,964,454	6,964,454
Special revenue funds	-	17,114,106	17,114,106
Debt service fund	-	(3,770,858)	(3,770,858)
Total fund balances (deficits)	51,068,523	20,914,517	71,983,040
Total liabilities and fund balances	$ 57,417,240	$ 25,203,787	$ 82,621,027

See Notes to Financial Statements.

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

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2010

Fund balances - total governmental funds		$ 71,983,040
Amounts reported for governmental activities in the statement of net assets 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	$ 605,370,564	
Less accumulated depreciation	288,403,866	316,966,698
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Bond issuance cost	215,381	
Less accumulated amortization	15,896	199,485
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	(26,175,919)	
HUD Loan	(1,974,000)	
Governmental installment purchases	(5,478,589)	
Separation allowance	(1,082,923)	
OPEB Liability	(3,948,001)	
Accrued vacation payable	(2,435,701)	(41,095,133)
Bond premium	(75,800)	
Less accumulated amortization	(6,681)	(69,119)
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements		
Deferred revenues		1,692,986
Net assets of governmental activities		$ 349,677,957

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, 2010

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	$ 44,897,593	$ 76,899	$ 44,974,492
Other taxes	12,567,428	-	12,567,428
Unrestricted intergovernmental revenues	2,642,020	-	2,642,020
Restricted intergovernmental revenues	3,447,271	4,713,800	8,161,071
Licenses and permits	1,755,810	-	1,755,810
Investment earnings	1,186,711	135,346	1,322,057
Investment earnings, restricted	36,179	-	36,179
Program income	-	654,957	654,957
Other revenues	2,784,188	4,046	2,788,234
Total revenues	69,317,200	5,585,048	74,902,248
Expenditures			
Current:			
General government	4,215,552	-	4,215,552
Public safety	29,277,695	194,440	29,472,135
Public works	11,422,287	-	11,422,287
Cultural and recreational	3,839,337	-	3,839,337
Planning and community development	2,703,690	76,899	2,780,589
Administration	-	656,431	656,431
Housing assistance payments	-	3,119,188	3,119,188
Rehabilitation	-	553,868	553,868
Capital outlay	1,530,952	1,901,285	3,432,237
Debt service	1,241,142	4,050,679	5,291,821
Total expenditures	54,230,655	10,552,790	64,783,445
Excess (deficiency) of revenues over (under) expenditures	15,086,545	(4,967,742)	10,118,803
Other Financing Sources (Uses)			
Issuance of refunding bonds	2,721,512	-	2,721,512
Premium on refunding bonds	41,493	-	41,493
Redemption of refunded bonds	(2,491,755)	-	(2,491,755)
Transfers from other funds	132,651	17,322,544	17,455,195
Transfers to other funds	(16,929,025)	(2,666,280)	(19,595,305)
Total other financing sources (uses)	(16,525,124)	14,656,264	(1,868,860)
Net change in fund balances	(1,438,579)	9,688,522	8,249,943
Fund Balances			
Beginning	52,507,102	11,225,995	63,733,097
Ending	$ 51,068,523	$ 20,914,517	$ 71,983,040

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, 2010

Net change in fund balances - total governmental funds		$ 8,249,943
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	$ 5,063,313	
Current year's depreciation	22,227,352	(17,164,039)
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 assets.		
Principal payments		6,003,810
Premium		6,395
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 issuance costs	(25,615)	
Change in law enforcement officers special separation allowance	(139,618)	
Change in OPEB liability	(1,335,311)	
Change in long-term compensated absences	(132,412)	(1,632,956)
Bond issuance costs are considered an expenditure in the governmental funds, but the costs are deferred and amortized in the statement of net assets		201,525
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		388,526
Proceeds from debt issued		(2,721,512)
Premium on debt issued		(41,493)
Basis of property disposed of during the year		(55,114)
Change in net assets of governmental activities		$ (6,764,915)

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes:				
Current year	$ 42,787,824	$ 42,787,824	**$ 43,721,726**	$ 933,902
Prior years	428,400	428,400	**885,128**	456,728
Penalties and interest	220,000	220,000	**290,739**	70,739
	43,436,224	43,436,224	**44,897,593**	1,461,369
Other taxes:				
Local government sales tax	11,976,880	11,676,880	**12,567,428**	890,548
Unrestricted intergovernmental revenues:				
Officers' fees	61,000	61,000	**59,725**	(1,275)
Utilities franchise tax	1,730,000	1,730,000	**2,461,740**	731,740
Beer and wine tax	296,000	96,000	**113,634**	17,634
Fire protection	6,565	6,565	**6,921**	356
	2,093,565	1,893,565	**2,642,020**	748,455
Restricted intergovernmental revenues:				
State Street-Aid allocations	1,828,264	2,047,946	**2,047,946**	-
Cabarrus County schools	170,000	170,000	**157,750**	(12,250)
Transportation (federal, state and local)	280,400	280,400	**317,498**	37,098
FEMA	-	226,935	**215,656**	(11,279)
Other restricted intergovernmental revenues	-	598,435	**708,421**	109,986
	2,278,664	3,323,716	**3,447,271**	123,555
Licenses and permits:				
Vehicle licenses	366,200	366,200	**386,063**	19,863
Zoning permits	130,000	130,000	**165,451**	35,451
Fire permits and inspections	112,900	134,807	**162,635**	27,828
Privilege license	900,000	934,699	**1,013,305**	78,606
Other	23,025	24,335	**28,356**	4,021
	1,532,125	1,590,041	**1,755,810**	165,769
Investment earnings	900,000	1,000,000	**1,186,711**	186,711
Investment earnings restricted	30,000	30,000	**36,179**	6,179
	930,000	1,030,000	**1,222,890**	192,890
Other general revenues:				
Public safety	328,145	328,145	**399,076**	70,931
Environmental protection	839,960	1,229,960	**1,316,731**	86,771
Miscellaneous	278,325	624,665	**816,956**	192,291
Recreational	212,663	212,663	**251,425**	38,762
	1,659,093	2,395,433	**2,784,188**	388,755
Total revenues	63,906,551	65,345,859	**69,317,200**	3,971,341

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits	$ 159,972	$ 160,945	**$ 153,518**	$ 7,427
Professional services	75,600	75,600	**72,629**	2,971
Operating expenditures	95,056	108,556	**107,261**	1,295
Governing body cost allocations	(175,551)	(175,551)	**(176,706)**	1,155
	155,077	169,550	**156,702**	12,848
City Manager's Office:				
Salaries and employee benefits	594,339	590,903	**559,182**	31,721
Professional services	183,200	183,200	**139,373**	43,827
Operating expenditures	63,740	63,740	**39,641**	24,099
Capital outlay	7,000	7,000	**5,467**	1,533
Administrative cost allocations	(348,929)	(348,929)	**(374,711)**	25,782
	499,350	495,914	**368,952**	126,962
Public Service Administration department:				
Salaries and employee benefits	218,891	218,332	**222,234**	(3,902)
Professional services	28,788	28,788	**7,170**	21,618
Operating expenditures	239,146	233,476	**235,529**	(2,053)
Cost of issuance	-	246,988	**201,525**	45,463
Capital outlay	26,000	51,670	**36,370**	15,300
Debt service	287,635	311,897	**312,485**	(588)
Administrative cost allocations	(574,692)	(574,692)	**(391,583)**	(183,109)
	225,768	516,459	**623,730**	(107,271)
Risk Management department:				
Salaries and employee benefits	-	99,330	**98,130**	1,200
Professional services	-	26,500	**25,455**	1,045
Operating expenditures	-	20,336	**20,427**	(91)
Risk management cost allocations	-	(56,469)	**356**	(56,825)
	-	89,697	**144,368**	(54,671)
Finance department:				
Salaries and employee benefits	813,613	813,613	**818,183**	(4,570)
Professional services	52,559	52,559	**39,920**	12,639
Operating expenditures	71,252	71,252	**63,054**	8,198
Finance cost allocations	(462,535)	(462,535)	**(454,296)**	(8,239)
	474,889	474,889	**466,861**	8,028

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Tax department:				
Salaries and employee benefits	$ 228,549	$ 228,549	**$ 228,730**	$ (181)
Professional services	12,300	12,300	**12,597**	(297)
Operating expenditures	122,096	122,096	**122,254**	(158)
Capital outlay	28,000	28,000	**28,074**	(74)
Cost allocations	12,126	12,126	**11,283**	843
	403,071	403,071	**402,938**	133
Legal department:				
Salaries and employee benefits	407,383	401,980	**402,664**	(684)
Professional services	50,117	25,117	**15,950**	9,167
Operating expenditures	44,968	44,968	**39,714**	5,254
Cost allocations	(259,943)	(259,943)	**(236,522)**	(23,421)
	242,525	212,122	**221,806**	(9,684)
Human resources:				
Salaries and employee benefits	562,407	460,107	**437,576**	22,531
Professional services	60,000	58,500	**55,968**	2,532
Operating expenditures	92,268	71,932	**53,086**	18,846
Human resources cost allocations	(359,686)	(303,217)	**(270,167)**	(33,050)
	354,989	287,322	**276,463**	10,859
Wellness center:				
Professional services	225,024	227,774	**68,428**	159,346
Operating expenditures	43,456	43,456	**11,759**	31,697
Wellness center cost allocations	(82,634)	(82,634)	**(29,669)**	(52,965)
	185,846	188,596	**50,518**	138,078
Nondepartmental:				
Professional services	184,333	184,333	**61,832**	122,501
Operating expenditures	1,978,091	1,711,545	**1,219,067**	492,478
Outside agencies	124,403	141,101	**138,851**	2,250
Cost allocations	460,154	460,154	**465,860**	(5,706)
	2,746,981	2,497,133	**1,885,610**	611,523
Total general government	5,288,496	5,334,753	**4,597,948**	736,805
Public safety:				
Police department:				
Salaries and employee benefits	10,833,359	10,792,338	**11,033,332**	(240,994)
Professional services	159,287	159,287	**143,623**	15,664
Operating expenditures	1,706,330	2,132,000	**1,748,641**	383,359
Capital outlay	558,624	671,591	**490,077**	181,514
Cost allocations	887,962	887,962	**934,854**	(46,892)
	14,145,562	14,643,178	**14,350,527**	292,651

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Communications:				
Salaries and employee benefits	$ 1,085,975	$ 1,066,026	**$ 1,018,227**	$ 47,799
Professional services	7,200	7,200	**4,447**	2,753
Operating expenditures	124,752	59,230	**49,555**	9,675
Cost allocations	9,280	9,280	**9,344**	(64)
	1,227,207	1,141,736	**1,081,573**	60,163
Fire department:				
Salaries and employee benefits	10,622,498	11,181,819	**11,198,461**	(16,642)
Professional services	58,086	58,086	**56,900**	1,186
Operating expenditures	1,424,967	1,499,884	**1,293,857**	206,027
Capital outlay	535,560	609,688	**600,114**	9,574
Debt service	761,748	761,748	**765,262**	(3,514)
Cost allocations	571,674	571,674	**616,168**	(44,494)
	13,974,533	14,682,899	**14,530,762**	152,137
Code enforcement:				
Salaries and employee benefits	458,771	461,139	**457,110**	4,029
Professional services	-	-	**727**	(727)
Operating expenditures	116,534	129,634	**129,057**	577
Capital outlay	18,000	18,000	**19,019**	(1,019)
Cost allocations	18,920	18,920	**16,178**	2,742
	612,225	627,693	**622,091**	5,602
Emergency management:				
Salaries and employee benefits	220,105	204,770	**206,542**	(1,772)
Professional services	15,000	15,000	**10,392**	4,608
Operating expenditures	68,371	70,305	**33,092**	37,213
	303,476	290,075	**250,026**	40,049
Radio shop:				
Salaries and employee benefits	225,511	235,811	**233,346**	2,465
Operating expenditures	99,970	99,970	**73,657**	26,313
Cost allocations	9,108	9,108	**10,185**	(1,077)
	334,589	344,889	**317,188**	27,701
Total public safety	30,597,592	31,730,470	**31,152,167**	578,303
Public works:				
Traffic services:				
Salaries and employee benefits	323,249	318,695	**303,720**	14,975
Operating expenditures	183,388	183,388	**156,136**	27,252
Cost allocations	58,133	58,133	**45,439**	12,694
	564,770	560,216	**505,295**	54,921

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Transportation signal:				
Salaries and employee benefits	$ 190,274	$ 187,687	**$ 186,329**	$ 1,358
Professional services	25,450	10,000	**-**	10,000
Operating expenditures	523,608	314,558	**285,544**	29,014
Cost allocations	23,823	23,823	**27,526**	(3,703)
	763,155	536,068	**499,399**	36,669
Transportation:				
Salaries and employee benefits	1,490,966	1,595,872	**1,594,472**	1,400
Professional services	14,396	14,396	**988**	13,408
Operating expenditures	2,907,180	2,835,256	**1,758,344**	1,076,912
Capital outlay	283,133	279,133	**231,915**	47,218
Cost allocations	451,909	451,909	**481,850**	(29,941)
	5,147,584	5,176,566	**4,067,569**	1,108,997
Solid waste and recycling:				
Salaries and employee benefits	1,720,931	1,699,172	**1,677,917**	21,255
Professional services	85,770	201,480	**166,156**	35,324
Operating expenditures	4,416,994	4,693,541	**3,824,306**	869,235
Capital outlay	-	7,200	**-**	7,200
Cost allocations	523,592	523,592	**447,531**	76,061
	6,747,287	7,124,985	**6,115,910**	1,009,075
Cemetery:				
Salaries and employee benefits	380,881	394,277	**399,323**	(5,046)
Professional services	2,080	2,080	**1,210**	870
Operating expenditures	56,974	58,938	**35,162**	23,776
Capital outlay	117,242	115,278	**55,129**	60,149
Cost allocations	37,840	37,840	**30,334**	7,506
	595,017	608,413	**521,158**	87,255
Total public works	13,817,813	14,006,248	**11,709,331**	2,296,917
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	1,286,290	1,271,940	**1,083,248**	188,692
Professional services	261,485	261,485	**184,823**	76,662
Operating expenditures	984,527	984,527	**771,632**	212,895
Capital outlay	166,126	68,126	**64,787**	3,339
Debt service	163,395	163,395	**163,395**	-
Cost allocations	1,739,977	1,739,977	**1,799,634**	(59,657)
Total cultural and recreational	4,601,800	4,489,450	**4,067,519**	421,931

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Planning and community development				
Planning department:				
Salaries and employee benefits	$ 1,341,939	$ 1,331,688	**$ 1,284,028**	$ 47,660
Professional services	356,460	400,391	**339,154**	61,237
Operating expenditures	536,674	393,174	**324,489**	68,685
Incentive grants	604,077	663,577	**664,066**	(489)
Cost allocations	93,395	93,395	**91,953**	1,442
Total planning and community development	2,932,545	2,882,225	**2,703,690**	178,535
Total expenditures	57,238,246	58,443,146	**54,230,655**	4,212,491
Excess of revenues over expenditures	6,668,305	6,902,713	**15,086,545**	8,183,832
Other Financing Sources (Uses)				
Issuance of refunding bonds	-	2,721,512	**2,721,512**	-
Premium on refunding bonds	-	41,493	**41,493**	-
Redemption of refunded bonds	-	(2,491,755)	**(2,491,755)**	-
Fund balance appropriated	3,318,166	9,981,326	**-**	9,981,326
Transfers from other funds	-	131,596	**132,651**	(1,055)
Transfers to other funds	(9,986,471)	(17,286,885)	**(16,929,025)**	(357,860)
Total other financing uses	(6,668,305)	(6,902,713)	**(16,525,124)**	9,622,411
Net change in fund balance	$ -	$ -	**(1,438,579)**	$ (1,438,579)
Fund Balance				
Beginning			**52,507,102**	
Ending			**$ 51,068,523**	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS
June 30, 2010

	Business-type Activities - Enterprise Funds			
ASSETS	**Electric Fund**	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Current Assets				
Cash and investments	**$ 20,660,280**	**$ 33,196,122**	**$ 3,079,641**	**$ 483,212**
Receivables:				
Accounts receivable, net	**11,186,665**	**2,444,606**	**1,648,861**	**5,986,579**
Due from other governmental agencies	**-**	**-**	**-**	**-**
Interest	**100,471**	**107,127**	**21,764**	**16,111**
Other receivables	**-**	**-**	**-**	**-**
Inventories and prepaid expenses	**2,945,439**	**339,084**	**52,652**	**70,499**
Total current assets	**34,892,855**	**36,086,939**	**4,802,918**	**6,556,401**
Noncurrent Assets				
Restricted assets - cash and investments	**5,324,072**	**5,328,555**	**3,331,708**	**77,451**
Capital assets	**123,825,456**	**127,371,749**	**98,227,170**	**88,330,192**
Less accumulated depreciation	**(54,608,798)**	**(41,317,066)**	**(28,350,291)**	**(14,818,834)**
Bond issuance costs, net	**1,365,074**	**2,069,244**	**1,746,229**	**-**
Total noncurrent assets	**75,905,804**	**93,452,482**	**74,954,816**	**73,588,809**
Total assets	**110,798,659**	**129,539,421**	**79,757,734**	**80,145,210**
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	**5,092,107**	**318,565**	**218,801**	**351,809**
Current portion of long-term debt	**2,251,433**	**3,206,712**	**1,431,393**	**1,143,931**
Accrued interest	**106,408**	**178,693**	**80,975**	**5,322**
Due to other funds	**-**	**-**	**-**	**-**
Total current liabilities	**7,449,948**	**3,703,970**	**1,731,169**	**1,501,062**
Noncurrent Liabilities				
Long-term debt due after one year	**30,924,958**	**49,478,856**	**24,448,709**	**11,123,504**
Deposits	**1,533,713**	**402,742**	**1,300**	**77,451**
Total noncurrent liabilities	**32,458,671**	**49,881,598**	**24,450,009**	**11,200,955**
Total liabilities	**39,908,619**	**53,585,568**	**26,181,178**	**12,702,017**
NET ASSETS				
Invested in capital assets, net of related debt	**38,902,416**	**36,584,032**	**44,988,871**	**61,423,841**
Unrestricted (deficit)	**31,987,624**	**39,369,821**	**8,587,685**	**6,019,352**
Total net assets	**$ 70,890,040**	**$ 75,953,853**	**$ 53,576,556**	**$ 67,443,193**
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
Net assets of business-type activities				

See Notes to Financial Statements.

Exhibit H

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Funds
$ 4,184,028	$ 412,396	$ 62,015,679	$ 693,746
375,229	142,842	21,784,782	-
-	1,192,085	1,192,085	-
13,893	1,268	260,634	-
-	369,111	369,111	-
1,355	57,394	3,466,423	130,216
4,574,505	2,175,096	89,088,714	823,962
-	27,330	14,089,116	-
56,227,053	26,554,042	520,535,662	5,466,914
(7,641,669)	(6,204,570)	(152,941,228)	(4,347,552)
-	559,390	5,739,937	-
48,585,384	20,936,192	387,423,487	1,119,362
53,159,889	23,111,288	476,512,201	1,943,324
69,793	646,774	6,697,849	446,970
94,471	668,604	8,796,544	364,388
-	33,128	404,526	-
-	813,378	813,378	-
164,264	2,161,884	16,712,297	811,358
103,066	7,891,149	123,970,242	716,568
-	27,330	2,042,536	-
103,066	7,918,479	126,012,778	716,568
267,330	10,080,363	142,725,075	1,527,926
48,462,144	11,884,472	242,245,776	1,119,362
4,430,415	1,146,453	91,541,350	(703,964)
$ 52,892,559	$ 13,030,925	$ 333,787,126	$ 415,398
		415,398	
		$ 334,202,524	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Operating Revenues				
Charges for services	$ 69,217,465	$ 18,103,466	$ 13,341,330	$ 8,070,748
Other operating revenues	738,392	1,169,495	432,548	21,713
Total operating revenue	69,955,857	19,272,961	13,773,878	8,092,461
Operating Expenses				
General and administrative	644,019	-	-	-
Professional services	-	-	-	-
Water plant and lakes	-	4,828,204	-	-
Water line operation and maintenance	-	5,448,023	-	-
Wastewater line and plant	-	-	10,184,877	-
Purchased power	47,693,615	-	-	-
Power line and plant	10,660,517	-	-	-
Airport operation and maintenance	-	-	-	7,801,348
Stormwater operation and maintenance	-	-	-	-
Utilities	-	-	-	-
Housing maintenance and repairs	-	-	-	-
Operating supplies	-	-	-	-
Other operating costs	-	-	-	-
Depreciation and amortization	3,937,352	3,714,819	2,562,895	1,622,669
Total operating expenses	62,935,503	13,991,046	12,747,772	9,424,017
Operating income (loss)	7,020,354	5,281,915	1,026,106	(1,331,556)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	-	-	-
Interest earned on investments	474,620	558,986	413,412	67,080
Interest expense	(861,949)	(1,559,240)	(759,370)	(599,060)
Gain (loss) on sale of capital assets	6,400	13,857	(133,195)	-
Other	-	-	-	11,649
Total nonoperating revenues (expenses)	(380,929)	(986,397)	(479,153)	(520,331)
Income (loss) before capital contributions and transfers	6,639,425	4,295,518	546,953	(1,851,887)
Capital contributions	-	789,010	2,824,982	4,883,866
Transfers in	5,500	-	-	699,091
Transfers out	(1,000)	-	-	-
Transfers in (out)	4,500	-	-	699,091
Change in net assets	6,643,925	5,084,528	3,371,935	3,731,070
Net Assets (Deficit):				
Beginning	64,246,115	70,869,325	50,204,621	63,712,123
Ending	$ 70,890,040	$ 75,953,853	$ 53,576,556	$ 67,443,193

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

Change in net assets of business-type activities

See Notes to Financial Statements.

Exhibit I

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Funds
$ 3,560,017	$ 1,290,065	$ 113,583,091	$ 12,449,090
429,000	430,846	3,221,994	-
3,989,017	1,720,911	116,805,085	12,449,090
-	618,257	1,262,276	7,214,612
-	2,725,788	2,725,788	978,622
-	-	4,828,204	-
-	-	5,448,023	-
-	-	10,184,877	-
-	-	47,693,615	-
-	-	10,660,517	-
-	-	7,801,348	-
2,339,559	-	2,339,559	-
-	253,818	253,818	-
-	307,717	307,717	-
-	288,541	288,541	-
-	612,532	612,532	3,943,906
1,601,278	659,756	14,098,769	306,450
3,940,837	5,466,409	108,505,584	12,443,590
48,180	(3,745,498)	8,299,501	5,500
-	5,178,504	5,178,504	-
53,646	3,772	1,571,516	-
(5,207)	(390,287)	(4,175,113)	-
21,294	2,553	(89,091)	-
-	50,925	62,574	-
69,733	4,845,467	2,548,390	-
117,913	1,099,969	10,847,891	5,500
-	-	8,497,858	-
-	1,456,178	2,160,769	-
(560)	(13,599)	(15,159)	(5,500)
(560)	1,442,579	2,145,610	(5,500)
117,353	2,542,548	21,491,359	-
52,775,206	10,488,377		415,398
$ 52,892,559	$ 13,030,925		$ 415,398
		-	
		$ 21,491,359	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Cash Flows From Operating Activities				
Receipts from customers	$ 66,332,455	$ 18,850,964	$ 13,625,803	$ 3,568,383
Payments to employees	(4,413,534)	(3,308,145)	(1,559,519)	(1,683,796)
Payments to suppliers	(53,393,423)	(8,210,527)	(9,235,741)	(7,023,000)
Net cash provided by (used in) operating activities	8,525,498	7,332,292	2,830,543	(5,138,413)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	-	-	-	-
Transfers in	5,500	-	-	699,091
Transfers out	(1,000)	-	-	-
Operating grants received	-	-	-	-
Net cash provided by (used in) noncapital financing activities	4,500	-	-	699,091
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(10,470,866)	(11,362,187)	(18,716,969)	(1,506,673)
Interest paid	(1,723,611)	(1,890,959)	(886,391)	(600,531)
Financing proceeds	10,295,828	9,714,143	18,775,968	-
Acquisition and construction of capital assets	(2,104,755)	(1,919,807)	(2,183,693)	(6,819,794)
Capital contributions - federal grant	-	-	-	4,883,866
Proceeds from the sale of capital assets	6,400	13,857	13,902	-
Net cash provided by (used in) capital and related financing activities	(3,997,004)	(5,444,953)	(2,997,183)	(4,043,132)
Cash Flows From Investing Activities				
Earnings on investments	476,986	567,960	413,238	73,764
Net cash provided by investing activities	476,986	567,960	413,238	73,764
Net increase (decrease) in cash and cash equivalents	5,009,980	2,455,299	246,598	(8,408,690)
Cash and cash equivalents:				
Beginning	20,974,372	36,069,378	6,164,751	8,969,353
Ending	$ 25,984,352	$ 38,524,677	$ 6,411,349	$ 560,663

Noncash investing, capital and financing activities:
The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of $3,613,992 representing donated capital assets.

Continued

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Funds
$ 3,901,452	$ 1,173,073	$ 107,452,130	$ 12,452,701
(1,141,233)	(277,292)	(12,383,519)	(6,366,760)
(1,249,060)	(4,188,646)	(83,300,397)	(5,318,341)
1,511,159	(3,292,865)	11,768,214	767,600
-	441,554	441,554	-
-	1,456,178	2,160,769	-
(560)	(13,599)	(15,159)	(5,500)
-	5,178,504	5,178,504	-
(560)	7,062,637	7,765,668	(5,500)
(38,165)	(610,000)	(42,704,860)	-
(5,207)	(391,538)	(5,498,237)	-
-	-	38,785,939	-
(563,142)	(2,775,056)	(16,366,247)	(84,594)
-	-	4,883,866	-
21,294	2,553	58,006	-
(585,220)	(3,774,041)	(20,841,533)	(84,594)
51,811	4,382	1,588,141	-
51,811	4,382	1,588,141	-
977,190	113	280,490	677,506
3,206,838	439,613	75,824,305	16,240
$ 4,184,028	$ 439,726	$ 76,104,795	$ 693,746

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Operating income (loss)	$ 7,020,354	$ 5,281,915	$ 1,026,106	$ (1,331,556)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	3,937,352	3,714,819	2,562,895	1,622,669
Other income	-	-	-	11,649
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(3,623,402)	(421,997)	(148,075)	(4,535,727)
Due from other governmental agencies	-	-	-	-
Inventories and prepaid expenses	586,636	190,304	8,984	9,053
Increase (decrease) in:				
Accounts payable and accrued expenses	516,001	(1,526,529)	(626,834)	(918,048)
Vacation accrual	(13,893)	(6,794)	7,292	4,705
OPEB liability	109,752	91,460	-	18,291
Deposits	(7,302)	9,114	175	(19,449)
Net cash provided by (used in) operating activities	$ 8,525,498	$ 7,332,292	$ 2,830,543	$ (5,138,413)

See Notes to Financial Statements

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Funds
$ 48,180	$ (3,745,498)	$ 8,299,501	$ 5,500
1,601,278	659,756	14,098,769	306,450
-	50,925	62,574	-
(87,565)	570,357	(8,246,409)	3,611
-	(1,169,120)	(1,169,120)	-
(301)	9,838	804,514	49,256
(50,312)	312,054	(2,293,668)	21,598
(121)	2,423	(6,388)	(2,945)
-	18,292	237,795	384,130
-	(1,892)	(19,354)	-
$ 1,511,159	$ (3,292,865)	$ 11,768,214	$ 767,600

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

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2010

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	$ 205,271	$ 2,074,143
Other receivables	-	-
Total assets	$ 205,271	$ 2,074,143
LIABILITIES		
Agency payable	$ -	$ 2,074,143
NET ASSETS		
Assets held in trust for OPEB benefits	$ 205,271	$ -

See Notes to Financial Statements

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

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
For the Fiscal Year Ended June 30, 2010

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	$ 513,550
Member contributions	97,312
	610,862
Investment income	5,064
Total additions	615,926
Deductions:	
Benefits	510,862
Change in net assets	105,064
Net assets, beginning	100,207
Net assets, ending	$ 205,271

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 assets 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 proprietary 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 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: Internal service funds account 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.

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 Convention Center, Joe Cannon Trust, and the Employee's Self Funded insurance funds in which the City holds these funds on behalf of other entities.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable 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 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as receivable in these financial statements and are offset by deferred revenues.

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 assets 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 General Capital Reserve Fund, the Municipal Service District Fund, the Transportation Improvement 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 Cabarrus Avenue Roundabout Fund, the Home Fund, the Section 108 Loan/BEDI Grant Fund, the Future Parks & Recreation Land Fund, the EECBG Stimulus Fund, the ARRA Stimulus Fund, the Housing Capital Fund Project, the Parks and Recreation Capital Project Fund, the Transportation Capital Project Fund, the General Fund Capital Project Fund, the Fire and Life Safety Capital Project Fund, the Wellness Center Capital Project Fund, the Oakwood

Note 1. Summary of Significant Accounting Policies (Continued)

Cemetery Capital Project Fund, the MLK Memorial Capital Project Fund, the Water Projects Capital Project Fund, the Stormwater Capital Project Fund, the Fiber Project Capital Project Fund, the Transit Fund, the 2008 Debt Issuance Capital Project Fund, the 2002 and 2008 Revenue Bond Capital Projects Fund and First Concord Capital Project fund. All budgets are prepared using the modified accrual basis of accounting.

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

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

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

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

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

As required by G.S. 159-26(d), the City maintains encumbrance accounts, which are considered to be "budgetary accounts." Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result in unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances outstanding are reported as "Reserved for encumbrances" in the governmental funds balance sheet and will be carried forward with their budget appropriations to the subsequent year.

E. Assets, Liabilities 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 147-69.4 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 Fund. 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(8). The STIF securities are reported at cost and

Note 1. Summary of Significant Accounting Policies (Continued)

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 13.728 per share and the Russell 3000 Alpha Tilts Fund B is priced at 21.691 per share at June 30, 2010.

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 and note proceeds for the 2005 certificates of participation and 2002 and 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.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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 $1,237,972 in capitalized interest as part of the cost of capital assets under construction in fiscal year 2010.

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.

BOND ISSUANCE COSTS

Bond issuance costs include discounts, insurance and costs of issuance. Bond issuance costs are deferred and amortized over the term of the bonds using the straight-line method, which approximates the interest method. These costs relate to the revenue bonds, the refunding bonds and the certificate of participation bonds issued.

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 assets.

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 polices 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.

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

Note 1. Summary of Significant Accounting Policies (Continued)

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 ASSETS AND FUND BALANCES

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent 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 fund financial statements, governmental funds report reservations or restrictions of fund balance for amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State statute (G.S. 159-13(b)(16)) restricts appropriation of fund balance or fund equity for the subsequent year's budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved:

Reserved by State Statute – portion of fund balance, in addition to reserves for encumbrances, which is not available for appropriation under State statute (G.S. 159-8(a)). This amount is usually comprised of accounts receivable and interfund receivables, which have not been offset by deferred revenues.

Reserved for encumbrances – portion of fund balance available to pay for commitments related to purchase orders or contracts that remain unperformed at year-end.

Reserved for streets – Powell Bill – portion of fund balance that is available for appropriation but legally segregated for street construction and maintenance expenditures. This amount represents the balance of the total unexpended Powell Bill funds.

Reserved for other specific uses – portion of fund balance that is available for appropriation but legally segregated for specific expenditures.

Reserved for inventories – portion of fund balance that is not available for appropriation because it represents the year end fund balance of ending inventories, which are not expendable, available resources.

Reserved for prepaids – portion of fund balance that is not available for appropriation because it represents the year end balance of prepaid expenses, which are not expendable, available resources.

Unreserved:

Designated for subsequent year's expenditures – portion of total fund balance available for appropriation that has been designated for the adopted 2010-2011 budget ordinance.

Undesignated – portion of total fund balance available for appropriation that is uncommitted at year-end.

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 assets includes a reconciling item that relates to deferred revenue 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 revenue. The $1,692,986 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 $388,526 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, 2010 and June 30, 2009.

The statement of net assets and statement of activities for the business-type activities include a reconciling item between the proprietary funds statement of net assets and statement of revenues, expenses and changes in fund net assets. This difference represents the assets, liabilities 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, 2010, the City's deposits had a carrying amount of $39,104,764 and a bank balance of $38,444,024. Of the bank balance, $1,750,000 was covered by federal depository insurance and $36,694,024 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of $17,200 at June 30, 2010.

At June 30, 2010, the carrying amount of deposits for the ABC Board was $2,247,086 and the bank balance was $2,374,199. All of the bank balances were covered by federal depository insurance or collateralized deposits.

At June 30, 2010, the City's investment balances were as follows:

	Reported Value	Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years
U. S. Government agencies	$ 88,500,782	$ 2,000,000	$ 3,780,281	$ 82,720,501
Commercial paper	13,831,864	11,841,130	1,990,734	–
North Carolina Capital Management Trust – Cash Portfolio	7,372,848	N/A	N/A	N/A
Total	$ 109,705,494	$ 13,841,130	$ 5,771,015	$ 82,720,501

Note 3. Cash and Investments (Continued)

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

Credit Risk – The City limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issues nationally recognized statistical rating organizations (NRSROs). As of June 30, 2010, the City's investments in commercial paper were rated P1 by Standard & Poor's and F1 by Fitch Ratings. 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, 2010. The City's investments in US Government Agencies (Federal Home Loan Bank, Federal Farm Credit, and FNMA) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk – As noted above under Interest Rate Risk, the City's investment policy limits the amount the City may invest in any one issuer. More than 5 percent of the City's investments are in the Federal Home Loan Bank, FNMA Discount Notes, and Federal Home Loan Mortgage Corporation. These investments are 31%, 22%, and 14% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2010, the City's Health Care Plan had $205,271 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Fund pursuant to G.S. 147-69.4. The State Treasurer's OPEB Fund 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) 27.04%; State Treasurer's Long Term Investment Fund (LTIF) 11.38% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 61.58% (the equities were split with 75% in domestic securities and 25% in international securities).

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, 2010. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 15.8 years at June 30, 2010.

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 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, 2010, 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	$ –	$ 21,784,782
Ad valorem taxes, net	1,692,986	–
Due from other governmental agencies	1,131,272	1,192,085
Sales tax refunds	787,497	–
Interest	267,606	260,634
Other, net	4,339,073	369,111
Due from (to) other funds	813,378	(813,378)
	$ 9,031,812	$ 22,793,234

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

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

Governmental Activities, allowance for doubtful ad valorem taxes	$ 564,329
Governmental Activities, allowance for doubtful other receivables	$ 12,636
Business-type Activities, allowance for doubtful accounts receivable	$ 201,749

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	June 30, 2009	Increases	Decreases	June 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 50,692,012	$ 412,163	$ –	$ 51,104,175
Construction in progress	5,779,345	1,482,017	5,593,419	1,667,943
Total capital assets, not being depreciated	56,471,357	1,894,180	5,593,419	52,772,118
Capital assets, being depreciated:				
Buildings	40,413,989	5,417,404	–	45,831,393
Improvements other than buildings	2,430,708	110,007	–	2,540,715
Machinery and equipment	31,332,761	1,420,415	801,336	31,951,840
Infrastructure	467,645,226	4,629,272	–	472,274,498
Total capital assets, being depreciated	541,822,684	11,577,098	801,336	552,598,446
Accumulated depreciation:				
Buildings	11,274,858	1,524,462	–	12,799,320
Improvements other than buildings	1,607,488	94,147	–	1,701,635
Machinery and equipment	22,191,519	2,245,998	746,222	23,691,295
Infrastructure	231,823,121	18,388,495	–	250,211,616
Total accumulated depreciation	266,896,986	22,253,102	746,222	288,403,866
Total capital assets, being depreciated, net	274,925,698	$(10,676,004)	$ 55,114	264,194,580
Government activities capital assets, net	$ 331,397,055			$ 316,966,698

Note 5. Capital Assets (Continued)

	June 30, 2009	Increases	Decreases	June 30, 2010
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 37,496,435	$ 501,963	$ –	$ 37,998,398
Construction in progress	22,936,341	11,289,165	11,261,484	22,964,022
Total capital assets, not being depreciated	60,432,776	11,791,128	11,261,484	60,962,420
Capital assets, being depreciated:				
Buildings	55,570,411	16,712	–	55,587,123
Improvements other than buildings	367,416,145	16,288,355	–	383,704,500
Machinery and equipment	24,517,581	1,490,522	259,570	25,748,533
Total capital assets, being depreciated	447,504,137	17,795,589	259,570	465,040,156
Accumulated depreciation:				
Buildings	12,749,046	1,698,333	–	14,447,379
Improvements other than buildings	113,524,964	10,275,536	–	123,800,500
Machinery and equipment	17,287,816	2,012,655	259,570	19,040,901
Total accumulated depreciation	143,561,826	13,986,524	259,570	157,288,780
Total capital assets, being depreciated, net	303,942,311	$ 3,809,065	$ –	307,751,376
Business-type activities capital assets, net	$ 364,375,087			$ 368,713,796

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

Governmental activities:	
General government	$ 246,042
Public safety	2,618,126
Public works	19,033,550
Culture & recreational	303,403
Planning and community development	26,231
Total depreciation expense – governmental activities	$ 22,227,352
Business-type activities:	
Electric	$ 3,830,667
Water	3,563,016
Wastewater	2,429,160
Regional airport	1,622,669
Stormwater	1,601,278
Other nonmajor business-type activities	590,998
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	306,451
Total depreciation expense – business-type activities	$ 13,944,239

Note 5. Capital Assets (Continued)

Activity for the ABC Board for the year ended June 30, 2010, was as follows:

	July 1, 2009	Increases	Decreases	June 30, 2010
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	308,723	4,553	–	313,276
Machinery and equipment	334,961	15,027	–	349,988
Total capital assets, being depreciated	694,762	19,580	–	714,342
Accumulated depreciation	452,574	41,472	–	494,046
Total capital assets, being depreciated, net	242,188	$ (21,892)	$ –	220,296
Component unit capital assets, net	$ 262,188			$ 240,296

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	$ 1,632,013	$ 6,244,847
Accrued payroll and payroll related liabilities	1,447,621	832,363
Accrued sales tax payable	–	25,412
Other accrued liabilities	397,251	42,197
	$ 3,476,885	$ 7,144,819

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	$ 7,458,971	$ 12,606,383
Less accumulated depreciation	933,630	579,133
	$ 6,525,341	$ 12,027,250

Installment purchases payable at June 30, 2010 are comprised of the following individual issues:

Governmental activities:	
$794,543, fire truck purchase in August 2005 due in annual installments of $31,511 to $112,386 through September 2013; interest 3.17%, to be paid from General Fund	$ 274,827
$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	478,762
$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	4,725,000
	$ 5,478,589

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	$	3,243,750
$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		6,606,250
$780,000, equipment purchase in fiscal year 2009 due in annual installments of $149,082 to $165,733 through June 2013; interest 3.545%, payable from Stormwater and Electric Funds		480,155
	$	10,330,155

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
2011	$ 520,433	$ 229,328	$ 756,937	$ 461,491
2012	529,068	209,049	762,485	428,388
2013	441,953	188,466	768,233	411,369
2014	342,135	171,832	602,500	362,407
2015	270,000	158,870	602,500	334,368
2016-2020	1,350,000	614,710	3,012,500	1,251,603
2021-2025	1,350,000	314,672	2,881,250	551,957
2026-2028	675,000	45,030	943,750	62,955
	$ 5,478,589	$ 1,931,957	$ 10,330,155	$ 3,864,538

General obligation bonds: The general obligation bonds issued to finance the construction of systems utilized in the operations of the Utility Funds and Regional Airport and which are being retired by their resources are reported as long-term debt in the corresponding Enterprise Fund. All general obligation bonds are collateralized by the full faith, credit and taxing power of the City. Principal and interest requirements are appropriated when due.

General Obligation Bonds payable at June 30, 2010 are comprised of the following individual issues:

Governmental activities:		
$935,000, 1996 Parks and Recreation Bonds, due in annual installments of $50,000 to $150,000 through March 2, 2011; interest from 5.4% to 5.7%	$	85,000

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

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2011	$ 85,000	$ 4,845

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, 2010 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%. The amount shown is net of the unamortized deferred loss on the defeasance of $87,690.	$	582,489
$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%.		2,680,947
	$	3,263,436

Note 7. Long-Term Debt (Continued)

Business-type activities:		
$25,935,000, Utilities Systems Revenue Bonds, Series 2002A due in annual installments of $605,000 to $1,635,000 through December 1, 2030; interest from 3.00% to 4.75%	$	22,005,000
$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%		26,865,000
$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%. The amount shown is net of the unamortized deferred loss on the defeasance of $1,091,396.		22,173,424
$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%. The amount shown is net of the unamortized deferred loss on the defeasance of $240,074.		37,393,978
	$	108,437,402

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
2011	$ 208,478	$ 124,451	$ 6,216,523	$ 4,371,832
2012	214,077	118,112	6,400,922	4,177,345
2013	219,625	111,607	6,590,375	3,974,431
2014	225,225	104,934	6,784,775	3,764,261
2015	295,785	96,731	6,984,215	3,536,715
2016-2020	1,461,423	319,939	33,288,575	13,687,604
2021-2025	726,513	63,952	20,763,487	7,752,222
2026-2030	–	–	13,370,000	4,030,163
2031-2035	–	–	7,605,000	1,429,375
2036	–	–	1,765,000	44,125
	$ 3,351,126	$ 939,726	$109,768,872	$ 46,768,073

The future payments as presented above, have not been reduced by $87,690 for governmental activities and $1,331,470 for business-type activities, the unamortized deferred loss as a result of the refundings.

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

Note 7. Long-Term Debt (Continued)

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 2002, 2008, and 2009. 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, 2010, is as follows:

Net Income (GAAP Basis)	$ 14,534,972
Add: Depreciation Expense	9,822,841
Interest Expense	2,521,626
Income available for debt service	26,879,439
Debt service, principal and interest paid (Revenue bond only)	$ 9,762,632
Debt service coverage ratio	275%

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay $114,768,308 in electric, water, and wastewater system revenue bonds issued in 2002 through 2009. 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 $156,536,945. Principal and interest paid for the current year and total customer net revenues were $9,162,200 and $103,002,696, respectively.

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, 2010 was $1,179,086.

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, 2010 was $240,074.

Loan and installment notes: Loan and installment notes payable at June 30, 2010 are comprised of the following individual issues:

Governmental activities:		
$31,491,670, 2001 Certificates of Participation due in annual installments of $754,415 to $2,650,758, through June 1, 2021, plus interest due quarterly at 3.5% to 5.125% financed through First Concord Corporation, to be paid from General Fund	$	9,967,483
$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		12,860,000
	$	22,827,483
Business-type activities:		
$6,703,330, 2001 Certificates of Participation due in annual installments of $160,858 to $564,242 through June 1, 2021, plus interest due semi-annually at 3.5% to 5.125% financed through First Concord Corporation, to be paid from Regional Airport Fund	$	2,237,517
$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		8,465,000
	$	10,702,517

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
2011	$ 3,211,544	$ 1,082,311	$ 1,088,456	$ 460,102
2012	1,364,197	900,489	850,803	446,482
2013	1,364,197	845,318	870,803	415,370
2014	1,364,197	789,585	900,803	383,152
2015	1,359,197	731,051	920,803	348,612
2016-2020	6,809,258	2,771,820	5,145,742	948,495
2021-2025	4,154,893	1,193,483	925,107	52,235
2026-2030	3,200,000	432,000	–	–
	$ 22,827,483	$ 8,746,057	$ 10,702,517	$ 3,054,448

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 The Oaks at Stephens Place to finance the construction of The Oaks Wellness Center, a public facility. 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	$ 1,974,000
	$ 1,974,000

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

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2011	$ –	$ 93,606
2012	109,000	91,731
2013	109,000	87,774
2014	109,000	83,512
2015	109,000	79,076
2016-2020	545,000	323,134
2021-2025	545,000	190,590
2026-2029	448,000	49,234
	$ 1,974,000	$ 998,657

Note 7. Long-Term Debt (Continued)

A summary of changes in long-term debt follows:

	July 1, 2009	Additions	Reductions	June 30, 2010
Governmental activities:				
Installment purchases	$ 5,990,676	$ –	$ 512,087	$ 5,478,589
Less current maturities				520,433
Long-term installment purchases				$ 4,958,156
Bond payables:				
General obligation bonds	$ 235,000	$ –	$ 150,000	$ 85,000
Installment notes	25,593,310	–	2,765,827	22,827,483
Revenue bonds	3,205,510	2,721,512	2,575,896	3,351,126
Plus premium on revenue bonds	34,021	41,493	6,395	69,119
Less deferred loss on defeasance	(97,525)	–	(9,835)	(87,690)
Total bond payable	$ 28,970,316	$ 2,763,005	$ 5,488,283	26,245,038
HUD loan	$ 1,974,000	$ –	$ –	1,974,000
Compensated absences	$ 2,303,289	$ 1,457,771	$ 1,325,359	2,435,701
Separation allowance	$ 943,305	$ 139,618	$ –	1,082,923
OPEB liability	$ 2,612,690	$ 1,335,311	$ –	3,948,001
Less current maturities:				
General obligation bonds				85,000
Installment notes				3,211,544
Revenue bonds				208,478
Compensated absences				2,265,201
Long-term debt				$ 29,915,440

	July 1, 2009	Additions	Reductions	June 30, 2010
Business-type activities:				
Installment purchase	$ 11,081,737	$ –	$ 751,582	$ 10,330,155
Less current maturities				756,937
Long-term installment purchases				$ 9,573,218
Bond payables:				
Installment notes	$ 12,216,690	–	1,514,173	10,702,517
Revenue bonds	112,004,490	38,203,488	40,439,106	109,768,872
Plus premium on revenue bonds	1,181,014	582,452	160,698	1,602,768
Less deferred loss on defeasance	(1,213,795)	(258,541)	(140,866)	(1,331,470)
Total bond payable	$ 124,188,399	$ 38,527,399	$41,973,111	120,742,687
Compensated absences	$ 1,191,068	$ 805,991	$ 815,321	1,181,738
OPEB liability	$ 971,237	$ 621,925	$ –	1,593,162
Less current maturities				
Installment notes				1,088,456
Revenue bonds				6,216,523
Compensated absences				1,099,016
Long-term debt				$ 115,113,592

Note 7. Long-Term Debt (Continued)

The legal debt margin of the City at June 30, 2010 was $828,297,388.

As a means to lower its borrowing costs and increase its savings, when compared against fixed-rate refunding bonds at the time of issuance in August 2002, the City entered into an interest rate swap in connection with its $39,350,000 Variable Rate Utilities Systems Refunding Revenue Bonds, Series 2002B. These bonds were refunded in July 2009 and the swap was terminated in June 2009. At the time the swap was terminated, it had a negative fair value of $4,224,498. When the bonds were refunded in July 2009, a termination payment of $2,665,000 was made to terminate the swap.

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2010 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 3,711,585
General Fund	Nonmajor enterprise funds	813,378
		$ 4,524,963

Interfund balances listed above represent cash transactions advanced to other funds and subsequent reimbursements. Interfund receivables and payables are eliminated between governmental funds in the statements of net assets.

A schedule of interfund transfers at June 30, 2010 is as follows:

Transfers To	Transfers From	Total
General fund	Nonmajor governmental funds	$ 131,091
General fund	Electric fund	1,000
General fund	Stormwater fund	560
Nonmajor governmental funds	General fund	15,138,804
Nonmajor enterprise funds	General fund	1,085,630
Regional airport fund	General fund	699,091
Electric fund	General fund	5,500
Nonmajor governmental funds	Nonmajor enterprise funds	19,099
Nonmajor enterprise funds	Nonmajor governmental funds	370,548
Nonmajor governmental funds	Nonmajor governmental funds	2,164,641
		$ 19,615,964

Interfund transfers listed above represent funds used for payment of capital projects and debt service.

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.

Note 9. Pension Plan Obligations (Continued)

(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 4.88% and 4.86%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 5.06% 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, 2010, 2009 and 2008 were $1,967,204, $1,952,481, and $1,807,830, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008 were $38,341, $39,674, and $35,919, 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, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	–
Active plan members	152
Total	163

(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.

(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 2010 current year was determined as part of the December 31, 2008 actuarial valuations using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%. 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, 2008 was 22 years.

Note 9. Pension Plan Obligations (Continued)

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	$ 273,092
Interest on net pension obligation	68,390
Adjustment to annual required contribution	(59,422)
Annual pension cost	282,060
Employer contributions made during the year	142,442
Increase in net pension obligation	139,618
Net pension obligation beginning of year	943,305
Net pension obligation end of year (included in the General Fund's long-term debt)	$ 1,082,923

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2008	221,902	58	820,407
June 30, 2009	256,863	52	943,305
June 30, 2010	282,060	51	1,082,923

(4) Funded Status and Funding Progress:

As of December 31, 2009, 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 $3,395,640. The covered payroll (annual payroll of active employees covered by the plan) was $7,439,469, and the ratio of the UAAL to the covered payroll was 46 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 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, 2010 were $529,219, which consisted of $380,556 from the City and $148,663 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.

Note 9. Pension Plan Obligations (Continued)

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, 2010 were $1,799,907, which consisted of $1,153,266 from the City and $646,641 from the employees.

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, 2008, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers	Firefighters
Retirees and dependents receiving benefits	89	–	–
Terminated plan members entitled to but not yet receiving benefits	–	–	–
Active plan members	549	136	169
Total	638	136	169

(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.

The current ARC rate is 6.71% 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 0.36% and 1.03% of covered payroll, respectively. For the year ended June 30, 2010, the City made payments for postretirement health benefit premiums of $610,863 of which $97,312 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.

Note 10. Other Postemployment Benefits (Continued)

(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	$ 2,470,787
Interest on net obligation	–
Adjustment to annual required contribution	–
Annual OPEB cost (expense)	2,470,787
Contributions made	(513,551)
Increase (decrease) in net OPEB obligation	1,957,236
Net OPEB obligation, beginning of year	3,583,927
Net OPEB obligation, end of year	$ 5,541,163

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
2008	$ 2,015,726	19.3%	$ 1,626,723
2009	2,470,787	20.8%	3,583,927
2010	2,470,787	20.8%	5,541,163

(5) Funded Status and Funding Progress:

As of December 31, 2008, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits, and, thus the unfunded actuarial accrued liability (UAAL) was $25,153,845. The covered payroll (annual payroll of active employees covered by the plan) was $36,818,549, and the ratio of the UAAL to the covered payroll was 68.3%.

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 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, 2008 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.00 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 10.50 to 5.00 percent annually. Both rates included a 3.75 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, 2008 was 30 years.

Note 11. Deferred Revenues

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental and proprietary funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenues reported in the governmental and proprietary funds were as follows:

	Unavailable	Unearned
Governmental funds:		
Reserve for taxes receivable	$ 1,692,986	$ –
Prepaid taxes, not yet earned	–	133,567
Prepaid privilege licenses, not yet earned	–	653,370
Other prepaid fees	–	71,240
	$ 1,692,986	$ 858,177

Note 12. Commitments and Contingencies

The City had commitments on contracts of approximately $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, 2010, 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, 2010, 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 13. 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 $3 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 $154,124,077. 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. As of July 1, 2010, the City elected to cover workers' compensation claims up to an individual stop-loss of $500,000 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

Note 13. Risk Management (Continued)

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 is bonded in the amount of $5,000, 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 $10,000.

Note 14. 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 $6.6 million for wastewater treatment and raw water charges during the year ended June 30, 2010.

Note 15. 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 net assets in the amount of $6,802. The deficit balance in the net assets 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.

Noncompliance with North Carolina General Statutes

The City had deposits that were not made in accordance with North Carolina G.S. 159-32. State law requires that all moneys received, that are greater than two hundred and fifty dollars ($250), shall be deposited daily in an official depository. There were deposits noted during the audit that contained amounts that were not received the same day as when the deposit was made. The City will monitor and enforce the deposit process to ensure moneys are deposited daily in accordance with North Carolina General Statutes.

Note 16. Pronouncements Issued, Not Yet Effective

In February 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 establishes new categories for reporting fund balance and revises the definitions for governmental fund types. GASB 54 is effective for periods beginning after June 15, 2010 (the City's fiscal year ended June 30, 2011). The City has not yet determined the impact that implementation of GASB 54 will have on its financial statements.

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, 2004	-	1,919,004	1,919,004	- %	5,446,096	35 %
December 31, 2005	-	1,772,024	1,772,024	-	5,651,459	31
December 31, 2006	-	1,952,278	1,952,278	-	6,167,187	32
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

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

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
2005	193,167	67 %
2006	219,154	58
2007	200,607	61
2008	213,871	61
2009	247,540	54
2010	273,092	52

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, 2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5% to 12.3%
*Includes inflation at	3.75%
Cost-of-living adjustments	None

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

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

THE HEALTH CARE PLAN OF THE CITY OF CONCORD
SUPPLEMENTAL INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTION
Last Three 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

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, 2008
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*	4.00%
Medical cost trend*	10.50%-5.00%
Year of ultimate trend rate	2016
*Includes inflation at	3.75%
Cost-of-living adjustments	None

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 loan and grant money received from HUD to finance the construction of The Oaks Wellness Center.

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.

Future Parks & Recreation Land Fund - This fund is used to account for funds reserved for future Parks & Recreation land purchases.

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

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.

Transportation Improvement Fund - This fund is used to account for taxes designated by the Council and grant funds to provide additional funding for construction and improvements of the City's streets and roads.

Cabarrus Avenue Roundabout Fund - This fund is used to account for the use of state and local funds to improve the Cabarrus Avenue Roundabout roadway project.

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.

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.

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

Wellness Center - This fund is used to account for all resources used for the construction of a wellness center in the City.

Oakwood Cemetery - This fund is used to account for all resources used for the construction and improvements at Oakwood Cemetery.

MLK Memorial - This fund is used to account for all resources used for the construction of a MLK Memorial site.

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, 2010

ASSETS	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Cash and investments	$ 17,551,974	$ 7,038,916	$ -	$ 24,590,890
Receivables:				
Ad valorem taxes, net	5,763	-	-	5,763
Due from other governmental agencies	374,960	-	-	374,960
Sales tax refunds	-	-	-	-
Interest	34,230	-	-	34,230
Other, net	126,928	70,697	-	197,625
Restricted assets - cash and investments	-	319	-	319
Total assets	$ 18,093,855	$ 7,109,932	$ -	$ 25,203,787
LIABILITIES AND FUND BALANCE				
Accounts payable and accrued liabilities	$ 391,821	$ 74,781	$ 105,320	$ 571,922
Due to other funds	46,047	-	3,665,538	3,711,585
Deferred revenues	5,763	-	-	5,763
Total liabilities	443,631	74,781	3,770,858	4,289,270
Fund Balances (Deficit)				
Reserved by State statute	536,118	70,697	-	606,815
Unreserved:				
Undesignated	17,114,106	6,964,454	(3,770,858)	20,307,702
Total fund balance (deficit)	17,650,224	7,035,151	(3,770,858)	20,914,517
Total liabilities and fund balance	$ 18,093,855	$ 7,109,932	$ -	$ 25,203,787

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 2010

ASSETS	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home	Future Parks & Recreation Land
Cash and investments	$ 851,614	$ -	$ 1,842,758	$ 105,206	$ 1,240,900
Receivables:					
Ad valorem taxes, net	-	-	-	-	-
Due from other governmental agencies	-	35,922	-	120,050	-
Sales tax refunds	-	-	-	-	-
Interest	3,434	-	-	-	4,965
Other, net	126,290	-	-	-	-
Total assets	$ 981,338	$ 35,922	$ 1,842,758	$ 225,256	$ 1,245,865
LIABILITIES AND FUND BALANCES					
Accounts payable and accrued liabilities	$ 154,512	$ 18,931	$ -	$ 69,337	$ -
Due to other funds	-	23,793	-	-	-
Deferred revenues	-	-	-	-	-
Total liabilities	154,512	42,724	-	69,337	-
Fund Balances (Deficit)					
Reserved by State statute	129,724	35,922	-	120,050	4,965
Unreserved:					
Undesignated	697,102	(42,724)	1,842,758	35,869	1,240,900
Total fund balance (deficit)	826,826	(6,802)	1,842,758	155,919	1,245,865
Total liabilities and fund balance	$ 981,338	$ 35,922	$ 1,842,758	$ 225,256	$ 1,245,865

General Capital Reserve	Municipal Service District	Transportation Improvement	Cabarrus Avenue Roundabout	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ 10,664,019	$ -	$ 2,769,776	$ -	$ -	$ 77,701	$ -	$ 17,551,974
-	5,763	-	-	-	-	-	5,763
-	-	-	-	-	54,630	164,358	374,960
-	-	-	-	-	-	-	-
14,685	-	11,040	-	106	-	-	34,230
-	-	638	-	-	-	-	126,928
$ 10,678,704	$ 5,763	$ 2,781,454	$ -	$ 106	$ 132,331	$ 164,358	$ 18,093,855
$ -	$ -	$ -	$ -	$ -	$ 6,831	$ 142,210	$ 391,821
-	-	-	-	106	-	22,148	46,047
-	5,763	-	-	-	-	-	5,763
-	5,763	-	-	106	6,831	164,358	443,631
14,685	-	11,678	-	106	54,630	164,358	536,118
10,664,019	-	2,769,776	-	(106)	70,870	(164,358)	17,114,106
10,678,704	-	2,781,454	-	-	125,500	-	17,650,224
$ 10,678,704	$ 5,763	$ 2,781,454	$ -	$ 106	$ 132,331	$ 164,358	$ 18,093,855

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
June 30, 2010

ASSETS	Police Station	Parks	Transportation	General Fund Capital Projects
Cash and investments	$ 2,860,499	$ 992,258	$ 2,424,264	$ 277,482
Receivables:				
Other, net	-	-	70,697	-
Restricted assets - cash and investments	319	-	-	-
Total assets	$ 2,860,818	$ 992,258	$ 2,494,961	$ 277,482
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	$ -	$ 10,000	$ 56,619	$ 8,162
Total liabilities	-	10,000	56,619	8,162
Fund Balances (Deficit)				
Reserved by State statute	-	-	70,697	-
Unreserved:				
Undesignated	2,860,818	982,258	2,367,645	269,320
Total fund balances (deficit)	2,860,818	982,258	2,438,342	269,320
Total liabilities and fund balances	$ 2,860,818	$ 992,258	$ 2,494,961	$ 277,482

Statement 3

Fire and Life Safety	Wellness Center	Oakwood Cemetery	MLK Memorial	Total Capital Projects Funds
$ 400,600	$ -	$ 83,813	$ -	$ 7,038,916
-	-	-	-	70,697
-	-	-	-	319
$ 400,600	$ -	$ 83,813	$ -	$ 7,109,932
$ -	$ -	$ -		$ 74,781
-	-	-	-	74,781
-	-	-	-	70,697
400,600	-	83,813	-	6,964,454
400,600	-	83,813	-	7,035,151
$ 400,600	$ -	$ 83,813	$ -	$ 7,109,932

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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, 2010

	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Revenues				
Ad valorem taxes	$ 76,899	$ -	$ -	$ 76,899
Restricted intergovernmental revenues	4,487,068	226,732	-	4,713,800
Investment earnings	133,095	2,251	-	135,346
Program income	654,957	-	-	654,957
Other revenues	4,046	-	-	4,046
Total revenues	5,356,065	228,983	-	5,585,048
Expenditures				
Current:				
Planning and community development	76,899	-	-	76,899
Administration	647,038	9,393	-	656,431
Housing assistance payments	3,119,188	-	-	3,119,188
Rehabilitation	553,868	-	-	553,868
Public safety	194,440	-	-	194,440
Capital outlay	123,818	1,777,467	-	1,901,285
Debt service	93,605	-	3,957,074	4,050,679
Total expenditures	4,808,856	1,786,860	3,957,074	10,552,790
Excess (deficiency) of revenues over (under) expenditures	547,209	(1,557,877)	(3,957,074)	(4,967,742)
Other Financing Sources (Uses)				
Transfers from other funds	10,174,773	2,716,705	4,431,066	17,322,544
Transfers to other funds	(2,592,493)	(73,787)	-	(2,666,280)
Total other financing sources	7,582,280	2,642,918	4,431,066	14,656,264
Net change in fund balances	8,129,489	1,085,041	473,992	9,688,522
Fund Balances (Deficit)				
Beginning	9,520,735	5,950,110	(4,244,850)	11,225,995
Ending	$ 17,650,224	$ 7,035,151	$ (3,770,858)	$ 20,914,517

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, 2010

	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home	Future Parks & Recreation Land
Revenues					
Ad valorem taxes	$ -	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	3,507,646	436,288	-	36,384	-
Investment earnings	1,908	-	8,952	-	14,224
Program income	-	52,720	-	21,575	-
Other income	4,046	-	-	-	-
Total revenue	3,513,600	489,008	8,952	57,959	14,224
Expenditures					
Current:					
Planning & community development	-	-	-	-	-
Administration	336,729	156,849	-	71,927	-
Housing assistance payments	3,119,188	-	-	-	-
Rehabilitation	-	331,373	-	115,536	-
Public safety	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	3,455,917	488,222	-	187,463	-
Excess (deficiency) of revenues over (under) expenditures	57,683	786	8,952	(129,504)	14,224
Other Financing Sources (Uses)					
Debt service	-	-	(93,605)	-	-
Transfers from other funds	-	-	-	58,599	850,000
Transfers to other funds	-	-	-	(71,304)	-
Total other financing sources	-	-	(93,605)	(12,705)	850,000
Net change in fund balances	57,683	786	(84,653)	(142,209)	864,224
Fund Balances (Deficit)					
Beginning	769,143	(7,588)	1,927,411	298,128	381,641
Ending	$ 826,826	$ (6,802)	$ 1,842,758	$ 155,919	$ 1,245,865

General Capital Reserve	Municipal Service District	Transportation Improvement	Cabarrus Avenue Roundabout	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ -	$ 76,899	$ -	$ -	$ -	$ -	$ -	76,899
-	-	-	-	-	137,177	369,573	4,487,068
58,931	-	47,361	-	1,719	-	-	133,095
-	-	284,896	-	295,766	-	-	654,957
-	-	-	-	-	-	-	4,046
58,931	76,899	332,257	-	297,485	137,177	369,573	5,356,065
-	76,899	-	-	-	-	-	76,899
-	-	-	-	-	-	81,533	647,038
-	-	-	-	-	-	-	3,119,188
-	-	-	-	-	106,959	-	553,868
-	-	-	-	-	-	194,440	194,440
-	-	-	-	-	30,218	93,600	123,818
-	76,899	-	-	-	137,177	369,573	4,715,251
58,931	-	332,257	-	297,485	-	-	640,814
-	-	-	-	-	-	-	(93,605)
7,000,000	-	2,098,760	41,914	-	125,500	-	10,174,773
-	-	(2,150,641)	-	(370,548)	-	-	(2,592,493)
7,000,000	-	(51,881)	41,914	(370,548)	125,500	-	7,488,675
7,058,931	-	280,376	41,914	(73,063)	125,500	-	8,129,489
3,619,773	-	2,501,078	(41,914)	73,063	-	-	9,520,735
$ 10,678,704	$ -	$ 2,781,454	$ -	$ -	$ 125,500	$ -	$ 17,650,224

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, 2010

	Police Station	Parks	Transportation	General Fund Capital Projects
Revenues				
Restricted intergovernmental revenues	$ -	$ 145,000	$ 81,732	$ -
Investment earnings	362	250	-	-
Total revenues	362	145,250	81,732	-
Expenditures				
Contract services	-	3,000	-	6,393
Capital outlay	-	239,797	1,303,761	8,986
Total expenditures	-	242,797	1,303,761	15,379
Excess (deficiency) of revenues over expenditures	362	(97,547)	(1,222,029)	(15,379)
Other Financing Sources (Uses)				
Transfers in	-	398,000	2,304,705	14,000
Transfers out	-	(14,000)	-	-
Total other financing sources (uses)	-	384,000	2,304,705	14,000
Net change in fund balances	362	286,453	1,082,676	(1,379)
Fund Balances (Deficit)				
Beginning	2,860,456	695,805	1,355,666	270,699
Ending	$ 2,860,818	$ 982,258	$ 2,438,342	$ 269,320

Statement 6

Fire and Life Safety	Wellness Center	Oakwood Cemetery	MLK Memorial	Total Capital Projects Funds
$ -	$ -	$ -	$ -	$ 226,732
1,639	-	-	-	2,251
1,639	-	-	-	228,983
-	-	-	-	9,393
205,622	-	-	19,301	1,777,467
205,622	-	-	19,301	1,786,860
(203,983)	-	-	(19,301)	(1,557,877)
-	-	-	-	2,716,705
(58,732)	(933)	-	(122)	(73,787)
(58,732)	(933)	-	(122)	2,642,918
(262,715)	(933)	-	(19,423)	1,085,041
663,315	933	83,813	19,423	5,950,110
$ 400,600	$ -	$ 83,813	$ -	$ 7,035,151

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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 ASSETS
June 30, 2010

ASSETS	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Current Assets				
Cash and investments	$ -	$ 412,396	$ -	$ 412,396
Receivables:				
Accounts receivable, net	683	1,535	140,624	142,842
Due from other governments	-	60,125	1,131,960	1,192,085
Sales tax refunds	-	-	-	-
Interest	-	1,268	-	1,268
Other	369,111	-	-	369,111
Inventories and prepaid expenses	40,514	16,880	-	57,394
Total current assets	410,308	492,204	1,272,584	2,175,096
Noncurrent assets:				
Restricted assets - cash and investments	-	27,330	-	27,330
Capital assets	9,490,017	10,407,888	6,656,137	26,554,042
Less accumulated depreciation	(245,093)	(4,149,710)	(1,809,767)	(6,204,570)
Bond issuance costs, net	559,390	-	-	559,390
Total noncurrent assets	9,804,314	6,285,508	4,846,370	20,936,192
Total assets	10,214,622	6,777,712	6,118,954	23,111,288
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	109,326	137,618	399,830	646,774
Current portion of long-term debt	630,000	38,604	-	668,604
Accrued interest	33,128	-	-	33,128
Due to other funds	259,070	-	554,308	813,378
Total current liabilities	1,031,524	176,222	954,138	2,161,884
Noncurrent liabilities				
Long-term debt due after one year	7,835,000	56,149	-	7,891,149
Deposits	-	27,330	-	27,330
Total noncurrent liabilities	7,835,000	83,479	-	7,918,479
Total liabilities	8,866,524	259,701	954,138	10,080,363
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	779,924	6,258,178	4,846,370	11,884,472
Unrestricted	568,174	259,833	318,446	1,146,453
Total net assets	$ 1,348,098	$ 6,518,011	$ 5,164,816	$ 13,030,925

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year Ended June 30, 2010

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 856,234	$ 254,087	$ 179,744	$ 1,290,065
Other operating revenues	426,777	-	4,069	430,846
Total operating revenue	1,283,011	254,087	183,813	1,720,911
Operating Expenses				
General and administrative	-	603,092	15,165	618,257
Professional services	735,660	-	1,990,128	2,725,788
Utilities	-	253,818	-	253,818
Maintenance and repairs	-	307,717	-	307,717
Operating supplies	-	-	288,541	288,541
Other operating costs	614,190	-	(1,658)	612,532
Depreciation and amortization	99,670	259,319	300,767	659,756
Total operating expenses	1,449,520	1,423,946	2,592,943	5,466,409
Operating income (loss)	(166,509)	(1,169,859)	(2,409,130)	(3,745,498)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,450,298	3,728,206	5,178,504
Interest earned on investments	-	3,772	-	3,772
Interest expense	(390,287)	-	-	(390,287)
Gain on sale of capital assets	2,553	-	-	2,553
Other	39,694	11,231	-	50,925
Total nonoperating revenues (expenses)	(348,040)	1,465,301	3,728,206	4,845,467
Income (loss) before transfers	(514,549)	295,442	1,319,076	1,099,969
Transfers In (Out)				
Transfers Out	-	(13,599)	-	(13,599)
Transfers In	1,085,630	-	370,548	1,456,178
Transfers in (out)	1,085,630	(13,599)	370,548	1,442,579
Change in net assets	571,081	281,843	1,689,624	2,542,548
Net Assets (Deficit):				
Beginning	777,017	6,236,168	3,475,192	10,488,377
Ending	$ 1,348,098	$ 6,518,011	$ 5,164,816	$ 13,030,925

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2010

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers	$ 1,419,505	$ 228,917	$ (475,349)	$ 1,173,073
Payments to employees	-	(277,292)	-	(277,292)
Payments to suppliers	(1,334,396)	(779,405)	(2,074,845)	(4,188,646)
Net cash provided by (used in) operating activities	85,109	(827,780)	(2,550,194)	(3,292,865)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	(112,754)	-	554,308	441,554
Transfers in	1,085,630	-	370,548	1,456,178
Transfers out	-	(13,599)	-	(13,599)
Operating grants received	-	1,450,298	3,728,206	5,178,504
Net cash provided by noncapital financing activities	972,876	1,436,699	4,653,062	7,062,637
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(610,000)	-	-	(610,000)
Interest paid	(391,538)	-	-	(391,538)
Acquisition and construction of capital assets	(59,500)	(428,406)	(2,287,150)	(2,775,056)
Proceeds from the sale of capital assets	2,553	-	-	2,553
Net cash used in capital and related financing activities	(1,058,485)	(428,406)	(2,287,150)	(3,774,041)
Cash Flows Provided by Investing Activities				
Earnings on investments	500	3,882	-	4,382
Net decrease in cash and cash equivalents	-	184,395	(184,282)	113
Cash and cash equivalents:				
Beginning	-	255,331	184,282	439,613
Ending	$ -	$ 439,726	$ -	$ 439,726

Continued

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2010

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	$ (166,509)	$ (1,169,859)	$ (2,409,130)	$ (3,745,498)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	99,670	259,319	300,767	659,756
Other income	39,694	11,231	-	50,925
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	96,800	759	472,798	570,357
Due from other governmental agencies	-	(37,160)	(1,131,960)	(1,169,120)
Inventories and prepaid expenses	9,639	199	-	9,838
Increase (decrease) in:				
Accounts payable and accrued expenses	5,815	88,908	217,331	312,054
Vacation accrual	-	2,423	-	2,423
OPEB liability	-	18,292	-	18,292
Deposits	-	(1,892)	-	(1,892)
Net cash provided by (used in) operating activities	$ 85,109	$ (827,780)	$ (2,550,194)	$ (3,292,865)

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, 2010

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment
General Government				
Governing body	$ -	$ -	$ -	$ 5,429
Administration	3,160,339	5,207,696	416,573	1,589,718
Finance	-	-	-	454,442
Tax office	-	-	-	95,538
Legal	-	-	-	2,113
Human resources	-	421,736	-	49,725
Total general government	3,160,339	5,629,432	416,573	2,196,965
Public Safety				
Communications	-	-	-	2,280,880
Police	48,130	15,212,803	110,922	7,228,346
Fire	524,776	13,977,997	200,190	12,571,185
Sign shop	-	-	-	275,267
Total public safety	572,906	29,190,800	311,112	22,355,678
Public Works				
Streets	40,826,364	222,710	76,177	2,943,717
Sanitation	-	3,498,290	-	3,299,028
Cemeteries	-	-	55,129	94,266
Transportation	50,987	-	-	708
Total public works	40,877,351	3,721,000	131,306	6,337,719
Cultural and Recreational				
Parks and recreation	6,056,027	7,165,153	1,673,239	624,769
Planning and Community Development				
Planning and zoning	437,552	-	8,485	395,256
Section 8, Housing Assistance	-	125,008	-	41,453
Total planning and community development	437,552	125,008	8,485	436,709
Total capital assets	$ 51,104,175	$ 45,831,393	$ 2,540,715	$ 31,951,840

Infrastructure	Construction in Progress	Total
$ -	$ -	$ 5,429
446,014	59,970	10,880,310
-	-	454,442
-	-	95,538
-	-	2,113
-	-	471,461
446,014	59,970	11,909,293
-	-	2,280,880
-	-	22,600,201
-	1,241	27,275,389
-	-	275,267
-	1,241	52,431,737
464,824,327	1,406,154	510,299,449
-	-	6,797,318
168,238	83,534	401,167
6,697,169	-	6,748,864
471,689,734	1,489,688	524,246,798
-	14,459	15,533,647
138,750	102,585	1,082,628
-	-	166,461
138,750	102,585	1,249,089
$ 472,274,498	$ 1,667,943	$ 605,370,564

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, 2010

Function/Activity	June 30, 2009	Additions	Retirements/ Transfers	June 30, 2010
General Government				
Governing body	$ 5,429	**$ -**	**$ -**	**$ 5,429**
Administration	10,811,671	**146,065**	**77,426**	**10,880,310**
Finance	454,442	**-**	**-**	**454,442**
Tax office	67,464	**28,074**	**-**	**95,538**
Legal	2,113	**-**	**-**	**2,113**
Human resources	471,461	**-**	**-**	**471,461**
Total general government	11,812,580	**174,139**	**77,426**	**11,909,293**
Public Safety				
Communications	2,280,880	**-**	**-**	**2,280,880**
Police	22,328,557	**529,096**	**257,452**	**22,600,201**
Fire	26,692,480	**6,134,178**	**5,551,269**	**27,275,389**
Sign shop	275,267	**-**	**-**	**275,267**
Total public safety	51,577,184	**6,663,274**	**5,808,721**	**52,431,737**
Public Works				
Streets	504,531,734	**6,164,948**	**397,233**	**510,299,449**
Sanitation	6,908,693	**-**	**111,375**	**6,797,318**
Cemeteries	346,038	**55,129**	**-**	**401,167**
Transportation	6,748,864	**-**	**-**	**6,748,864**
Total public works	518,535,329	**6,220,077**	**508,608**	**524,246,798**
Cultural and Recreational				
Parks and recreation	15,222,445	**311,202**	**-**	**15,533,647**
Planning and Community Development				
Planning and zoning	980,042	**102,586**	**-**	**1,082,628**
Section 8, Housing Assistance	166,461	**-**	**-**	**166,461**
Total planning and community development	1,146,503	**102,586**	**-**	**1,249,089**
Total capital assets	$ 598,294,041	**$ 13,471,278**	**$ 6,394,755**	**$ 605,370,564**

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Restricted intergovernmental revenues	$ 3,492,492	$ 3,492,492	**$ 3,507,646**	$ 15,154
Investment earnings	5,000	5,000	**1,908**	(3,092)
Program income	4,000	4,000	**-**	(4,000)
Other income	1,000	1,000	**4,046**	3,046
Total revenues	3,502,492	3,502,492	**3,513,600**	11,108
Expenditures				
Administration	343,660	343,660	**336,729**	6,931
Housing assistance payments	3,158,832	3,258,832	**3,119,188**	139,644
Total expenditures	3,502,492	3,602,492	**3,455,917**	146,575
Excess of revenues over expenditures	-	(100,000)	**57,683**	157,683
Other Financing Sources (Uses)				
Appropriated Fund Balance	-	100,000	**-**	(100,000)
Transfers Out	-	-	**-**	-
Total other financing sources	-	100,000	**-**	(100,000)
Excess of revenues and other financing sources over expenditures	$ -	$ -	**57,683**	$ 57,683
Fund Balance				
Beginning			**769,143**	
Ending			**$ 826,826**	

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, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 395,115	$ 175,600	**$ 136,087**	$ 311,687
Program income	140,488	140,488	**-**	140,488
Total revenues	535,603	316,088	**136,087**	452,175
Expenditures				
Administration	131,460	25,995	**67,417**	93,412
Rehabilitation	404,143	296,909	**68,656**	365,565
Total expenditures	535,603	322,904	**136,073**	458,977
Excess of revenues over expenditures	$ -	$ (6,816)	**$ 14**	$ (6,802)

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

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B04-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 463,000	$ 463,000	**$ -**	$ 463,000
Program income	259,807	259,813	**-**	259,813
Total revenues	722,807	722,813	**-**	722,813
Expenditures				
Administration	144,561	144,873	**-**	144,873
Rehabilitation	578,246	578,395	**(455)**	577,940
Total expenditures	722,807	723,268	**(455)**	722,813
Deficiency of revenues over expenditures	$ -	$ (455)	**$ 455**	$ -

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

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B06-MC37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 394,782	$ 389,580	**$ 5,201**	$ 394,781
Program income	99,565	99,565	**-**	99,565
Total revenues	494,347	489,145	**5,201**	494,346
Expenditures				
Administration	98,869	94,007	**4,861**	98,868
Rehabilitation	395,478	395,455	**23**	395,478
Total expenditures	494,347	489,462	**4,884**	494,346
Deficiency of revenues over expenditures	$ -	$ (317)	**$ 317**	$ -

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

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, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 382,930	$ 55,569	**$ 202,660**	$ 258,229
Program income	63,515	63,515	**-**	63,515
Total revenues	446,445	119,084	**202,660**	321,744
Expenditures				
Administration	89,289	661	**78,874**	79,535
Rehabilitation	357,156	118,423	**123,786**	242,209
Total expenditures	446,445	119,084	**202,660**	321,744
Deficiency of revenues over expenditures	$ -	$ -	**$ -**	$ -

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

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, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 390,779	$ -	**$ 92,340**	$ 92,340
Program income	50,000	-	**52,720**	52,720
Total revenues	440,779	-	**145,060**	145,060
Expenditures				
Administration	88,156	-	**5,697**	5,697
Rehabilitation	352,623	-	**139,363**	139,363
Total expenditures	440,779	-	**145,060**	145,060
Deficiency of revenues over expenditures	$ -	$ -	**$ -**	$ -

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

SECTION 108 LOAN/BEDI GRANT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ -	$ 3,962	**$ 8,952**	$ 12,914
Restricted intergovernmental revenues	1,000,000	99,930	-	99,930
Loan repayments	-	17,864	-	17,864
Total revenues	1,000,000	121,756	**8,952**	130,708
Expenditures				
Rehabilitation	2,974,000	108,801	-	108,801
Total expenditures	2,974,000	108,801	-	108,801
Excess (deficiency) of revenues over expenditures	(1,974,000)	12,955	**8,952**	21,907
Other Financing Sources (Uses)				
Debt issued	1,974,000	1,974,000	-	1,974,000
Debt service	-	(59,544)	**(93,605)**	(153,149)
Transfers In	99,930	99,930	-	99,930
Transfers Out	(99,930)	(99,930)	-	(99,930)
Total other financing sources	1,974,000	1,914,456	**(93,605)**	1,820,851
Excess of revenues and other financing sources over expenditures	$ -	$ 1,927,411	**(84,653)**	$ 1,842,758
Fund Balance				
Beginning			**1,927,411**	
Ending			**$ 1,842,758**	

HOME FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 2,260,075	$ 1,477,660	**$ 36,384**	$ 1,514,044
Program income	1,973,238	1,949,568	**21,575**	1,971,143
Total revenues	4,233,313	3,427,228	**57,959**	3,485,187
Expenditures				
Administration	694,020	509,823	**71,927**	581,750
Rehabilitation	3,996,596	3,089,285	**115,536**	3,204,821
Total expenditures	4,690,616	3,599,108	**187,463**	3,786,571
Excess (deficiency) of revenues over expenditures	(457,303)	(171,880)	**(129,504)**	(301,384)
Other Financing Sources (Uses)				
Transfers In	528,607	470,008	**58,599**	528,607
Transfers Out	(71,304)	-	**(71,304)**	(71,304)
Total other financing sources	457,303	470,008	**(12,705)**	457,303
Excess of revenues and other financing sources over expenditures	$ -	$ 298,128	**(142,209)**	$ 155,919
Fund Balance				
Beginning			**298,128**	
Ending			**$ 155,919**	

CITY OF CONCORD, NORTH CAROLINA **Statement 20**

FUTURE PARKS & RECREATION LAND FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Other income	$ -	$ 43,996	**$ 14,224**	$ 58,220
Excess of revenues over expenditures	-	43,996	**14,224**	58,220
Other Financing Sources				
Transfers from other funds	1,997,000	1,293,583	**850,000**	2,143,583
Appropriation to fund balance	(850,000)	-	**-**	-
Transfers to other funds	(1,147,000)	(955,938)	**-**	(955,938)
Total other financing sources (uses)	-	337,645	**850,000**	1,187,645
Excess of revenues and other financing sources over expenditures	$ -	$ 381,641	**864,224**	$ 1,245,865
Fund Balance				
Beginning			**381,641**	
Ending			**$ 1,245,865**	

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

GENERAL CAPITAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues				
Investment Earnings	$ -	$ -	**$ 58,931**	$ 58,931
Other Financing Sources (Uses)				
Transfer from General Fund	-	7,000,000	**7,000,000**	-
Appropriation to Fund Balance	-	(7,000,000)	**-**	7,000,000
Total other financing sources (uses)	-	-	**7,000,000**	7,000,000
Excess of revenues and other financing sources (uses) over expenditures	$ -	$ -	**7,058,931**	$ 7,058,931
Fund Balance				
Beginning			**3,619,773**	
Ending			**$ 10,678,704**	

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

MUNICIPAL SERVICE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes	$ 74,650	$ 79,900	**$ 76,899**	$ (3,001)
Expenditures				
Community development	74,650	79,900	**76,899**	3,001
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

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

TRANSPORTATION IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Investment earnings	$ 50,001	$ 50,001	**$ 47,361**	$ (2,640)
Program income	250,000	250,000	**284,896**	34,896
Total revenues	300,001	300,001	**332,257**	32,256
Expenditures				
Contract services	2,976	2,976	**-**	2,976
Capital outlay	100,000	100,000	**-**	100,000
Total expenditures	102,976	102,976	**-**	102,976
Deficiency of revenues over expenditures	197,025	197,025	**332,257**	135,232
Other Financing Sources (Uses)				
Appropriation to fund balance	(144,000)	(144,000)	**-**	144,000
Transfers in	2,098,760	2,098,760	**2,098,760**	-
Transfers out	(2,151,785)	(2,151,785)	**(2,150,641)**	1,144
Total other financing sources	(197,025)	(197,025)	**(51,881)**	145,144
Excess of revenues and other financing sources over expenditures	$ -	$ -	**280,376**	$ 280,376
Fund Balance				
Beginning			**2,501,078**	
Ending			**$ 2,781,454**	

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

CABARRUS AVENUE ROUNDABOUT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 2,950,660	$ 2,950,659	**$ -**	$ 2,950,659
Total revenues	2,950,660	2,950,659	**-**	2,950,659
Expenditures				
Capital outlay	5,304,161	5,346,074	**-**	5,346,074
Total expenditures	5,304,161	5,346,074	**-**	5,346,074
Deficiency of revenues over expenditures	(2,353,501)	(2,395,415)	**-**	(2,395,415)
Other Financing Sources				
Transfers In	3,332,041	3,332,041	**41,914**	3,373,955
Transfers Out	(978,540)	(978,540)	**-**	(978,540)
Total other financing sources	2,353,501	2,353,501	**41,914**	2,395,415
Excess of revenues and other financing sources over expenditures	$ -	$ (41,914)	**$ 41,914**	$ -

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

ADDITIONAL VEHICLE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Program income	$ 250,000	$ 285,000	**$ 295,766**	$ 10,766
Investment earnings	-	1,375	**1,719**	344
Total revenues	250,000	286,375	**297,485**	11,110
Other Financing Uses				
Appropriated fund balance	-	73,063	**-**	(73,063)
Transfers out	(250,000)	(359,438)	**(370,548)**	(11,110)
Total other financing uses	(250,000)	(286,375)	**(370,548)**	(84,173)
Total of revenues and other financing sources	$ -	$ -	**(73,063)**	$ (73,063)
Fund Balance				
Beginning			**73,063**	
Ending			**$ -**	

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

EECBG STIMULUS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 638,800	$ -	**$ 137,177**	$ 137,177
Total revenues	638,800	-	**137,177**	137,177
Expenditures				
Rehabilitation	242,800	-	**106,959**	106,959
Capital outlay	521,500	-	**30,218**	30,218
Total expenditures	764,300	-	**137,177**	137,177
Excess (deficiency) of revenues over expenditures	(125,500)	-	**-**	-
Other Financing Sources				
Transfers In	125,500	-	**125,500**	125,500
Total other financing sources	125,500	-	**125,500**	125,500
Excess of revenues and other financing sources over expenditures	$ -	$ -	**125,500**	$ 125,500
Fund Balance				
Beginning			**-**	
Ending			**$ 125,500**	

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

PARKS AND RECREATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Contributions	$ 350,000	$ 350,000	**$ 250**	$ 350,250
Restricted intergovernmental revenues	538,153	393,152	**145,000**	538,152
Total operating revenues	888,153	743,152	**145,250**	888,402
Operating Expenditures				
Future Projects	197,000	-	**-**	-
Land	200,000	-	**100,490**	100,490
Logan Multipurpose Improvements	398,000	-	**7,841**	7,841
McEachern Greenway	3,000	-	**3,000**	3,000
Village Greenway	407,068	407,068	**-**	407,068
Downtown Connector Greenway	1,550,058	1,319,522	**49,536**	1,369,058
Rocky River Greenway	248,191	51,921	**81,930**	133,851
Total operating expenditures	3,003,317	1,778,511	**242,797**	2,021,308
Deficiency of revenues over expenditures before transfers	(2,115,164)	(1,035,359)	**(97,547)**	(1,132,906)
Transfers In (Out)				
Transfers in	2,129,164	1,731,164	**398,000**	2,129,164
Transfer out	(14,000)	-	**(14,000)**	(14,000)
Excess of revenues and transfers over expenditures	$ -	$ 695,805	**$ 286,453**	$ 982,258

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

TRANSPORTATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 3,091,820	$ -	**$ 81,732**	$ 81,732
Total operating revenues	3,091,820	-	**81,732**	81,732
Operating Expenditures				
Poplar Tent/Hwy 29 CMAQ	897,125	-	**47,922**	47,922
Derita Rd	1,128,560	-	**-**	-
Morehead Improvements	1,700,000	102,393	**1,174,107**	1,276,500
Burrage Rd Bridge Replacement	2,748,900	-	**81,732**	81,732
Signal & Fiber - Lake Concord Rd	205,000	-	**-**	-
Signal & Fiber - 29/LC/NCDOT	175,000	-	**-**	-
Total operating expenditures	6,854,585	102,393	**1,303,761**	1,406,154
Deficiency of revenues over expenditures before transfers	(3,762,765)	(102,393)	**(1,222,029)**	(1,324,422)
Other Financing Sources (Uses)				
Transfers In	3,762,765	1,458,059	**2,304,705**	3,762,764
Total other financing sources	3,762,765	1,458,059	**2,304,705**	3,762,764
Excess of revenues and transfers over expenditures	$ -	$ 1,355,666	**$ 1,082,676**	$ 2,438,342

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

GENERAL FUND CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 313,000	$ -	**$ -**	$ -
Total revenues	313,000	-	**-**	-
Expenditures				
Capital outlay	591,000	-	**8,986**	8,986
Contract services	77,000	70,301	**6,393**	76,694
Total expenditures	668,000	70,301	**15,379**	85,680
Deficiency of revenues over expenditures before transfers	(355,000)	(70,301)	**(15,379)**	(85,680)
Transfer In	355,000	341,000	**14,000**	355,000
Excess of revenues and transfers over expenditures	$ -	$ 270,699	**$ (1,379)**	$ 269,320

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

FIRE AND LIFE SAFETY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Land	$ 50,000	$ 6,030	$ -	$ 6,030
Total operating expenditures	50,000	6,030	-	6,030
Deficiency of revenues over expenditures before transfers	(50,000)	(6,030)	-	(6,030)
Transfer In (Out)	50,000	300,000	**(250,000)**	50,000
Excess of revenues and transfers over expenditures	$ -	$ 293,970	**$ (250,000)**	$ 43,970

Change in net assets:	
Fire and Life Safety Capital Project Fund	**$ (250,000)**
2008 Debt Issuance Capital Project Fund (Statement 52)	**(12,715)**
	$ (262,715)

CITY OF CONCORD, NORTH CAROLINA **Statement 31**

WELLNESS CENTER CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Capital outlay	$ 341,493	$ 327,560	$ -	$ 327,560
Total operating expenditures	341,493	327,560	-	327,560
Deficiency of revenues over expenditures before transfers	(341,493)	(327,560)	-	(327,560)
Transfer In (Out)	341,493	328,493	**(933)**	327,560
Excess of revenues and transfers over expenditures	$ -	$ 933	**$ (933)**	$ -

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

OAKWOOD CEMETERY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Capital outlay	$ 157,890	$ 74,077	$ -	$ 74,077
Total operating expenditures	157,890	74,077	-	74,077
Deficiency of revenues over expenditures before transfers	(157,890)	(74,077)	-	(74,077)
Transfer In	157,890	157,890	-	157,890
Excess of revenues and transfers over expenditures	$ -	$ 83,813	$ -	$ 83,813

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

MLK MEMORIAL CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	$ 55,000	$ 35,577	**$ 19,301**	$ 54,878
Total operating expenditures	55,000	35,577	**19,301**	54,878
Deficiency of revenues over expenditures before transfers	(55,000)	(35,577)	**(19,301)**	(54,878)
Transfer In (Out)	55,000	55,000	**(122)**	54,878
Excess of revenues and transfers over expenditures	$ -	$ 19,423	**$ (19,423)**	$ -

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

ELECTRIC OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 66,750,000	$ 66,770,892	**$ 69,217,465**	$ 2,446,573
Other operating revenues	635,984	705,846	**738,392**	32,546
Total operating revenues	67,385,984	67,476,738	**69,955,857**	2,479,119
Operating Expenditures				
Administration	1,081,874	1,015,511	**534,267**	481,244
Purchased power	50,925,036	50,925,036	**47,693,615**	3,231,421
Power line and plant	12,452,070	12,628,109	**10,660,517**	1,967,592
Total operating expenditures	64,458,980	64,568,656	**58,888,399**	5,680,257
Nonoperating Revenues (Expenditures)				
Capital outlay	(1,549,652)	(1,478,652)	**(1,475,952)**	2,700
Interest earned on investments	575,000	375,000	**454,178**	79,178
Debt service and capital lease payments	(2,447,247)	(2,537,709)	**(2,490,820)**	46,889
Issuance of refunding bonds	-	10,141,215	**10,141,215**	-
Premium on refunding bonds	-	154,613	**154,613**	-
Redemption of refunded bonds	-	(9,285,066)	**(9,285,066)**	-
Cost of issuance	-	(777,778)	**(777,778)**	-
Appropriated Fund Balance	494,895	489,395	**-**	(489,395)
Gain on sale of capital assets	-	6,400	**6,400**	-
Total nonoperating expenditures	(2,927,004)	(2,912,582)	**(3,273,210)**	(360,628)
Income before capital contributions and transfers	-	(4,500)	**7,794,248**	7,798,748
Transfers In (Out)				
Transfers in	-	5,500	**5,500**	-
Transfers out	-	(1,000)	**(1,000)**	-
Excess of revenues over expenditures and transfers	$ -	$ -	**7,798,748**	$ 7,798,748
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,937,352)**	
Capital outlay			**1,475,952**	
Unfunded OPEB Expense			**(109,752)**	
Refunding bond proceeds			**(10,141,215)**	
Premium on refunding bonds			**(154,613)**	
Issuance costs			**777,778**	
Debt service			**10,933,494**	
Change in net assets			**$ 6,643,040**	
Change in net assets:				
Electric Operating Fund			**$ 6,643,040**	
2002 Revenue Bonds Capital Project Fund (Statement 35)			**885**	
2008 Revenue Bonds Capital Project Fund (Statement 36)			**-**	
			$ 6,643,925	

2002 REVENUE BONDS CAPITAL PROJECT FUND - ELECTRIC FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 245,276	$ 140,353	**$ 885**	$ 141,238
	245,276	140,353	**885**	141,238
Expenditures				
Capital Outlay:				
100 KV - Substation J	1,171,274	1,171,274	-	1,171,274
100 KV - Substation K	2,295,534	2,295,533	-	2,295,533
100 KV - Substation E	2,889,237	2,790,630	-	2,790,630
Sub C Conversion	178,552	178,551	-	178,551
Sub H Conversion	9,204	4,504	-	4,504
100 KV loop construction	130,928	18,722	-	18,722
Sub L Substation	309,269	152,452	-	152,452
Debt service reserve	4,872,797	-	-	-
Total expenditures	11,856,795	6,611,666	-	6,611,666
Deficiency of revenues over expenditures	(11,611,519)	(6,471,313)	**885**	(6,470,428)
Other Financing Sources				
Capital contributions	-	536,252	-	536,252
Operating Transfer In	1,635,215	1,635,215	-	1,635,215
Bond proceeds	9,976,304	9,629,929	-	9,629,929
	11,611,519	11,801,396	-	11,801,396
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 5,330,083	**885**	$ 5,330,968
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net assets			**$ 885**	

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

2008 REVENUE BONDS CAPITAL PROJECT FUND - ELECTRIC FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 148,764	$ 236,108	**$ 19,557**	$ 255,665
	148,764	236,108	**19,557**	255,665
Expenditures				
Capital Outlay:				
100 KV - Substation K	150,000	(122)	**60,445**	60,323
100 KV - Substation E	23,580	23,581	**-**	23,581
Sub L Substation	740,702	740,702	**-**	740,702
100KV Devlivery #4 Construction	150,000	-	**-**	-
Substation O	5,835,097	5,750,831	**3,457**	5,754,288
Hwy 601 & 49 Substation	150,000	-	**-**	-
Sub A C & D Switchgear	2,034,900	2,026,809	**8,091**	2,034,900
Substation G	200,000	-	**15,069**	15,069
Capitalized interest	1,722,333	1,187,366	**534,967**	1,722,333
Cost of issuance	400,316	400,315	**-**	400,315
Total expenditures	11,406,928	10,129,482	**622,029**	10,751,511
Deficiency of revenues over expenditures	(11,258,164)	(9,893,374)	**(602,472)**	(10,495,846)
Other Financing Sources				
Bond proceeds	11,258,164	10,308,395	**-**	10,308,395
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 415,021	**(602,472)**	$ (187,451)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**602,472**	
Change in net assets			**$ -**	

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

WATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 17,215,600	$ 17,269,615	**$ 18,103,466**	$ 833,851
Other operating revenues	731,900	783,517	**1,013,294**	229,777
Total operating revenues	17,947,500	18,053,132	**19,116,760**	1,063,628
Operating Expenditures				
Water plants and lakes	6,140,370	6,127,975	**4,828,204**	1,299,771
Water line operation and maintenance	6,131,049	6,196,820	**5,356,563**	840,257
Total operating expenditures	12,271,419	12,324,795	**10,184,767**	2,140,028
Nonoperating Revenues (Expenditures)				
Interest earned on investments	662,000	462,000	**555,656**	93,656
Issuance of refunding bonds	-	9,568,265	**9,568,265**	-
Premium on refunding bonds	-	145,878	**145,878**	-
Redemption of refunded bonds	-	(8,760,486)	**(8,760,486)**	-
Capital outlay	(2,442,844)	(2,545,400)	**(827,863)**	1,717,537
Debt service	(4,230,637)	(4,183,889)	**(4,083,144)**	100,745
Cost of issuance	-	(763,962)	**(763,961)**	1
Gain on sale of capital assets	-	13,857	**13,857**	-
Appropriated Fund Balance	740,400	740,400	**-**	(740,400)
Total nonoperating expenditures	(5,271,081)	(5,323,337)	**(4,151,798)**	1,171,539
Income before capital contributions and transfers	405,000	405,000	**4,780,195**	4,375,195
Transfers In (Out)				
To Project Fund	(405,000)	(405,000)	**(405,000)**	-
Capital Contributions	-	-	**789,010**	789,010
Excess of revenues, capital contributions over expenditures	$ -	$ -	**5,164,205**	$ 5,164,205
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,714,819)**	
Unfunded OPEB Expense			**(91,460)**	
Refunding bond proceeds			**(9,568,265)**	
Premium on refunding bonds			**(145,878)**	
Issuance costs			**763,961**	
Capital outlay			**827,863**	
Debt service			**11,284,390**	
Change in net assets			**$ 4,519,997**	

Change in net assets:	
Water Operating Fund	**$ 4,519,997**
2002 Revenue Bonds Capital Project Fund (Statement 38)	**3,330**
2008 Revenue Bonds Capital Project Fund (Statement 39)	**-**
Water Projects Capital Project Fund (Statement 40)	**561,201**
	$ 5,084,528

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

2002 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, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 104,836	$ 527,995	**$ 3,330**	$ 531,325
Other revenue	254,000	254,000	-	254,000
	358,836	781,995	**3,330**	785,325
Expenditures				
Administrative	629,937	639,937	-	639,937
Capital Outlay:				
Capitalized Interest	663,789	663,788	-	663,788
Cost of issuance	9,667	9,667	-	9,667
Peak Shaving Generator	340,809	340,808	-	340,808
Hillgrove Treatment Plant	3,993,424	3,993,423	-	3,993,423
Highway 73 East Tank	1,104,508	1,104,508	-	1,104,508
Coddle Creek Plant Upgrade	5,868,288	5,868,288	-	5,868,288
Exposition Center Water Line	1,707,808	1,707,808	-	1,707,808
AMR Meter Project	982,162	982,162	-	982,162
Eastfield Water Line	3,881,811	3,881,811	-	3,881,811
Total expenditures	19,182,203	19,192,200	-	19,192,200
Loss before other financing sources	(18,823,367)	(18,410,205)	**3,330**	(18,406,875)
Other Financing Sources				
Capital contributions	50,000	50,000	-	50,000
Bond proceeds	18,773,367	15,913,415	-	15,913,415
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (2,446,790)	**3,330**	$ (2,443,460)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net assets			**$ 3,330**	

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

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, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Capital Outlay:				
Cost of issuance	$ 385,433	$ 385,433	**$ -**	$ 385,433
Meter replacement program	3,206,438	3,206,438	**-**	3,206,438
Westside tank design & construction	5,200,000	-	**94,065**	94,065
Coddle Creek sludge removal	386,356	386,356	**-**	386,356
NC widening A&B	1,561,082	1,561,082	**-**	1,561,082
George Liles waterline	1,432,480	408,357	**408,357**	816,714
Total expenditures	12,171,789	5,947,666	**502,422**	6,450,088
Deficiency of revenues over expenditures	(12,171,789)	(5,947,666)	**(502,422)**	(6,450,088)
Other Financing Sources				
Operating Transfer In	386,356	386,356	**-**	386,356
Bond proceeds	11,785,433	12,971,010	**-**	12,971,010
	12,171,789	13,357,366	**-**	13,357,366
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 7,409,700	**(502,422)**	$ 6,907,278
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**502,422**	
Change in net assets			**$ -**	

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

WATER PROJECTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 156,746	$ -	**$ 156,201**	$ 156,201
Total operating revenues	156,746	-	**156,201**	156,201
Operating Expenditures				
Capital outlay	3,583,146	-	**156,201**	156,201
Total operating expenditures	3,583,146	-	**156,201**	156,201
Deficiency of revenues over expenditures before transfers	(3,426,400)	-	**-**	-
Transfer In	3,426,400	3,181,400	**405,000**	3,586,400
Excess of revenues and transfers over expenditures	$ -	$ 3,181,400	**405,000**	$ 3,586,400
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**156,201**	
Change in net assets			**$ 561,201**	

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

WASTEWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 13,350,000	$ 13,107,796	**$ 13,341,330**	$ 233,534
Other operating revenues	360,725	462,725	**432,548**	(30,177)
Total operating revenues	13,710,725	13,570,521	**13,773,878**	203,357
Operating Expenditures				
Wastewater line and plant	10,922,191	11,005,643	**10,184,877**	820,766
Total operating expenditures	10,922,191	11,005,643	**10,184,877**	820,766
Nonoperating Revenues (Expenditures)				
Interest earned on investments	200,000	347,500	**413,412**	65,912
Issuance of refunding bonds	-	18,494,008	**18,494,008**	-
Premium on refunding bonds	-	281,960	**281,960**	-
Redemption of refunded bonds	-	(16,932,693)	**(16,932,693)**	-
Capital outlay	(1,276,357)	(1,514,611)	**(860,477)**	654,134
Debt service	(1,919,266)	(2,116,165)	**(2,053,269)**	62,896
Cost of issuance	-	(1,364,690)	**(1,364,690)**	-
Gain (loss) on sale of capital assets	-	8,704	**(133,195)**	(141,899)
Appropriated Fund Balance	207,089	231,109	**-**	(231,109)
Total nonoperating expenditures	(2,788,534)	(2,564,878)	**(2,154,944)**	409,934
Income before capital contributions and transfers in	-	-	**1,434,057**	1,434,057
Capital Contributions	-	-	**2,824,982**	2,824,982
Transfers In (Out)				
To Project Fund	-	-	**-**	-
Excess of revenues and operating transfers over expenditures	$ -	$ -	**4,259,039**	$ 4,259,039
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(2,562,895)**	
Capital outlay			**860,477**	
Debt service			**18,226,592**	
Issuance costs			**1,364,690**	
Refunding bond proceeds			**(18,494,008)**	
Premium on refunding bonds			**(281,960)**	
Change in net assets			**$ 3,371,935**	
Change in net assets:				
Wastewater Operating Fund			**$ 3,371,935**	
2008 Revenue Bonds Capital Project Fund (Statement 42)			**-**	
			$ 3,371,935	

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

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, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 104,952	$ -	**$ -**	$ -
Assessment	396,201	-	-	-
	501,153	-	-	-
Expenditures				
Capital Outlay:				
Cost of issuance	121,403	121,403	-	121,403
Reedy Creek/Rocky River PS	4,991,153	4,934,156	**56,996**	4,991,152
Total expenditures	5,112,556	5,055,559	**56,996**	5,112,555
Deficiency of revenues over expenditures	(4,611,403)	(5,055,559)	**(56,996)**	(5,112,555)
Other Financing Sources				
Operating Transfer In	290,000	290,000	-	290,000
Bond proceeds	4,321,403	4,085,595	-	4,085,595
	4,611,403	4,375,595	-	4,375,595
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (679,964)	**(56,996)**	$ (736,960)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**56,996**	
Change in net assets			**$ -**	

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

REGIONAL AIRPORT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 8,031,475	$ 8,031,475	**$ 8,070,748**	$ 39,273
Other operating revenues	4,200	5,308	**21,713**	16,405
Total operating revenues	8,035,675	8,036,783	**8,092,461**	55,678
Operating Expenditures				
Airport operation and maintenance	7,242,392	7,981,931	**7,783,056**	198,875
Total operating expenditures	7,242,392	7,981,931	**7,783,056**	198,875
Nonoperating Revenues (Expenditures)				
Interest earned on investments	65,000	65,000	**64,762**	(238)
Capital outlay	(4,741,996)	(4,710,474)	**(4,639,825)**	70,649
Debt service	(1,113,041)	(1,113,041)	**(1,072,910)**	40,131
Miscellaneous revenues	10,000	10,000	**11,649**	1,649
Appropriated Fund Balance	1,620,826	2,114,904	**-**	(2,114,904)
Total nonoperating expenditures	(4,159,211)	(3,633,611)	**(5,636,324)**	(2,002,713)
Income (loss) before capital contributions and transfers	(3,365,928)	(3,578,759)	**(5,326,919)**	(1,748,160)
Capital Contributions	100,000	255,600	**4,883,866**	4,628,266
Transfers In (Out)				
Transfers in	699,091	756,322	**756,321**	(1)
Among Airport Funds	(571,123)	(571,123)	**(571,123)**	-
Excess of revenues and operating transfers over expenditures	$ (3,137,960)	$ (3,137,960)	**(257,855)**	$ 2,880,105
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(1,217,650)**	
Capital outlay			**4,639,825**	
Unfunded OPEB Expense			**(18,292)**	
Debt service			**602,500**	
Change in net assets			**$ 3,748,528**	

Change in net assets:	
Regional Airport Operating Fund	**$ 3,748,528**
2008 Debt Issuance Capital Project Fund (Statement 52)	**(54,966)**
First Concord Capital Project Fund (Statement 54)	**37,508**
	$ 3,731,070

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

STORMWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Operating Revenues				
Charges for services	$ 3,452,050	$ 3,457,027	**$ 3,560,017**	$ 102,990
Other operating revenues	8,230	246,267	**369,000**	122,733
Total operating revenues	3,460,280	3,703,294	**3,929,017**	225,723
Operating Expenditures				
Stormwater operation and maintenance	2,287,275	2,542,604	**2,339,559**	203,045
Total operating expenditures	2,287,275	2,542,604	**2,339,559**	203,045
Nonoperating Revenues (Expenditures)				
Capital outlay	(210,000)	(231,294)	**(137,668)**	93,626
Interest earned on investments	15,900	28,775	**53,646**	24,871
Gain on sale of capital assets	-	21,294	**21,294**	-
Debt service and capital lease payments	(43,372)	(43,372)	**(43,372)**	-
Appropriation to Fund Balance	(623,533)	(623,533)	**-**	623,533
Total nonoperating expenditures	(861,005)	(848,130)	**(106,100)**	742,030
Income before capital contributions and transfers	312,000	312,560	**1,483,358**	1,170,798
Transfers Out				
To General Fund	-	(560)	**(560)**	-
To Project Fund	(312,000)	(312,000)	**(312,000)**	-
Excess of revenues over expenditures and transfers out	$ -	$ -	**1,170,798**	$ 1,170,798
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(1,601,278)**	
Debt service			**38,165**	
Capital outlay			**137,668**	
Change in net assets			**$ (254,647)**	
Change in net assets:				
Stormwater Operating Fund			**$ (254,647)**	
Stormwater Capital Project Fund (Statement 45)			**372,000**	
			$ 117,353	

CITY OF CONCORD, NORTH CAROLINA **Statement 45**

STORMWATER CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 1,096,904	$ -	**$ 60,000**	$ 60,000
Total operating revenues	1,096,904	-	**60,000**	60,000
Operating Expenditures				
Capital outlay	2,855,808	26,630	**425,474**	452,104
Total operating expenditures	2,855,808	26,630	**425,474**	452,104
Deficiency of revenues over expenditures before transfers	(1,758,904)	(26,630)	**(365,474)**	(392,104)
Transfer In	1,758,904	869,400	**312,000**	1,181,400
Excess of revenues and transfers over expenditures	$ -	$ 842,770	**(53,474)**	$ 789,296
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**425,474**	
Change in net assets			**$ 372,000**	

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

GOLF COURSE OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Operating Revenues				
Charges for services	$ 1,068,734	$ 1,068,734	**$ 856,234**	$ (212,500)
Other operating revenues	571,311	571,311	**426,777**	(144,534)
Total operating revenues	1,640,045	1,640,045	**1,283,011**	(357,034)
Operating Expenditures				
Professional services	797,601	797,723	**735,660**	62,063
Other operating costs	716,260	968,898	**614,190**	354,708
Total operating expenditures	1,513,861	1,766,621	**1,349,850**	416,771
Nonoperating Revenues (Expenditures)				
Capital outlay	(35,000)	(35,000)	**(59,500)**	(24,500)
Interest earned on investments	-	-	**-**	-
Gain on sale of capital assets	-	2,760	**2,553**	(207)
Miscellaneous revenue	35,051	35,051	**39,694**	4,643
Total nonoperating revenues	51	2,811	**(17,253)**	(20,064)
Loss before transfers	126,235	(123,765)	**(84,092)**	39,673
Transfers in (out)				
From general fund	875,303	1,125,303	**1,085,630**	(39,673)
Among golf course funds	(1,001,538)	(1,001,538)	**(1,001,538)**	-
Excess of revenues over expenditures and transfers in (out)	$ -	$ -	**-**	$ -

Reconciliation of Modified Accrual Basis to Full Accrual Basis	
Depreciation	**(30,702)**
Capital outlay	**59,500**
Change in net assets	**$ 28,798**

Change in net assets:	
Golf Course Operating Fund	**$ 28,798**
First Concord Capital Project Fund (Statement 54)	**542,283**
	$ 571,081

CITY OF CONCORD, NORTH CAROLINA **Statement 47**

HOUSING DEPARTMENT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 277,500	$ 280,599	**$ 254,087**	$ (26,512)
Total operating revenues	277,500	280,599	**254,087**	(26,512)
Operating Expenditures				
Administrative	482,516	528,296	**584,800**	(56,504)
Utilities	355,500	355,500	**253,818**	101,682
Housing maintenance and repairs	313,618	303,118	**307,717**	(4,599)
Total operating expenditures	1,151,634	1,186,914	**1,146,335**	40,579
Nonoperating Revenues (Expenditures)				
Operating subsidy	780,000	825,780	**1,047,016**	221,236
Interest earned on investments	5,000	5,000	**3,772**	(1,228)
Miscellaneous	5,000	5,000	**11,231**	6,231
Appropriated Fund Balance	84,134	84,134	**-**	(84,134)
Total nonoperating revenues	874,134	919,914	**1,062,019**	142,105
Income before transfers	-	13,599	**169,771**	156,172
Transfers in (out)				
Transfer out	-	(13,599)	**(13,599)**	-
Transfer in	-	-	**-**	-
Excess of revenues and transfers over expenditures	$ -	$ -	**156,172**	$ 156,172
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			**(18,292)**	
Depreciation			**(259,319)**	
Change in net assets			**$ (121,439)**	
Change in net assets:				
Housing Operating Fund			**$ (121,439)**	
Housing Capital Project Fund (Statement 48)			**227,284**	
ARRA Stimulus Fund (Statement 53)			**175,998**	
			$ 281,843	

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

HOUSING CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Capital outlay	$ 737,342	$ 915,426	**$ -**	$ 915,426
Other Financing Sources (Uses)				
Federal grants	839,342	1,933,585	**227,284**	2,160,869
Excess of other financing sources over expenditures	102,000	1,018,159	**227,284**	1,245,443
Transfers Out				
Housing Department Operating Fund	(102,000)	(1,803,274)	**-**	(1,803,274)
Excess of other financing sources over expenditures and transfers	$ -	$ (785,115)	**227,284**	$ (557,831)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net assets			**$ 227,284**	

TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Charges for services	$ 1,218,371	$ 1,018,371	**$ 179,744**	$ 1,198,115
Restricted intergovernmental revenues	656,906	574,790	**4,069**	578,859
Total operating revenues	1,875,277	1,593,161	**183,813**	1,776,974
Operating Expenditures				
Administrative	301,781	290,687	**15,165**	305,852
Professional services	11,597,572	8,934,449	**1,990,128**	10,924,577
Operating supplies	1,463,489	1,119,505	**229,524**	1,349,029
Miscellaneous	7,383	822	**(1,658)**	(836)
Total operating expenditures	13,370,225	10,345,463	**2,233,159**	12,578,622
Nonoperating Revenues (Expenditures)				
Operating subsidy	14,957,389	10,669,219	**2,930,002**	13,599,221
Capital outlay	(7,206,469)	(4,368,987)	**(1,547,964)**	(5,916,951)
Interest earned on investments	750	750	**-**	750
Deficiency of revenues over expenditures before transfers	(3,743,278)	(2,451,320)	**(667,308)**	(3,118,628)
Transfer In	3,743,278	3,066,020	**370,548**	3,436,568
Excess of revenues and transfers over expenditures	$ -	$ 614,700	**(296,760)**	$ 317,940
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(300,767)**	
Capital outlay			**1,547,964**	
Change in net assets			**$ 950,437**	
Change in net assets:				
Transit Fund			**$ 950,437**	
ARRA Stimulus Fund (Statement 53)			**739,187**	
			$ 1,689,624	

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2010

	Budget	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	$ 1,806,006	**$ 1,767,818**	$ 38,188
Professional services	1,725	**15,150**	(13,425)
Other expenses	651,191	**608,753**	42,438
Capital outlay	24,000	**18,390**	5,610
Transfer to project fund	5,500	**5,500**	-
Building and grounds allocation	(2,513,542)	**(2,606,525)**	92,983
	(25,120)	**(190,914)**	165,794
Data Services			
Salaries and benefits	78,695	**81,649**	(2,954)
Professional services	909,257	**892,854**	16,403
Other expenses	420,333	**370,937**	49,396
Capital outlay	52,000	**20,000**	32,000
Data services allocation	(1,460,285)	**(1,437,528)**	(22,757)
	-	**(72,088)**	72,088
Fleet Services			
Salaries and benefits	765,615	**776,549**	(10,934)
Other expenses	1,863,831	**1,939,955**	(76,124)
Capital outlay	50,000	**46,841**	3,159
Fleet services allocation	(2,695,858)	**(2,781,720)**	85,862
	(16,412)	**(18,375)**	1,963
Engineering			
Salaries and benefits	1,701,800	**1,668,983**	32,817
Professional services	28,500	**19,789**	8,711
Other expenses	206,754	**169,146**	37,608
Capital outlay	27,500	**25,011**	2,489
Engineering allocation	(1,970,616)	**(1,944,606)**	(26,010)
	(6,062)	**(61,677)**	55,615
Call Center			
Salaries and benefits	368,384	**356,276**	12,108
Other expenses	37,152	**31,310**	5,842
Call center allocation	(421,464)	**(389,485)**	(31,979)
	(15,928)	**(1,899)**	(14,029)

(Continued)

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2010

	Budget	Actual	Variance - Favorable (Unfavorable)
Billing			
Salaries and benefits	$ 553,568	**$ 555,640**	$ (2,072)
Other expenses	270,715	**297,209**	(26,494)
Billing allocation	(832,253)	**(911,618)**	79,365
	(7,970)	**(58,769)**	50,799
Customer Service			
Salaries and benefits	859,431	**865,591**	(6,160)
Professional services	1,088	**688**	400
Other expenses	379,929	**389,080**	(9,151)
Customer service allocation	(1,228,241)	**(1,325,967)**	97,726
	12,207	**(70,608)**	82,815
Warehouse Operations			
Salaries and benefits	499,202	**482,176**	17,026
Other expenses	90,967	**69,492**	21,475
Warehouse allocation	(596,544)	**(636,151)**	39,607
	(6,375)	**(84,483)**	78,108
Utilities Collection			
Salaries and benefits	266,143	**275,800**	(9,657)
Professional services	56,000	**50,141**	5,859
Other expenses	74,776	**68,024**	6,752
Utilities collection allocation	(331,259)	**(415,490)**	84,231
	65,660	**(21,525)**	87,185
Deficiency of revenues over expenditures	$ -	**(580,338)**	$ 580,338
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		**(306,450)**	
Unfunded OPEB Expense		**(384,130)**	
Capital outlay		**110,242**	
Change in net assets before capital contributions		**$ -**	
Change in net assets:			
Internal Service Fund		**$ -**	
Fiber Optic Capital Project Fund (Statement 51)		**-**	
		$ -	

CITY OF CONCORD, NORTH CAROLINA **Statement 51**

FIBER PROJECT CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Fiber project phase	$ 244,000	$ 28,282	**$ 31,071**	$ 59,353
Total operating expenditures	244,000	28,282	**31,071**	59,353
Deficiency of revenues over expenditures before transfers	(244,000)	(28,282)	**(31,071)**	(59,353)
Transfer In	244,000	244,000	**-**	244,000
Excess of revenues and transfers over expenditures	$ -	$ 215,718	**(31,071)**	$ 184,647
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**31,071**	
Change in net assets			**$ -**	

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, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ 140,350	$ 136,667	**$ 3,903**	$ 140,570
Restricted intergovernmental revenues	-	40,000	-	40,000
Total revenue	140,350	176,667	**3,903**	180,570
Expenditures				
Cost of issuance	15,300	15,300	-	15,300
Capital outlay:				
Fire Station #9	5,257,384	5,320,315	**24,176**	5,344,491
Fire Station #10	592,616	-	**181,447**	181,447
North Taxiway	1,450,836	1,390,431	-	1,390,431
Fuel Farm	247,076	-	**23,539**	23,539
Apron Construction	49,164	51,797	**(2,633)**	49,164
Hangar In Common	2,524,087	402,498	**2,063,787**	2,466,285
Land	3,287,924	3,287,924	-	3,287,924
Total expenditures	13,424,387	10,468,265	**2,290,316**	12,758,581
Deficiency of revenues over expenditures	(13,284,037)	(10,291,598)	**(2,286,413)**	(12,578,011)
Other Financing Sources (Uses)				
Transfers in	450,000	200,000	**250,000**	450,000
Transfers out	(115,963)	-	**(115,962)**	(115,962)
Bond proceeds	12,950,000	12,950,000	-	12,950,000
Total other financing sources (uses)	13,284,037	13,150,000	**134,038**	13,284,038
Excess of revenues and other financing sources (uses) over expenditures	$ -	$ 2,858,402	**(2,152,375)**	$ 706,027
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			**2,084,694**	
Change in net assets			**$ (67,681)**	

The change in net assets is allocated as follows:	
Fire & Life Safety Capital Project Fund	**$ (12,715)**
Regional Airport Fund	**(54,966)**
	$ (67,681)

ARRA STIMULUS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,824,500	$ -	**$ 1,343,775**	$ 1,343,775
Total revenue	1,824,500	-	**1,343,775**	1,343,775
Expenditures				
Administration	210,398	-	**81,533**	81,533
Public Safety	255,502	-	**194,440**	194,440
Transit operating supplies	-	-	**59,017**	59,017
Capital outlay	1,265,000	-	**832,786**	832,786
Total expenditures	1,730,900	-	**1,167,776**	1,167,776
Excess of revenues over expenditures	$ 93,600	$ -	**175,999**	$ 175,999
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			**739,186**	
Change in net assets			**$ 915,185**	

The change in net assets is allocated as follows:	
ARRA Stimulus Special Revenue Fund	**$ -**
Housing Fund	**175,998**
Transit Fund	**739,187**
	$ 915,185

FIRST CONCORD CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,010,182	$ 1,010,181	**$ -**	$ 1,010,181
Contribution	5,700	5,700	-	5,700
Investment earnings	501,018	1,244,988	**416**	1,245,404
Miscellaneous earnings	2,765	38,225	**3,739**	41,964
Total revenue	1,519,665	2,299,094	**4,155**	2,303,249
Expenditures				
Debt service	47,380,906	40,468,632	**5,990,184**	46,458,816
Cost of issuance	1,011,752	357,316	-	357,316
Administration	-	3,809	-	3,809
Capital outlay:				
Lake Concord Road Widening	6,483,344	6,483,344	-	6,483,344
International Drive Turnlane	463,935	446,544	-	446,544
Pitt School Turnlane	432,717	432,717	-	432,717
Roberta Church Turnlane	42,509	42,509	-	42,509
Central Drive Turnlane	1,578,292	1,578,292	-	1,578,292
Green Street Turnlane	57,294	57,294	-	57,294
Treatment Plant Turnlane	84,732	84,732	-	84,732
Roberta Road Intersection	424,167	424,167	-	424,167
Old Charlotte Intersection	391,561	391,561	-	391,561
Rock Hill Church Intersection	142,647	142,647	-	142,647
Municipal Parking Deck	3,769,950	3,769,949	-	3,769,949
Fire Station #7	2,591,493	2,591,493	-	2,591,493
Fire Station #8	2,402,535	2,402,535	-	2,402,535
Poplar Tent Park	930,257	930,257	-	930,257
Les Myers Park	1,300,580	1,300,580	-	1,300,580
Caldwell Park	1,545,553	1,545,553	-	1,545,553
Hartsell Recreation Center Addition	231,114	231,114	-	231,114
Academy Addition	331,097	331,097	-	331,097
McEachern Greenway	1,151,347	1,147,013	-	1,147,013
Village Greenway	-	475	-	475
JW McGee Junior Park	916,154	916,153	-	916,153

(Continued)

FIRST CONCORD CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) (Continued)
From Inception and for the Year Ended June 30, 2010

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Hangar E	1,696,047	1,696,047	-	1,696,047
Corporate Hangars	1,241,152	1,228,271	-	1,228,271
Police Headquarters	14,737,000	14,547,983	-	14,547,983
Communication equipment	1,164,326	1,160,722	-	1,160,722
Total expenditures	92,502,461	84,712,806	**5,990,184**	90,702,990
Deficiency of revenues over expenditures	(90,982,796)	(82,413,712)	**(5,986,029)**	(88,399,741)
Other Financing Sources				
Transfers in	48,999,043	40,928,774	**6,003,727**	46,932,501
Bond proceeds	41,983,753	42,252,894	-	42,252,894
Total other financing sources	90,982,796	83,181,668	**6,003,727**	89,185,395
Deficiency of revenues and other financing sources over expenditures	$ -	$ 767,956	**17,698**	$ 785,654
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Debt service principal payments			**4,280,000**	
Depreciation and amortization			**(2,637,005)**	
Change in net assets			**$ 1,660,693**	

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

Debt Service Fund	**$ 473,992**
Police Station Capital Project Fund	**362**
Governmental activities	**606,548**
Golf Course Fund	**542,283**
Regional Airport Fund	**37,508**
	$ 1,660,693

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2010

	Balance July 1, 2009	Addition	Deduction	Balance June 30, 2010
Joe Cannon Trust:				
Assets:				
Cash	$ 24,706	$ 68,506	$ 64,622	$ 28,590
Liabilities:				
Agency payable	$ 24,706	$ 68,506	$ 64,622	$ 28,590
Concord Convention Center:				
Assets:				
Cash	$ (29,969)	$ 29,969	$ -	$ -
Other receivable	29,866	-	29,866	-
Total assets	$ (103)	$ 29,969	$ 29,866	$ -
Liabilities:				
Agency payable	$ (103)	$ 29,969	$ 29,866	$ -
Employee's Insurance Fund:				
Assets:				
Cash	$ 2,394,184	$ 6,329,444	$ 6,678,075	$ 2,045,553
Liabilities:				
Agency payable	$ 2,394,184	$ 6,329,444	$ 6,678,075	$ 2,045,553
Total agency funds:				
Assets:				
Cash	$ 2,388,921	$ 6,427,919	$ 6,742,697	$ 2,074,143
Other receivable	29,866	-	29,866	-
Total assets	$ 2,418,787	$ 6,427,919	$ 6,772,563	$ 2,074,143
Liabilities:				
Agency payable	$ 2,418,787	$ 6,427,919	$ 6,772,563	$ 2,074,143

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2010

Fiscal Year	Uncollected Balance June 30, 2009	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2010
2009-2010	$ -	$ 44,871,224	$ 43,795,575	$ 1,075,649
2008-2009	1,163,335	-	775,664	387,671
2007-2008	284,232	-	111,356	172,876
2006-2007	159,898	-	16,521	143,377
2005-2006	104,590	-	10,260	94,330
2004-2005	49,016	-	3,873	45,143
2003-2004	117,490	-	2,054	115,436
2002-2003	57,147	-	1,415	55,732
2001-2002	62,446	-	1,006	61,440
2000-2001	106,119	-	458	105,661
1999-2000	(11,950)	-	(11,950)	-
	$ 2,092,323	$ 44,871,224	$ 44,706,232	2,257,315
Less allowance for uncollectible ad valorem taxes receivable				564,329
Ad valorem taxes receivable				$ 1,692,986

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	$ 44,578,272	$ 76,111	
Penalties, collected	80,073	31	
Taxes written off	289,828	717	
Total collections and credits	$ 44,948,173	$ 76,859	$ 45,025,032
Interest billed and collected during the year			240,005
Taxes written off			(290,545)
Total Ad valorem taxes			$ 44,974,492

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2010

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy: Property	Total Levy: Registered Motor Vehicles
Original levy:					
City wide	$ 9,989,751,379	**0.42**	**$ 41,956,956**	**$ 41,956,956**	**$ -**
Municipal Service District	42,538,300	**0.18**	**76,569**	**76,569**	**-**
Current year's rate, Motor vehicles	361,115,806	**0.42**	**1,515,617**	**-**	**1,515,617**
Prior year taxes, Motor vehicles	223,891,655	**0.42**	**940,265**	**-**	**940,265**
Penalties			**248,376**	**248,376**	**-**
Discoveries/additional listings:					
Current year taxes, City wide	223,678,862	**0.42**	**939,451**	**939,451**	**-**
Current year taxes, MSD	1,874,572	**0.18**	**3,374**	**3,374**	**-**
Current year's rate, Motor vehicles	3,157,254	**0.42**	**13,277**	**-**	**13,277**
Prior year taxes, Motor vehicles	1,534,890	**0.42**	**6,468**	**-**	**6,468**
Penalties			**21,675**	**21,675**	**-**
Abatements:					
Current year's rate, City wide	(128,093,236)	**0.42**	**(537,992)**	**(537,992)**	**-**
Current year's rate, MSD	(1,147,522)	**0.18**	**(2,066)**	**(2,066)**	
Current year's rate, Motor vehicles	(5,435,419)	**0.42**	**(22,829)**	**-**	**(22,829)**
Prior year taxes, Motor vehicles	(4,260,795)	**0.42**	**(17,895)**	**-**	**(17,895)**
Penalties			**(184,492)**	**(184,492)**	**-**
Total for year	**$ 10,708,605,746**		**44,956,754**	**42,521,851**	**2,434,903**
Less uncollected tax at June 30, 2010			**1,075,649**	**817,844**	**257,805**
Current year's taxes collected			**$ 43,881,105**	**$ 41,704,007**	**$ 2,177,098**
Current levy collection percentage			**97.61%**	**98.08%**	**89.41%**

Distribution of levy:	
General Fund	**$ 44,878,848**
Municipal Service District	**77,906**
	$ 44,956,754

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2010

	Reported Value	Fair Value
Cash		
On hand	$ 17,200	$ 17,200
Demand deposits	29,604,764	29,604,764
Certificates of deposit	9,500,000	9,500,000
Total cash	39,121,964	39,121,964
Investments		
North Carolina Capital Management Trust	7,372,848	7,372,848
Federal Farm Credit	8,000,000	8,023,140
FNMA Discount Notes	26,377,582	26,426,020
Federal Home Loan	37,523,191	37,700,370
Federal Home Loan Mortgage Corporation	16,600,009	16,685,040
Commercial Paper	13,831,864	13,978,000
Total investments	109,705,494	110,185,418
Total cash and investments	$ 148,827,458	$ 149,307,382
Distribution by Fund		
General Fund:		
Unrestricted	$ 43,911,272	
Restricted	1,247,022	$ 45,158,294
Special Revenue Funds (Unrestricted):		
Housing Assistance Fund		851,614
Section 108 Loan/BEDI Grant Fund		1,842,758
Home		105,206
Future Parks & Recreation Land		1,240,900
General Capital Reserve		10,664,019
Transportation Improvement Fund		2,769,776
EECBG Stimulus		77,701
Capital Project Funds:		
Police Station:		
Unrestricted	2,860,499	
Restricted	319	2,860,818
Parks (Unrestricted)		992,258
Transportation (Unrestricted)		2,424,264
General Fund Capital Project Fund (Unrestricted)		277,482
Fire and Life Safety (Unrestricted)		400,600
Oakwood Cemetery (Unrestricted)		83,813

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2010

Distribution by Fund (Continued)		
Enterprise Funds:		
Electric Fund:		
Unrestricted	**$ 20,660,280**	
Restricted	**5,324,072**	**$ 25,984,352**
Water Fund:		
Unrestricted	**33,196,122**	
Restricted	**5,328,555**	**38,524,677**
Wastewater Fund:		
Unrestricted	**3,079,641**	
Restricted	**3,331,708**	**6,411,349**
Regional Airport Fund:		
Unrestricted	**483,212**	
Restricted	**77,451**	**560,663**
Stormwater Fund (Unrestricted)		**4,184,028**
Housing Department Fund:		
Unrestricted	**412,396**	
Restricted	**27,330**	**439,726**
Internal Service Fund (Unrestricted)		**693,746**
OPEB Trust Fund (Restricted)		**205,271**
Agency Fund		**2,074,143**
Total reported value		**$ 148,827,458**

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2010

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	Neighborhood Networks Grant 14.875	Capital Funds Stimulus Grant 14.885
	Assets:						
	Current Assets:						
	Cash:						
111	Cash - unrestricted	$ 382,745	$ -	$ 118,336	$ -	$ -	$ -
113	Cash - other restricted	-	-	733,278	-	-	-
114	Cash - tenant security deposits	27,113	-	-	-	-	-
115	Cash - restricted for payment of current liabilities	29,985	-	490	-	-	-
100	**Total cash**	439,843	-	852,104	-	-	-
	Accounts and notes receivable:						
121	Accounts receivable - PHA Projects	-	-	26,419	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-
126	Accounts receivable - tenants - dwelling units	2,239	-	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(703)	-	-	-	-	-
127	Notes, loans, and mortgages receivable - current	624	-	-	-	-	-
129	Accrued interest receivable	1,268	-	3,434	-	-	-
120	**Total receivables**	3,428	-	29,853	-	-	-
142	Prepaid expenses and other assets	-	-	-	-	-	-
143	Inventories	18,756	-	-	-	-	-
143.1	Allowance for obsolete inventories	(1,875)	-	-	-	-	-
150	**Total current assets**	460,152	-	881,957	-	-	-
	Noncurrent Assets:						
161	Land	1,479,075	-	-	-	-	-
162	Buildings	2,897,801	-	-	-	-	-
163	Furniture, equipment and machinery - dwellings	18,880	-	-	-	-	-
164	Furniture, equipment and machinery - administration	46,384	-	99,381	-	-	-
166	Accumulated depreciation	(2,704,837)	-	(93,548)	-	-	-
167	Construction in progress	55,097	-	-	-	-	-
180	**Total non-current assets**	1,792,400	-	5,833	-	-	-
190	**Total Assets**	$ 2,252,552	$ -	$ 887,790	$ -	$ -	$ -
	Liabilities and Equity:						
	Liabilities:						
	Current Liabilities:						
312	Accounts payable (less than or equal to 90 days)	$ 22,682	$ -	$ 6,734	$ -	$ -	$ -
321	Accrued wage/payroll taxes payable	65,099	-	12,276	-	-	-
322	Accrued compensated absences	41,510	-	8,704	-	-	-
341	Tenant security deposits	27,113	-	-	-	-	-
342	Deferred revenue	217	-	-	-	-	-
345	Other current liabilities	29,984	-	125,611	-	-	-
346	Accrued liabilities - other	-	-	1,187	-	-	-
310	**Total current liabilities**	186,605	-	154,512	-	-	-
300	**Total liabilities**	186,605	-	154,512	-	-	-
	Equity:						
	Contributed Capital:						
508.1	Invested in capital assets, net of related debt	1,792,400	-	5,833	-	-	-
511.1	Restricted net assets	-	-	718,187	-	-	-
512.1	Unrestricted net assets	273,547	-	9,258	-	-	-
513	**Total equity**	2,065,947	-	733,278	-	-	-
600	**Total liabilities and equity**	$ 2,252,552	$ -	$ 887,790	$ -	$ -	$ -

(Continued)

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2010

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	Neighborhood Networks Grant 14.875	Capital Funds Stimulus Grant 14.885
	Revenues:						
70300	Net tenant rental revenue	$ 239,011	$ -	$ -	$ -	$ -	$ -
70600	HUD PHA grants	848,879	-	3,507,646	-	-	-
70610	Capital grants	-	-	-	227,480	-	117,890
70800	Other government grants	-	141,551	-	-	77,339	-
71100	Investment income - unrestricted	-	-	52	-	-	-
71400	Fraud recovery	-	-	4,046	-	-	-
71500	Other income	30,079	-	-	-	-	-
72000	Investment income - restricted	-	-	1,856	-	-	-
70000	**Total revenues**	1,117,969	141,551	3,513,600	227,480	77,339	117,890
	Expenses:						
	Administrative:						
91100	Administrative salaries	188,029	102,079	236,757	-	11,938	-
91200	Auditing fees	3,527	-	1,061	-	-	-
91310	Bookkeeping fees	24,654	-	-	-	-	-
91500	Employee benefit contributions	112,713	36,774	67,956	-	11,210	-
91600	Other operating - administrative	58,692	2,698	29,888	-	12,789	-
92400	Tenant services - other	18,192	-	-	-	-	-
93100	Water	40,864	-	-	-	-	-
93200	Electricity	71,767	-	-	-	-	-
93300	Gas	91,884	-	-	-	-	-
93600	Sewer	40,849	-	-	-	-	-
93800	Other utility expense	8,454	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	106,104	-	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	78,963	-	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	95,514	-	-	227,480	6,537	117,890
96100	Insurance premiums	14,583	-	-	-	-	-
96200	Other general expense	1,771	-	-	-	234,865	-
96210	Compensated absences	2,422	-	1,067	-	-	-
96300	Bad debt - tenant rents	1,100	-	-	-	-	-
96900	**Total operating expenses**	960,082	141,551	336,729	227,480	277,339	117,890
97000	**Excess of operating revenues over expenditures**	157,887	-	3,176,871	-	(200,000)	-
97300	Housing assistance payments	-	-	3,119,188	-	-	-
97400	Depreciation expense	259,319	-	6,250	-	-	-
90000	**Total expenses**	1,219,401	141,551	3,462,167	227,480	277,339	117,890
10010	Operating transfers in	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-
10030	Operating transfers from/to primary government	(13,599)	-	-	-	-	-
10000	**Excess of revenue over expenses**	(115,031)	-	51,433	-	(200,000)	-
11030	Beginning equity	2,177,393	-	681,845	-	200,000	-
11040	Prior period adjustments, equity transfers & correction of errors	3,585	-	-	-	-	-
11170	Administrative fee equity	-	-	15,091	-	-	-
11180	Housing assistance payments equity	-	-	718,187	-	-	-
	Ending equity	$ 2,065,947	$ -	$ 1,466,556	$ -	$ -	$ -
11190	Unit months available	2,088	-	6,450	-	-	-
11210	Number of unit months leased	1,947	-	6,243	-	-	-
11270	Excess cash	176,660	-	-	-	-	-

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS
June 30, 2010

	July 1, 2009	Increases	Decreases	June 30, 2010
Electric Fund				
Capital assets, not being depreciated:				
Land	$ 1,172,514	$ -	$ -	$ 1,172,514
Construction in progress	3,072,068	1,121,860	2,120,810	2,073,118
Total capital assets, not being depreciated	4,244,582	1,121,860	2,120,810	3,245,632
Capital assets, being depreciated:				
Buildings	5,608,551	-	-	5,608,551
Improvements other than buildings	104,080,903	2,668,715	-	106,749,618
Machinery and equipment	7,812,995	408,660	-	8,221,655
Total capital assets, being depreciated	117,502,449	3,077,375	-	120,579,824
Accumulated depreciation:				
Buildings	1,296,913	159,837	-	1,456,750
Improvements other than buildings	43,719,534	3,061,748	-	46,781,282
Machinery and equipment	5,761,684	609,082	-	6,370,766
Total accumulated depreciation	50,778,131	3,830,667	-	54,608,798
Total capital assets, being depreciated, net	66,724,318	(753,292)	-	65,971,026
Electric Fund capital assets, net	$ 70,968,900	$ 368,568	$ 2,120,810	$ 69,216,658
Water Fund				
Capital assets, not being depreciated:				
Land	$ 814,060	$ -	$ -	$ 814,060
Construction in progress	2,059,240	844,917	1,561,082	1,343,075
Total capital assets, not being depreciated	2,873,300	844,917	1,561,082	2,157,135
Capital assets, being depreciated:				
Buildings	15,039,133	-	-	15,039,133
Improvements other than buildings	104,751,711	2,762,816	-	107,514,527
Machinery and equipment	2,449,868	228,845	17,759	2,660,954
Total capital assets, being depreciated	122,240,712	2,991,661	17,759	125,214,614
Accumulated depreciation:				
Buildings	1,365,971	488,461	-	1,854,432
Improvements other than buildings	34,725,303	2,830,066	-	37,555,369
Machinery and equipment	1,680,535	244,489	17,759	1,907,265
Total accumulated depreciation	37,771,809	3,563,016	17,759	41,317,066
Total capital assets, being depreciated, net	84,468,903	(571,355)	-	83,897,548
Water Fund capital assets, net	$ 87,342,203	$ 273,562	$ 1,561,082	$ 86,054,683

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2010

	July 1, 2009	Increases	Decreases	June 30, 2010
Wastewater Fund				
Capital assets, not being depreciated:				
Land	$ 1,051,023	$ 14,379	$ -	$ 1,065,402
Construction in progress	6,168,531	328,090	-	6,496,621
Total capital assets, not being depreciated	7,219,554	342,469	-	7,562,023
Capital assets, being depreciated:				
Buildings	5,237,859	-	-	5,237,859
Improvements other than buildings	80,159,699	3,277,232	-	83,436,931
Machinery and equipment	1,898,518	122,754	30,915	1,990,357
Total capital assets, being depreciated	87,296,076	3,399,986	30,915	90,665,147
Accumulated depreciation:				
Buildings	371,325	49,024	-	420,349
Improvements other than buildings	24,106,817	2,230,923	-	26,337,740
Machinery and equipment	1,473,904	149,213	30,915	1,592,202
Total accumulated depreciation	25,952,046	2,429,160	30,915	28,350,291
Total capital assets, being depreciated, net	61,344,030	970,826	-	62,314,856
Wastewater Fund capital assets, net	$ 68,563,584	$ 1,313,295	$ -	$ 69,876,879
Regional Airport Fund				
Capital assets, not being depreciated:				
Land	$ 22,466,369	$ 9,570	$ -	$ 22,475,939
Construction in progress	11,219,954	6,667,236	7,579,592	10,307,598
Total capital assets, not being depreciated	33,686,323	6,676,806	7,579,592	32,783,537
Capital assets, being depreciated:				
Buildings	20,931,954	16,712	-	20,948,666
Improvements other than buildings	24,183,058	7,579,592	-	31,762,650
Machinery and equipment	2,762,054	73,285	-	2,835,339
Total capital assets, being depreciated	47,877,066	7,669,589	-	55,546,655
Accumulated depreciation:				
Buildings	5,489,046	724,016	-	6,213,062
Improvements other than buildings	5,465,700	772,560	-	6,238,260
Machinery and equipment	2,199,134	168,378	-	2,367,512
Total accumulated depreciation	13,153,880	1,664,954	-	14,818,834
Total capital assets, being depreciated, net	34,723,186	6,004,635	-	40,727,821
Regional Airport Fund capital assets, net	$ 68,409,509	$ 12,681,441	$ 7,579,592	$ 73,511,358

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2010

	July 1, 2009	Increases	Decreases	June 30, 2010
Stormwater Fund				
Capital assets, not being depreciated:				
Land	$ 114,282	$ -	$ -	$ 114,282
Construction in progress	26,630	425,474	-	452,104
Total capital assets, not being depreciated	140,912	425,474	-	566,386
Capital assets, being depreciated:				
Buildings	5,116	-	-	5,116
Improvements other than buildings	54,240,774	-	-	54,240,774
Machinery and equipment	1,277,109	137,668	-	1,414,777
Total capital assets, being depreciated	55,522,999	137,668	-	55,660,667
Accumulated depreciation:				
Buildings	1,492	512	-	2,004
Improvements other than buildings	5,507,610	1,380,239	-	6,887,849
Machinery and equipment	531,289	220,527	-	751,816
Total accumulated depreciation	6,040,391	1,601,278	-	7,641,669
Total capital assets, being depreciated, net	49,482,608	(1,463,610)	-	48,018,998
Stormwater Fund capital assets, net	$ 49,623,520	$ (1,038,136)	$ -	$ 48,585,384
Nonmajor Enterprise Funds				
Capital assets, not being depreciated:				
Land	$ 11,878,187	$ 478,014	$ -	$ 12,356,201
Construction in progress	389,918	1,901,588	-	2,291,506
Total capital assets, not being depreciated	12,268,105	2,379,602	-	14,647,707
Capital assets, being depreciated:				
Buildings	8,747,798	-	-	8,747,798
Machinery and equipment	8,317,037	519,310	210,896	8,625,451
Total capital assets, being depreciated	17,064,835	519,310	210,896	17,373,249
Accumulated depreciation:				
Buildings	4,224,299	276,483	-	4,500,782
Machinery and equipment	5,641,270	620,966	210,896	6,051,340
Total accumulated depreciation	9,865,569	897,449	210,896	10,552,122
Total capital assets, being depreciated, net	7,199,266	(378,139)	-	6,821,127
Nonmajor Enterprise Funds capital assets, net	$ 19,467,371	$ 2,001,463	$ -	$ 21,468,834
Business-type activities capital assets, net	$ 364,375,087	$ 15,600,193	$ 11,261,484	$ 368,713,796

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Statistical Section

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

	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.	165
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.	175
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.	183
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.	190
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.	193

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 ASSETS BY COMPONENT
Last Nine Fiscal Years
(accrual basis of accounting)

	2002	2003	2004	2005
Governmental activities				
Invested in capital assets, net of related debt	$ 336,721,224	$ 326,719,238	$ 326,920,735	$ 309,986,003
Restricted	13,166,835	3,199,679	1,726,972	14,161,024
Unrestricted	20,621,655	27,947,308	27,409,054	33,933,025
Total governmental activities net assets	$ 370,509,714	$ 357,866,225	$ 356,056,761	$ 358,080,052
Business-type activities				
Invested in capital assets, net of related debt	$ 118,483,339	$ 111,465,919	$ 131,359,965	$ 134,962,615
Restricted	3,652,621	12,846,101	9,724,792	8,430,158
Unrestricted	26,711,060	36,101,647	34,559,284	44,878,471
Total business-type activities net assets	$ 148,847,020	$ 160,413,667	$ 175,644,041	$ 188,271,244
Primary government				
Invested in capital assets, net of related debt	$ 455,204,563	$ 438,185,157	$ 458,280,700	$ 444,948,618
Restricted	16,819,456	16,045,780	11,451,764	22,591,182
Unrestricted	47,332,715	64,048,955	61,968,338	78,811,496
Total primary government activities net assets	$ 519,356,734	$ 518,279,892	$ 531,700,802	$ 546,351,296

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. This will become a ten (10) year schedule.

Table 1

Fiscal Year 2006	2007	2008	2009	2010
$ 284,946,314	$ 269,225,599	$ 299,422,732	$ 299,238,599	$ 285,243,071
1,401,030	1,732,787	2,000,450	1,716,091	1,710,932
27,394,767	47,184,219	52,092,724	55,488,182	62,723,954
$ 313,742,111	$ 318,142,605	$ 353,515,906	$ 356,442,872	$ 349,677,957
$ 202,771,280	$ 224,285,478	$ 247,374,035	$ 232,711,487	$ 243,365,138
-	-	-	-	-
57,039,952	59,665,695	55,299,614	79,999,678	90,837,386
$ 259,811,232	$ 283,951,173	$ 302,673,649	$ 312,711,165	$ 334,202,524
$ 487,717,594	$ 493,511,077	$ 546,796,767	$ 531,950,086	$ 528,608,209
1,401,030	1,732,787	2,000,450	1,716,091	1,710,932
84,434,719	106,849,914	107,392,338	135,487,860	153,561,340
$ 573,553,343	$ 602,093,778	$ 656,189,555	$ 669,154,037	$ 683,880,481

CITY OF CONCORD, NORTH CAROLINA

CHANGES IN NET ASSETS
Last Nine Fiscal Years
(accrual basis of accounting)

	2002	2003	2004	2005
Expenses				
Governmental activities:				
General government	$ 4,399,011	$ 4,546,553	$ 4,557,587	$ 4,876,678
Public safety	19,032,754	20,091,084	21,523,893	22,594,274
Public works	23,266,498	24,824,155	26,934,935	27,309,037
Cultural & recreational	3,121,121	3,280,271	3,525,572	3,465,415
Planning & community development	3,446,174	3,710,036	3,214,575	3,459,007
Administration	403,673	433,935	477,794	540,718
Housing assistance Payments	2,676,489	3,151,869	3,149,939	3,231,539
Rehabilitation	760,562	953,413	603,691	897,186
Professional Services	-	-	23,183	49,974
Protective Services	41,252	58,334	-	-
Interest on long-term debt	2,027,985	2,850,591	1,525,505	1,685,824
Total governmental activities expenses	59,175,519	63,900,241	65,536,674	68,109,652
Business-type activities:				
Electric	39,070,593	41,331,094	43,493,600	45,875,830
Water	11,198,473	11,327,235	12,884,358	12,335,344
Wastewater	10,483,961	10,595,555	12,004,226	12,619,272
Regional airport	5,272,175	6,602,063	7,102,300	8,476,592
Stormwater *	-	-	-	-
Other non major business-type	4,783,574	3,137,548	3,919,178	4,897,152
Total business-type activities expenses	70,808,776	72,993,495	79,403,662	84,204,190
Total primary government expenses	$ 129,984,295	$ 136,893,736	$ 144,940,336	$ 152,313,842
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 828,383	$ 1,475,431	$ 1,734,293	$ 1,664,787
Public safety	545,127	513,134	581,284	579,516
Public works	89,459	65,789	33,353	38,964
Cultural and recreational	308,377	239,248	257,311	254,378
Planning and community development	236,596	268,738	292,747	270,777
Housing assistance	7,332	13,642	14,822	21,694
Rehabilitation	395,465	451,471	194,718	525,269
Operating grants and contributions	5,101,793	6,543,489	6,174,770	6,604,130
Capital grants and contributions	10,581,284	5,181,108	14,746,573	13,276,425
Total government activities program revenues	18,093,816	14,752,050	24,029,871	23,235,940

Fiscal Year 2006	2007	2008	2009	2010
$ 4,788,163	$ 4,240,566	$ 3,217,768	$ 3,603,395	$ 4,354,769
23,013,748	25,711,447	29,389,987	32,327,159	33,333,315
26,382,096	28,358,904	30,592,926	31,815,013	33,362,313
3,686,163	4,097,842	4,263,979	4,356,816	4,287,048
3,504,571	2,214,193	2,612,748	2,516,223	2,840,033
513,157	444,287	526,464	557,556	656,431
3,177,960	3,081,332	3,251,666	3,351,185	3,119,188
3,027,682	2,529,418	1,586,145	680,796	553,868
-	-	-	-	-
-	-	-	-	-
2,108,260	1,760,202	1,815,914	1,847,213	1,773,371
70,201,800	72,438,191	77,257,597	81,055,356	84,280,336
49,358,049	54,551,657	57,480,622	63,073,567	63,797,452
13,532,054	14,559,911	16,915,149	15,692,404	15,550,286
12,393,861	12,598,417	13,381,789	14,205,883	13,507,142
9,849,839	9,948,799	13,106,629	10,668,036	10,023,077
3,045,795	3,097,290	3,613,613	3,879,657	3,946,044
5,312,094	5,827,627	5,842,740	6,403,396	5,856,696
93,491,692	100,583,701	110,340,542	113,922,943	112,680,697
$ 163,693,492	$ 173,021,892	$ 187,598,139	$ 194,978,299	$ 196,961,033
$ 1,724,914	$ 1,957,522	$ 1,851,370	$ 1,752,112	$ 1,593,175
615,923	717,881	925,384	706,749	739,461
-	-	-	-	-
261,141	266,775	268,988	352,470	251,425
629,386	890,214	1,247,480	853,001	1,316,731
32,107	14,085	4,438	3,055	4,046
629,192	858,730	1,327,157	816,778	654,957
6,455,832	6,735,548	7,589,562	6,772,165	8,039,500
20,750,187	13,875,367	45,810,044	12,178,471	4,399,871
31,098,682	25,316,122	59,024,423	23,434,801	16,999,166

(Continued)

CITY OF CONCORD, NORTH CAROLINA

CHANGES IN NET ASSETS
Last Nine Fiscal Years
(accrual basis of accounting)

	2002	2003	2004	2005
Business-type activities:				
Charges for services				
Electric	$ 43,957,801	$ 46,526,293	$ 48,828,093	$ 50,625,078
Water	9,962,052	11,645,255	13,875,415	15,171,631
Wastewater	8,446,430	9,361,373	10,981,818	11,032,814
Regional airport	4,676,452	5,186,380	5,898,965	7,112,333
Stormwater *	-	-	-	-
Other non major business-type	1,852,961	1,830,160	1,778,627	1,824,525
Operating grants and contributions	657,932	702,066	3,570,403	2,015,190
Capital grants and contributions	7,646,435	7,476,831	6,614,817	7,937,240
Total business-type activities program revenues	77,200,063	82,728,358	91,548,138	95,718,811
Total primary government program revenue	$ 95,293,879	$ 97,480,408	$ 115,578,009	$ 118,954,751
Net (Expenses)/Revenue				
Governmental activities	$ (41,081,703)	$ (49,148,191)	$ (41,506,803)	$ (44,873,712)
Business-type activities	6,391,287	9,734,863	12,144,476	11,514,621
Total primary government net expense	$ (34,690,416)	$ (39,413,328)	$ (29,362,327)	$ (33,359,091)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Ad Valorem taxes	$ 25,611,830	$ 26,486,974	$ 27,085,722	$ 30,055,475
Other taxes	7,985,401	8,098,765	11,227,814	11,721,923
Operating grants and contributions	2,336,785	3,072,778	2,794,866	2,729,405
Investment earnings	1,718,652	555,721	230,081	915,247
Miscellaneous gain (loss)	-	(913,044)	1,157,108	840,042
Transfers	(607,000)	(796,492)	(2,798,252)	634,911
Total governmental activities	37,045,668	36,504,702	39,697,339	46,897,003
Business-type activities				
Investment earnings	1,760,084	1,203,038	639,566	1,381,335
Miscellaneous gain (loss)	-	(167,746)	(351,920)	366,158
Transfers	607,000	796,492	2,798,252	(634,911)
Total business-type activities	2,367,084	1,831,784	3,085,898	1,112,582
Total primary government	$ 39,412,752	$ 38,336,486	$ 42,783,237	$ 48,009,585
Change in Net Assets				
Governmental activities	$ (4,036,035)	$ (12,643,489)	$ (1,809,464)	$ 2,023,291
Business-type activities	8,758,371	11,566,647	15,230,374	12,627,203
Total primary government	$ 4,722,336	$ (1,076,842)	$ 13,420,910	$ 14,650,494

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. This will become a ten (10) year schedule.

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

Fiscal Year 2006	2007	2008	2009	2010
$ 55,127,472	$ 57,784,175	$ 61,920,483	$ 61,902,700	$ 69,955,857
17,390,495	19,484,661	18,692,941	17,491,941	19,272,961
12,700,502	13,824,857	13,478,931	12,903,815	13,773,878
8,997,417	9,329,042	11,406,644	9,911,053	8,092,461
1,810,605	3,140,958	3,325,017	3,489,201	3,989,017
1,901,989	2,487,179	2,386,692	1,907,614	1,720,911
2,139,688	2,804,136	2,934,222	3,191,973	5,178,504
6,605,150	9,735,545	8,199,207	7,721,792	8,497,858
106,673,318	118,590,553	122,344,137	118,520,089	130,481,447
$ 137,772,000	$ 143,906,675	$ 181,368,560	$ 141,954,890	$ 147,480,613
$ (39,103,118)	$ (47,122,069)	$ (18,233,174)	$ (57,620,555)	$ (67,281,170)
13,181,626	18,006,852	12,003,595	4,597,146	17,800,750
$ (25,921,492)	$ (29,115,217)	$ (6,229,579)	$ (53,023,409)	$ (49,480,420)
$ 31,727,866	$ 34,049,377	$ 37,881,901	$ 44,094,142	$ 45,363,018
12,634,031	13,034,399	13,899,527	13,390,448	12,567,428
2,761,579	2,607,041	2,745,792	3,237,013	2,642,020
1,709,502	2,318,298	2,439,936	1,385,206	1,322,057
1,313,009	2,327,114	646,073	1,230,921	761,842
(55,380,810)	(2,813,666)	(4,006,754)	(2,790,209)	(2,140,110)
(5,234,823)	51,522,563	53,606,475	60,547,521	60,516,255
1,966,270	2,630,486	2,648,596	2,467,828	1,571,516
1,011,282	688,937	63,531	182,333	(21,017)
55,380,810	2,813,666	4,006,754	2,790,209	2,140,110
58,358,362	6,133,089	6,718,881	5,440,370	3,690,609
$ 53,123,539	$ 57,655,652	$ 60,325,356	$ 65,987,891	$ 64,206,864
$ (44,337,941)	$ 4,400,494	$ 35,373,301	$ 2,926,966	$ (6,764,915)
71,539,988	24,139,941	18,722,476	10,037,516	21,491,359
$ 27,202,047	$ 28,540,435	$ 54,095,777	$ 12,964,482	$ 14,726,444

CITY OF CONCORD, NORTH CAROLINA

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

	2001	2002	2003	2004
General Fund				
Reserved	$ 8,172,614	$ 8,308,384	$ 8,178,127	$ 11,132,252
Unreserved	21,644,578	19,948,744	18,849,387	17,171,540
Total general funds	$ 29,817,192	$ 28,257,128	$ 27,027,514	$ 28,303,792
All Other Governmental funds				
Reserved	$ 934,740	$ 552,950	535,286	$ 1,214,546
Unreserved, reported in:				
Special revenue funds	652,760	2,335,541	2,610,695	3,022,478
Capital projects funds	18,202,726	6,234,835	3,614,027	1,664,011
Debt service funds	-	(2,611,040)	(1,543,890)	(4,259,168)
Total all other governmental funds	$ 19,790,226	$ 6,512,286	$ 5,216,118	$ 1,641,867

Table 3

Fiscal Year					
2005	**2006**	**2007**	**2008**	**2009**	**2010**
$ 12,180,389	$ 11,566,311	$ 14,538,028	$ 15,880,024	$ 13,744,316	$ 13,626,558
19,425,095	24,307,105	27,675,793	30,965,709	38,762,786	37,441,965
$ 31,605,484	$ 35,873,416	$ 42,213,821	$ 46,845,733	$ 52,507,102	$ 51,068,523
$ 13,809,540	$ 777,171	$ 2,451,186	$ 380,095	$ 1,166,853	$ 606,815
4,940,707	1,034,851	3,057,941	9,084,663	8,747,034	17,114,106
1,602,900	3,716,367	2,949,736	7,204,539	5,556,958	6,964,454
(2,917,940)	(2,928,767)	(2,771,661)	(4,242,107)	(4,244,850)	(3,770,858)
$ 17,435,207	$ 2,599,622	$ 5,687,202	$ 12,427,190	$ 11,225,995	$ 20,914,517

CITY OF CONCORD, NORTH CAROLINA

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

	2001	2002	2003	2004
Revenues				
Taxes	$ 23,579,177	$ 25,787,012	$ 26,363,349	$ 27,034,919
Other taxes	8,936,432	7,985,401	8,098,765	11,227,814
Unrestricted intergovernmental revenues	4,075,870	2,208,077	2,190,806	2,468,473
Restricted Intergovernmental revenues	5,290,374	5,155,645	7,382,635	6,622,348
Licenses, fees, and permits	908,844	945,704	1,548,846	1,901,077
Contributions, net of refunds	-	128,708	496,272	(11,962)
Investment earnings	1,635,775	1,250,417	555,721	230,081
Investment earnings restricted	190,355	41,148	12,244	11,900
Program income	268,393	402,797	465,113	209,540
Other revenues	1,526,786	1,468,905	1,136,437	1,306,182
Total revenues	46,412,006	45,373,814	48,250,188	51,000,372
Expenditures				
General government	2,999,180	3,422,366	3,359,490	3,174,553
Public safety	15,510,669	17,450,440	18,563,975	20,229,685
Public works	6,652,657	6,311,292	6,340,360	7,755,198
Cultural and recreational	2,705,964	3,030,065	3,025,981	3,321,160
Planning and community development	1,682,892	3,113,589	3,637,961	3,201,518
Administration	276,225	394,144	433,935	477,794
Housing assistance payments	1,689,147	2,676,489	3,151,869	3,149,939
Rehabilitation	736,203	760,562	953,413	603,691
Professional services	-	-	39,112	23,183
Protective services	76,563	41,252	19,222	-
Public services	12,238	-	-	-
Capital outlay	10,547,291	16,720,834	5,675,625	4,294,814
Debt service				
Interest	813,032	750,310	402,852	268,950
Principal	2,719,883	4,930,478	4,573,707	4,410,482
Total expenditures	46,421,944	59,601,821	50,177,502	50,910,967
Excess of revenues over (under) expenditures	(9,938)	(14,228,007)	(1,927,314)	89,405
Other Financing Sources (Uses)				
Proceeds of installment purchase contracts	-	-	-	-
Debt issued	25,470,794	-	198,027	410,875
Loss on refunding	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	-
Redemption of refunded bonds	-	-	-	-
Transfers in	2,617,794	5,877,520	5,438,734	3,370,872
Transfers out	(3,172,783)	(6,484,520)	(6,235,226)	(6,169,124)
Total Other Financing Sources (Uses)	24,915,805	(607,000)	(598,465)	(2,387,377)
Net change in fund balances	$ 24,905,867	$ (14,835,007)	$ (2,525,779)	$ (2,297,972)
Debt service as a percentage of non capital expenditures	9.85%	13.25%	11.18%	10.04%

Table 4

Fiscal Year 2005	2006	2007	2008	2009	2010
$ 29,944,032	$ 31,590,195	$ 34,215,412	$ 37,911,743	$43,689,541	$ 44,974,492
11,721,923	12,634,031	13,034,399	13,899,527	13,390,448	12,567,428
2,216,581	2,370,415	2,563,097	2,745,792	3,237,013	2,642,020
7,543,542	7,294,501	8,301,691	8,416,850	6,870,323	8,161,071
1,810,650	1,860,604	2,124,094	2,055,273	1,912,088	1,755,810
-	-	-	147,312	-	-
915,247	1,709,502	2,318,298	2,439,936	1,385,206	1,322,057
22,562	20,460	71,580	82,799	46,022	36,179
546,963	661,299	872,815	1,327,157	816,778	654,957
1,782,727	2,641,356	3,908,482	2,668,896	2,836,489	2,788,234
56,504,227	60,782,363	67,409,868	71,695,285	74,183,908	74,902,248
3,557,999	3,536,022	2,854,944	3,021,404	3,393,127	4,215,552
21,063,625	21,492,133	24,200,346	25,995,498	28,388,096	29,472,135
7,721,365	7,704,046	9,271,991	9,804,616	11,578,500	11,422,287
3,252,320	3,489,498	3,900,738	3,870,407	3,948,833	3,839,337
3,433,787	3,487,888	2,194,719	2,540,302	2,346,714	2,780,589
540,718	513,157	444,287	526,464	557,556	656,431
3,231,539	3,177,960	3,081,332	3,251,666	3,351,185	3,119,188
897,186	3,027,682	2,529,418	1,586,145	680,796	553,868
49,974	1,662	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,469,582	13,545,494	6,313,426	6,955,436	6,708,441	3,432,237
686,309	1,010,025	560,949	1,815,914	1,847,213	1,773,371
4,244,702	5,101,402	5,296,127	4,322,779	4,830,733	3,518,450
54,149,106	66,086,969	60,648,277	63,690,631	67,631,194	64,783,445
2,355,121	(5,304,606)	6,761,591	8,004,654	6,552,714	10,118,803
-	794,543	900,936	5,400,000	-	-
16,105,000	-	-	1,974,000	704,487	-
-	-	-	-	(6,818)	-
-	-	-	-	-	2,721,512
-	-	-	-	-	41,493
-	-	-	-	-	(2,491,755)
7,492,150	6,526,804	8,118,956	10,983,594	8,951,756	17,455,195
(6,857,239)	(8,005,270)	(10,932,622)	(14,990,348)	(11,741,965)	(19,595,305)
16,739,911	(683,923)	(1,912,730)	3,367,246	(2,092,540)	(1,868,860)
$ 19,095,032	$ (5,988,529)	$ 4,848,861	$ 11,371,900	$ 4,460,174	$ 8,249,943
10.13%	11.63%	10.78%	10.82%	10.96%	8.86%

NUMBER OF ELECTRIC CUSTOMERS BY TYPE,
Last Five 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

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

ELECTRIC RATES
Last Five Fiscal Years

	Fiscal Year				
	2006	2007	2008	2009	2010
Residential Customers					
Basic charges	$ 7.87	$ 7.87	$ 7.87	$ 8.58	$ 9.11
Energy Charges per kWh (July - October)					
First 350	0.068348	0.070193	0.073572	0.083982	0.880000
Over 350	0.072245	0.074090	0.072121	0.082401	0.880000
Energy Charges per kWh (November - June)					
First 350	0.068348	0.070193	0.073572	0.083982	0.880000
Over 350	0.071791	0.073636	0.064837	0.074461	0.795700
Commercial Customers					
Basic Facilities Charge	10.88	10.88	15.75	17.17	17.51
Demand Charge per kW (over 30 kW of billing demand)	3.48	3.48	3.27	3.56	3.63
Energy Charge					
First 125 kWh per kW billing demand per month					
First 3,000	0.097250	0.099095	0.095361	0.107729	0.109884
Next 87,000	0.051491	0.053336	0.055878	0.064693	0.065987
Over 90,000	0.037937	0.039782	0.053880	0.062515	0.063765
Next 275 kWh per kW billing demand per month					
First 6,000	0.052794	0.054639	0.053179	0.061751	0.062986
Next 134,000	0.051580	0.053425	0.046879	0.054884	0.055982
Over 140,000	0.047676	0.049521	0.044880	0.052705	0.053759
All over 400 kWh per kW billing demand	0.045303	0.047148	0.043880	0.051615	0.052647
Industrial Customers					
Basic Facilities Charge	16.35	16.35	15.75	17.17	17.86
Demand Charge per kW (over 30 kW of billing demand)	3.45	3.45	3.07	3.35	3.48
Energy Charge					
First 125 kWh per kW billing demand per month					
First 3,000	0.096114	0.097959	0.088579	0.099641	0.103627
Next 87,000	0.052940	0.054785	0.051467	0.059189	0.061557
Over 90,000	0.037489	0.039334	0.049590	0.057143	0.059429
Next 275 kWh per kW billing demand per month					
First 140,000	0.049088	0.050933	0.043008	0.049969	0.051968
Over 140,000	0.442900	0.046135	0.041129	0.047921	0.049838
All over 400 kWh per kW billing demand	0.042383	0.044228	0.040189	0.046896	0.048772

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

TEN LARGEST ELECTRIC CUSTOMERS, June 30, 2010

	2010	
Customer	**Electric Revenue**	**Percentage of Total Electric Revenue**
Concord Mills LLC	$ 1,761,371	2.50 %
Legrand	1,595,636	2.27
City of Concord	1,448,389	2.06
Perdue Farms Inc	1,362,092	1.94
Cabarrus County Schools	1,347,124	1.92
Rocky River Water Treatment Plant	1,053,776	1.50
S&D Coffee	935,862	1.33
Northeast Medical Center	804,776	1.14
Cabarrus Plastics Mfg	634,957	0.90
Great Wolf of the Carolinas LLC	596,515	0.85
Total	$ 11,540,498	16.41 %

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

Fiscal Year	Real Property: Residential Property (1)	Real Property: Commercial Property (2)	Real Property: Industrial Property (2)	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Weighted Average Rate (3)
2001	3,678,123,184	na	na	1,539,619,200	79,395,905	5,297,138,289	0.4491
2002	3,954,204,079	na	na	1,632,640,703	103,038,552	5,689,883,334	0.4491
2003	2,517,687,558	908,619,850	658,199,300	1,612,753,738	105,896,665	5,803,157,111	0.4491
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

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
2001	0.4500	0.2200	0.4491	0.5600	1.0091
2002	0.4500	0.2200	0.4491	0.5600	1.0091
2003	0.4500	0.2200	0.4491	0.5600	1.0091
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

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

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Phillip Morris	$ 940,533,809	1	9.27 %	$ 1,128,996,499	1	23.54 %
Charlotte Motor Speedway LLC	271,357,828	2	2.68	106,164,410	3	2.21
Concord Mills Mall LTD Prtnshp	209,894,700	3	2.07	153,925,992	2	3.21
Great Wolf Lodge	62,258,448	4	0.61	-		-
Hendrick Motorsports Inc	57,449,998	5	0.57	19,967,492	8	0.42
JQH-Concord Development LLC	56,832,500	6	0.56	-		-
Pass & Seymour, Inc	51,538,419	7	0.51	42,999,367	5	0.90
PDG/Inland Concord Venture	50,411,822	8	0.50	-		-
Wal-Mart Real Est Business Trs	36,899,690	9	0.36	-		-
Concord Telephone Company	34,147,739	10	0.34	45,200,880	4	0.94
BFI Waste Sytems of America	-		-	24,589,892	6	0.51
Carolina Mall	-		-	20,249,976	7	0.42
Bell/Sysco Food Services Inc	-		-	19,095,870	9	0.40
First Charter National Bank	-		-	19,048,508	10	0.40
Total	$ 1,771,324,953		17.46 %	$ 1,580,238,886		32.95 %

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
2001	23,837,784	22,839,769	95.8%	892,354	23,732,123	99.6%
2002	25,719,073	25,068,758	97.5%	588,875	25,657,633	99.8%
2003	26,200,348	25,573,728	97.6%	570,888	26,144,616	99.8%
2004	26,821,016	26,168,438	97.6%	537,142	26,705,580	99.6%
2005	29,739,025	29,143,606	98.0%	550,276	29,693,882	99.8%
2006	31,617,094	31,020,263	98.1%	502,501	31,522,764	99.7%
2007	34,290,995	33,605,746	98.0%	541,872	34,147,618	99.6%
2008	37,819,888	37,086,369	98.1%	560,643	37,647,012	99.5%
2009	44,077,915	42,894,749	97.3%	795,495	43,690,244	99.1%
2010	44,956,754	43,881,105	97.6%	-	43,881,105	97.6%

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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
2001	4,548	1,067	3,901	31,652	1,340	8,253	85,005	21,592
2002	3,185	963	3,795	29,513	628	7,097	82,520	20,353
2003	1,706	861	4,071	27,659	354	5,959	111,124	19,160
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	3,108	25,593	11,082	-	110,791	12,217
2010	5,479	85	3,333	22,827	10,330	-	110,040	10,703

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

Table 12

Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
157,358	3.90%	3,112
148,054	3.60%	2,613
170,894	4.07%	2,911
160,163	3.61%	2,679
171,919	3.60%	2,815
161,881	3.12%	2,599
152,265	2.74%	2,401
154,537	2.60%	2,264
169,017	2.69%	2,378
162,797	2.45%	2,043

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)
2001	9,320,000	8,253,135	1,066,865	0.03%	21.10
2002	8,060,000	7,096,806	963,194	0.02%	17.00
2003	6,820,000	5,959,390	860,610	0.02%	14.66
2004	5,604,999	4,845,522	759,477	0.02%	12.70
2005	4,410,000	3,750,568	659,432	0.01%	10.80
2006	3,260,000	2,699,527	560,473	0.01%	9.00
2007	2,140,002	1,677,035	462,967	0.01%	7.30
2008	1,044,999	678,089	366,910	0.01%	5.38
2009	235,000	-	235,000	0.01%	3.31
2010	85,000	-	85,000	0.01%	1.07

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, 2010

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt paid with property taxes			
City of Concord (1)	$ 85,000	100%	**$ 85,000**
Cabarrus County (2)	423,582,488	100%	**423,582,488**
Total			**$ 423,667,488**

(1) Includes general obligation debt expected to be paid from property tax revenues
(2) Source: Cabarrus County Finance Department

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)

	2001	2002	2003	2004
Debt Limit	$ 423,771	$ 455,191	$ 464,253	$ 474,213
Total net debt applicable to limit	60,689	55,199	49,841	45,561
Legal debt margin	$ 363,082	$ 399,992	$ 414,412	$ 428,652
Total net debt applicable to the limit as a percentage of debt limit	14%	12%	11%	10%

Table 15

Fiscal Year 2005	2006	2007	2008	2009	2010
$ 550,332	$ 585,817	$ 606,928	$ 672,850	$ 779,858	$ 856,688
62,048	41,775	38,499	35,809	31,819	28,391
$ 488,284	$ 544,042	$ 568,429	$ 637,041	$ 748,039	$ 828,297
11%	7%	6%	5%	4%	3%

Legal Debt Margin Calculation for Fiscal Years	
Total assessed value	$ 10,708,605,746
Debt limit (8% of assessed value)	856,688,460
Debt applicable to limit:	
General Obligation bonds	85,000
Installment purchase notes	15,808,744
Installment notes	33,530,000
Less: Amount of bonded debt incurred for Electric, Water and Wastewater purposes	(21,032,672)
Total net debt applicable to limit	28,391,072
Legal Debt Margin	$ 828,297,388
Net debt as a % of assessed values	0.27%

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
2001	$ 10,563	$ 8,519	$ 2,044	$ 1,117	$ 2,575	0.55
2002	9,962	9,715	247	1,169	2,745	0.06
2003	11,645	9,834	1,811	1,351	2,052	0.53
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

	Wastewater Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2001	$ 9,049	$ 8,402	$ 647	$ 897	$ 1,714	0.25
2002	8,446	9,155	(709)	966	1,673	(0.27)
2003	9,361	9,352	9	1,234	1,088	0.00
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

	Electric Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2001	$ 48,930	$ 34,547	$ 14,383	$ 709	$ 1,540	6.40
2002	43,958	38,521	5,437	740	1,508	2.42
2003	46,526	40,354	6,172	905	1,096	3.08
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

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)
2001	50,564	4,029,671	29,567	19,088	4.1%
2002	56,663	4,116,291	29,447	20,900	6.3%
2003	58,710	4,199,579	29,364	21,763	8.3%
2004	59,791	4,441,339	30,572	22,446	7.0%
2005	61,070	4,771,068	32,056	23,906	4.3%
2006	62,291	5,187,922	33,442	23,684	3.8%
2007	63,429	5,551,258	34,099	25,521	4.0%
2008	68,249	5,946,765	35,280	26,917	5.2%
2009	71,071	6,291,510	36,757	27,510	8.2%
2010 (5)	79,673	6,656,241	38,297	27,551	8.5%

(1) State Demographer's Office
(2) Bureau of Economic Analysis. Information only available at the County level.
(3) Cabarrus County School Board Accountability Office
(4) Based on monthly average per Employment Security Commission of N.C.
(5) Information not yet available for personal income. Estimated amounts based on 4% increase from prior year.

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2010			2001		
Employer	**Employees ***	**Rank**	**Percentage of Total City Employment**	**Employees ***	**Rank**	**Percentage of Total City Employment**
Carolina Medical Center-NorthEast	4,500	1	5.33%	3,242	3	4.86%
Concord Mills Mall	4,000	2	4.73%	4,000	2	6.00%
Cabarrus County Schools	3,800	3	4.50%	2,420	4	3.63%
Cabarrus County Government	975	4	1.15%	960	6	1.44%
City of Concord	925	5	1.09%	730	8	1.09%
Connextions	900	6	1.07%	-		-
North Carolina Government	771	7	0.91%	-		-
Kannapolis City Schools	750	8	0.89%	-		-
Shoe Show	700	9	0.83%	-		-
Hendrick Motorsports	500	10	0.59%	-		-
Pillowtex/Fieldcrest Cannon Inc	-		-	4,009	1	6.01%
Phillip Morris	-		-	2,900	5	4.35%
Carolina Mall	-		-	850	7	1.27%
CT Communications	-		-	700	9	1.05%
Pass & Seymour Legrand	-		-	550	10	0.82%
	17,821		21.09%	20,361		30.52%

Source: Cabarrus County Finance
* Labor Force www.cabarrusedc.com

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

Function/Program	2002	2003	2004	2005
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	6.75	5.75	5.88	6.00
Finance	13.00	12.19	12.00	12.00
Tax	3.00	4.00	3.00	4.00
Legal	1.25	1.25	2.63	3.01
Non-Departmental	-	-	-	-
Public Safety				
Police	143.00	148.00	154.00	154.50
Code Enforcement	-	-	-	-
Communications	24.50	20.50	20.50	20.50
Radio Shop	-	4.00	3.70	3.70
Fire & Life Safety (Operations)	154.35	154.35	154.65	154.65
Fire & Life Safety (Prevention)	-	-	-	-
Fire & Life Safety (Training)	-	-	-	-
Fire & Life Safety (Emergency Management)	-	-	-	-
Transportation				
Street & Traffic	20.00	20.00	20.00	20.00
Powell Bill	-	-	-	-
Traffic Services	6.00	6.00	6.00	6.00
Traffic Signals	3.00	3.00	2.66	1.75
Solid Waste & Recycling	32.00	32.00	31.33	31.00
Cemeteries	-	-	-	8.00
Other Public Works				
Economic Development				
Business & Neighborhood Services	24.36	24.00	19.50	18.50
Transportation (Contract)	-	-	-	-
Economic Development	-	-	-	-
Development Services	-	-	5.00	6.00
Culture & Recreation				
Parks and recreation	18.02	19.34	19.37	19.37
Parks and recreation Aquatics (seasonal staff)	-	-	-	-
Total FTE General Fund	457.23	462.38	468.22	476.98

(Continued)

Fiscal Year				
2006	**2007**	**2008**	**2009**	**2010**
2.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	6.00
-	-	-	-	-
7.00	7.00	7.00	8.00	8.00
12.75	13.00	13.00	13.00	13.00
4.00	4.75	5.00	5.00	4.50
4.00	4.00	5.00	5.00	5.00
-	-	-	-	-
160.00	161.50	170.25	174.25	175.25
-	7.00	7.00	7.00	7.00
20.94	20.94	22.50	22.50	22.50
4.20	4.70	4.70	4.70	4.50
154.65	159.63	160.30	173.30	170.00
-	-	6.00	6.00	6.00
-	-	2.00	2.00	2.00
-	-	2.85	2.80	2.80
23.50	26.00	27.00	27.00	26.00
-	-	-	-	-
5.00	5.83	6.00	6.00	6.00
2.50	3.00	3.00	3.00	3.00
32.49	34.00	35.34	37.00	36.50
8.00	8.00	8.00	8.00	8.00
15.50	8.50	8.50	9.00	9.00
-	-	-	-	-
-	-	-	-	-
9.00	9.00	10.00	10.00	9.00
20.81	21.00	21.75	22.75	22.00
-	-	-	-	-
492.34	505.85	533.19	554.30	548.05

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

	2002	2003	2004	2005
Other Funds				
Municipal Service District Fund	-	-	-	-
Home Consortium Fund	1.50	1.50	1.00	1.00
Transportation Improvement Fund	-	-	-	-
CDBG	1.50	1.50	1.50	1.50
Addl. $5 Vehicle Tax (Transit Fund)	-	-	-	-
Stormwater	14.00	14.00	13.66	15.00
Electric				
Electric Administration	2.00	2.00	2.00	2.00
Purchased Power	-	-	-	-
Powerlines Maintenance	16.00	15.00	14.00	14.00
Tree Trimming	10.00	10.00	10.00	10.00
Electric Construction	41.00	42.00	42.00	36.00
Peak Shaving	1.00	1.00	1.00	1.00
Electric Engineering	-	-	-	6.00
Utility Locate Services	-	-	-	-
Water Resources				
Hillgrove Water Treatment Plant	16.50	16.50	14.50	14.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.50
Waterlines Operations & Maintenance	31.00	31.00	33.00	33.00
Public Transit				
Rider Transit System	-	-	-	-
Wastewater Resources	29.00	29.00	29.00	29.00
Golf Course (contract)	-	-	-	-
Internal Services				
Utility Collections	5.00	4.00	5.00	5.00
Data Services	-	-	-	1.00
Billing	17.00	17.00	16.00	16.00
Customer Service	14.00	14.00	14.00	14.00
Engineering	26.63	28.00	28.00	28.00
Fleet Services	15.00	14.00	13.00	13.00
Purchasing	11.00	11.00	9.00	9.00
Customer Care Center	6.15	6.15	6.15	6.15
Buildings & Grounds	43.54	43.12	42.75	37.75
Aviation	33.00	33.00	36.33	36.33
Public Housing	10.00	11.81	12.00	12.00
Total FTE Other Fund	360.32	361.08	359.39	356.73
Total	817.55	823.46	827.61	833.71

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002. This will become a ten (10) year schedule.

Source: City of Concord Budget Department

Fiscal Year				
2006	**2007**	**2008**	**2009**	**2010**
-	-	-	-	-
1.50	1.50	1.50	1.50	1.50
-	-	-	-	-
2.00	1.50	2.00	1.50	1.50
-	-	-	-	-
15.00	18.00	20.00	21.00	20.50
2.00	2.00	2.75	3.00	2.00
-	-	-	-	-
14.00	14.00	14.00	13.00	13.00
10.00	10.00	10.00	10.00	9.00
36.00	34.00	34.00	34.00	34.00
1.00	1.00	1.00	2.00	2.00
6.00	6.00	6.00	6.00	5.00
-	4.50	5.00	5.00	5.00
14.50	14.50	14.50	14.50	14.50
15.50	15.50	15.50	15.50	15.50
36.50	37.00	37.00	37.00	35.00
-	-	-	-	-
29.00	29.50	31.00	31.00	30.00
-	-	-	-	-
5.00	5.00	5.00	5.00	4.50
1.00	1.00	1.00	1.00	1.00
15.00	14.00	13.00	13.00	11.00
15.00	15.00	17.00	17.00	17.00
27.00	27.92	28.00	28.00	25.00
14.00	14.00	14.00	14.00	13.25
9.00	9.00	9.00	9.00	9.00
6.15	6.90	7.15	7.95	7.70
37.43	38.69	41.27	41.50	39.60
36.33	37.59	38.00	40.50	36.50
13.00	16.00	16.00	16.00	16.50
361.91	374.10	383.67	387.95	369.55
854.25	879.95	916.86	942.25	917.60

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004
Police				
Physical arrests	6,165	6,658	6,236	6,864
Parking violations	N/A	N/A	N/A	N/A
Traffic violations	6,955	8,468	7,508	7,501
Communications				
Calls received	64,810	74,783	81,465	82,151
Fire				
Emergency responses	5,950	6,421	6,534	6,284
Fires extinguished	323	292	365	290
Inspections	3,386	2,258	2,927	4,409
Education classes conducted	960	879	729	725
Customer Care Center				
Calls answered	N/A	N/A	N/A	9,416
Solid Waste & Recycling				
Refuse collected (tons per day)	60	58	85	71
Recyclables collected (tons per day)	12	19	8	8
Other Public Works				
Street resurfacing (miles)	35	23	38	6
Potholes repaired	318	400	377	585
NCDOT signalized street lights	N/A	N/A	N/A	N/A
NCDOT road (Non Interstate)	N/A	N/A	N/A	N/A
Economic Development				
Single family residential	686	617	543	607
Single family attached in units	49	3	7	8
Two family residential in units	7	2	1	2
Commercial building permits issued	160	122	117	175
Parks and recreation				
% Cost recovery Adult programs	N/A	35	71	80
Youth participation	N/A	N/A	2,843	3,186
Rec center attendance	N/A	N/A	61,237	64,755
Stormwater				
Accounts	N/A	N/A	N/A	N/A
Electric				
Accounts	23,141	23,819	24,224	24,537
Average megawatt hours daily use (2)	1,726	1,860	1,878	1,992
Substations	12	12	12	12
Water				
Accounts	24,984	26,117	26,930	27,836
Water Main Breaks	N/A	N/A	N/A	N/A
Average daily consumption (mgd)	N/A	N/A	N/A	N/A
Peak daily consumption (mgd)	N/A	N/A	N/A	N/A

(Continued)

Fiscal Year					
2005	**2006**	**2007**	**2008**	**2009**	**2010**
7,223	4,914	7,749	10,113	6,128	6,275
1,393	1,163	2,990	3,879	2,506	1,576
9,011	8,461	15,775	16,293	13,629	13,004
88,082	89,180	101,130	107,265	105,912	107,585
6,291	6,304	6,870	7,310	7,324	7,287
325	390	404	378	327	322
2,857	3,155	3,648	5,137	5,255	5,166
775	918	927	389	492	668
115,832	127,747	136,958	151,419	159,197	153,503
91	86	93	92	94	99
9	8	9	11	11	13
26	8	9.83	11	11	9.85
370	226	199	60	80	72
N/A	N/A	92	78	75	75
N/A	N/A	86.75	89	89	89
693	1,007	524	614	212	346
44	N/A	53	146	49	30
1	2	1	1	13	13
130	118	27	128	36	11
86	89	87	90	90	90
5,488	10,220	10,367	9,127	11,097	11,285
66,700	68,751	71,625	73,227	73,194	73,947
N/A	25,477	26,639	28,935	28,823	29,007
24,933	26,194	26,945	27,514	26,920	27,368
2,083	2,132	2,132	2,272	2,241	2,221
12	12	12	14	14	14
28,993	31,130	32,629	33,988	33,522	33,688
N/A	N/A	73	65	27	36
N/A	N/A	10.67	10.3	8.6	10
N/A	N/A	12.73	11.2	10.2	13

CITY OF CONCORD, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

	2001	2002	2003	2004
Transit				
Average daily use	N/A	N/A	N/A	602
Days of operation	N/A	N/A	N/A	54
Wastewater				
Accounts	21,673	22,807	23,210	24,181
Average daily treatment (thousands of gallons)	7,111	8,128	8,363	8,541
Golf Course				
Total Green Fee Rounds (3)	30,236	30,338	27,727	30,210
Cart Fee Rounds	26,160	24,981	23,736	29,001
Tournaments hosted	51	48	48	60
Aviation				
Avgas (annual gallons)	N/A	285,305	291,936	355,297
Jeta (annual gallons)	N/A	1,425,787	1,579,367	1,746,389
Operations = take off & landing (1)	N/A	65,141	66,782	68,914
Tax Base listings				
T Hanger	N/A	63	65	64
HIC	N/A	25	22	26
Tiedown	N/A	34	34	36
Corporate	N/A	3	5	5
Ground	N/A	4	5	7
Office	N/A	11	17	15
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					
2005	**2006**	**2007**	**2008**	**2009**	**2010**
893	1,122	1,202	1,239	1,328	1,264
260	270	304	307	307	307
25,417	27,550	29,050	30,423	30,338	30,729
8,159	8,048	8,071	7,741	9,047	8,071
29,920	31,657	35,018	33,663	23,237	30,085
27,226	27,571	29,978	27,760	28,498	27,942
51	63	73	67	78	66
330,900	309,740	277,269	278,882	221,096	222,943
1,904,926	1,858,589	1,926,918	2,093,295	1,655,052	1,661,764
67,416	63,084	64,660	70,519	60,506	56,706
67	65	67	67	67	67
30	29	40	41	42	42
38	34	42	51	51	51
5	5	6	6	6	7
8	7	8	8	8	10
18	18	18	23	29	31
174	174	174	174	174	174
534	534	534	534	534	541

CITY OF CONCORD, NORTH CAROLINA

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

Function/Program	2001	2002	2003	2004
Police				
Stations	1	1	1	1
Patrol Units	N/A	90	98	104
Fire				
Stations	7	8	8	8
Fire Units	13	14	14	14
Solid Waste & Recycling				
Refuse collection trucks	N/A	N/A	N/A	N/A
Other Public Works				
Paved streets (miles)	276	283	285	293
Signalized Street	N/A	N/A	12	12
Control Beacons	N/A	N/A	N/A	N/A
Guardrail	N/A	N/A	N/A	N/A
Sidewalk	64.52	71.21	73.32	78.77
Parks and recreation				
Facilities (City owned):				
Parks (acreage)	6	13	13	13
Playgrounds	5	14	14	14
Gymnasiums	3	3	3	3
Basketball courts	7	9	9	9
Tennis courts	15	14	14	14
Playing fields	13	28	28	28
Swimming pool	1	1	1	1
Green Way	N/A	N/A	N/A	1
Walking Trails	N/A	N/A	N/A	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	N/A
Fire hydrants	N/A	N/A	N/A	N/A
Storage capacity (millions of gallons)	11	13	14	14
Transit				
Buses	N/A	N/A	N/A	N/A
Wastewater				
Sanitary sewers (miles)	N/A	N/A	455	458
Treatment capacity (thousands of gallons)	2,966,569	3,052,661	3,117,292	2,978,056
Golf Course	1	1	1	1
Aviation				
Terminal	1	1	1	1
T Hangars	67	67	67	67
Corporate Hangar	N/A	2	2	2
Hanger in Common	3	4	5	5
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					
2005	**2006**	**2007**	**2008**	**2009**	**2010**
1	1	1	1	1	1
110	116	116	120	120	120
8	8	8	8	9	9
14	14	14	14	14	14
N/A	N/A	23	23	27	29
300	308	311.55	321	323	324
13	13	13	13	14	14
N/A	8	6	6	6	6
N/A	N/A	3.33	3.36	3.74	3.97
89.2	98.54	105.81	194.84	199.21	201.54
83	101	101	101	101	101
14	14	14	14	14	14
3	3	3	3	3	3
9	9	9	9	9	9
14	14	14	14	14	14
28	28	28	28	28	28
1	1	1	1	1	1
1	2	2	2	2	4.5
3	3	3	3	3	3
N/A	N/A	N/A	86.18	161.29	229.36
12	12	12	14	14	14
N/A	N/A	628	658	663	667
N/A	N/A	3910	4219	4648	3898
14	14	14	14	14	14
8	8	8	8	10	12
462	475	500	516	516	530
2,937,536	2,946,068	3,340,866	2,825,589	3,302,270	3,239,373
1	1	1	1	1	1
1	1	1	1	1	1
67	67	67	67	67	67
2	2	2	2	6	7
5	6	6	7	7	8
N/A	N/A	585	625	688	688
174	174	174	174	174	174

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POTTER & COMPANY, P.A.
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*

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

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, 2010, which collectively comprises the City of Concord's basic financial statements, and have issued our report thereon dated October 25, 2010. We did not audit the financial statements of the City of Concord ABC Board. Those financial statements were audited by other auditors whose reports thereon have 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 reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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, we considered the City of Concord's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Concord's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal

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control over financial reporting. [10-1, 10-2] 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Concord's financial statements are free of 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*.

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the organization, the Mayor, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

October 25, 2010
Monroe, North Carolina

Potter & Company

POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Compliance

We have audited the compliance of the City of Concord, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2010. The City of Concord's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Concord's management. Our responsibility is to express an opinion on the City of Concord's compliance based on our audit.

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. Our audit does not provide a legal determination on the City of Concord's compliance with those requirements.

In our opinion, the City of Concord complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the City of Concord is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Concord's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

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A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, the mayor, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Potter & Company

October 25, 2010
Monroe, North Carolina

POTTER&COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECTIONS OF OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Compliance

We have audited the compliance of the City of Concord, with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2010. The City of Concord's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the City of Concord's management. Our responsibility is to express an opinion on the City of Concord's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of 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. Our audit does not provide a legal determination on the City of Concord's compliance with those requirements.

In our opinion, the City of Concord complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of the City of Concord is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered the City of Concord's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

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A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis.

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 that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the organization, the mayor, members of City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

October 25, 2010
Monroe, North Carolina

Potter + Company

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2010

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-06-MC-37-0012	**$ 4,884**	**$ -**	**$ -**
	14.218	B-07-MC-37-0012	**136,077**	**-**	**-**
	14.218	B-08-MC-37-0012	**202,660**	**-**	**-**
	14.218	B-09-MC-37-0012	**92,340**	**-**	**52,720**
ARRA - CDBG Grant	14.253	B-09-MY-37-0012	**93,600**	**-**	**-**
			529,561	**-**	**52,720**
HOME Program - Program Income	14.239	M-06-DC-370209	**2,735**	**-**	**-**
	14.239	M-07-DC-370209	**20,023**	**-**	**-**
	14.239	M-08-DC-370209	**149,847**	**-**	**-**
	14.239	M-09-DC-370209	**4,052**	**-**	**18,388**
			176,657	**-**	**18,388**
Public Housing: Operating subsidy	14.850	A-3249	**973,682**	**-**	**-**
Public Housing Capital Fund	14.852	NC19P00850107	**80,406**	**-**	**-**
	14.852	NC19P00850108	**154,545**	**-**	**-**
ARRA - Housing Capital Fund	14.885	NC19S00850109	**175,998**	**-**	**-**
			410,949	**-**	**-**
Section 8, Housing Assistance Payments for Housing Vouchers	14.871	A-3344-V	**3,453,152**	**-**	**-**
Ross Homeownership Grant	14.870	NC008REF100A007	**73,864**	**-**	**-**
	14.870	NC008RFS103A008	**45,353**	**-**	**-**
			119,217	**-**	**-**
Neighborhood Networks Grant	14.875	NC008RNN027A006	**85,328**	**-**	**-**
U.S. Department of Energy:					
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DE-SC0002340	**137,177**	**-**	**-**
U.S. Department of Justice:					
Justice Assistance Grant	16.738	2009-DJ-BX-1090	**45,149**	**-**	**-**
ARRA - Justice Assistance Grant	16.804	2009-SB-B9-2326	**194,440**	**-**	**-**
Technology Program Grant	16.710	2009CKWX0054	**299,993**	**-**	**-**
			539,582	**-**	**-**

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
Year Ended June 30, 2010

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					
Passed through North Carolina Department of Transportation:					
Airport Program:					
S Hangar Project/SB	20.106	36237.29.12.3	**$ 153,282**	**$ -**	**$ 17,031**
SMS Pilot Project	20.106	36237.29.12.4	**106,425**	**-**	**11,825**
Taxiway Widening & Apron Exp	20.106	36237.29.12.3	**282,832**	**-**	**31,426**
Apron Construction	20.106	36237.29.13.2	**761,607**	**-**	**84,623**
Land Acquisition	20.106	36237.29.12.1	**2,363**	**-**	**263**
Security & Safety Project	20.106	36237.29.13.3	**19,111**	**-**	**2,123**
Master Plan/Stormwater Plan	20.106	36237.29.13.2	**149,943**	**-**	**16,660**
Pavement Overlay Project	20.106	36237.29.13.2	**2,748,350**	**-**	**305,372**
			4,223,913	**-**	**469,323**
Federal Transit:					
Transit Center Property	20.500	NC-03-0076-00	**299,701**	**-**	**74,925**
Metropolitan Planning Grant	20.505	39225.1.3	**-**	**216,964**	**54,241**
Metropolitan Planning Grant	20.505	36230.7.9.6	**-**	**35,127**	**3,903**
ARRA - Transit Grant	20.507	NC-96-X011-00	**798,203**	**-**	**-**
Federal Transit Grant	20.507	NC-90-X463-00	**1,752,943**	**412,014**	**1,194,031**
			2,850,847	**664,105**	**1,327,100**
U.S. Department of Homeland Security:					
SAFER Grant	97.083	EMW2008FF00773	**215,656**	**-**	**24,167**
State Homeland Security Program	97.073	2007-GE-T7-0048	**7,464**	**-**	**-**
Assistance to Firefighters Grant	97.044	EMW2009FO10516	**115,402**	**-**	**28,851**
			338,522	**-**	**53,018**
Environmental Protection Agency:					
ARRA - Brownfield	66.818	2B-95426709-0	**81,533**	**-**	**-**
Total federal awards			**13,920,120**	**664,105**	**1,920,549**
State Financial Assistance:					
Department of Transportation:					
NCDOT 5309 Capital Grant	N/A	36232.23.1.3	**-**	**27,611**	**-**
Powell Bill	N/A		**-**	**2,115,274**	**-**
			-	**2,142,885**	**-**
Total state awards			**-**	**2,142,885**	**-**
Total federal and state awards			**$ 13,920,120**	**$ 2,806,990**	**$ 1,920,549**

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, 2010

(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	$ 3,507,646	$ -	$ -	$ 3,507,646
Community development	436,288	-	-	436,288
Home	36,384	-	-	36,384
EECBG Stimulus	137,177	-	-	137,177
ARRA Stimulus	369,573	-	-	369,573
Capital project funds:				
Parks	145,000	-	-	145,000
Transportation	81,732	-	-	81,732
Enterprise funds:				
Regional Airport	-	-	4,883,866	4,883,866
Housing Department	-	1,450,298	-	1,450,298
Transit	-	3,728,206	-	3,728,206
Total federal	4,713,800	5,178,504	4,883,866	14,776,170
State assistance:				
General fund	3,073,865	-	-	3,073,865
Total state	3,073,865	-	-	3,073,865
	$ 7,787,665	$ 5,178,504	$ 4,883,866	$ 17,850,035

(3) Statement and Certification of Capital Fund Grant Cost for Annual Contributions Contract A-3249 (NC19P00850107)

1. The Actual Capital Fund Program Costs of NC19P00850107 were as follows:

Funds Approved	$ 267,852
Funds Expended	267,852
Excess (Deficiency) of Funds Approved	$ -
Funds Advanced:	
HUD Grants	$ 267,852
Funds Expended	267,852
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: Unqualified

Internal control over financial reporting:

• Material weakness(es) identified?	_____	yes	X	no
• Significant Deficiency(s) identified that are not considered to be material weaknesses	X	yes	_____	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
14.852	Public Housing Capital Fund
14.871	Section 8, Housing Choice Vouchers
14.218	Community Development Block Grant
14.253	ARRA - Community Development Block Grant
20.507	ARRA - Transit Grant
20.507	Federal Transit Grant
20.500	Transit Center Property Acquisition Grant
16.804	ARRA - Edward Byrne Memorial Justice Assistance Grant

Dollar threshold used to distinguish between Type A and Type B Programs $ 418,659

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

SIGNIFICANT DEFICIENCY
10-1 Timely Deposits

Criteria: G.S. 159-32 requires that all moneys or receipts greater than $250 be deposited daily in an official depository.

Condition: City deposits were not made timely.

Effect: Receipts could be lost or mishandled.

Cause: Different departments within the City receive moneys and have not deposited them timely.

Recommendation: All City departments should be aware of the appropriate deposit procedures and all monies over $250 should be deposited daily.

Views of responsible officials and planned corrective actions: The City agrees with this finding.

SIGNIFICANT DEFICIENCY
10-2 Review of Payroll

Criteria: Payroll calculations, coding of payroll, and data entry for payroll should be reviewed by someone other than the payroll department employees.

Condition: There is no further review of payroll before it is submitted other than by payroll department employees.

Effect: Payroll disbursements could be in error.

Cause: Only payroll department employees calculate, code and key payroll. These same employees receive payroll additions/deletions/changes from Human Resources and there is no further review by the Accounting or Finance departments.

Recommendation: The City Accounting Manager, as well as department heads, should review a detailed payroll register, and changes from Human Resources, as well as agree the total time per the timekeeping software with the payroll.

Views of responsible officials and planned corrective actions: The City agrees with this finding.

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
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2010

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

10 – 1 Timely Deposits

Name of contact person: Pam Hinson, Finance Director

Corrective Action: All departments that receive moneys will be informed of appropriate deposit procedures and they will be followed.

Proposed Completion Date: The City will implement the above procedure immediately.

SIGNIFICANT DEFICIENCY

10 – 2 Review of Payroll

Name of contact person: Pam Hinson, Finance Director

Corrective Action: The Accounting Manager will receive a copy of the payroll register and will review before it is submitted.

Proposed Completion Date: The City has already implemented the above procedure and will continue to follow this in the future.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award 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, 2010

Finding: **None reported.**