City of Concord, North Carolina
Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2011

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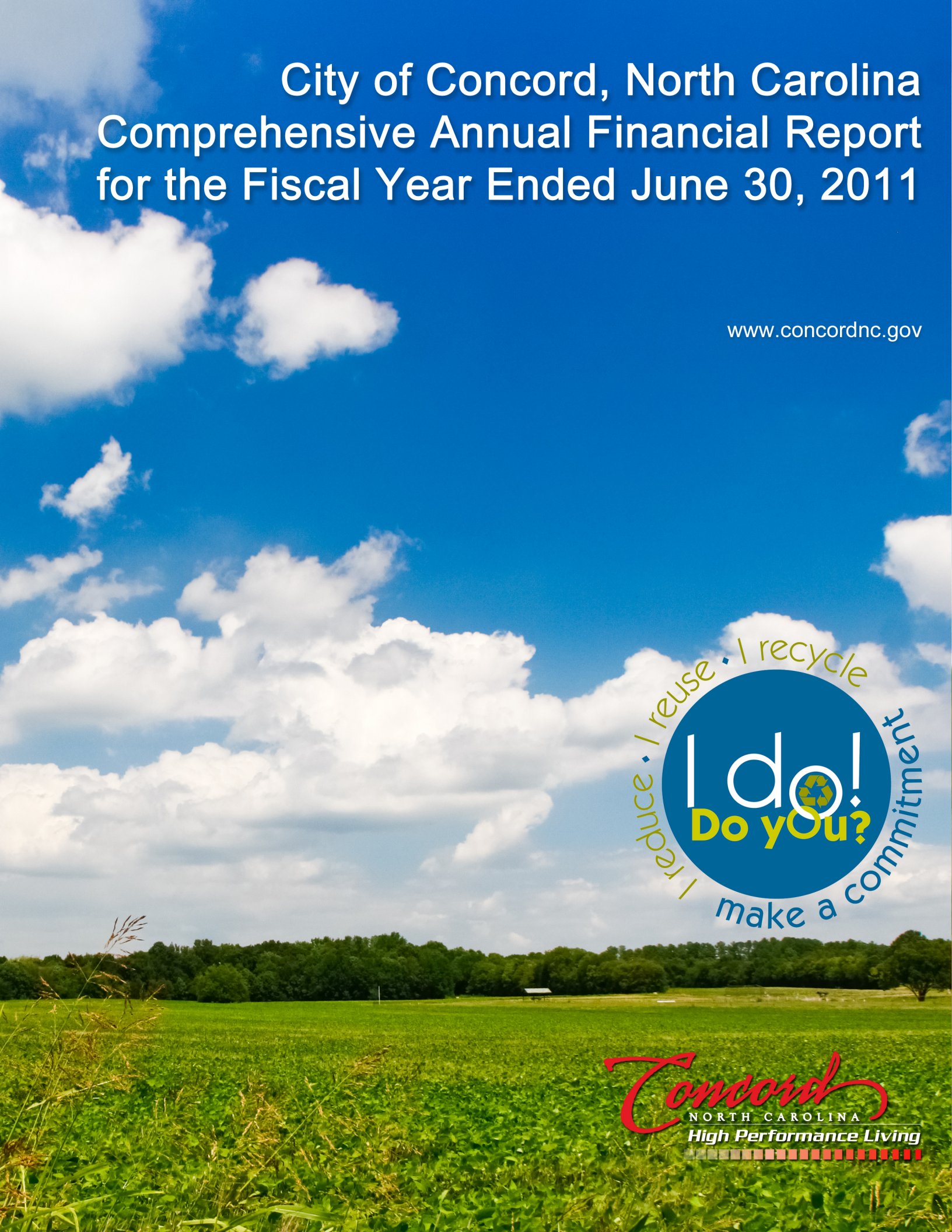

CITY OF CONCORD, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2011

Prepared by:

Finance Department

City of Concord, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

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October 31, 2011

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, 2011, 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 2011.

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, 2011, 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, 2011, 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

Finance
Phone (704) 920-5200 ● Fax (704) 788-9375

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 79,519. The City adjoins the City of Charlotte, North Carolina, and is one of seven incorporated municipalities in Cabarrus County.

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

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

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

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

North Carolina General Statutes require formal budgetary accounting for all funds. The departments of the City are required to submit request for appropriations to the City Manager in February each year. These requests are used as a starting point for developing a proposed budget. The City Manager presents the proposed budget no later than June 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30. Budgets are legally enacted by adoption by the governing board of an Annual Budget Ordinance or a Capital Project Ordinance. The Annual Budget Ordinance and Capital

Project Ordinance may be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. Changes of functions and total budgets of any fund require approval of the governing board. The City Manager is authorized to reallocate departmental appropriations, as he considers necessary, and to 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. The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end and will be carried forward with their budget appropriations to the subsequent year.

FACTORS AFFECTING FINANCIAL CONDITION

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

LOCAL ECONOMY – Current economic events continue to be a concern for the City 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 slow growth scenario that re-emerged this summer will stay with us the rest of 2011. Most economic forecasts expect below average growth for the first 2 quarters of 2012, heightening the prospects for another economic downturn. Various national forecasts assume that the national unemployment rate will remain around 10% through much of 2012. 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 and consumer sentiment is well below what one would expect to see in an economic recovery, per the North Carolina Fiscal Research Division. 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
- Energy Efficiency and Conservation Block Grant (EECBG) for traffic signals, street lighting, and energy efficiency building retrofit improvements
- Sub-recipient of ARRA Grant to install solar panels on the City's parking deck.

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 2009 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 is 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 estimates that another $1,000,000 in property tax will be lost in the upcoming fiscal year as personal property values at the plant continue to decline. 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. The City estimates that a combined $3 million of property tax will be lost due to the closing of the plant.

LONG TERM FINANCIAL PLANNING

Sometime during FY 2011-12 Cabarrus County will release the results of the County wide reassessment of property values. It is anticipated that values will decline by as much as 16% County wide. It is very possible that the decline in Concord will be even higher due to Philip Morris. This is unprecedented as traditionally the debate in Concord after a revaluation is over how much to lower the tax rate and if the budget should be "revenue neutral" or not. This time the term "revenue neutral" will take on a different meaning, as it would require raising the tax rate to

achieve the same amount of revenue. Staff will begin discussing this challenge with Council as soon as this information is available so we can prepare for the level of services Council will seek to provide for FY 2012-13.

Concord Regional Airport (CRA) continues to be a vital resource in supporting the business and general aviation communities. One of the major projects over the next two fiscal years will be repairing and upgrading the system providing water for fire suppression. $345,000 is budgeted for FY 2011-12.

Another factor will be preparation for the 2012 Democratic National Convention in Charlotte. The event will be held in September of 2012. The Democratic National Committee estimated that the convention brought 50,000 people to Denver, the last site of this event. The Convention and associated activities will likely bring many general aviation flights into CRA and create the need for heighten security. Staff has already begun meeting with those planning for this event to prepare to provide these resources and to position CRA to benefit from the extra business.

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 has partnered with NCDOT to improve Morehead Road to address safety and congestion problems and to fund improvements to the Cabarrus Railroad bridge. 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. Finally, NCDOT is widening I-85 in Concord and making major improvements to two Concord interchanges.

Charlotte Area Transit System (CATS) continues to explore ways to extend the Blue Line from uptown Charlotte northeastward to the University area. It appears cost cutting measures will not provide for taking it all the way to the I-485 interchange. In the past, there have been discussions with CATS officials about crossing I-485 to serve the Concord Mills / Lowe's Motor Speedway area. They indicated that light rail is feasible over a distance of 15 to 20 miles from the main transit center. That distance would encompass Concord Mills and Lowe's Motor Speedway, possibly even the Philip Morris property. The economy and the reduction in Federal funding are making this more difficult. However, regional transit has to be in the future for Cabarrus County. The first step in this possible extension will be to study the physical feasibility of constructing light rail to and over I-485. The challenge for the future will be determining how such a feasibility study might be funded.

The City has completed the construction of a temporary Fire Station 10 on City property located on Poplar Tent Road near the intersection with Harris Road. This station is staffed with the non-Airport related pumper and personnel from Station 6. Eventually, a permanent station will be constructed at this location. This alternative provides fire service to the newer neighborhoods in that area, while delaying the cost of new construction until the economy rebounds.

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; that organization is aggressively pursuing construction funding. The downtown greenway connector was completed connecting Mickey McGee Park and Harold McEachern Greenway to McCachern Boulevard.

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. While demand may not be growing significantly in the current economic environment, Concord cannot wait to move forward to prepare for the future and expand its supply of potable water. Concord, Kannapolis and Albemarle are jointly funding the engineering work necessary to construct a line to bring treated Yadkin River water from the Albemarle system. The engineering plans will be completed by the end of FY 2011-12, so right-of-way acquisition and construction can follow. The three municipalities are currently exploring if the respective funding obligations for construction of this line should be covered in one joint financing arrangement or separately. If it is done jointly, it is likely that Concord will have to take the lead in borrowing the money. These plans will need to be worked out during the fiscal year while the engineering is finalized.

Council approved a schedule of new solid waste collection methods in November of 2010 in order to be prepared to implement them at the start of the new fiscal year. The FY 2011-12 budget recommendations reflect the implementation of these changes. These new methods will eventually save the City approximately $1.7 million in collection costs. This is crucial as it helps to partially offset the decline in City revenues due to the economy and Philip Morris. The automation of the garbage collection services provided to most residents will require the use of a truck that can pick up the carts and empty them into the truck using only one worker to operate the equipment.

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, 2011, the City's cash resources were invested as follows:

U.S. Government agencies	97%
Certificates of Deposit	2%
NCCMT	1%
Total	100%

The average yield on investments at June 30, 2011 is estimated at 1.5% 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 2011 year was determined as part of the December 31, 2009 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 86 retired employees receiving benefits, which are being partially funded.

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

FISCAL POLICIES

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

RESERVE POLICY

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Concord, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2010. 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-two consecutive years.

The presentation of this report could not have been accomplished without the assistance and dedication of the entire staff of the Finance Department. Special thanks go to 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, 2010

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
Alfred M. Brown, Jr.	Mayor Pro Tempore

W. Lamar Barrier
Hector H. Henry, II
David W. Phillips
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, 2011, 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, 2011, 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, 2011 on our consideration of the City of Concord, North Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and

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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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedule and Other Postemployment Benefits (OPEB) Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

October 25, 2011
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, 2011. 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 $697,467,397 (*net assets*). Of this amount, $149,660,450 (*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 $13,586,916 (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 $76,273,127, an increase of $4,290,087 in comparison with the prior year. Approximately 42 percent of this total amount or $32,153,504 is available for spending at the government's discretion (*unassigned*). The increase in combined ending fund balance numbers is a result of an excess of revenues over expenditures for the fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $36,921,449 or 54 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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by the private-sector companies. The two government-wide statements report the City's *net 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 eighteen 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 143 through 144.

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 $697,467,397 as of June 30, 2011.

By far the largest portion of the City's net assets (76 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	
	2011	2010	2011	2010	2011	2010
Current and other assets	$83,346,490	$79,108,927	$119,834,692	$108,928,351	$203,181,182	$188,037,278
Capital assets	308,358,762	316,966,698	368,597,018	368,713,796	676,955,780	685,680,494
Total Assets	391,705,252	396,075,625	488,431,710	477,642,147	880,136,962	873,717,772
Long-term liabilities outstanding	38,726,241	41,164,252	126,687,946	133,847,742	165,414,187	175,011,994
Other liabilities	5,048,967	5,233,416	12,206,411	9,591,881	17,255,378	14,825,297
Total liabilities	43,775,208	46,397,668	138,894,357	143,439,623	182,669,565	189,837,291
Net assets:						
Invested in capital assets, net of related debt	280,799,254	285,243,071	249,883,977	243,365,138	530,683,231	528,608,209
Restricted	17,123,716	1,710,932	-	-	17,123,716	1,710,932
Unrestricted	50,007,074	62,723,954	99,653,376	90,837,386	149,660,450	153,561,340
Total net assets	$347,930,044	$349,677,957	$349,537,353	$334,202,524	$697,467,397	$683,880,481

An additional portion of the City's net assets (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($149,660,450) 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 $1,747,913 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 $2,622,460 as the City continues to reduce long term debt balances. Unrestricted assets decreased and restricted assets increased due to the implementation of GASB 54, restricted by state statue for stabilization now appears on the government-wide statements as a restricted net asset.

During the current fiscal year, total net assets for business-type activities increased by $15,334,829. Business-type total liabilities decreased $4,545,266. 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

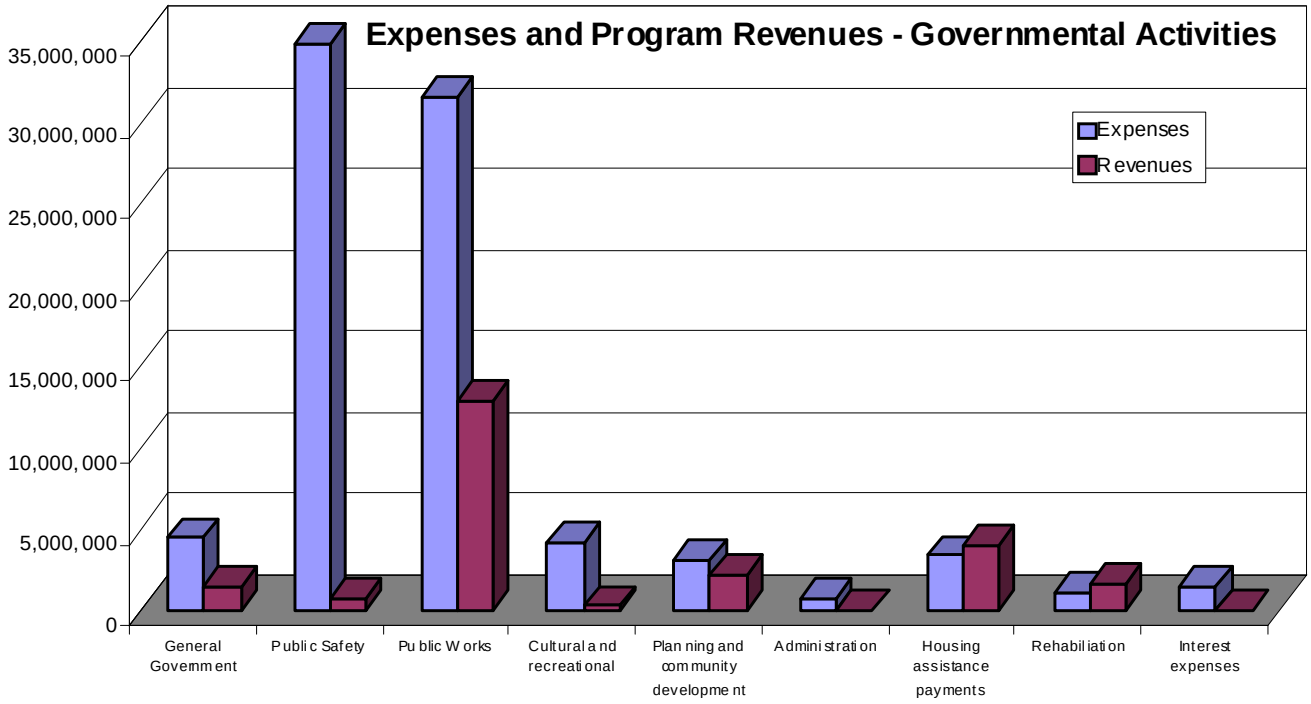
Table 2

	Governmental Activites		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$5,105,446	$4,559,795	$123,259,867	$116,805,085	$128,365,313	$121,364,880
Operating grants/ contributions	8,361,322	8,039,500	4,252,712	5,178,504	12,614,034	13,218,004
Capital grants/contributions	9,750,000	4,399,871	5,026,770	8,497,858	14,776,770	12,897,729
General revenues:						
Ad valorem taxes	44,236,917	45,363,018	-	-	44,236,917	45,363,018
Other taxes	12,226,782	12,567,428	-	-	12,226,782	12,567,428
Grants and contributions not restricted to specific programs	3,159,222	2,642,020	-	-	3,159,222	2,642,020
Investment earnings	1,022,184	1,322,057	1,396,578	1,571,516	2,418,762	2,893,573
Miscellaneous gain(loss)	936,229	761,842	417,059	(21,017)	1,353,288	740,825
Total revenues	84,798,102	79,655,531	134,352,986	132,031,946	219,151,088	211,687,477
Expenses:						
General government	4,439,667	4,354,769	-	-	4,439,667	4,354,769
Public safety	34,818,159	33,333,315	-	-	34,818,159	33,333,315
Public works	31,612,314	33,362,313	-	-	31,612,314	33,362,313
Cultural & recreational	4,233,575	4,287,048	-	-	4,233,575	4,287,048
Planning & community development	3,096,020	2,840,033	-	-	3,096,020	2,840,033
Administration	784,000	656,431	-	-	784,000	656,431
Housing assistance payments	3,344,522	3,119,188	-	-	3,344,522	3,119,188
Rehabilitation	1,053,446	553,868	-	-	1,053,446	553,868
Interest on long term debt	1,508,832	1,773,371	-	-	1,508,832	1,773,371
Electric	-	-	69,740,487	63,797,452	69,740,487	63,797,452
Water	-	-	15,618,503	15,550,286	15,618,503	15,550,286
Wastewater	-	-	13,802,561	13,507,142	13,802,561	13,507,142
Regional airport	-	-	11,432,960	10,023,077	11,432,960	10,023,077
Stormwater	-	-	3,729,861	3,946,044	3,729,861	3,946,044
Other nonmajor business-type activities	-	-	6,349,265	5,856,696	6,349,265	5,856,696
Total expenses	84,890,535	84,280,336	120,673,637	112,680,697	205,564,172	196,961,033
Increase (decrease) in net assets before transfers	(92,433)	(4,624,805)	13,679,349	19,351,249	13,586,916	14,726,444
Transfers	(1,655,480)	(2,140,110)	1,655,480	2,140,110	-	-
Increase (decrease) in net assets	(1,747,913)	(6,764,915)	15,334,829	21,491,359	13,586,916	14,726,444
Net assets, July 1	349,677,957	356,442,872	334,202,524	312,711,165	683,880,481	669,154,037
Net assets, June 30	$347,930,044	$349,677,957	$349,537,353	$334,202,524	$697,467,397	$683,880,481

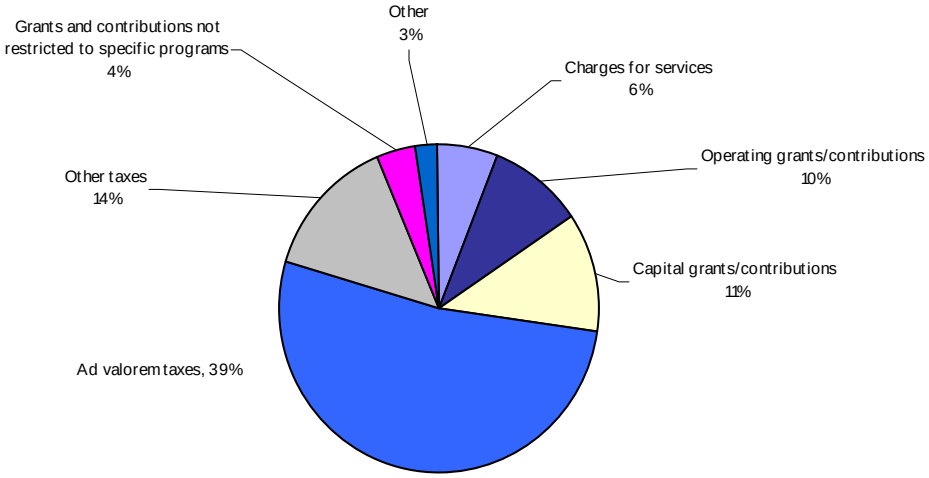
Governmental Activities

In fiscal year 2011, the net assets of governmental activities decreased by $1,747,913, or less than 1%. This decrease is the result of transfers to other funds. Although the City continues to see declines in some revenue sources, the City's total revenues increased 6%, due to an increase in grant revenue. Table 2 above, illustrates key elements of the changes in the governmental activities net assets. Listed below are a few points highlighting significant changes in net assets.

- Property taxes decreased by $1,126,101 (2%) during the year. This decrease was anticipated as the City anticipated a decline in assessed values due to the Philip Morris plant closure.
- As the economy continued to decline, sales tax revenue decreased 3% in FY2011.
- Capital grants/contributions increased $5,350,129, due to the contribution of street values in fiscal year 2011.
- Investment earnings decreased 23% as interest rates remain near 0%.
- The total governmental activities increase in expenses, 1%, was the result of conservative operations within all departments. The City continued spending restrictions in fiscal year 2011, which were needed due to the decrease in some revenue collections.



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net assets by $15,334,829 (5%). The water, wastewater and aviation funds recorded capital contributions of $1,971,697, $1,957,410 and $1,097,663 respectively, in the most recent fiscal year. Developers of subdivisions within the City's service area donated this infrastructure.

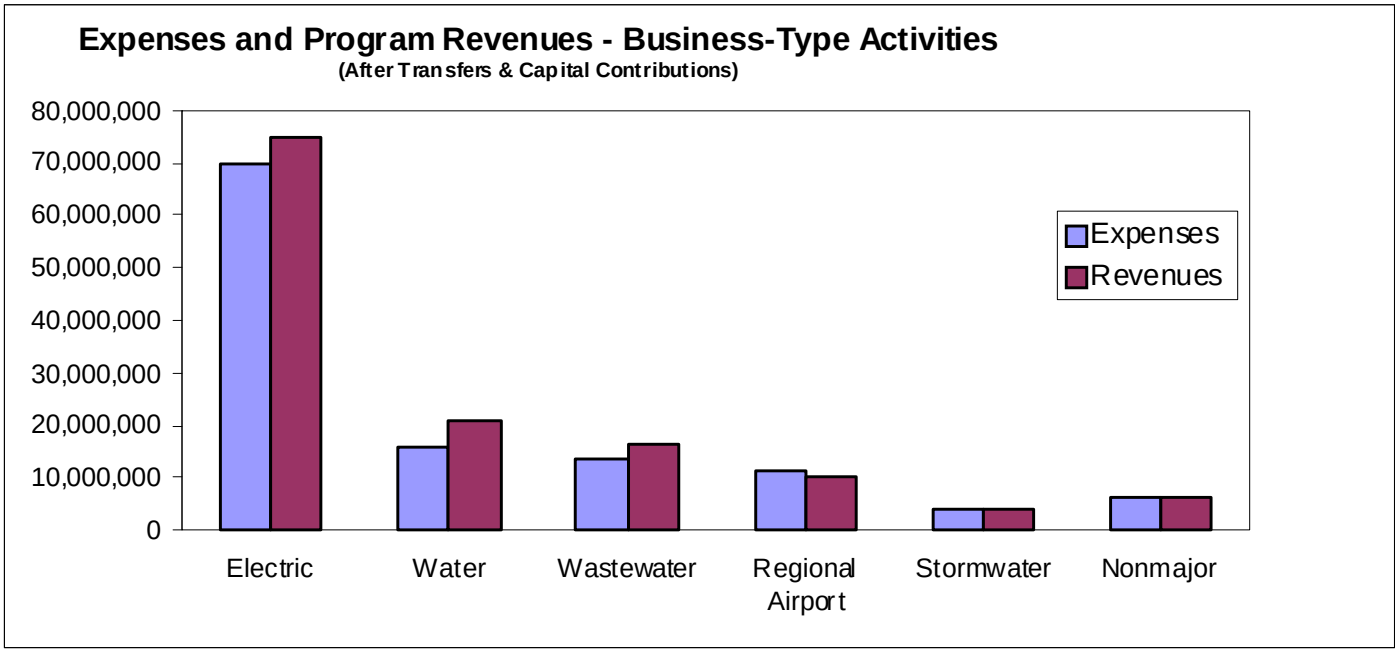
Key elements of the increase in business type activities, illustrated in table 2 located on page 19 are as follows:

- Charges for services for business-type activities increased by 6%, $6,454,782.
  - Usage remained relatively stable for the water and wastewater customers, the cities wastewater division's charges for service increased 3.5%. The increase is due to implemented rate increases, an average 4% for wastewater residential customers, which were needed to cover basic system operating needs. Water charges for service increased around 1%. The City continues to encourage customers to conserve and use less water and a tier water rate schedule was adopted in FY2010 by City Council to encourage conservation.
  - Aviation charges for service increased 12% when compared to the previous year. The Concord Regional Airport (CRA) continues to be one of the busiest general aviation airports in North Carolina. The demand for fuel has increased but the rise in fuel costs is the major factor attributed to this increase.
  - Stormwater charges for service increased 2% when compared to last year's collections. The Stormwater program has operated for five full years, and the billing has been fully implemented. An internal review of the system is continuing to discover customers who should be added to the billing for Stormwater fees, but most customers are now being billed. With no major growth anticipated, the City expects this revenue source to remain stable in the future year.
  - Electric charges for service increased 7% for fiscal year 2011. Duke Energy Corporation, the main supplier for City power, continues to increase the wholesale costs to the City. During calendar year 2008, these costs increased

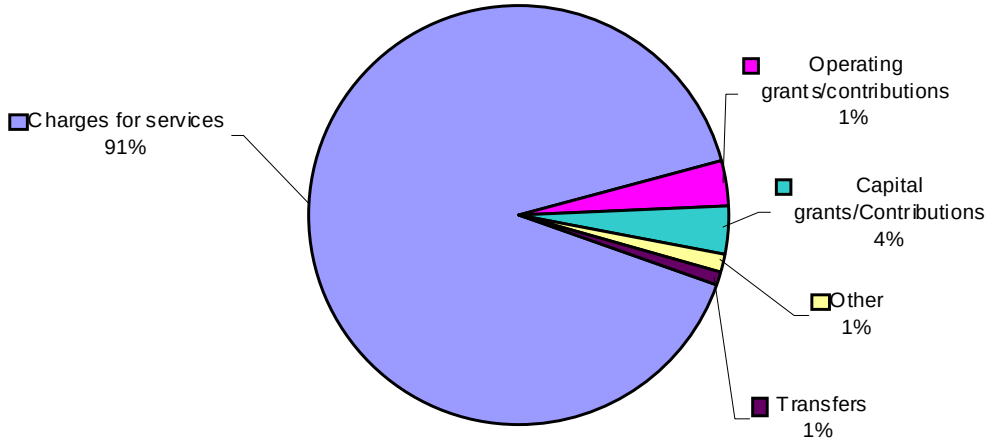
approximately 18.5%. Due to these large increases, the City evaluated rates during fiscal year 2009 and hired a rate consultant. Despite past efforts to hold down retail costs and continued efforts to cut current operating costs, it has became necessary to begin raising retail rates to better reflect the rising wholesale costs in order to maintain current customer service and system maintenance levels. Adjustments will be considered based on a cost of service analysis taking into account the Duke changes in January of every year. Due to Duke's schedule for wholesale increases, FY 2011 reflects an average 4.3% retail rate increase that was effective January 1, 2011.

- Expenses increased 7% 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 FY2011 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 9% in fiscal year 2011 which were entirely a result of the wholesale rate increases passed to the City from Duke Power.
  - Water operating expenses remained flat this year and wastewater operating costs were only up 2% as these departments continued implementing operating budget cuts to ensure that any decreases in rate revenue would be offset by a reduction in expenses.
  - The airport operating expenses increased 14%; the majority of this increase was associated with the cost of fuel for resale and the amount of fuel the airport purchased. As previously discussed, the cost of fuel was much higher than in previous years.

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 $76,273,127, an increase of 6 percent in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 42% of the City's ending fund balance. The remaining fund balance is classified as follows to indicate that it is not available for new spending because it has already been obligated: 1) non spendable inventories and prepaids ($109,186), 2) restricted for streets, public safety and state statute stabilization ($17,014,530), 3) committed for future capital, planning & community development, and housing assistance ($17,156,767), and 4) assigned for specific purposes in other governmental funds ($9,839,140).

The general fund is the principal operating fund of the City of Concord. At the end of the current fiscal year, the unassigned fund balance in the general fund was $36,921,449, while total fund balance for the general fund reached $53,028,928; representing an increase of $1,960,405. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 53.5 percent of total general fund expenditures, while total fund balance represents 77 percent of that same amount. Key factors in the fund balance increase are as follows:

- The City's general fund operating revenues actually exceeded operating expenditures by $11,167,675 but transfers to other funds reduced the actual net change in fund balance for the year to $1,960,405. The City transferred $4,000,000 to the capital reserve fund for future projects and capital outlay.

Other governmental fund balance increased $2,329,682 due to the 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 $36,823,194, $41,296,413, $9,836,847 and $5,918,557 respectively. The unrestricted net assets of all other enterprise funds were $6,378,960. The total growth in net assets for the proprietary funds was $15,334,829. Factors affecting the growth are addressed in more detail in the discussion of the City of Concord's business-type activities which begin on page 21 of this document.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Total amendments to the General Fund increased revenues and expenditures by $3,119,892 or 5%. This does not represent a significant budgetary variance between original and final amended budget for the City. A major difference between original and amended budgets is as follows:

- The City Council approved moving $4,000,000 to the capital reserve fund for future projects and capital; this item increased the City's original budget.

At year-end, *actual* revenues exceeded *final amended budget* numbers by 3%. *Actual* expenditures were less than *final budgetary* figures by 8%, resulting in excess of revenues over expenditures (before transfers) of $11,167,675.

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, 2011, totals $676,955,780 (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 1.2 percent (a 2.7 percent decrease for governmental activities and a less than 1 percent decrease for business-type activities).

Major capital asset transactions during the year included the following:

- Construction of electric substations and enhancements/improvements to the electric transmission lines in amount of $2,773,937.
- Purchase of 1 new fire truck totaling $742,942.

- Purchase of vehicles and equipment for general fund totaling $1,270,338.
- The extension of the distribution and transmission lines for the City's water system and upgrades/improvements to the system in the amount of $2,933,050.
- The extension of the distribution and transmission lines for the City's wastewater system totaling $1,046,961.
- Extension and improvements of the Parks & Recreation facilities, grounds, and the greenway systems totaling $647,258.
- New Transit Center construction in progress and upgrades to vehicles and equipment totaling $1,230,698.

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	
	2011	2010	2011	2010	2011	2010
Land	$ 51,252,658	$ 51,104,175	$ 38,676,701	$ 37,998,398	$ 89,929,359	$ 89,102,573
Construction in progress	2,270,675	1,667,943	17,233,488	22,964,022	19,504,163	24,631,965
Buildings and systems	46,396,133	45,831,393	55,177,863	55,587,123	101,573,996	101,418,516
Improvements other than buildings	2,706,608	2,540,715	402,226,304	383,704,500	404,932,912	386,245,215
Machinery and equipment	28,430,791	31,951,840	22,653,843	25,748,533	51,084,634	57,700,373
Infrastructure	482,171,177	472,274,498	-	-	482,171,177	472,274,498
Sub-total	613,228,042	605,370,564	535,968,199	526,002,576	1,149,196,241	1,131,373,140
Less Accum. Depreciation	(304,869,280)	(288,403,866)	(167,371,181)	(157,288,780)	(472,240,461)	(445,692,646)
Total	$ 308,358,762	$ 316,966,698	$ 368,597,018	$ 368,713,796	$ 676,955,780	$ 685,680,494

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of $148,840,562 (principal). Of this amount, $0 comprises debt backed by the full faith and credit of the City and $105,426,542 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has $28,882,646 and $14,531,374 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation bonds	$ -	$ 85,000	$ -	$ -	$ -	$ 85,000
Installment purchases	4,958,156	5,478,589	9,573,218	10,330,155	14,531,374	15,808,744
Revenue Bonds	3,064,794	3,263,436	102,361,748	108,437,402	105,426,542	111,700,838
Installment notes	19,104,464	22,827,483	9,778,182	10,702,517	28,882,646	33,530,000
Total long-term debt	$ 27,127,414	$ 31,654,508	$ 121,713,148	$ 129,470,074	$ 148,840,562	$ 161,124,582

In the current fiscal year, the City of Concord's total debt decreased by $12,284,020 (7.6 percent). New debt is listed below:

- In October 2010, the City issued $9,235,000 of Limited Obligation refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's series 2001 Certificates of Participation. The refunding debt was issued at a net interest cost of 2.68%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2011 is $0. This refunding was undertaken to reduce total debt service payments over the following 10 years by $888,249 and resulted in an economic gain of $779,763. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred ($378,135) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2011 was $352,354.

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 $820,358,539. The current debt limitation for the City of Concord is $844,695,995, 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 70 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Cabarrus County at June of 2011 was 10.3%, which is a decrease from a rate of 11.3% in June of 2010. The state's unemployment rate for June of 2011 was 10.4%. (Source: Cabarrus Economic Development Corporation)

- Population has increased from 27,347 in 1990 to an estimated 79,519 as of July 1, 2010 (per the Office of State Budget and Management), which represents a growth rate of 191%. The City experienced less than 1% growth in current year population when compared to the certified population estimate as of July 1, 2009.

- The economic climate will be the biggest factor impacting future Concord budget recommendations. Unemployment continues to hurt sales tax collections and foreclosures have impacted property tax collections. It has been troublesome that sales tax revenues continue to be relatively flat when other counties are seeing slight growth. Of course, some of this is related to the on-going weakness in the construction industry. These conditions have also led to a leveling off of growth in utility revenues. Experts are saying the recovery will continue to be slow, with local governments being some of the last institutions to benefit.

- The City has reorganized to include an Economic Development & Sustainability Director position within the City Manager's office with economic development as part of the responsibilities to meet this challenge. This position provides a direct resource for the Cabarrus County Economic Development Commission staff and a liaison for any business seeking to locate or expand in Concord. Job creation and expansion of the tax base has to be a priority.

- The challenges faced by the State of North Carolina are even greater. The State is in the process of making significant cuts as the loss of Federal stimulus dollars and the expiration of temporary sales tax increases has led to an even deeper hole for FY 2011-12. This decline could be accelerated if a hard cap on the gas tax is adopted. While it has not surfaced in State budget proposals yet, there is still concern that the General Assembly will decide to keep local revenues that are collected by the State and/or will decide to force local governments to take over services provided by the State in order to balance their budget in future fiscal years, if not in FY 2011-12.

- The General Fund continues to feel the impact of the loss of Philip Morris and will do so until new development starts to take place on the property. We continue to plan for an eventual loss in tax revenues of at least $3,000,000, with much of this decline already realized in the revenues projected for the FY2012 budget. 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. Philip Morris has appealed its tax valuation for FY2012, so we have been very conservative in projecting revenues from this source. The impact of Philip Morris as a water and wastewater utility customer was fully realized a couple of years ago. A combined $1.8 million in annual revenue has been lost, so any activity on the property will be a plus for these funds.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2012. The amount available for appropriation in the general fund is $36,921,449. Concord has no appropriation from fund balance for the 2012 fiscal year.

The tax base used in the fiscal year 2012 budget preparation represents a 3% decrease in real property values from fiscal year 2011. 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 2012.

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 increased retail rates by 3.44% and the second phase in January 2011 which increased rates 4.3%. The study also made recommendations for rate design and a mechanism to recover changes in purchased power costs passed on under the contract with Duke Energy. Budgeted electric revenues include an overall 6% rate increase in September of 2011 to reflect the required adjustment to recover the increase in purchased power costs. The purchased power adjustment will be evaluated again after reviewing Duke Power's next planned increase that will be effective January of 2012.

Water rates and charges will remain unchanged for the 2012 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. Although it will be difficult, the 2012 budget year does not include any rate increase for wastewater charges. The City has elected to defer some capital projects to future years.

There is no increase in the stormwater fee that was implemented in FY 2005-06 to meet the mandated Phase II stormwater requirements. The fee remains at $4.30 per Equivalent Residential Unit. Revenues in FY 2011-12 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 or 1.5% whichever is larger in FY 2011-12. Any coworker receiving a performance evaluation rating of "meets expectations" or better would have this

amount added to their annual salary in December of 2011. 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.concordnc.gov.*

STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Cash and investments	$ 54,550,091	$ 80,862,441	$ 135,412,532	$ 2,145,998
Receivables, net	10,809,610	17,448,755	28,258,365	-
Inventories	64,413	3,385,230	3,449,643	915,565
Prepaid expenses	44,773	12,821	57,594	31,033
Restricted assets - cash and investments	17,569,785	12,831,314	30,401,099	-
Capital assets:				
Non-depreciable	53,523,333	55,910,189	109,433,522	20,000
Depreciable, net	254,835,429	312,686,829	567,522,258	235,167
Bond issuance costs, net	307,818	5,294,131	5,601,949	-
Total assets	391,705,252	488,431,710	880,136,962	3,347,763
LIABILITIES				
Accounts payable and accrued liabilities	3,061,615	9,249,463	12,311,078	494,809
Accrued interest payable	-	826,206	826,206	-
Unearned revenues	849,040	-	849,040	-
Deposits	1,138,312	2,130,742	3,269,054	-
Non-current liabilities:				
Due within one year:				
Long-term debt	4,140,107	8,406,034	12,546,141	-
Installment purchases	529,067	762,485	1,291,552	-
Due in more than one year:				
Long-term debt	29,627,978	108,708,694	138,336,672	-
Long-term installment purchases	4,429,089	8,810,733	13,239,822	-
Total liabilities	43,775,208	138,894,357	182,669,565	494,809
NET ASSETS				
Invested in capital assets, net of related debt	280,799,254	249,883,977	530,683,231	255,167
Restricted for:				
Streets	1,664,274	-	1,664,274	-
Stabilization by State Statute	15,319,959	-	15,319,959	-
Other	139,483	-	139,483	-
Unrestricted	50,007,074	99,653,376	149,660,450	2,597,787
Total net assets	$ 347,930,044	$ 349,537,353	$ 697,467,397	$ 2,852,954

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

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	$ 4,439,667	$ 1,527,420	$ -	$ -
Public safety	34,818,159	622,544	150,128	-
Public works	31,612,314	-	3,093,655	9,750,000
Cultural and recreational	4,233,575	266,110	1,958	-
Planning and community development	3,096,020	2,025,498	233,858	-
Administration	784,000	-	-	-
Housing assistance payments	3,344,522	3,009	3,933,998	-
Rehabilitation	1,053,446	660,865	947,725	-
Interest expense	1,508,832	-	-	-
Total governmental activities	84,890,535	5,105,446	8,361,322	9,750,000
Business-type activities:				
Electric	69,740,487	74,971,026	-	-
Water	15,618,503	19,105,584	-	1,971,697
Wastewater	13,802,561	14,384,621	-	1,957,410
Regional airport	11,432,960	9,124,603	-	1,097,663
Stormwater	3,729,861	3,730,742	-	-
Golf course	1,970,848	1,363,233	-	-
Housing	1,348,823	278,975	1,331,042	-
Transit	3,029,594	301,083	2,921,670	-
Total business-type activities	120,673,637	123,259,867	4,252,712	5,026,770
Total primary government	$ 205,564,172	$ 128,365,313	$ 12,614,034	$ 14,776,770
Component unit - City of Concord, ABC Board	$ 7,522,695	$ 7,075,660	$ -	$ -

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

Total general revenues not including transfers

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (2,912,247)	$ -	$ (2,912,247)	$ -
(34,045,487)	-	(34,045,487)	-
(18,768,659)	-	(18,768,659)	-
(3,965,507)	-	(3,965,507)	-
(836,664)	-	(836,664)	-
(784,000)	-	(784,000)	-
592,485	-	592,485	-
555,144	-	555,144	-
(1,508,832)	-	(1,508,832)	-
(61,673,767)	-	(61,673,767)	-
-	5,230,539	5,230,539	-
-	5,458,778	5,458,778	-
-	2,539,470	2,539,470	-
-	(1,210,694)	(1,210,694)	-
-	881	881	-
-	(607,615)	(607,615)	-
-	261,194	261,194	-
-	193,159	193,159	-
-	11,865,712	11,865,712	-
(61,673,767)	11,865,712	(49,808,055)	-
-	-	-	(447,035)
44,236,917	-	44,236,917	-
12,226,782	-	12,226,782	-
3,159,222	-	3,159,222	-
1,022,184	1,396,578	2,418,762	1,020
936,229	417,059	1,353,288	55,895
61,581,334	1,813,637	63,394,971	56,915
(1,655,480)	1,655,480	-	-
59,925,854	3,469,117	63,394,971	56,915
(1,747,913)	15,334,829	13,586,916	(390,120)
349,677,957	334,202,524	683,880,481	3,243,074
$ 347,930,044	$ 349,537,353	$ 697,467,397	$ 2,852,954

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

GOVERNMENTAL FUNDS

BALANCE SHEET
June 30, 2011

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	$ 41,638,375	$ 12,911,716	$ 54,550,091
Receivables:			
Ad valorem taxes, net	1,707,710	8,868	1,716,578
Due from other governmental agencies	470,256	767,596	1,237,852
Sales tax refunds	964,992	-	964,992
Interest	226,449	20,769	247,218
Due from other funds	6,474,140	-	6,474,140
Other, net	4,360,181	227,872	4,588,053
Inventories	64,413	-	64,413
Prepaid items	44,773	-	44,773
Restricted assets - cash and investments	3,166,877	14,402,908	17,569,785
Total assets	$ 59,118,166	$ 28,339,729	$ 87,457,895
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	$ 2,394,176	$ 667,439	$ 3,061,615
Due to other funds	-	4,419,223	4,419,223
Deferred revenues	2,556,750	8,868	2,565,618
Deposits	1,138,312	-	1,138,312
Total liabilities	6,089,238	5,095,530	11,184,768
Fund Balances (Deficits)			
Non Spendable			
Inventories	64,413	-	64,413
Prepaids	44,773	-	44,773
Restricted			
Stabilization by State Statute	14,303,722	1,016,237	15,319,959
Streets	1,664,274	-	1,664,274
Public safety	30,297	-	30,297
Committed			
Future capital purchases	-	14,402,836	14,402,836
Planning and community development	-	1,794,706	1,794,706
Housing assistance	-	959,225	959,225
Assigned			
Future capital purchases	-	9,839,140	9,839,140
Unassigned	36,921,449	(4,767,945)	32,153,504
Total fund balances (deficits)	53,028,928	23,244,199	76,273,127
Total liabilities and fund balances	$ 59,118,166	$ 28,339,729	$ 87,457,895

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, 2011

Fund balances - total governmental funds		$ 76,273,127
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	$ 613,228,042	
Less accumulated depreciation	304,869,280	308,358,762
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Bond issuance cost	348,575	
Less accumulated amortization	40,757	307,818
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	(22,169,258)	
HUD Loan	(1,974,000)	
Governmental installment purchases	(4,958,156)	
Separation allowance	(1,308,477)	
OPEB Liability	(5,307,988)	
Accrued vacation payable	(2,576,268)	(38,294,147)
Bond premium	(472,196)	
Less accumulated amortization	(40,102)	(432,094)
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements		
Deferred revenues		1,716,578
Net assets of governmental activities		$ 347,930,044

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, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	$ 44,131,597	$ 81,728	$ 44,213,325
Other taxes	12,226,782	-	12,226,782
Unrestricted intergovernmental revenues	3,159,222	-	3,159,222
Restricted intergovernmental revenues	3,190,845	5,344,013	8,534,858
Licenses and permits	1,650,649	-	1,650,649
Investment earnings	807,519	214,665	1,022,184
Investment earnings, restricted	26,044	-	26,044
Program income	-	660,865	660,865
Other revenues	3,546,366	3,009	3,549,375
Total revenues	68,739,024	6,304,280	75,043,304
Expenditures			
Current:			
General government	4,083,660	-	4,083,660
Public safety	30,647,073	61,062	30,708,135
Public works	12,807,858	-	12,807,858
Cultural and recreational	3,803,036	-	3,803,036
Planning and community development	2,916,898	88,682	3,005,580
Administration	-	784,000	784,000
Housing assistance payments	-	3,344,522	3,344,522
Rehabilitation	-	1,053,446	1,053,446
Capital outlay	2,136,879	1,504,930	3,641,809
Issuance costs	-	428,139	428,139
Debt service	1,175,945	4,430,763	5,606,708
Total expenditures	57,571,349	11,695,544	69,266,893
Excess (deficiency) of revenues over (under) expenditures	11,167,675	(5,391,264)	5,776,411
Other Financing Sources (Uses)			
Issuance of refunding bonds	-	7,203,300	7,203,300
Premium on refunding bonds	-	396,397	396,397
Payment to refunded bonds escrow agent	-	(7,400,939)	(7,400,939)
Transfers from other funds	2,161,136	11,934,238	14,095,374
Transfers to other funds	(11,368,406)	(4,412,050)	(15,780,456)
Total other financing sources (uses)	(9,207,270)	7,720,946	(1,486,324)
Net change in fund balances	1,960,405	2,329,682	4,290,087
Fund Balances			
Beginning	51,068,523	20,914,517	71,983,040
Ending	$ 53,028,928	$ 23,244,199	$ 76,273,127

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, 2011

Net change in fund balances - total governmental funds		$ 4,290,087
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	$ 13,421,411	
Current year's depreciation	22,010,552	(8,589,141)
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		11,465,393
Premium		33,422
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	(54,806)	
Change in law enforcement officers special separation allowance	(225,554)	
Change in OPEB liability	(1,359,987)	
Change in long-term compensated absences	(140,568)	(1,780,915)
Bond issuance costs are considered an expenditure in the governmental funds, but the costs are deferred and amortized in the statement of net assets		428,139
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		23,592
Proceeds from debt issued		(7,203,300)
Premium on debt issued		(396,397)
Basis of property disposed of during the year		(18,793)
Change in net assets of governmental activities		$ (1,747,913)

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes:				
Current year	$ 41,794,361	$ 43,094,361	**$ 43,129,675**	$ 35,314
Prior years	430,700	430,700	**712,769**	282,069
Penalties and interest	250,000	250,000	**289,153**	39,153
	42,475,061	43,775,061	**44,131,597**	356,536
Other taxes:				
Local government sales tax	10,667,950	11,267,950	**12,226,782**	958,832
Unrestricted intergovernmental revenues:				
Officers' fees	56,000	56,000	**56,356**	356
Utilities franchise tax	2,350,000	2,350,000	**2,734,316**	384,316
Beer and wine tax	96,000	358,000	**358,629**	629
Fire protection	6,900	6,900	**9,921**	3,021
	2,508,900	2,770,900	**3,159,222**	388,322
Restricted intergovernmental revenues:				
State Street-Aid allocations	1,843,000	2,088,750	**2,088,750**	-
Cabarrus County schools	198,975	198,975	**199,580**	605
Transportation (federal, state and local)	310,400	310,400	**268,004**	(42,396)
FEMA	433,357	433,357	**417,131**	(16,226)
Other restricted intergovernmental revenues	207,000	272,118	**217,380**	(54,738)
	2,992,732	3,303,600	**3,190,845**	(112,755)
Licenses and permits:				
Vehicle licenses	295,000	303,000	**398,131**	95,131
Zoning permits	160,000	160,000	**146,273**	(13,727)
Fire permits and inspections	141,300	141,300	**123,229**	(18,071)
Privilege license	990,000	990,000	**955,675**	(34,325)
Other	25,030	25,030	**27,341**	2,311
	1,611,330	1,619,330	**1,650,649**	31,319
Investment earnings	800,000	800,000	**807,519**	7,519
Investment earnings restricted	20,000	20,000	**26,044**	6,044
	820,000	820,000	**833,563**	13,563
Other general revenues:				
Public safety	310,553	310,553	**299,735**	(10,818)
Environmental protection	1,606,360	1,606,360	**2,025,498**	419,138
Miscellaneous	284,500	923,524	**955,023**	31,499
Recreational	212,663	212,663	**266,110**	53,447
	2,414,076	3,053,100	**3,546,366**	493,266
Total revenues	63,490,049	66,609,941	**68,739,024**	2,129,083

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits	$ 169,200	$ 169,200	**$ 157,407**	$ 11,793
Professional services	75,600	85,600	**78,811**	6,789
Operating expenditures	82,411	96,821	**101,606**	(4,785)
Governing body cost allocations	(149,688)	(149,688)	**(179,047)**	29,359
	177,523	201,933	**158,777**	43,156
City Manager's Office:				
Salaries and employee benefits	616,868	605,458	**435,669**	169,789
Professional services	200,720	200,720	**127,415**	73,305
Operating expenditures	48,866	48,866	**27,414**	21,452
Administrative cost allocations	(295,903)	(295,903)	**(282,844)**	(13,059)
	570,551	559,141	**307,654**	251,487
Public Service Administration department:				
Salaries and employee benefits	224,447	224,447	**179,089**	45,358
Professional services	284	284	**396**	(112)
Operating expenditures	274,262	274,262	**230,326**	43,936
Capital outlay	38,000	38,000	**19,316**	18,684
Debt service	332,929	332,929	**332,929**	-
Administrative cost allocations	(627,379)	(627,379)	**(401,731)**	(225,648)
	242,543	242,543	**360,325**	(117,782)
Risk Management department:				
Salaries and employee benefits	146,351	145,295	**105,325**	39,970
Professional services	1,500	11,178	**19,958**	(8,780)
Operating expenditures	16,551	14,629	**13,817**	812
Risk management cost allocations	(72,699)	(72,699)	**(71,097)**	(1,602)
	91,703	98,403	**68,003**	30,400
Finance department:				
Salaries and employee benefits	874,014	874,568	**868,973**	5,595
Professional services	51,938	59,384	**47,985**	11,399
Operating expenditures	62,968	62,968	**55,893**	7,075
Capital outlay	53,500	53,500	**-**	53,500
Finance cost allocations	(467,051)	(467,051)	**(501,515)**	34,464
	575,369	583,369	**471,336**	112,033

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Tax department:				
Salaries and employee benefits	$ 232,798	$ 237,798	**$ 237,216**	$ 582
Professional services	11,600	11,600	**12,388**	(788)
Operating expenditures	120,714	120,714	**115,179**	5,535
Cost allocations	17,213	17,213	**16,164**	1,049
	382,325	387,325	**380,947**	6,378
Legal department:				
Salaries and employee benefits	413,890	413,890	**380,546**	33,344
Professional services	54,617	54,617	**38,436**	16,181
Operating expenditures	43,359	43,359	**32,259**	11,100
Cost allocations	(210,283)	(210,283)	**(218,151)**	7,868
	301,583	301,583	**233,090**	68,493
Human resources:				
Salaries and employee benefits	430,876	387,876	**378,489**	9,387
Professional services	99,000	130,887	**100,636**	30,251
Operating expenditures	57,211	57,211	**60,121**	(2,910)
Capital outlay	25,000	36,113	**33,884**	2,229
Human resources cost allocations	(267,807)	(267,807)	**(291,093)**	23,286
	344,280	344,280	**282,037**	62,243
Wellness center:				
Professional services	238,974	320,018	**270,917**	49,101
Operating expenditures	44,920	44,920	**12,909**	32,011
Wellness center cost allocations	(85,796)	(85,796)	**(105,016)**	19,220
	198,098	279,142	**178,810**	100,332
Nondepartmental:				
Professional services	192,632	147,632	**68,371**	79,261
Operating expenditures	1,452,591	1,723,833	**1,007,706**	716,127
Outside agencies	138,352	140,852	**132,390**	8,462
Cost allocations	812,852	812,852	**820,343**	(7,491)
	2,596,427	2,825,169	**2,028,810**	796,359
Total general government	5,480,402	5,822,888	**4,469,789**	1,353,099
Public safety:				
Police department:				
Salaries and employee benefits	11,481,827	11,546,689	**11,417,565**	129,124
Professional services	168,422	168,422	**148,281**	20,141
Operating expenditures	1,491,267	1,496,583	**1,261,307**	235,276
Capital outlay	605,280	610,302	**588,625**	21,677
Cost allocations	1,013,441	1,013,441	**1,119,317**	(105,876)
	14,760,237	14,835,437	**14,535,095**	300,342

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Communications:				
Salaries and employee benefits	$ 1,109,072	$ 1,109,072	**$ 1,071,794**	$ 37,278
Professional services	6,000	6,000	**3,245**	2,755
Operating expenditures	81,649	81,649	**60,563**	21,086
Capital outlay	12,500	12,500	**-**	12,500
Cost allocations	1,921	1,921	**1,866**	55
	1,211,142	1,211,142	**1,137,468**	73,674
Fire department:				
Salaries and employee benefits	11,687,087	11,887,107	**12,065,587**	(178,480)
Professional services	28,748	28,748	**33,678**	(4,930)
Operating expenditures	1,587,976	1,567,299	**1,479,091**	88,208
Capital outlay	835,200	815,812	**826,024**	(10,212)
Debt service	904,760	904,760	**753,171**	151,589
Cost allocations	804,272	804,272	**806,022**	(1,750)
	15,848,043	16,007,998	**15,963,573**	44,425
Code enforcement:				
Salaries and employee benefits	466,301	466,301	**433,924**	32,377
Operating expenditures	168,648	176,547	**183,292**	(6,745)
Capital outlay	18,000	18,000	**17,159**	841
Cost allocations	16,073	16,073	**17,868**	(1,795)
	669,022	676,921	**652,243**	24,678
Emergency management:				
Salaries and employee benefits	211,865	211,865	**212,892**	(1,027)
Professional services	15,000	15,000	**-**	15,000
Operating expenditures	41,177	35,507	**18,687**	16,820
	268,042	262,372	**231,579**	30,793
Radio shop:				
Salaries and employee benefits	229,360	229,360	**235,394**	(6,034)
Operating expenditures	101,244	101,244	**66,407**	34,837
Capital outlay	111,415	111,415	**72,038**	39,377
Cost allocations	7,195	7,195	**10,293**	(3,098)
	449,214	449,214	**384,132**	65,082
Total public safety	33,205,700	33,443,084	**32,904,090**	538,994
Public works:				
Traffic services:				
Salaries and employee benefits	293,275	293,275	**296,661**	(3,386)
Operating expenditures	182,655	182,655	**125,487**	57,168
Capital outaly	16,000	16,000	**16,404**	(404)
Cost allocations	40,428	40,428	**38,953**	1,475
	532,358	532,358	**477,505**	54,853

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Transportation signal:				
Salaries and employee benefits	$ 240,421	$ 240,421	**$ 223,455**	$ 16,966
Professional services	5,000	5,000	**-**	5,000
Operating expenditures	291,088	291,088	**228,235**	62,853
Capital outlay	26,000	26,000	**23,387**	2,613
Cost allocations	24,419	24,419	**26,991**	(2,572)
	586,928	586,928	**502,068**	84,860
Transportation:				
Salaries and employee benefits	1,587,069	1,675,400	**1,638,260**	37,140
Professional services	13,750	13,750	**9,593**	4,157
Operating expenditures	2,493,813	2,808,592	**1,223,765**	1,584,827
Capital outlay	430,930	401,820	**375,207**	26,613
Cost allocations	505,440	505,440	**469,006**	36,434
	5,031,002	5,405,002	**3,715,831**	1,689,171
Solid waste and recycling:				
Salaries and employee benefits	1,718,617	1,718,617	**1,668,383**	50,234
Professional services	98,740	98,740	**90,511**	8,229
Operating expenditures	4,966,528	6,364,196	**5,867,011**	497,185
Capital outlay	103,000	103,000	**98,105**	4,895
Cost allocations	530,676	530,676	**456,276**	74,400
	7,417,561	8,815,229	**8,180,286**	634,943
Cemetery:				
Salaries and employee benefits	387,516	387,516	**385,891**	1,625
Professional services	3,580	3,580	**3,392**	188
Operating expenditures	44,043	49,543	**35,629**	13,914
Capital outlay	38,627	33,127	**30,522**	2,605
Cost allocations	17,024	17,024	**20,359**	(3,335)
	490,790	490,790	**475,793**	14,997
Total public works	14,058,639	15,830,307	**13,351,483**	2,478,824
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	1,303,901	1,322,420	**1,200,038**	122,382
Professional services	259,750	243,713	**167,708**	76,005
Operating expenditures	1,059,041	1,012,815	**861,452**	151,363
Capital outlay	43,128	44,228	**36,208**	8,020
Debt service	89,845	89,845	**89,845**	-
Cost allocations	1,525,845	1,525,845	**1,573,838**	(47,993)
Total cultural and recreational	4,281,510	4,238,866	**3,929,089**	309,777

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Planning and community development				
Planning department:				
Salaries and employee benefits	$ 1,358,510	$ 1,358,510	**$ 1,279,478**	$ 79,032
Professional services	387,247	387,247	**321,334**	65,913
Operating expenditures	433,042	433,042	**352,934**	80,108
Capital outlay	60,000	60,000	**-**	60,000
Incentive grants	607,275	957,275	**880,746**	76,529
Cost allocations	86,089	86,089	**82,406**	3,683
Total planning and community development	2,932,163	3,282,163	**2,916,898**	365,265
Total expenditures	59,958,414	62,617,308	**57,571,349**	5,045,959
Excess of revenues over expenditures	3,531,635	3,992,633	**11,167,675**	7,175,042
Other Financing Sources (Uses)				
Financing proceeds	888,000	-	**-**	-
Fund balance appropriated	1,414,001	5,542,493	**-**	5,542,493
Transfers from other funds	1,826,750	1,826,750	**2,161,136**	(334,386)
Transfers to other funds	(7,660,386)	(11,361,876)	**(11,368,406)**	6,530
Total other financing uses	(3,531,635)	(3,992,633)	**(9,207,270)**	5,214,637
Net change in fund balance	$ -	$ -	**1,960,405**	$ 1,960,405
Fund Balance				
Beginning			**51,068,523**	
Ending			**$ 53,028,928**	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS
June 30, 2011

	Business-type Activities - Enterprise Funds			
ASSETS	**Electric Fund**	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Current Assets				
Cash and investments	$ 29,588,345	$ 36,244,778	$ 4,460,634	$ 3,460,557
Receivables:				
Accounts receivable, net	9,745,117	2,320,026	1,702,244	2,214,277
Due from other governmental agencies	-	-	-	571,510
Interest	139,843	148,073	14,402	14,788
Other receivables	-	-	-	-
Inventories and prepaid expenses	2,641,051	369,629	50,425	124,687
Total current assets	42,114,356	39,082,506	6,227,705	6,385,819
Noncurrent Assets				
Restricted assets - cash and investments	4,919,768	4,678,436	3,129,406	77,296
Capital assets	125,494,059	132,318,954	101,274,678	87,812,258
Less accumulated depreciation	(57,360,843)	(44,606,455)	(30,862,687)	(15,440,846)
Bond issuance costs, net	1,260,108	1,903,734	1,604,650	35,006
Total noncurrent assets	74,313,092	94,294,669	75,146,047	72,483,714
Total assets	116,427,448	133,377,175	81,373,752	78,869,533
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	7,106,067	856,132	130,556	254,544
Current portion of long-term debt	2,306,650	3,304,222	1,474,792	920,216
Accrued interest	210,861	348,920	169,527	34,190
Due to other funds	-	-	-	-
Total current liabilities	9,623,578	4,509,274	1,774,875	1,208,950
Noncurrent Liabilities				
Long-term debt due after one year	29,042,058	46,431,468	23,055,398	10,588,183
Deposits	1,607,129	418,885	1,025	77,295
Total noncurrent liabilities	30,649,187	46,850,353	23,056,423	10,665,478
Total liabilities	40,272,765	51,359,627	24,831,298	11,874,428
NET ASSETS				
Invested in capital assets, net of related debt	39,331,489	40,721,135	46,705,607	61,076,548
Unrestricted (deficit)	36,823,194	41,296,413	9,836,847	5,918,557
Total net assets	$ 76,154,683	$ 82,017,548	$ 56,542,454	$ 66,995,105

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
$ 5,400,030	$ 584,673	$ 79,739,017	$ 1,123,424
221,329	131,170	16,334,163	-
-	2,097,443	2,668,953	-
19,417	2,765	339,288	-
-	160,878	160,878	390
1,455	65,301	3,252,548	145,503
5,642,231	3,042,230	102,494,847	1,269,317
-	26,408	12,831,314	-
56,844,717	28,115,258	531,859,924	4,108,275
(9,260,358)	(6,747,710)	(164,278,899)	(3,092,282)
-	490,633	5,294,131	-
47,584,359	21,884,589	385,706,470	1,015,993
53,226,590	24,926,819	488,201,317	2,285,310
109,523	376,584	8,833,406	416,057
96,844	693,943	8,796,667	371,852
-	62,708	826,206	-
-	2,054,917	2,054,917	-
206,367	3,188,152	20,511,196	787,909
62,181	7,258,136	116,437,424	1,082,003
-	26,408	2,130,742	-
62,181	7,284,544	118,568,166	1,082,003
268,548	10,472,696	139,079,362	1,869,912
47,500,656	13,532,549	248,867,984	1,015,993
5,457,386	921,574	100,253,971	(600,595)
$ 52,958,042	$ 14,454,123	$ 349,121,955	$ 415,398
		415,398	
		$ 349,537,353	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Operating Revenues				
Charges for services	$ 74,265,371	$ 18,402,901	$ 13,804,902	$ 9,063,349
Other operating revenues	705,655	702,683	579,719	61,254
Total operating revenue	74,971,026	19,105,584	14,384,621	9,124,603
Operating Expenses				
General and administrative	1,237,718	-	-	-
Professional services	-	-	-	-
Water plant and lakes	-	4,540,340	-	-
Water line operation and maintenance	-	5,688,709	-	-
Wastewater line and plant	-	-	10,126,992	-
Purchased power	55,064,197	-	-	-
Power line and plant	8,628,611	-	-	-
Airport operation and maintenance	-	-	-	9,091,562
Stormwater operation and maintenance	-	-	-	-
Utilities	-	-	-	-
Housing maintenance and repairs	-	-	-	-
Operating supplies	-	-	-	-
Other operating costs	-	-	-	-
Depreciation and amortization	3,916,828	3,768,067	2,766,772	1,775,415
Total operating expenses	68,847,354	13,997,116	12,893,764	10,866,977
Operating income (loss)	6,123,672	5,108,468	1,490,857	(1,742,374)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	-	-	-
Interest earned on investments	539,578	581,195	149,040	53,655
Interest expense	(893,133)	(1,621,387)	(908,797)	(565,983)
Gain (loss) on sale of capital assets	5,526	23,722	(29,602)	-
Other	-	-	245,990	9,951
Total nonoperating revenues (expenses)	(348,029)	(1,016,470)	(543,369)	(502,377)
Income (loss) before capital contributions and transfers	5,775,643	4,091,998	947,488	(2,244,751)
Capital contributions	-	1,971,697	1,957,410	1,097,663
Transfers in	-	-	61,000	699,000
Transfers out	(511,000)	-	-	-
Transfers in (out)	(511,000)	-	61,000	699,000
Change in net assets	5,264,643	6,063,695	2,965,898	(448,088)
Net Assets (Deficit):				
Beginning	70,890,040	75,953,853	53,576,556	67,443,193
Ending	$ 76,154,683	$ 82,017,548	$ 56,542,454	$ 66,995,105

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
$ 3,633,055	$ 1,372,922	$ 120,542,500	$ 12,035,269
97,687	570,369	2,717,367	-
3,730,742	1,943,291	123,259,867	12,035,269
-	674,760	1,912,478	7,150,061
-	2,864,781	2,864,781	975,432
-	-	4,540,340	-
-	-	5,688,709	-
-	-	10,126,992	-
-	-	55,064,197	-
-	-	8,628,611	-
-	-	9,091,562	-
2,129,697	-	2,129,697	-
-	289,154	289,154	-
-	251,546	251,546	-
-	475,044	475,044	-
-	673,242	673,242	3,666,898
1,596,328	723,920	14,547,330	242,878
3,726,025	5,952,447	116,283,683	12,035,269
4,717	(4,009,156)	6,976,184	-
-	4,252,712	4,252,712	-
64,602	8,508	1,396,578	-
(3,836)	(396,818)	(4,389,954)	-
-	-	(354)	-
-	131,870	387,811	-
60,766	3,996,272	1,646,793	-
65,483	(12,884)	8,622,977	-
-	-	5,026,770	-
-	1,789,125	2,549,125	-
-	(353,043)	(864,043)	-
-	1,436,082	1,685,082	-
65,483	1,423,198	15,334,829	-
52,892,559	13,030,925		415,398
$ 52,958,042	$ 14,454,123		$ 415,398
		-	
		$ 15,334,829	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Cash Flows From Operating Activities				
Receipts from customers	$ 76,412,574	$ 19,230,164	$ 14,577,228	$ 12,331,314
Payments to employees	(4,314,410)	(3,369,599)	(1,597,946)	(1,753,651)
Payments to suppliers	(58,095,834)	(6,248,587)	(8,607,777)	(7,455,901)
Net cash provided by (used in) operating activities	14,002,330	9,611,978	4,371,505	3,121,762
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	-	-	-	-
Transfers in	-	-	61,000	699,000
Transfers out	(511,000)	-	-	-
Operating grants received	-	-	-	-
Net cash provided by (used in) noncapital financing activities	(511,000)	-	61,000	699,000
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(1,957,922)	(3,023,871)	(1,349,630)	(2,851,017)
Interest paid	(1,287,015)	(2,078,212)	(1,017,754)	(537,115)
Financing proceeds	-	-	-	2,143,504
Acquisition and construction of capital assets	(2,231,024)	(2,676,641)	(1,042,832)	(755,917)
Capital contributions - federal grant	-	-	-	1,097,663
Proceeds from the sale of capital assets	8,186	25,034	-	4,332
Net cash provided by (used in) capital and related financing activities	(5,467,775)	(7,753,690)	(3,410,216)	(898,550)
Cash Flows From Investing Activities				
Earnings on investments	500,206	540,249	156,402	54,978
Net cash provided by investing activities	500,206	540,249	156,402	54,978
Net increase (decrease) in cash and cash equivalents	8,523,761	2,398,537	1,178,691	2,977,190
Cash and cash equivalents:				
Beginning	25,984,352	38,524,677	6,411,349	560,663
Ending	$ 34,508,113	$ 40,923,214	$ 7,590,040	$ 3,537,853

Noncash investing, capital and financing activities:
The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of $3,929,107 representing donated capital assets.

Continued

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Funds
$ 3,884,642	$ 2,352,900	$ 128,788,822	$ 12,034,879
(1,168,905)	(337,558)	(12,542,069)	(6,398,530)
(920,138)	(6,110,855)	(87,439,092)	(5,067,162)
1,795,599	(4,095,513)	28,807,661	569,187
-	1,241,540	1,241,540	-
-	1,789,125	2,549,125	-
-	(353,043)	(864,043)	-
-	4,252,712	4,252,712	-
-	6,930,334	7,179,334	-
(39,536)	(630,000)	(9,851,976)	-
(3,836)	(367,238)	(5,291,170)	-
-	-	2,143,504	-
(595,303)	(1,673,239)	(8,974,956)	(139,509)
-	-	1,097,663	-
-	-	37,552	-
(638,675)	(2,670,477)	(20,839,383)	(139,509)
59,078	7,011	1,317,924	-
59,078	7,011	1,317,924	-
1,216,002	171,355	16,465,536	429,678
4,184,028	439,726	76,104,795	693,746
$ 5,400,030	$ 611,081	$ 92,570,331	$ 1,123,424

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds			
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Operating income (loss)	**$ 6,123,672**	**$ 5,108,468**	**$ 1,490,857**	**$ (1,742,374)**
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	**3,916,828**	**3,768,067**	**2,766,772**	**1,775,415**
Other income	**-**	**-**	**245,990**	**5,919**
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	**1,441,548**	**124,580**	**(53,383)**	**3,772,302**
Due from other governmental agencies	**-**	**-**	**-**	**(571,510)**
Inventories and prepaid expenses	**304,388**	**(30,545)**	**2,227**	**(54,188)**
Increase (decrease) in:				
Accounts payable and accrued expenses	**2,013,960**	**537,567**	**(88,245)**	**(97,265)**
Vacation accrual	**(4,164)**	**4,772**	**7,562**	**17,034**
OPEB liability	**132,682**	**82,926**	**-**	**16,585**
Deposits	**73,416**	**16,143**	**(275)**	**(156)**
Net cash provided by (used in) operating activities	**$ 14,002,330**	**$ 9,611,978**	**$ 4,371,505**	**$ 3,121,762**

See Notes to Financial Statements

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Funds
$ 4,717	$ (4,009,156)	$ 6,976,184	$ -
1,596,328	723,920	14,547,330	242,878
-	131,870	383,779	-
153,900	219,905	5,658,852	(390)
-	(905,358)	(1,476,868)	-
(100)	(7,907)	213,875	(15,287)
39,730	(270,190)	2,135,557	(30,913)
1,024	5,740	31,968	8,026
-	16,585	248,778	364,873
-	(922)	88,206	-
$ 1,795,599	$ (4,095,513)	$ 28,807,661	$ 569,187

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

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2011

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	**$ 348,208**	**$ 2,379,664**
Total assets	**$ 348,208**	**$ 2,379,664**
LIABILITIES		
Agency payable	**$ -**	**$ 2,379,664**
NET ASSETS		
Assets held in trust for OPEB benefits	**$ 348,208**	**$ -**

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, 2011

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	$ 650,663
Member contributions	103,454
	754,117
Investment income	42,937
Total additions	797,054
Deductions:	
Benefits	654,117
Change in net assets	142,937
Net assets, beginning	205,271
Net assets, ending	$ 348,208

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 of connecting new customers or reconnecting current customers to the water and wastewater systems. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The government reports the following major proprietary funds:

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

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

Additionally, the government reports the following fund types:

Internal Service Fund: 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 Joe Cannon Trust and the Employee's Self Funded insurance funds in which the City holds these funds on behalf of other entities.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Cabarrus County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Concord. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the City's vehicle taxes for vehicles registered in Cabarrus County from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. 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 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 Home Fund, the Section 108 Loan/BEDI Grant Fund, the EECBG Stimulus Fund, the ARRA Stimulus Fund, the Housing Capital Project Fund, the Parks and Recreation Capital Project Fund, the Parks & Recreation Capital Reserve Project Fund, the Transportation Capital Project Fund, the General Fund Capital Project Fund, the General Capital Reserve Project Fund, the Fire and Life Safety Capital Project Fund, the Oakwood Cemetery 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

E. Assets, Liabilities and Fund Equity

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

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

The City's investments with a maturity of more than one year at acquisition and nonmoney market investments are reported at cost or amortized cost, which approximates their fair value as determined by quoted market prices. The NCCMT Cash Portfolio's securities, a SEC-registered (2a7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

General Statute 159-30.1 allows the City to establish an Other Postemployment Benefit (OPEB) Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the City to make contributions to the 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 maintain a constant $1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The LTIF is also valued at $1 per share. The Global Ex-US Alpha Tilts Fund B is priced at 17.9407 per share and the Russell 3000 Alpha Tilts Fund B is priced at 29.136 per share at June 30, 2011.

Note 1. Summary of Significant Accounting Policies (Continued)

CASH AND CASH EQUILAVENTS

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

RESTRICTED ASSETS

The unexpended bond proceeds for the 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. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

AD VALOREM TAXES RECEIVABLE

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

ALLOWANCES FOR DOUBTFUL ACCOUNTS

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

INVENTORIES AND PREPAID ITEMS

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

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

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

CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. The minimum capitalization cost for infrastructure is $100,000. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. General infrastructure assets acquired prior to July 1, 2001, consist of roads, curbs and gutters, and bridges that were acquired, contributed or that received substantial improvements subsequent to July 1, 1980 and are reported at estimated historical deflated replacement cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The City reported $1,322,895 in capitalized interest as part of the cost of capital assets under construction in fiscal year 2011.

Note 1. Summary of Significant Accounting Policies (Continued)

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

	Estimated Useful Life	
	City of Concord	ABC Board
	(In Years)	
Electric plant and distribution systems	25 – 40	–
Waste treatment plant and distribution systems	30 – 60	–
Water plant and distribution system	40 – 50	–
Buildings and improvements	20 – 50	40
Infrastructure assets	40 – 50	–
Leasehold improvements	–	10 – 40
Automobiles and trucks	3 – 6	5
Other property	3 – 10	–
Furniture/equipment	3 – 5	10

The City evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by the government are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by the government are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

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

Both the City and the ABC Board's sick leave policies provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the City nor the ABC Board has any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Note 1. Summary of Significant Accounting Policies (Continued)

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 $1,716,578 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 $23,592 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, 2011 and June 30, 2010.

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, 2011, the City's deposits had a carrying amount of $28,943,949 and a bank balance of $29,096,728. Of the bank balance, $1,000,000 was covered by federal depository insurance and $28,096,728 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of $17,621 at June 30, 2011.

At June 30, 2011, the carrying amount of deposits for the ABC Board was $2,136,998 and the bank balance was $2,228,181. All of the bank balances were covered by federal depository insurance or collateralized deposits.

Note 3. Cash and Investments (Continued)

At June 30, 2011, the City's investment balances were as follows:

	Reported Value	Less than 6 Months	Reported 6 – 12 Months	Reported 1 – 3 Years	More than 3 Years
U. S. Government agencies	$ 109,156,735	$ –	$ 10,604,222	$ 55,733,131	$ 42,819,382
U.S. Government securities	984,620	–	–	–	984,620
Commercial paper	23,119,010	20,209,265	2,909,745	–	–
North Carolina Capital Management Trust –					
Cash Portfolio	6,319,568	N/A	N/A	N/A	N/A
Total	$ 139,579,933	$ 20,209,265	$ 13,513,967	$ 55,733,131	$ 43,804,002

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, 2011, 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, 2011. 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 FNMA Discount Notes, Federal Home Loan Mortgage Corporation , and the Federal Home Loan Bank. These investments are 40%, 22%, and 12% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2011, the City's Health Care Plan had $348,208 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Fund was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 25.39%; State Treasurer's Long Term Investment Fund (LTIF) 10.19% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 64.42% (the equities were split with 75% in domestic securities and 25% in international securities). The STIF is not an SEC registered security and is stated at fair value.

Interest Rate Risk – The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.9 years at June 30, 2011. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 16.1 years at June 30, 2011.

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, 2011, 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	$ –	$ 16,334,163
Ad valorem taxes, net	1,716,578	–
Due from other governmental agencies	1,237,852	2,668,953
Sales tax refunds	964,992	–
Interest	247,218	339,288
Other, net	4,588,053	161,268
Due from (to) other funds	2,054,917	(2,054,917)
	$ 10,809,610	$ 17,448,755

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

Governmental Activities, allowance for doubtful ad valorem taxes	$ 572,193
Governmental Activities, allowance for doubtful other receivables	$ 5,436
Business-type Activities, allowance for doubtful accounts receivable	$ 202,079

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	June 30, 2010	Increases	Decreases	Transfers	June 30, 2011
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 51,104,175	$ 148,483	$ –	$ –	$ 51,252,658
Construction in progress	1,667,943	747,476	144,744	–	2,270,675
Total capital assets, not being depreciated	52,772,118	895,959	144,744	–	53,523,333
Capital assets, being depreciated:					
Buildings	45,831,393	564,740	–	–	46,396,133
Improvements other than buildings	2,540,715	165,893	–	–	2,706,608
Machinery and equipment	31,951,840	3,149,992	6,919,915	248,874	28,430,791
Infrastructure	472,274,498	9,896,679	–	–	482,171,177
Total capital assets, being depreciated	552,598,446	13,777,304	6,919,915	248,874	559,704,709
Accumulated depreciation:					
Buildings	12,799,320	1,701,755	–	–	14,501,075
Improvements other than buildings	1,701,635	82,920	–	–	1,784,555
Machinery and equipment	23,691,295	2,222,782	5,764,410	219,272	20,368,939
Infrastructure	250,211,616	18,003,095	–	–	268,214,711
Total accumulated depreciation	288,403,866	22,010,552	5,764,410	219,272	304,869,280
Total capital assets, being depreciated, net	264,194,580	$(8,233,248)	$ 1,155,505	$ 29,602	254,835,429
Government activities capital assets, net	$316,966,698				$308,358,762

Note 5. Capital Assets (Continued)

	June 30, 2010	Increases	Decreases	Transfers	June 30, 2011
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 37,998,398	$ 376,461	$ –	$ 301,842	$ 38,676,701
Construction in progress	22,964,022	5,681,698	–	(11,412,232)	17,233,488
Total capital assets, not being depreciated	60,962,420	6,058,159	–	(11,110,390)	55,910,189
Capital assets, being depreciated:					
Buildings	55,587,123	366,219	–	(775,479)	55,177,863
Improvements other than buildings	383,704,500	6,991,781	–	11,530,023	402,226,304
Machinery and equipment	25,748,533	1,005,549	4,031,214	(69,025)	22,653,843
Total capital assets, being depreciated	465,040,156	8,363,549	4,031,214	10,685,519	480,058,010
Accumulated depreciation:					
Buildings	14,447,379	1,709,761	–	6,713	16,163,853
Improvements other than buildings	123,800,500	10,796,148	–	–	134,596,648
Machinery and equipment	19,040,901	1,822,707	4,017,305	(235,623)	16,610,680
Total accumulated depreciation	157,288,780	14,328,616	4,017,305	(228,910)	167,371,181
Total capital assets, being depreciated, net	307,751,376	$(5,965,067)	$ 13,909	$10,914,429	312,686,829
Business-type activities capital assets, net	$368,713,796				$368,597,018

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

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

Governmental activities:	
General government	$ 241,591
Public safety	2,808,019
Public works	18,641,182
Culture & recreational	169,526
Planning and community development	150,234
Total depreciation expense – governmental activities	$ 22,010,552
Business-type activities:	
Electric	$ 3,810,142
Water	3,616,263
Wastewater	2,633,037
Regional airport	1,774,805
Stormwater	1,596,328
Other nonmajor business-type activities	655,163
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	242,878
Total depreciation expense – business-type activities	$ 14,328,616

Note 5. Capital Assets (Continued)

Activity for the ABC Board for the year ended June 30, 2011, was as follows:

	July 1, 2010	Increases	Decreases	June 30, 2011
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	313,276	11,103	–	324,379
Machinery and equipment	349,988	46,155	–	396,143
Total capital assets, being depreciated	714,342	57,258	–	771,600
Accumulated depreciation	494,046	42,387	–	536,433
Total capital assets, being depreciated, net	220,296	$ 14,871	$ –	235,167
Component unit capital assets, net	$ 240,296			$ 255,167

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	$ 1,025,568	$ 8,316,756
Accrued payroll and payroll related liabilities	1,571,402	884,076
Accrued sales tax payable	–	21,124
Other accrued liabilities	464,645	27,507
	$ 3,061,615	$ 9,249,463

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	1,322,686	910,921
	$ 6,136,285	$ 11,695,462

Installment purchases payable at June 30, 2011 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	$ 155,095
$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	348,061
$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	4,455,000
	$ 4,958,156

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	$ 3,018,750
$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	6,228,750
$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	325,718
	$ 9,573,218

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
2012	$ 529,067	$ 209,049	$ 762,485	$ 428,388
2013	441,953	188,466	768,233	393,666
2014	342,136	171,832	602,500	362,407
2015	270,000	158,870	602,500	334,368
2016	270,000	147,139	602,500	306,695
2017-2021	1,350,000	554,353	3,012,500	1,110,857
2022-2026	1,350,000	254,888	2,656,250	423,755
2027-2028	405,000	18,032	566,250	25,209
	$ 4,958,156	$ 1,702,629	$ 9,573,218	$ 3,385,345

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, 2011 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 $77,856.	$ 496,564
$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%.	2,568,230
	$ 3,064,794

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%	$ 21,275,000
$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%	26,285,000
$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 $968,996.	18,971,584
$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 $221,607.	35,830,164
	$ 102,361,748

Note 7. Long-Term Debt (Continued)

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

	Governmental Activities		Business-type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
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	303,398	86,735	7,191,604	3,282,558
2017-2021	1,310,645	263,434	30,164,355	12,391,553
2022-2026	573,895	33,722	19,116,105	6,828,278
2027-2031	–	–	12,325,000	3,404,725
2032-2036	–	–	7,995,000	1,039,375
	$ 3,142,650	$ 815,275	$103,552,351	$ 42,399,241

The future payments as presented above, have not been reduced by $77,856 for governmental activities and $1,190,603 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

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, 2011, is as follows:

Net Income (GAAP Basis)	$ 13,943,810
Add: Depreciation Expense	10,059,442
Interest Expense	3,423,317
Income available for debt service	27,426,569
Debt service, principal and interest paid (Revenue bond only)	$ 10,909,958
Debt service coverage ratio	252%

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 10 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $145,951,592. Principal and interest paid for the current year and total customer net revenues were $10,921,283 and $110,013,607, respectively.

Note 7. Long-Term Debt (Continued)

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, 2011 was $1,046,852.

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, 2011 was $221,607.

Loan and installment notes: Loan and installment notes payable at June 30, 2011 are comprised of the following individual issues:

Governmental activities:		
$16,105,000 of $17,000,000 issue, 2005 Certificates of Participation due in annual installments of $640,000 to $650,000 through June 1, 2030, plus interest due semiannually at 3% to 5% financed through First Concord Corporation, to be paid from General Fund	$	12,215,000
$7,203,000 of $9,235,000 issue, 2010 Limited Obligation Bonds due in annual installments of $39,000 to $776,100 through June 1, 2021, plus interest due semiannually at 2.5% to 4% financed through First Concord Corporation, to be paid from General Fund. The amount shown is net of the unamortized deferred loss on the defeasance of $274,836.		6,889,464
	$	19,104,464
Business-type activities:		
$10,895,500 of $27,000,000 issue, 2005 Certificates of Participation due in annual installments of $100,000 to $950,000 through 2021, plus interest due semiannually at 3% to 5% financed through First Concord Corporation, to be paid from Golf Course Fund	$	7,835,000
$2,031,700 of $9,235,000 issue, 2010 Limited Obligation Bonds due in annual installments of $11,000 to $218,900 through June 1, 2021, plus interest due semiannually at 2.5% to 4% financed through First Concord Corporation, to be paid from Regional Airport Fund. The amount shown is net of the unamortized deferred loss on the defeasance of $77,518		1,943,182
	$	9,778,182

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
2012	$ 1,421,100	$ 775,896	$ 868,900	$ 412,353
2013	1,413,300	730,524	886,700	383,910
2014	1,401,600	685,546	913,400	354,630
2015	1,381,000	640,272	929,000	323,727
2016	1,370,400	596,148	954,600	289,702
2017-2021	6,616,900	2,278,266	5,303,100	649,585
2022-2026	3,215,000	1,009,350	–	–
2026-2030	2,560,000	288,000	–	–
	$ 19,379,300	$ 7,004,002	$ 9,855,700	$ 2,413,907

The future payments as presented above, have not been reduced by $274,836 for governmental activities and $77,518 for business-type activities, the unamortized deferred loss as a result of the refundings.

Note 7. Long-Term Debt (Continued)

Advance Refunding Bonds: In October 2010, the City issued $9,235,000 of Limited Obligation refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's series 2001 Certificates of Participation. The refunding debt was issued at a net interest cost of 2.68%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2011 is $0. This refunding was undertaken to reduce total debt service payments over the following 10 years by $888,249 and resulted in an economic gain of $779,763. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred ($378,135) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2011 was $352,354.

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

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

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

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2012	$ 109,000	$ 91,731
2013	109,000	87,774
2014	109,000	83,512
2015	109,000	79,076
2016	109,000	74,460
2016-2020	545,000	297,872
2021-2025	545,000	162,523
2026-2029	339,000	28,102
	$ 1,974,000	$ 905,050

Note 7. Long-Term Debt (Continued)

A summary of changes in long-term debt follows:

	July 1, 2010	Additions	Reductions	June 30, 2011
Governmental activities:				
Installment purchases	$ 5,478,589	$ –	$ 520,433	$ 4,958,156
Less current maturities				529,067
Long-term installment purchases				$ 4,429,089
Bond payables:				
General obligation bonds	$ 85,000	$ –	$ 85,000	$ –
Installment notes	22,827,483	7,203,300	10,651,483	19,379,300
Plus premium on limited obligation bonds	–	396,397	27,027	369,370
Revenue bonds	3,351,126	–	208,476	3,142,650
Plus premium on revenue bonds	69,119	–	6,395	62,724
Less deferred loss on defeasance	(87,690)	(294,946)	(29,944)	(352,692)
Total bond payable	$ 26,245,038	$ 7,304,751	$10,948,437	22,601,352
HUD loan	$ 1,974,000	$ –	$ –	1,974,000
Compensated absences	$ 2,435,701	$ 1,614,218	$ 1,473,651	2,576,268
Separation allowance	$ 1,082,923	$ 225,554	$ –	1,308,477
OPEB liability	$ 3,948,001	$ 1,359,987	$ –	5,307,988
Less current maturities:				
Installment notes				1,421,100
Revenue bonds				214,077
HUD loan				109,000
Compensated absences				2,395,930
Long-term debt				$ 29,627,978

	July 1, 2010	Additions	Reductions	June 30, 2011
Business-type activities:				
Installment purchase	$ 10,330,155	$ –	$ 756,937	$ 9,573,218
Less current maturities				762,485
Long-term installment purchases				$ 8,810,733
Bond payables:				
Installment notes	$ 10,702,517	$ 2,031,700	$ 2,878,517	$ 9,855,700
Plus premium on limited obligation bonds	–	111,804	7,623	104,181
Revenue bonds	109,768,872	–	6,216,521	103,552,351
Plus premium on revenue bonds	1,602,768	–	160,698	1,442,070
Less deferred loss on defeasance	(1,331,470)	(83,190)	(146,539)	(1,268,121)
Total bond payable	$ 120,742,687	$ 2,060,314	$ 9,116,820	113,686,181
Compensated absences	$ 1,181,738	$ 1,002,753	$ 962,758	1,221,733
OPEB liability	$ 1,593,162	$ 613,652	$ –	2,206,814
Less current maturities				
Installment notes				868,900
Revenue bonds				6,400,922
Compensated absences				1,136,212
Long-term debt				$ 108,708,694

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

The legal debt margin of the City at June 30, 2011 was $820,358,539.

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2011 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 4,419,223
General Fund	Nonmajor enterprise funds	2,054,917
		$ 6,474,140

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, 2011 is as follows:

Transfers To	Transfers From	Total
General fund	Nonmajor governmental funds	$ 1,315,750
General fund	Electric fund	511,000
General fund	Nonmajor enterprise funds	334,386
Debt service fund	General fund	3,002,824
Nonmajor governmental funds	General fund	6,140,353
Nonmajor enterprise funds	General fund	1,465,229
Regional airport fund	General fund	699,000
Wastewater fund	General fund	61,000
Nonmajor governmental funds	Nonmajor enterprise funds	18,657
Nonmajor enterprise funds	Nonmajor governmental funds	323,896
Nonmajor governmental funds	Nonmajor governmental funds	2,772,404
		$ 16,644,499

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.

(2) Funding policy:

Plan members are required to contribute six percent of their annual covered salary. The City and the ABC Board are required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.43% and 6.41%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 6.62% 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, 2011, 2010 and 2009 were $2,582,477, $1,967,204, and $1,952,481, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2011, 2010, and 2009 were $50,466, $38,341, and $39,674, respectively. The contributions made by the City and the ABC Board equaled the required contributions for each year.

Note 9. Pension Plan Obligations (Continued)

B. Law Enforcement Officers' Special Separation Allowance:

(1) Plan description:

The City of Concord administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. 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, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	12
Terminated plan members entitled to but not yet receiving benefits	–
Active plan members	159
Total	171

(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 2011 current year was determined as part of the December 31, 2009 actuarial valuations using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% 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, 2009 was 21 years.

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

Annual required contribution	$ 370,643
Interest on net pension obligation	54,146
Adjustment to annual required contribution	(57,976)
Annual pension cost	366,813
Employer contributions made during the year	141,259
Increase in net pension obligation	225,554
Net pension obligation beginning of year	1,082,923
Net pension obligation end of year (included in the General Fund's long-term debt)	$ 1,308,477

Note 9. Pension Plan Obligations (Continued)

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2009	256,863	52	943,305
June 30, 2010	282,060	51	1,082,923
June 30, 2011	366,813	39	1,308,477

(4) Funded Status and Funding Progress:

As of December 31, 2010, 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 $3,313,233. The covered payroll (annual payroll of active employees covered by the plan) was $7,864,037, and the ratio of the UAAL to the covered payroll was 42 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, 2011 were $530,501, which consisted of $387,323 from the City and $143,178 from the law enforcement officers.

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

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

Funding policy – The City of Concord's policy is to contribute an amount equal to 3.5% of each employee's salary, and all amounts contributed are vested immediately. Also, the city's employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2011 were $1,784,704, which consisted of $1,138,752 from the City and $645,952 from the employees. Contribution requirements are established and may be amended by the City Council.

Note 10. Other Postemployment Benefits

(1) Plan Description:

Under the terms of a City resolution, the City administers a Health Care Plan as a single-employer defined benefit plan. As of July 1, 2004, this plan provided postemployment healthcare benefits to retirees of the City provided they have ten (10) years of service with the City of Concord. The City will pay the portion of health coverage as listed below until the retiree is eligible for Medicare. The City has elected to partially pay the future overall cost of coverage for these benefits. Also, the City's retirees can purchase coverage for their dependents at the City's group rates. A separate report was not issued for the plan.

Note 10. Other Postemployment Benefits (Continued)

Membership of the Health Care Plan consisted of the following at December 31, 2010, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers	Firefighters
Retirees and dependents receiving benefits	86	–	–
Terminated plan members entitled to but not yet receiving benefits	–	–	–
Active plan members	547	158	195
Total	633	158	195

(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 5.86% of annual covered payroll. The City obtains healthcare coverage through private insurers. The City's required contributions, under a City resolution, for employees not engaged in law enforcement and for law enforcement officers represented 0.37% and 1.20% of covered payroll, respectively. For the year ended June 30, 2011, the City made payments for postretirement health benefit premiums of $754,117 of which $103,454 was collected from retirees for dependent coverage. The City's obligation to contribute to the Health Care Plan is established and may be amended by the City Council.

(3) Summary of Significant Accounting Policies:

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

(4) Annual OPEB Cost and Net OPEB Obligation:

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

Note 10. Other Postemployment Benefits (Continued)

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	$ 2,563,442
Interest on net obligation	332,470
Adjustment to annual required contribution	(271,611)
Annual OPEB cost (expense)	2,624,301
Contributions made	(650,663)
Increase (decrease) in net OPEB obligation	1,973,638
Net OPEB obligation, beginning of year	5,541,163
Net OPEB obligation, end of year	$ 7,514,801

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
2009	2,470,787	20.8%	3,583,927
2010	2,470,787	20.8%	5,541,163
2011	2,624,301	24.8%	7,514,801

(5) Funded Status and Funding Progress:

As of December 31, 2010, the most recent actuarial valuation date, the plan was 1% funded. The actuarial accrued liability for benefits was $23,851,562 and the actuarial value of assets was $237,585, resulting in an unfunded actuarial accrued liability (UAAL) of $23,613,977. The covered payroll (annual payroll of active employees covered by the plan) was $41,605,416, and the ratio of the UAAL to the covered payroll was 56.8%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and 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, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 6.00 percent investment rate of return, which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using market value of investments. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2010 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.

Note 11. Deferred Revenues (Continued)

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	$ 1,716,578	$ –
Prepaid taxes, not yet earned	–	187,267
Prepaid privilege licenses, not yet earned	–	596,627
Other prepaid fees	–	65,146
	$ 1,716,578	$ 849,040

Note 12. Fund Balance

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

Total fund balance – General Fund	$ 53,028,928
Less:	
Inventories	64,413
Prepaids	44,773
Stabilization by State Statute	14,303,722
Streets – Powell Bill	1,664,274
Public Safety	30,297
Remaining Fund Balance	$ 36,921,449

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The total amount of encumbrances outstanding at June 30, 2011 in the General Fund was $1,807,704.

Note 13. Commitments and Contingencies

The City had commitments on contracts of approximately $1.1 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, 2011, 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, 2011, the City was a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note 14. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; and natural disasters. The City is fully insured through several insurance companies and is self-funded for workers' compensation and health benefits. The City obtains general liability coverage of $1 million per occurrence, with a $2 million aggregate limit. The City obtains public official liability coverage of $1 million per occurrence, with a $3 million aggregate limit. The City obtains law enforcement liability coverage of $1 million per occurrence, with a $3 million aggregate limit. The City obtains employment practices liability of $1 million per occurrence, with a $3 million aggregate limit. The City also obtained auto liability coverage of $1 million for combined single limit and excess liability of $4 million per occurrence. Property is insured through blanket coverage up to $169,328,838. Employee health coverage is self insured through Blue Cross Blue Shield of North Carolina unless specified.

Note 14. Risk Management (Continued)

Effective July 1, 2011, the City's Fire and Emergency Department general liability, auto liability, auto physical damage, and excess liability coverages were placed with an insurance company specializing in fire and emergency exposures. The general liability coverage is $10 million per occurrence, with a $10 million aggregate limit. Auto liability coverage is $1 million. The excess liability coverage is $4million per occurrence with an $8 million aggregate limit.

The City is exposed to various risks of loss related to injuries to employees. The City covers workers' compensation claims up to an individual stop-loss of $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 $10 million in flood coverage for locations that are not located within a Federal Emergency Management Agency ("FEMA") flood zone. This coverage excludes locations that are included in FEMA areas designated as "A" or "V." The City does not have any property located within this designation at year end.

In accordance with G.S. 159-29, the City's employees that have access to $100 or more at any given time of the City's funds are performance bonded through a commercial surety bond. Employees that have access to funds are bonded under a blanket bond for $250,000. The finance officer and tax collector are each individually bonded for $250,000 each.

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

Note 15. Jointly Governed Organization

The City is a member of the Water and Sewer Authority of Cabarrus County ("WSACC"). WSACC was organized by the governing bodies of the Cities of Concord and Kannapolis, the Cities of Harrisburg and Mount Pleasant, and the County of Cabarrus in order to operate and maintain a regional interceptor wastewater system and regional wastewater treatment plant. WSACC is a public corporation of the State of North Carolina under Section 162A-3 of the North Carolina Water and Wastewater Authority Act. WSACC is a jointly governed organization governed by a board appointed by the organizing bodies as follows: two members by the Cabarrus County Board of Commissioners, two members by the City of Concord City Council, two members by the City of Kannapolis City Council, one member by the City of Harrisburg City Council, one member by the City of Mount Pleasant Board of Commissioners, and one member by the Cabarrus County Board of Commissioners upon advice from the other political jurisdictions. The City of Concord paid WSACC approximately $6 million for wastewater treatment and raw water charges during the year ended June 30, 2011.

Note 16. Stewardship, Compliance and Accountability

Deficit Fund Balance

North Carolina General Statutes prohibits the City from having a deficit fund balance in any fund. The Community Development Special Revenue Fund had deficit net assets in the amount of $8,200. 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 17. Subsequent Events

Management has evaluated subsequent events through October 25, 2011, the date the financial statements were available to be issued.

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, 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
December 31, 2010	-	3,313,233	3,313,233	-	7,864,037	42

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
2006	219,154	58 %
2007	200,607	61
2008	213,871	61
2009	247,540	54
2010	273,092	52
2011	370,643	39

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, 2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
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

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

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

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

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

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, 2010
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	6.00%
Medical cost trend*	10.50%-5.00%
Year of ultimate trend rate	2018
*Includes inflation at	3.00%
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 funds received from a Section 108 loan and Brownfield Econcomic Development Initiative grant.

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

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

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

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

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

Capital Project Funds

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

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

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

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

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.

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

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

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

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

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, 2011

ASSETS	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Cash and investments	$ 2,897,766	$ 10,013,950	$ -	$ 12,911,716
Receivables:				
Ad valorem taxes, net	8,868	-	-	8,868
Due from other governmental agencies	767,596	-	-	767,596
Interest	4,823	15,946	-	20,769
Other, net	129,896	97,976	-	227,872
Restricted assets - cash and investments	-	14,402,861	47	14,402,908
Total assets	$ 3,808,949	$ 24,530,733	$ 47	$ 28,339,729
LIABILITIES AND FUND BALANCE				
Accounts payable and accrued liabilities	$ 278,680	$ 174,835	$ 213,924	$ 667,439
Due to other funds	536,758	-	3,882,465	4,419,223
Deferred revenues	8,868	-	-	8,868
Total liabilities	824,306	174,835	4,096,389	5,095,530
Fund Balances (Deficit)				
Restricted				
Stabilization by State Statute	902,315	113,922	-	1,016,237
Committed				
Future capital purchases	-	14,402,836	-	14,402,836
Planning and community development	1,794,706	-	-	1,794,706
Housing assistance	959,225	-	-	959,225
Assigned				
Future capital purchases	-	9,839,140	-	9,839,140
Unassigned	(671,603)	-	(4,096,342)	(4,767,945)
Total fund balance (deficit)	2,984,643	24,355,898	(4,096,342)	23,244,199
Total liabilities and fund balance	$ 3,808,949	$ 24,530,733	$ 47	$ 28,339,729

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 2011

ASSETS	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Cash and investments	$ 1,089,929	$ -	$ 1,746,760	$ -
Receivables:				
Ad valorem taxes, net	-	-	-	-
Due from other governmental agencies	-	237,309	-	498,515
Interest	4,694	-	-	-
Other, net	120,442	5,310	-	4,144
Total assets	$ 1,215,065	$ 242,619	$ 1,746,760	$ 502,659
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	$ 130,704	$ 88,668	$ -	$ 46,177
Due to other funds	-	162,151	-	360,801
Deferred revenues	-	-	-	-
Total liabilities	130,704	250,819	-	406,978
Fund Balances (Deficit)				
Restricted				
Stabilization by State Statute	125,136	242,619	-	502,659
Committed				
Planning and community development	-	-	1,746,760	-
Housing assistance	959,225	-	-	-
Unassigned	-	(250,819)	-	(406,978)
Total fund balance (deficit)	1,084,361	(8,200)	1,746,760	95,681
Total liabilities and fund balance	$ 1,215,065	$ 242,619	$ 1,746,760	$ 502,659

Statement 2

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ 561	$ -	$ 60,516	$ -	$ 2,897,766
8,868	-	-	-	8,868
-	-	18,095	13,677	767,596
-	129	-	-	4,823
-	-	-	-	129,896
$ 9,429	$ 129	$ 78,611	$ 13,677	$ 3,808,949
$ 561	$ -	$ 12,570	$ -	$ 278,680
-	129	-	13,677	536,758
8,868	-	-	-	8,868
9,429	129	12,570	13,677	824,306
-	129	18,095	13,677	902,315
-	-	47,946	-	1,794,706
-	-	-	-	959,225
-	(129)	-	(13,677)	(671,603)
-	-	66,041	-	2,984,643
$ 9,429	$ 129	$ 78,611	$ 13,677	$ 3,808,949

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
June 30, 2011

ASSETS	Police Station	Parks	Parks Capital Reserve	Transportation
Cash and investments	$ 2,860,820	$ 571,950	$ -	$ 3,543,155
Receivables:				
Interest	-	-	5,401	-
Other, net	-	-	-	40,986
Restricted assets - cash and investments	25	-	1,258,381	-
Total assets	$ 2,860,845	$ 571,950	$ 1,263,782	$ 3,584,141
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	$ -	$ 24,626	$ -	$ 150,209
Total liabilities	-	24,626	-	150,209
Fund Balances (Deficit)				
Restricted				
Stabilization by State Statute	-	-	5,401	40,986
Committed				
Future capital purchases	-	-	1,258,381	-
Assigned				
Future capital purchases	2,860,845	547,324	-	3,392,946
Total fund balances (deficit)	2,860,845	547,324	1,263,782	3,433,932
Total liabilities and fund balances	$ 2,860,845	$ 571,950	$ 1,263,782	$ 3,584,141

Statement 3

Transportation Improvement	General Fund Capital Projects	General Fund Capital Reserve	Fire and Life Safety	Oakwood Cemetery	Total Capital Projects Funds
$ 2,472,090	$ 459,927	$ -	$ 75,054	$ 30,954	$ 10,013,950
10,545	-	-	-	-	15,946
538	-	56,452	-	-	97,976
-	-	13,144,455	-	-	14,402,861
$ 2,483,173	$ 459,927	$ 13,200,907	$ 75,054	$ 30,954	$ 24,530,733
$ -	$ -	$ -	$ -	$ -	$ 174,835
-	-	-	-	-	174,835
11,083	-	56,452	-	-	113,922
-	-	13,144,455	-	-	14,402,836
2,472,090	459,927	-	75,054	30,954	9,839,140
2,483,173	459,927	13,200,907	75,054	30,954	24,355,898
$ 2,483,173	$ 459,927	$ 13,200,907	$ 75,054	$ 30,954	$ 24,530,733

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NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2011

	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Revenues				
Ad valorem taxes	$ 81,728	$ -	$ -	$ 81,728
Restricted intergovernmental revenues	5,176,643	167,370	-	5,344,013
Investment earnings	13,418	201,171	76	214,665
Program income	369,836	291,029	-	660,865
Other revenues	3,009	-	-	3,009
Total revenues	5,644,634	659,570	76	6,304,280
Expenditures				
Current:				
Planning and community development	88,682	-	-	88,682
Administration	615,653	168,347	-	784,000
Housing assistance payments	3,344,522	-	-	3,344,522
Rehabilitation	1,053,446	-	-	1,053,446
Public safety	61,062	-	-	61,062
Capital outlay	135,024	1,369,906	-	1,504,930
Issuance costs	-	-	428,139	428,139
Debt service	93,606	-	4,337,157	4,430,763
Total expenditures	5,391,995	1,538,253	4,765,296	11,695,544
Excess (deficiency) of revenues over (under) expenditures	252,639	(878,683)	(4,765,220)	(5,391,264)
Other Financing Sources (Uses)				
Issuance of refunding bonds	-	-	7,203,300	7,203,300
Premium on refunding bonds	-	-	396,397	396,397
Payment to refunded bonds escrow agent	-	-	(7,400,939)	(7,400,939)
Transfers from other funds	89,699	7,603,561	4,240,978	11,934,238
Transfers to other funds	(301,896)	(4,110,154)	-	(4,412,050)
Total other financing sources	(212,197)	3,493,407	4,439,736	7,720,946
Net change in fund balances	40,442	2,614,724	(325,484)	2,329,682
Fund Balances (Deficit)				
Beginning	2,944,201	21,741,174	(3,770,858)	20,914,517
Ending	$ 2,984,643	$ 24,355,898	$ (4,096,342)	$ 23,244,199

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, 2011

	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Revenues				
Ad valorem taxes	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	3,933,998	614,401	-	333,324
Investment earnings	9,287	-	3,380	-
Program income	-	39,534	-	29,157
Other income	3,009	-	-	-
Total revenue	3,946,294	653,935	3,380	362,481
Expenditures				
Current:				
Planning & community development	-	-	-	-
Administration	344,237	95,062	-	101,439
Housing assistance payments	3,344,522	-	-	-
Rehabilitation	-	586,313	5,772	384,937
Public safety	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	93,606	-
Total expenditures	3,688,759	681,375	99,378	486,376
Excess (deficiency) of revenues over (under) expenditures	257,535	(27,440)	(95,998)	(123,895)
Other Financing Sources (Uses)				
Transfers from other funds	-	26,042	-	63,657
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	26,042	-	63,657
Net change in fund balances	257,535	(1,398)	(95,998)	(60,238)
Fund Balances (Deficit)				
Beginning	826,826	(6,802)	1,842,758	155,919
Ending	$ 1,084,361	$ (8,200)	$ 1,746,760	$ 95,681

Statement 5

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ 81,728	$ -	$ -	$ -	81,728
-	-	151,989	142,931	5,176,643
-	751	-	-	13,418
-	301,145	-	-	369,836
-	-	-	-	3,009
81,728	301,896	151,989	142,931	5,644,634
81,728	-	-	6,954	88,682
-	-	-	74,915	615,653
-	-	-	-	3,344,522
-	-	76,424	-	1,053,446
-	-	-	61,062	61,062
-	-	135,024	-	135,024
-	-		-	93,606
81,728	-	211,448	142,931	5,391,995
-	301,896	(59,459)	-	252,639
-	-	-	-	89,699
-	(301,896)	-	-	(301,896)
-	(301,896)	-	-	(212,197)
-	-	(59,459)	-	40,442
-	-	125,500	-	2,944,201
$ -	$ -	$ 66,041	$ -	$ 2,984,643

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, 2011

	Police Station	Parks	Parks Capital Reserve	Transportation
Revenues				
Restricted intergovernmental revenues	$ -	$ -	$ -	$ 167,370
Program income	-	-	-	-
Investment earnings	27	-	17,917	-
Total revenues	27	-	17,917	167,370
Expenditures				
Administration	-	-	-	148,774
Capital outlay	-	479,026	-	273,006
Total expenditures	-	479,026	-	421,780
Excess (deficiency) of revenues over expenditures	27	(479,026)	17,917	(254,410)
Other Financing Sources (Uses)				
Transfers in	-	44,092	-	1,250,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	44,092	-	1,250,000
Net change in fund balances	27	(434,934)	17,917	995,590
Fund Balances (Deficit)				
Beginning	2,860,818	982,258	1,245,865	2,438,342
Ending	$ 2,860,845	$ 547,324	$ 1,263,782	$ 3,433,932

Statement 6

Transportation Improvement	General Fund Capital Projects	General Fund Capital Reserve	Fire and Life Safety	Oakwood Cemetery	Total Capital Projects Funds
$ -	$ -	$ -	$ -	$ -	$ 167,370
291,029	-	-	-	-	291,029
38,970	-	144,203	54	-	201,171
329,999	-	144,203	54	-	659,570
1,010	-	-	18,563	-	168,347
146,679	27,019	-	391,317	52,859	1,369,906
147,689	27,019	-	409,880	52,859	1,538,253
182,310	(27,019)	144,203	(409,826)	(52,859)	(878,683)
2,007,563	217,626	4,000,000	84,280	-	7,603,561
(2,488,154)	-	(1,622,000)	-	-	(4,110,154)
(480,591)	217,626	2,378,000	84,280	-	3,493,407
(298,281)	190,607	2,522,203	(325,546)	(52,859)	2,614,724
2,781,454	269,320	10,678,704	400,600	83,813	21,741,174
$ 2,483,173	$ 459,927	$ 13,200,907	$ 75,054	$ 30,954	$ 24,355,898

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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, 2011

ASSETS	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Current Assets				
Cash and investments	$ -	$ 584,673	$ -	$ 584,673
Receivables:				
Accounts receivable, net	26,329	14,139	90,702	131,170
Due from other governments	-	2,291	2,095,152	2,097,443
Interest	-	2,765	-	2,765
Other	160,878	-	-	160,878
Inventories and prepaid expenses	47,211	18,090	-	65,301
Total current assets	234,418	621,958	2,185,854	3,042,230
Noncurrent assets:				
Restricted assets - cash and investments	-	26,408	-	26,408
Capital assets	9,476,660	10,814,142	7,824,456	28,115,258
Less accumulated depreciation	(240,182)	(4,400,247)	(2,107,281)	(6,747,710)
Bond issuance costs, net	490,633	-	-	490,633
Total noncurrent assets	9,727,111	6,440,303	5,717,175	21,884,589
Total assets	9,961,529	7,062,261	7,903,029	24,926,819
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	133,424	57,242	185,918	376,584
Current portion of long-term debt	650,000	40,600	3,343	693,943
Accrued interest	62,708	-	-	62,708
Due to other funds	59,082	-	1,995,835	2,054,917
Total current liabilities	905,214	97,842	2,185,096	3,188,152
Noncurrent liabilities				
Long-term debt due after one year	7,185,000	72,884	252	7,258,136
Deposits	-	26,408	-	26,408
Total noncurrent liabilities	7,185,000	99,292	252	7,284,544
Total liabilities	8,090,214	197,134	2,185,348	10,472,696
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	1,401,478	6,413,896	5,717,175	13,532,549
Unrestricted	469,837	451,231	506	921,574
Total net assets	$ 1,871,315	$ 6,865,127	$ 5,717,681	$ 14,454,123

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year Ended June 30, 2011

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 905,618	$ 278,975	$ 188,329	$ 1,372,922
Other operating revenues	457,615	-	112,754	570,369
Total operating revenue	1,363,233	278,975	301,083	1,943,291
Operating Expenses				
General and administrative	-	545,641	129,119	674,760
Professional services	798,756	-	2,066,025	2,864,781
Utilities	-	289,154	-	289,154
Maintenance and repairs	-	251,546	-	251,546
Operating supplies	-	-	475,044	475,044
Other operating costs	673,729	-	(487)	673,242
Depreciation and amortization	101,545	262,482	359,893	723,920
Total operating expenses	1,574,030	1,348,823	3,029,594	5,952,447
Operating income (loss)	(210,797)	(1,069,848)	(2,728,511)	(4,009,156)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,331,042	2,921,670	4,252,712
Interest earned on investments	-	8,508	-	8,508
Interest expense	(396,818)	-	-	(396,818)
Other	35,799	96,071	-	131,870
Total nonoperating revenues (expenses)	(361,019)	1,435,621	2,921,670	3,996,272
Income (loss) before transfers	(571,816)	365,773	193,159	(12,884)
Transfers In (Out)				
Transfers Out	-	(18,657)	(334,386)	(353,043)
Transfers In	1,095,033	-	694,092	1,789,125
Transfers in (out)	1,095,033	(18,657)	359,706	1,436,082
Change in net assets	523,217	347,116	552,865	1,423,198
Net Assets (Deficit):				
Beginning	1,348,098	6,518,011	5,164,816	13,030,925
Ending	$ 1,871,315	$ 6,865,127	$ 5,717,681	$ 14,454,123

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2011

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers	$ 1,581,619	$ 420,276	$ 351,005	$ 2,352,900
Payments to employees	-	(245,297)	(92,261)	(337,558)
Payments to suppliers	(1,455,084)	(904,821)	(3,750,950)	(6,110,855)
Net cash provided by (used in) operating activities	126,535	(729,842)	(3,492,206)	(4,095,513)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	(199,988)	-	1,441,528	1,241,540
Transfers in	1,095,033	-	694,092	1,789,125
Transfers out	-	(18,657)	(334,386)	(353,043)
Operating grants received	-	1,331,042	2,921,670	4,252,712
Net cash provided by noncapital financing activities	895,045	1,312,385	4,722,904	6,930,334
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(630,000)	-	-	(630,000)
Interest paid	(367,238)	-	-	(367,238)
Acquisition and construction of capital assets	(24,342)	(418,199)	(1,230,698)	(1,673,239)
Proceeds from the sale of capital assets	-	-	-	-
Net cash used in capital and related financing activities	(1,021,580)	(418,199)	(1,230,698)	(2,670,477)
Cash Flows Provided by Investing Activities				
Earnings on investments	-	7,011	-	7,011
Net increase in cash and cash equivalents	-	171,355	-	171,355
Cash and cash equivalents:				
Beginning	-	439,726	-	439,726
Ending	$ -	$ 611,081	$ -	$ 611,081

Continued

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2011

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	$ (210,797)	$ (1,069,848)	$ (2,728,511)	$ (4,009,156)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	101,545	262,482	359,893	723,920
Other income	35,799	96,071	-	131,870
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	182,587	(12,604)	49,922	219,905
Due from other governmental agencies	-	57,834	(963,192)	(905,358)
Inventories and prepaid expenses	(6,697)	(1,210)	-	(7,907)
Increase (decrease) in:				
Accounts payable and accrued expenses	24,098	(80,376)	(213,912)	(270,190)
Vacation accrual	-	2,146	3,594	5,740
OPEB liability	-	16,585	-	16,585
Deposits	-	(922)	-	(922)
Net cash provided by (used in) operating activities	$ 126,535	$ (729,842)	$ (3,492,206)	$ (4,095,513)

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, 2011

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment
General Government				
Governing body	$ -	$ -	$ -	$ 5,429
Administration	3,160,338	5,275,797	416,573	1,257,304
Finance	-	-	-	433,750
Tax office	-	-	-	79,152
Legal	-	-	-	-
Human resources	-	421,736	-	53,666
Total general government	3,160,338	5,697,533	416,573	1,829,301
Public Safety				
Communications	-	-	-	1,422,534
Police	48,130	15,212,803	110,922	6,279,577
Fire	600,570	14,289,384	200,190	12,015,530
Sign shop	-	-	-	67,715
Total public safety	648,700	29,502,187	311,112	19,785,356
Public Works				
Streets	40,826,364	329,086	76,177	3,079,271
Sanitation	-	3,498,290	-	2,840,518
Cemeteries	-	-	191,522	165,342
Transportation	50,987	-	-	-
Total public works	40,877,351	3,827,376	267,699	6,085,131
Cultural and Recreational				
Parks and recreation	6,128,717	7,244,029	1,702,739	530,055
Planning and Community Development				
Planning and zoning	437,552	-	8,485	159,495
Section 8, Housing Assistance	-	125,008	-	41,453
Total planning and community development	437,552	125,008	8,485	200,948
Total capital assets	$ 51,252,658	$ 46,396,133	$ 2,706,608	$ 28,430,791

Infrastructure	Construction in Progress	Total
$ -	$ -	$ 5,429
446,014	-	10,556,026
-	-	433,750
-	-	79,152
-	-	-
-	-	475,402
446,014	-	11,549,759
-	-	1,422,534
-	-	21,651,432
-	-	27,105,674
-	-	67,715
-	-	50,247,355
474,574,326	1,666,028	520,551,252
-	-	6,338,808
168,239	-	525,103
6,843,848	-	6,894,835
481,586,413	1,666,028	534,309,998
-	475,043	16,080,583
138,750	129,604	873,886
-	-	166,461
138,750	129,604	1,040,347
$ 482,171,177	$ 2,270,675	$ 613,228,042

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, 2011

Function/Activity	June 30, 2010	Additions	Retirements/ Transfers	June 30, 2011
General Government				
Governing body	$ 5,429	**$ -**	**$ -**	**$ 5,429**
Administration	10,880,310	**82,284**	**406,568**	**10,556,026**
Finance	454,442	**-**	**20,692**	**433,750**
Tax office	95,538	**-**	**16,386**	**79,152**
Legal	2,113	**-**	**2,113**	**-**
Human resources	471,461	**33,884**	**29,943**	**475,402**
Total general government	11,909,293	**116,168**	**475,702**	**11,549,759**
Public Safety				
Communications	2,280,880	**72,038**	**930,384**	**1,422,534**
Police	22,600,201	**1,742,496**	**2,691,265**	**21,651,432**
Fire	27,275,389	**1,218,581**	**1,388,296**	**27,105,674**
Sign shop	275,267	**-**	**207,552**	**67,715**
Total public safety	52,431,737	**3,033,115**	**5,217,497**	**50,247,355**
Public Works				
Streets	510,299,449	**10,438,004**	**186,201**	**520,551,252**
Sanitation	6,797,318	**98,105**	**556,615**	**6,338,808**
Cemeteries	401,167	**166,915**	**42,979**	**525,103**
Transportation	6,748,864	**146,679**	**708**	**6,894,835**
Total public works	524,246,798	**10,849,703**	**786,503**	**534,309,998**
Cultural and Recreational				
Parks and recreation	15,533,647	**647,258**	**100,322**	**16,080,583**
Planning and Community Development				
Planning and zoning	1,082,628	**27,019**	**235,761**	**873,886**
Section 8, Housing Assistance	166,461	**-**	**-**	**166,461**
Total planning and community development	1,249,089	**27,019**	**235,761**	**1,040,347**
Total capital assets	$ 605,370,564	**$ 14,673,263**	**$ 6,815,785**	**$ 613,228,042**

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, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Restricted intergovernmental revenues	$ 3,400,000	$ 3,925,000	**$ 3,933,998**	$ 8,998
Investment earnings	15,500	15,500	**9,287**	(6,213)
Program income	9,000	9,000	**-**	(9,000)
Other income	2,000	2,000	**3,009**	1,009
Total revenues	3,426,500	3,951,500	**3,946,294**	(5,206)
Expenditures				
Administration	361,612	366,612	**344,237**	22,375
Housing assistance payments	3,064,888	3,584,888	**3,344,522**	240,366
Total expenditures	3,426,500	3,951,500	**3,688,759**	262,741
Excess of revenues over expenditures	$ -	$ -	**257,535**	$ 257,535
Fund Balance				
Beginning			**826,826**	
Ending			**$ 1,084,361**	

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, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 383,917	$ 311,687	**$ 59,356**	$ 371,043
Program income	140,488	140,488	**-**	140,488
Total revenues	524,405	452,175	**59,356**	511,531
Expenditures				
Administration	131,460	93,412	**(5,439)**	87,973
Rehabilitation	404,143	365,565	**38,529**	404,094
Total expenditures	535,603	458,977	**33,090**	492,067
Excess (deficiency) of revenues over expenditures	(11,198)	(6,802)	**26,266**	19,464
Other Financing Sources (Uses)				
Transfers In	11,198	-	**11,198**	11,198
Total other financing sources	11,198	-	**11,198**	11,198
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (6,802)	**$ 37,464**	$ 30,662

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

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B06-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 394,001	$ 394,781	**$ (781)**	$ 394,000
Program income	99,565	99,565	-	99,565
Total revenues	493,566	494,346	**(781)**	493,565
Expenditures				
Administration	98,869	98,868	-	98,868
Rehabilitation	395,478	395,478	-	395,478
Total expenditures	494,347	494,346	-	494,346
Excess (deficiency) of revenues over expenditures	(781)	-	**(781)**	(781)
Other Financing Sources (Uses)				
Transfers In	781	-	**781**	781
Total other financing sources	781	-	**781**	781
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ -	**$ -**	$ -

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

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, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 369,909	$ 258,229	**$ 97,761**	$ 355,990
Program income	63,515	63,515	**-**	63,515
Total revenues	433,424	321,744	**97,761**	419,505
Expenditures				
Administration	89,289	79,535	**(77,019)**	2,516
Rehabilitation	357,156	242,209	**114,740**	356,949
Total expenditures	446,445	321,744	**37,721**	359,465
Excess (deficiency) of revenues over expenditures	(13,021)	-	**60,040**	60,040
Other Financing Sources (Uses)				
Transfers In	13,021	-	**13,021**	13,021
Total other financing sources	13,021	-	**13,021**	13,021
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ -	**$ 73,061**	$ 73,061

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

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, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 389,737	$ 92,340	**$ 171,752**	$ 264,092
Program income	52,721	52,720	**-**	52,720
Total revenues	442,458	145,060	**171,752**	316,812
Expenditures				
Administration	88,156	5,697	**82,459**	88,156
Rehabilitation	355,344	139,363	**178,170**	317,533
Total expenditures	443,500	145,060	**260,629**	405,689
Excess (deficiency) of revenues over expenditures	(1,042)	-	**(88,877)**	(88,877)
Other Financing Sources (Uses)				
Transfers In	1,042	-	**1,042**	1,042
Total other financing sources	1,042	-	**1,042**	1,042
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ -	**$ (87,835)**	$ (87,835)

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

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

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 425,304	$ -	**$ 286,313**	$ 286,313
Program income	50,000	-	**39,534**	39,534
Total revenues	475,304	-	**325,847**	325,847
Expenditures				
Administration	95,061	-	**95,061**	95,061
Rehabilitation	380,243	-	**254,874**	254,874
Total expenditures	475,304	-	**349,935**	349,935
Excess (deficiency) of revenues over expenditures	$ -	$ -	**$ (24,088)**	$ (24,088)

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, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ -	$ 12,914	**$ 3,380**	$ 16,294
Restricted intergovernmental revenues	1,000,000	99,930	-	99,930
Loan repayments	-	17,864	-	17,864
Total revenues	1,000,000	130,708	**3,380**	134,088
Expenditures				
Rehabilitation	2,974,000	108,801	**5,772**	114,573
Total expenditures	2,974,000	108,801	**5,772**	114,573
Excess (deficiency) of revenues over expenditures	(1,974,000)	21,907	**(2,392)**	19,515
Other Financing Sources (Uses)				
Debt issued	1,974,000	1,974,000	-	1,974,000
Debt service	-	(153,149)	**(93,606)**	(246,755)
Transfers In	99,930	99,930	-	99,930
Transfers Out	(99,930)	(99,930)	-	(99,930)
Total other financing sources (uses)	1,974,000	1,820,851	**(93,606)**	1,727,245
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ 1,842,758	**(95,998)**	$ 1,746,760
Fund Balance				
Beginning			**1,842,758**	
Ending			**$ 1,746,760**	

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

HOME FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,089,354	$ 119,386	**$ 333,324**	$ 452,710
Program income	997,564	967,564	**29,157**	996,721
Total revenues	2,086,918	1,086,950	**362,481**	1,449,431
Expenditures				
Administration	442,361	248,926	**101,439**	350,365
Rehabilitation	1,893,223	880,712	**384,937**	1,265,649
Total expenditures	2,335,584	1,129,638	**486,376**	1,616,014
Excess (deficiency) of revenues over expenditures	(248,666)	(42,688)	**(123,895)**	(166,583)
Other Financing Sources (Uses)				
Transfers In	248,666	198,607	**63,657**	262,264
Total other financing sources	248,666	198,607	**63,657**	262,264
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 155,919	**(60,238)**	$ 95,681
Fund Balance				
Beginning			**155,919**	
Ending			**$ 95,681**	

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

MUNICIPAL SERVICE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes	$ 74,275	$ 81,165	**$ 81,728**	$ 563
Expenditures				
Community development	74,275	81,165	**81,728**	(563)
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

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

ADDITIONAL VEHICLE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Program income	$ 250,000	$ 282,000	**$ 301,145**	$ 19,145
Investment earnings	-	742	**751**	9
Total revenues	250,000	282,742	**301,896**	19,154
Other Financing Uses				
Transfers out	(250,000)	(282,742)	**(301,896)**	(19,154)
Total other financing uses	(250,000)	(282,742)	**(301,896)**	(19,154)
Total of revenues and other financing sources	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

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

EECBG STIMULUS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 638,800	$ 137,177	**$ 151,989**	$ 289,166
Total revenues	638,800	137,177	**151,989**	289,166
Expenditures				
Rehabilitation	242,800	106,959	**76,424**	183,383
Capital outlay	521,500	30,218	**135,024**	165,242
Total expenditures	764,300	137,177	**211,448**	348,625
Excess (deficiency) of revenues over expenditures	(125,500)	-	**(59,459)**	(59,459)
Other Financing Sources				
Transfers In	125,500	125,500		125,500
Total other financing sources	125,500	125,500	**-**	125,500
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 125,500	**(59,459)**	$ 66,041
Fund Balance				
Beginning			**125,500**	
Ending			**$ 66,041**	

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

PARKS AND RECREATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Contributions	$ 350,250	$ 350,250	**$ -**	$ 350,250
Restricted intergovernmental revenues	538,153	538,152	**-**	538,152
Total operating revenues	888,403	888,402	**-**	888,402
Operating Expenditures				
Land	200,000	100,490	**-**	100,490
Logan Multipurpose Improvements	367,592	7,841	**328,560**	336,401
Hartsell Stairwell	80,000	-	**77,777**	77,777
Logan Parking Lot	197,000	-	**-**	-
McEachern Greenway	8,000	3,000	**-**	3,000
Village Greenway	407,068	407,068	**-**	407,068
Downtown Connector Greenway	1,378,234	1,369,058	**3,644**	1,372,702
Rocky River Greenway	409,765	133,851	**69,045**	202,896
Total operating expenditures	3,047,659	2,021,308	**479,026**	2,500,334
Deficiency of revenues over expenditures before transfers	(2,159,256)	(1,132,906)	**(479,026)**	(1,611,932)
Transfers In (Out)				
Transfers in	2,173,256	2,129,164	**44,092**	2,173,256
Transfer out	(14,000)	(14,000)	**-**	(14,000)
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 982,258	**$ (434,934)**	$ 547,324

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

PARKS & RECREATION CAPITAL RESERVE PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Other income	$ 69,452	$ 58,220	**$ 17,917**	$ 76,137
Excess of revenues over expenditures	69,452	58,220	**17,917**	76,137
Other Financing Sources				
Transfers from other funds	1,997,000	2,143,583	-	2,143,583
Appropriation to fund balance	(919,452)	-	-	-
Transfers to other funds	(1,147,000)	(955,938)	-	(955,938)
Total other financing sources (uses)	(69,452)	1,187,645	-	1,187,645
Excess of revenues and other financing sources over expenditures	$ -	$ 1,245,865	**17,917**	$ 1,263,782
Fund Balance				
Beginning			**1,245,865**	
Ending			**$ 1,263,782**	

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

TRANSPORTATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 3,111,820	$ 81,732	**$ 167,370**	$ 249,102
Total operating revenues	3,111,820	81,732	**167,370**	249,102
Operating Expenditures				
Poplar Tent/Hwy 29 CMAQ	897,125	47,922	**51,922**	99,844
Derita Rd	1,628,560	-	**139,354**	139,354
Morehead Improvements	1,700,000	1,276,500	**-**	1,276,500
Burrage Rd Bridge Replacement	2,748,900	81,732	**68,597**	150,329
Poplar Tent/Hwy 73 Sidewalks & Bike Ln	500,000	-	**-**	-
Cabarrus RR Bridge Railing	250,000	-	**-**	-
Signal & Fiber - Lake Concord Rd	205,000	-	**44,609**	44,609
Signal & Fiber - 29/LC/NCDOT	195,000	-	**117,298**	117,298
Total operating expenditures	8,124,585	1,406,154	**421,780**	1,827,934
Deficiency of revenues over expenditures before transfers	(5,012,765)	(1,324,422)	**(254,410)**	(1,578,832)
Other Financing Sources (Uses)				
Transfers In	5,012,765	3,762,764	**1,250,000**	5,012,764
Total other financing sources	5,012,765	3,762,764	**1,250,000**	5,012,764
Excess of revenues and transfers over expenditures	$ -	$ 2,438,342	**$ 995,590**	$ 3,433,932

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

TRANSPORTATION IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Investment earnings	$ 29,000	$ 29,000	**$ 38,970**	$ 9,970
Program income	255,635	255,635	**291,029**	35,394
Total revenues	284,635	284,635	**329,999**	45,364
Expenditures				
Contract services	638	638	**1,010**	(372)
Capital outlay	100,000	200,000	**146,679**	53,321
Total expenditures	100,638	200,638	**147,689**	52,949
Excess of revenues over expenditures	183,997	83,997	**182,310**	98,313
Other Financing Sources (Uses)				
Appropriated fund balance	296,594	396,594	**-**	(396,594)
Transfers in	2,007,563	2,007,563	**2,007,563**	-
Transfers out	(2,488,154)	(2,488,154)	**(2,488,154)**	-
Total other financing sources (uses)	(183,997)	(83,997)	**(480,591)**	(396,594)
Deficiency of revenues and other financing sources (uses) over expenditures	$ -	$ -	**(298,281)**	$ (298,281)
Fund Balance				
Beginning			**2,781,454**	
Ending			**$ 2,483,173**	

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

GENERAL FUND CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 313,000	$ -	**$ -**	$ -
Total revenues	313,000	-	**-**	-
Expenditures				
Capital outlay	808,626	8,986	**27,019**	36,005
Contract services	77,000	76,694	**-**	76,694
Total expenditures	885,626	85,680	**27,019**	112,699
Deficiency of revenues over expenditures before transfers	(572,626)	(85,680)	**(27,019)**	(112,699)
Transfer In	572,626	355,000	**217,626**	572,626
Excess of revenues and transfers over expenditures	$ -	$ 269,320	**$ 190,607**	$ 459,927

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

GENERAL CAPITAL RESERVE PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment Earnings	$ -	$ 234,432	**$ 144,203**	$ 378,635
Other Financing Sources (Uses)				
Transfers In	18,444,272	10,444,272	**4,000,000**	14,444,272
Transfers Out	(1,622,000)	-	**(1,622,000)**	(1,622,000)
Appropriated Fund Balance	1,622,000	-	**-**	-
Appropriation to Fund Balance	(18,444,272)	-	**-**	-
Total other financing sources (uses)	-	10,444,272	**2,378,000**	12,822,272
Excess of revenues and other financing sources (uses) over expenditures	$ -	$ 10,678,704	**2,522,203**	$ 13,200,907
Fund Balance				
Beginning			**10,678,704**	
Ending			**$ 13,200,907**	

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

FIRE AND LIFE SAFETY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual 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	50,000	**32,280**	82,280
Excess of revenues and transfers over expenditures	$ -	$ 43,970	**$ 32,280**	$ 76,250

Change in net assets:	
Fire and Life Safety Capital Project Fund	**$ 32,280**
2008 Debt Issuance Capital Project Fund (Statement 49)	**(357,826)**
	$ (325,546)

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

OAKWOOD CEMETERY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Capital outlay	$ 157,890	$ 74,077	**$ 52,859**	$ 126,936
Total operating expenditures	157,890	74,077	**52,859**	126,936
Deficiency of revenues over expenditures before transfers	(157,890)	(74,077)	**(52,859)**	(126,936)
Transfer In	157,890	157,890	**-**	157,890
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 83,813	**$ (52,859)**	$ 30,954

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

ELECTRIC OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 68,982,970	$ 69,653,445	**$ 74,265,371**	$ 4,611,926
Other operating revenues	683,275	712,488	**705,655**	(6,833)
Total operating revenues	69,666,245	70,365,933	**74,971,026**	4,605,093
Operating Expenditures				
Administration	1,267,124	1,267,124	**1,105,036**	162,088
Purchased power	52,747,849	53,335,433	**55,064,197**	(1,728,764)
Power line and plant	8,951,700	9,659,197	**8,628,611**	1,030,586
Total operating expenditures	62,966,673	64,261,754	**64,797,844**	(536,090)
Nonoperating Revenues (Expenditures)				
Capital outlay	(3,610,755)	(3,623,879)	**(2,538,300)**	1,085,579
Interest earned on investments	80,000	310,000	**539,578**	229,578
Debt service and capital lease payments	(2,746,585)	(2,746,585)	**(2,851,055)**	(104,470)
Appropriated Fund Balance	88,768	1,060,167	**-**	(1,060,167)
Appropriation to Fund Balance	(500,000)	(500,000)	**-**	500,000
Gain on sale of capital assets	-	4,484	**5,526**	1,042
Total nonoperating expenditures	(6,688,572)	(5,495,813)	**(4,844,251)**	651,562
Income before capital contributions and transfers	11,000	608,366	**5,328,931**	4,720,565
Transfers In (Out)				
Transfers in	500,000	-	**-**	-
Transfers out	(511,000)	(608,366)	**(608,366)**	-
Excess of revenues over expenditures and transfers	$ -	$ -	**4,720,565**	$ 4,720,565
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,916,828)**	
Capital outlay			**2,538,300**	
Unfunded OPEB Expense			**(132,682)**	
Debt service			**1,957,922**	
Change in net assets			**$ 5,167,277**	

Change in net assets:	
Electric Operating Fund	**$ 5,167,277**
2002 Revenue Bonds Capital Project Fund (Statement 32)	**-**
2008 Revenue Bonds Capital Project Fund (Statement 33)	**97,366**
	$ 5,264,643

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, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 245,276	$ 141,238	$ -	$ 141,238
	245,276	141,238	-	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)	(6,470,428)	-	(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	$ -	$ 5,330,968	-	$ 5,330,968
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net assets			$ -	

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

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, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 148,764	$ 255,665	**$ -**	$ 255,665
	148,764	255,665	**-**	255,665
Expenditures				
Capital Outlay:				
100 KV - Substation K	647,172	60,323	**24,554**	84,877
100 KV - Substation E	23,580	23,581	**-**	23,581
Sub L Substation	740,702	740,702	**-**	740,702
Substation O	5,754,288	5,754,288	**-**	5,754,288
Sub A C & D Switchgear	2,034,900	2,034,900	**-**	2,034,900
Substation G	181,003	15,069	**166,505**	181,574
Capitalized interest	1,722,333	1,722,333	**-**	1,722,333
Cost of issuance	400,316	400,315	**-**	400,315
Total expenditures	11,504,294	10,751,511	**191,059**	10,942,570
Deficiency of revenues over expenditures	(11,355,530)	(10,495,846)	**(191,059)**	(10,686,905)
Other Financing Sources				
Operating Transfer In	97,366	-	**97,366**	97,366
Bond proceeds	11,258,164	10,308,395	**-**	10,308,395
	11,355,530	10,308,395	**97,366**	10,405,761
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (187,451)	**(93,693)**	$ (281,144)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**191,059**	
Change in net assets			**$ 97,366**	

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

WATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 17,466,158	$ 17,484,040	**$ 18,402,901**	$ 918,861
Other operating revenues	727,855	780,550	**702,683**	(77,867)
Total operating revenues	18,194,013	18,264,590	**19,105,584**	840,994
Operating Expenditures				
Repairs and maintenance	855,090	1,005,090	**916,440**	88,650
Water plants and lakes	6,301,118	6,301,118	**4,518,860**	1,782,258
Water line operation and maintenance	5,534,995	5,690,572	**4,710,823**	979,749
Total operating expenditures	12,691,203	12,996,780	**10,146,123**	2,850,657
Nonoperating Revenues (Expenditures)				
Interest earned on investments	100,000	335,000	**581,195**	246,195
Capital outlay	(1,796,950)	(1,796,950)	**(1,082,717)**	714,233
Debt service	(4,475,048)	(4,475,048)	**(4,645,258)**	(170,210)
Gain on sale of capital assets	-	-	**23,722**	23,722
Appropriated Fund Balance	669,188	669,188	**-**	(669,188)
Total nonoperating expenditures	(5,502,810)	(5,267,810)	**(5,123,058)**	144,752
Income before capital contributions and transfers	-	-	**3,836,403**	3,836,403
Transfers In (Out)				
To Project Fund	-	-	**-**	-
Capital Contributions	-	-	**1,971,697**	1,971,697
Excess of revenues, capital contributions over expenditures	$ -	$ -	**5,808,100**	$ 5,808,100
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,768,067)**	
Unfunded OPEB Expense			**(82,926)**	
Capital outlay			**1,082,717**	
Debt service			**3,023,871**	
Change in net assets			**$ 6,063,695**	

Change in net assets:	
Water Operating Fund	**$ 6,063,695**
2002 Revenue Bonds Capital Project Fund (Statement 35)	**-**
2008 Revenue Bonds Capital Project Fund (Statement 36)	**-**
Water Projects Capital Project Fund (Statement 37)	**-**
	$ 6,063,695

CITY OF CONCORD, NORTH CAROLINA **Statement 35**

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, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 104,836	$ 531,325	$ -	$ 531,325
Other revenue	254,000	254,000	-	254,000
	358,836	785,325	-	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)	(18,406,875)	-	(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	$ -	$ (2,443,460)	-	$ (2,443,460)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net assets			$ -	

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

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, 2011

	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	**1,612,081**	1,706,146
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	816,714	**408,357**	1,225,071
Total expenditures	12,171,789	6,450,088	**2,020,438**	8,470,526
Deficiency of revenues over expenditures	(12,171,789)	(6,450,088)	**(2,020,438)**	(8,470,526)
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	$ -	$ 6,907,278	**(2,020,438)**	$ 4,886,840
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**2,020,438**	
Change in net assets			**$ -**	

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

WATER PROJECTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2011

	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	**200,538**	356,739
Total operating expenditures	3,583,146	156,201	**200,538**	356,739
Deficiency of revenues over expenditures before transfers	(3,426,400)	-	**(200,538)**	(200,538)
Transfer In	3,426,400	3,586,400	**-**	3,586,400
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 3,586,400	**(200,538)**	$ 3,385,862
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**200,538**	
Change in net assets			**$ -**	

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

WASTEWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 13,795,916	$ 13,810,916	**$ 13,804,902**	$ (6,014)
Other operating revenues	460,255	492,902	**579,719**	86,817
Total operating revenues	14,256,171	14,303,818	**14,384,621**	80,803
Operating Expenditures				
Repairs and maintenance	305,979	334,979	**302,357**	32,622
Wastewater line and plant	10,730,657	10,298,780	**9,824,635**	474,145
Total operating expenditures	11,036,636	10,633,759	**10,126,992**	506,767
Nonoperating Revenues (Expenditures)				
Interest earned on investments	80,000	88,000	**141,970**	53,970
Capital outlay	(1,260,987)	(1,914,678)	**(1,240,340)**	674,338
Debt service	(2,169,876)	(2,088,901)	**(2,258,427)**	(169,526)
Gain (loss) on sale of capital assets	-	-	**(29,602)**	(29,602)
Appropriated Fund Balance	131,328	184,520	**-**	(184,520)
Total nonoperating expenditures	(3,219,535)	(3,731,059)	**(3,386,399)**	344,660
Income before capital contributions and transfers in	-	(61,000)	**871,230**	932,230
Capital Contributions	-	-	**1,957,410**	1,957,410
Transfers In (Out)				
From General Fund	-	61,000	**61,000**	-
Excess of revenues and operating transfers over expenditures	$ -	$ -	**2,889,640**	$ 2,889,640
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(2,766,772)**	
Capital outlay			**1,240,340**	
Debt service			**1,349,630**	
Change in net assets			**$ 2,712,838**	
Change in net assets:				
Wastewater Operating Fund			**$ 2,712,838**	
2008 Revenue Bonds Capital Project Fund (Statement 39)			**253,060**	
			$ 2,965,898	

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, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 104,952	$ -	**$ 7,070**	$ 7,070
Special Assessment	396,201	-	**245,990**	245,990
	501,153	-	**253,060**	253,060
Expenditures				
Capital Outlay:				
Cost of issuance	121,403	121,403	-	121,403
Reedy Creek/Rocky River PS	4,991,153	4,991,152	-	4,991,152
Total expenditures	5,112,556	5,112,555	-	5,112,555
Excess (deficiency) of revenues over expenditures	(4,611,403)	(5,112,555)	**253,060**	(4,859,495)
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	$ -	$ (736,960)	**253,060**	$ (483,900)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net assets			**$ 253,060**	

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

REGIONAL AIRPORT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 8,301,430	$ 8,833,430	**$ 9,063,349**	$ 229,919
Other operating revenues	4,700	47,230	**61,254**	14,024
Total operating revenues	8,306,130	8,880,660	**9,124,603**	243,943
Operating Expenditures				
Airport operation and maintenance	7,825,147	9,285,780	**9,074,977**	210,803
Total operating expenditures	7,825,147	9,285,780	**9,074,977**	210,803
Nonoperating Revenues (Expenditures)				
Interest earned on investments	25,000	74,097	**53,561**	(20,536)
Capital outlay	(349,593)	(1,077,657)	**(346,046)**	731,611
Debt service	(1,049,006)	(1,049,006)	**(1,045,518)**	3,488
Miscellaneous revenues	6,000	6,000	**9,951**	3,951
Appropriated Fund Balance	438,935	649,365	**-**	(649,365)
Total nonoperating expenditures	(928,664)	(1,397,201)	**(1,328,052)**	69,149
Income (loss) before capital contributions and transfers	(447,681)	(1,802,321)	**(1,278,426)**	523,895
Capital Contributions	300,000	1,654,640	**1,097,663**	(556,977)
Transfers In (Out)				
Transfers in	699,000	699,000	**699,000**	-
Among Airport Funds	(551,319)	(551,319)	**(536,454)**	14,865
Deficiency of revenues and operating transfers over expenditures	$ -	$ -	**(18,217)**	$ (18,217)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(1,369,786)**	
Capital outlay			**346,046**	
Unfunded OPEB Expense			**(16,585)**	
Debt service			**602,500**	
Change in net assets			**$ (456,042)**	
Change in net assets:				
Regional Airport Operating Fund			**$ (456,042)**	
2008 Debt Issuance Capital Project Fund (Statement 49)			**75**	
First Concord Capital Project Fund (Statement 51)			**7,879**	
			$ (448,088)	

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

STORMWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Operating Revenues				
Charges for services	$ 3,567,455	$ 3,567,455	**$ 3,633,055**	$ 65,600
Other operating revenues	7,950	16,186	**17,687**	1,501
Total operating revenues	3,575,405	3,583,641	**3,650,742**	67,101
Operating Expenditures				
Stormwater operation and maintenance	2,348,835	2,375,640	**2,129,697**	245,943
Total operating expenditures	2,348,835	2,375,640	**2,129,697**	245,943
Nonoperating Revenues (Expenditures)				
Capital outlay	(75,119)	(74,189)	**(73,543)**	646
Interest earned on investments	14,700	50,327	**64,602**	14,275
Debt service and capital lease payments	(43,372)	(43,372)	**(43,372)**	-
Appropriation to Fund Balance	(570,529)	(588,517)	**-**	588,517
Total nonoperating expenditures	(674,320)	(655,751)	**(52,313)**	603,438
Income before capital contributions and transfers	552,250	552,250	**1,468,732**	916,482
Transfers Out				
To Project Fund	(552,250)	(552,250)	**(552,250)**	-
Excess of revenues over expenditures and transfers out	$ -	$ -	**916,482**	$ 916,482
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(1,596,328)**	
Debt service			**39,536**	
Capital outlay			**73,543**	
Change in net assets			**$ (566,767)**	
Change in net assets:				
Stormwater Operating Fund			**$ (566,767)**	
Stormwater Capital Project Fund (Statement 42)			**632,250**	
			$ 65,483	

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

STORMWATER CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 1,096,904	$ 60,000	**$ 80,000**	$ 140,000
Total operating revenues	1,096,904	60,000	**80,000**	140,000
Operating Expenditures				
Capital outlay	3,205,808	452,104	**521,760**	973,864
Total operating expenditures	3,205,808	452,104	**521,760**	973,864
Deficiency of revenues over expenditures before transfers	(2,108,904)	(392,104)	**(441,760)**	(833,864)
Transfer In	2,108,904	1,181,400	**552,250**	1,733,650
Excess of revenues and transfers over expenditures	$ -	$ 789,296	**110,490**	$ 899,786
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**521,760**	
Change in net assets			**$ 632,250**	

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

GOLF COURSE OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Operating Revenues				
Charges for services	$ 968,168	$ 968,168	**$ 905,618**	$ (62,550)
Other operating revenues	481,321	481,321	**457,615**	(23,706)
Total operating revenues	1,449,489	1,449,489	**1,363,233**	(86,256)
Operating Expenditures				
Professional services	747,384	747,384	**798,756**	(51,372)
Other operating costs	673,890	785,890	**673,729**	112,161
Total operating expenditures	1,421,274	1,533,274	**1,472,485**	60,789
Nonoperating Revenues (Expenditures)				
Capital outlay	(32,900)	(95,600)	**(24,342)**	71,258
Interest earned on investments	-	-	**-**	-
Gain on sale of capital assets	-	-	**-**	-
Miscellaneous revenue	50,627	50,627	**35,799**	(14,828)
Total nonoperating revenues	17,727	(44,973)	**11,457**	56,430
Loss before transfers	45,942	(128,758)	**(97,795)**	30,963
Transfers in (out)				
From general fund	951,296	1,125,996	**1,095,033**	(30,963)
Among golf course funds	(997,238)	(997,238)	**(997,238)**	-
Excess of revenues over expenditures and transfers in (out)	$ -	$ -	**-**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(32,577)**	
Capital outlay			**24,342**	
Change in net assets			**$ (8,235)**	
Change in net assets:				
Golf Course Operating Fund			**$ (8,235)**	
First Concord Capital Project Fund (Statement 51)			**531,452**	
			$ 523,217	

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

HOUSING DEPARTMENT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 274,500	$ 279,559	**$ 278,975**	$ (584)
Total operating revenues	274,500	279,559	**278,975**	(584)
Operating Expenditures				
Administrative	529,286	536,069	**529,056**	7,013
Utilities	397,000	397,000	**289,154**	107,846
Housing maintenance and repairs	273,298	273,298	**251,546**	21,752
Total operating expenditures	1,199,584	1,206,367	**1,069,756**	136,611
Nonoperating Revenues (Expenditures)				
Operating subsidy	895,000	895,000	**937,250**	42,250
Interest earned on investments	7,500	7,500	**8,508**	1,008
Miscellaneous	7,000	57,000	**96,071**	39,071
Capital outlay	-	(29,618)	**(29,323)**	295
Appropriated Fund Balance	15,584	15,584	**-**	(15,584)
Total nonoperating revenues	925,084	945,466	**1,012,506**	67,040
Income before transfers	-	18,658	**221,725**	203,067
Transfers in (out)				
Transfer out	-	(18,658)	**(18,657)**	1
Transfer in	-	-	**-**	-
Excess of revenues and transfers over expenditures	$ -	$ -	**203,068**	$ 203,068
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			**(16,585)**	
Capital outlay			**29,323**	
Depreciation			**(262,482)**	
Change in net assets			**$ (46,676)**	
Change in net assets:				
Housing Operating Fund			**$ (46,676)**	
Housing Capital Project Fund (Statement 45)			**237,849**	
ARRA Stimulus Fund (Statement 50)			**155,943**	
			$ 347,116	

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

HOUSING CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Capital outlay	$ 783,097	$ 154,545	**$ 232,933**	$ 387,478
Other Financing Sources (Uses)				
Federal grants	783,097	146,476	**237,849**	384,325
Excess of other financing sources over expenditures	$ -	$ (8,069)	**4,916**	$ (3,153)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**232,933**	
Change in net assets			**$ 237,849**	

TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Charges for services	$ 747,614	$ 547,614	**$ 188,329**	$ 735,943
Restricted intergovernmental revenues	336,534	258,487	**112,754**	371,241
Total operating revenues	1,084,148	806,101	**301,083**	1,107,184
Operating Expenditures				
Administrative	209,795	64,669	**129,119**	193,788
Professional services	7,901,813	5,489,463	**2,066,025**	7,555,488
Operating supplies	1,228,885	742,169	**405,931**	1,148,100
Miscellaneous	-	(87)	**(487)**	(574)
Total operating expenditures	9,340,493	6,296,214	**2,600,588**	8,896,802
Nonoperating Revenues (Expenditures)				
Operating subsidy	9,024,291	5,931,345	**2,604,584**	8,535,929
Capital outlay	(3,213,870)	(1,884,649)	**(982,725)**	(2,867,374)
Deficiency of revenues over expenditures before transfers	(2,445,924)	(1,443,417)	**(677,646)**	(2,121,063)
Transfer In	2,445,924	1,761,357	**694,092**	2,455,449
Transfer Out	-	-	**(334,386)**	(334,386)
Excess of revenues and transfers over expenditures	$ -	$ 317,940	**(317,940)**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(359,893)**	
Capital outlay			**982,725**	
Change in net assets			**$ 304,892**	
Change in net assets:				
Transit Fund			**$ 304,892**	
ARRA Stimulus Fund (Statement 50)			**247,973**	
			$ 552,865	

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2011

	Budget	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	$ 1,842,389	**$ 1,815,820**	$ 26,569
Professional services	7,440	**3,125**	4,315
Other expenses	652,168	**542,081**	110,087
Capital outlay	12,069	**8,369**	3,700
Building and grounds allocation	(2,514,066)	**(2,581,922)**	67,856
	-	**(212,527)**	212,527
Data Services			
Salaries and benefits	83,542	**85,958**	(2,416)
Professional services	920,961	**901,786**	19,175
Other expenses	433,930	**383,075**	50,855
Capital outlay	91,942	**66,028**	25,914
Data services allocation	(1,530,375)	**(1,435,030)**	(95,345)
	-	**1,817**	(1,817)
Fleet Services			
Salaries and benefits	810,460	**830,928**	(20,468)
Other expenses	1,864,542	**1,765,653**	98,889
Fleet services allocation	(2,675,002)	**(2,657,607)**	(17,395)
	-	**(61,026)**	61,026
Engineering			
Salaries and benefits	1,747,148	**1,659,311**	87,837
Professional services	28,500	**21,166**	7,334
Other expenses	179,384	**122,628**	56,756
Capital outlay	20,000	**-**	20,000
Engineering allocation	(1,975,032)	**(1,864,654)**	(110,378)
	-	**(61,549)**	61,549
Call Center			
Salaries and benefits	371,678	**363,773**	7,905
Other expenses	48,408	**42,019**	6,389
Call center allocation	(420,086)	**(406,209)**	(13,877)
	-	**(417)**	417

(Continued)

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2011

	Budget	Actual	Variance - Favorable (Unfavorable)
Billing			
Salaries and benefits	$ 570,079	**$ 574,995**	$ (4,916)
Other expenses	253,025	**268,754**	(15,729)
Capital outlay	40,650	**41,450**	(800)
Billing allocation	(863,754)	**(895,859)**	32,105
	-	**(10,660)**	10,660
Customer Service			
Salaries and benefits	817,178	**822,835**	(5,657)
Professional services	1,500	**550**	950
Other expenses	422,930	**407,389**	15,541
Customer service allocation	(1,241,608)	**(1,288,358)**	46,750
	-	**(57,584)**	57,584
Warehouse Operations			
Salaries and benefits	464,515	**425,820**	38,695
Other expenses	73,263	**50,143**	23,120
Warehouse allocation	(537,778)	**(546,103)**	8,325
	-	**(70,140)**	70,140
Utilities Collection			
Salaries and benefits	202,182	**205,748**	(3,566)
Professional services	56,000	**48,805**	7,195
Other expenses	91,603	**85,156**	6,447
Utilities collection allocation	(349,785)	**(359,527)**	9,742
	-	**(19,818)**	19,818
Deficiency of revenues over expenditures	$ -	**(491,904)**	$ 491,904
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		**(242,878)**	
Unfunded OPEB Expense		**(364,873)**	
Capital outlay		**115,847**	
Change in net assets before capital contributions		**$ -**	
Change in net assets:			
Internal Service Fund		**$ -**	
Fiber Optic Capital Project Fund (Statement 48)		**-**	
		$ -	

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

FIBER PROJECT CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Fiber project phase	$ 244,000	$ 59,353	**$ 23,662**	$ 83,015
Total operating expenditures	244,000	59,353	**23,662**	83,015
Deficiency of revenues over expenditures before transfers	(244,000)	(59,353)	**(23,662)**	(83,015)
Transfer In	244,000	244,000	**-**	244,000
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 184,647	**(23,662)**	$ 160,985
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**23,662**	
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, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ 140,700	$ 140,570	**$ 129**	$ 140,699
Restricted intergovernmental revenues	40,000	40,000	**-**	40,000
Total revenue	180,700	180,570	**129**	180,699
Expenditures				
Cost of issuance	15,300	15,300	**-**	15,300
Capital outlay:				
Fire Station #9	5,344,490	5,344,491	**-**	5,344,491
Fire Station #10	597,633	181,447	**409,880**	591,327
North Taxiway	1,390,431	1,390,431	**-**	1,390,431
Fuel Farm	247,076	23,539	**216,533**	240,072
Apron Construction	49,164	49,164	**-**	49,164
Hangar In Common	2,584,719	2,466,285	**72,581**	2,538,866
Land	3,287,924	3,287,924	**-**	3,287,924
Total expenditures	13,516,737	12,758,581	**698,994**	13,457,575
Deficiency of revenues over expenditures	(13,336,037)	(12,578,011)	**(698,865)**	(13,276,876)
Other Financing Sources (Uses)				
Transfers in	502,000	450,000	**52,000**	502,000
Transfers out	(115,963)	(115,962)	**-**	(115,962)
Bond proceeds	12,950,000	12,950,000	**-**	12,950,000
Total other financing sources (uses)	13,336,037	13,284,038	**52,000**	13,336,038
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ 706,027	**(646,865)**	$ 59,162
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			**289,114**	
Change in net assets			**$ (357,751)**	

The change in net assets is allocated as follows:	
Fire & Life Safety Capital Project Fund	**$ (357,826)**
Regional Airport Fund	**75**
	$ (357,751)

ARRA STIMULUS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2011

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 2,069,982	$ 1,343,775	**$ 615,960**	$ 1,959,735
Total revenue	2,069,982	1,343,775	**615,960**	1,959,735
Expenditures				
Administration	455,880	81,533	**81,869**	163,402
Public Safety	255,502	194,440	**61,062**	255,502
Transit operating supplies	141,336	59,017	**69,113**	128,130
Capital outlay	1,217,264	832,786	**247,973**	1,080,759
Total expenditures	2,069,982	1,167,776	**460,017**	1,627,793
Excess of revenues over expenditures	$ -	$ 175,999	**155,943**	$ 331,942
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			**247,973**	
Change in net assets			**$ 403,916**	

The change in net assets is allocated as follows:	
ARRA Stimulus Special Revenue Fund	**$ -**
Housing Fund	**155,943**
Transit Fund	**247,973**
	$ 403,916

FIRST CONCORD CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2011

	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	1,245,404	**123**	1,245,527
Miscellaneous earnings	2,765	41,964	**(14,260)**	27,704
Total revenue	1,519,665	2,303,249	**(14,137)**	2,289,112
Expenditures				
Debt service	53,468,429	46,458,816	**5,956,396**	52,415,212
Cost of issuance	1,574,953	357,316	**548,896**	906,212
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, 2011

	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	99,153,185	90,702,990	**6,505,292**	97,208,282
Deficiency of revenues over expenditures	(97,633,520)	(88,399,741)	**(6,519,429)**	(94,919,170)
Other Financing Sources				
Transfers in	55,086,566	46,932,501	**5,774,670**	52,707,171
Issuance of refunding bonds	9,235,000	-	**9,235,000**	9,235,000
Premium on refunding bonds	508,201	-	**508,201**	508,201
Payment to refunded bonds escrow agent	(9,180,000)	-	**(9,180,000)**	(9,180,000)
Bond proceeds	41,983,753	42,252,894	-	42,252,894
Total other financing sources	97,633,520	89,185,395	**6,337,871**	95,523,266
Deficiency of revenues and other financing sources over expenditures	$ -	$ 785,654	**(181,558)**	$ 604,096
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Debt service principal payments			**13,530,000**	
Refunding bond proceeds			**(9,235,000)**	
Premium on refunding bonds			**(508,201)**	
Issuance costs			**548,896**	
Depreciation and amortization			**(2,628,487)**	
Change in net assets			**$ 1,525,650**	

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

Debt Service Fund	**$ (325,484)**
Police Station Capital Project Fund	**27**
Governmental activities	**1,311,776**
Golf Course Fund	**531,452**
Regional Airport Fund	**7,879**
	$ 1,525,650

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2011

	Balance July 1, 2010	Addition	Deduction	Balance June 30, 2011
Joe Cannon Trust:				
Assets:				
Cash	$ 28,590	$ 66,443	$ 30,796	$ 64,237
Liabilities:				
Agency payable	$ 28,590	$ 66,443	$ 30,796	$ 64,237
Employee's Insurance Fund:				
Assets:				
Cash	$ 2,045,553	$ 6,386,676	$ 6,116,802	$ 2,315,427
Liabilities:				
Agency payable	$ 2,045,553	$ 6,386,676	$ 6,116,802	$ 2,315,427
Total agency funds:				
Assets:				
Cash	$ 2,074,143	$ 6,453,119	$ 6,147,598	$ 2,379,664
Liabilities:				
Agency payable	$ 2,074,143	$ 6,453,119	$ 6,147,598	$ 2,379,664

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2011

Fiscal Year	Uncollected Balance June 30, 2010	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2011
2010-2011	$ -	$ 44,233,264	$ 43,196,662	$ 1,036,602
2009-2010	1,074,954	-	691,423	383,531
2008-2009	387,665	-	78,938	308,727
2007-2008	172,876	-	21,727	151,149
2006-2007	143,377	-	55,654	87,723
2005-2006	59,996	-	7,705	52,291
2004-2005	45,143	-	2,838	42,305
2003-2004	115,436	-	2,269	113,167
2002-2003	55,732	-	2,221	53,511
2001-2002	61,442	-	1,678	59,764
2000-2001	105,661	-	105,661	-
	$ 2,222,282	$ 44,233,264	$ 44,166,776	2,288,770
Less allowance for uncollectible ad valorem taxes receivable				572,192
Ad valorem taxes receivable				$ 1,716,578

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	$ 43,814,684	$ 80,835	
Penalties, collected	78,015	84	
Taxes written off	552,291	(310)	
Total collections and credits	$ 44,444,990	$ 80,609	$ 44,525,599
Interest billed and collected during the year			239,706
Taxes written off			(551,980)
Total Ad valorem taxes			$ 44,213,325

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2011

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy: Property	Total Levy: Registered Motor Vehicles
Original levy:					
City wide	$ 9,837,177,150	0.42	$ 41,316,144	$ 41,316,144	$ -
Municipal Service District	46,082,372	0.18	82,948	82,948	-
Current year's rate, Motor vehicles	379,682,918	0.42	1,594,360	-	1,594,360
Prior year taxes, Motor vehicles	224,814,418	0.42	944,094	-	944,094
Penalties			83,535	83,535	-
Discoveries/additional listings:					
Current year taxes, City wide	110,923,279	0.42	465,878	465,878	-
Current year taxes, MSD	966,794	0.18	1,740	1,740	-
Current year's rate, Motor vehicles	2,373,324	0.42	9,968	-	9,968
Prior year taxes, Motor vehicles	2,827,577	0.42	11,881	-	11,881
Penalties			58,638	58,638	-
Abatements:					
Current year's rate, City wide	(32,222,574)	0.42	(135,335)	(135,335)	-
Current year's rate, MSD	(12,172)	0.18	(22)	(22)	
Current year's rate, Motor vehicles	(6,912,376)	0.42	(29,032)	-	(29,032)
Prior year taxes, Motor vehicles	(7,000,767)	0.42	(29,403)	-	(29,403)
Penalties			(9,741)	(9,741)	-
Total for year	**$ 10,558,699,943**		44,365,653	41,863,785	2,501,868
Less uncollected tax at June 30, 2011			1,036,602	790,893	245,709
Current year's taxes collected			$ 43,329,051	$ 41,072,892	$ 2,256,159
Current levy collection percentage			97.66%	98.11%	90.18%

Distribution of levy:	
General Fund	$ 44,280,944
Municipal Service District	84,709
	$ 44,365,653

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2011

	Reported Value	Fair Value
Cash		
On hand	$ 17,621	$ 17,621
Demand deposits	25,443,949	25,443,949
Certificates of deposit	3,500,000	3,500,000
Total cash	28,961,570	28,961,570
Investments		
North Carolina Capital Management Trust	6,319,568	6,319,568
Federal Farm Credit	9,000,000	9,000,000
FNMA Discount Notes	56,132,697	56,132,697
Federal Home Loan	15,361,635	15,361,635
Federal Home Loan Mortgage Corporation	28,662,403	28,662,403
Government Securities	984,620	984,620
Commercial Paper	23,119,010	23,119,010
Total investments	139,579,933	139,579,933
Total cash and investments	$ 168,541,503	$ 168,541,503
Distribution by Fund		
General Fund:		
Unrestricted	$ 41,638,375	
Restricted	3,166,877	$ 44,805,252
Special Revenue Funds (Unrestricted):		
Housing Assistance Fund		1,089,929
Section 108 Loan/BEDI Grant Fund		1,746,760
Municipal Service District		561
EECBG Stimulus		60,516
Capital Project Funds:		
Police Station:		
Unrestricted	2,860,820	
Restricted	25	2,860,845
Parks (Unrestricted)		571,950
Parks & Recreation Capital Reserve Project Fund (Restricted)		1,258,381
Transportation (Unrestricted)		3,543,155
Transportation Improvement Fund (Unrestricted)		2,472,090
General Fund Capital Project Fund (Unrestricted)		459,927
General Fund Capital Reserve Project Fund (Restricted)		13,144,455
Fire and Life Safety (Unrestricted)		75,054
Oakwood Cemetery (Unrestricted)		30,954
Debt Service Fund (Restricted)		47

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2011

Distribution by Fund (Continued)		
Enterprise Funds:		
Electric Fund:		
Unrestricted	**$ 29,588,345**	
Restricted	**4,919,768**	**$ 34,508,113**
Water Fund:		
Unrestricted	**36,244,778**	
Restricted	**4,678,436**	**40,923,214**
Wastewater Fund:		
Unrestricted	**4,460,634**	
Restricted	**3,129,406**	**7,590,040**
Regional Airport Fund:		
Unrestricted	**3,460,557**	
Restricted	**77,296**	**3,537,853**
Stormwater Fund (Unrestricted)		**5,400,030**
Housing Department Fund:		
Unrestricted	**584,673**	
Restricted	**26,408**	**611,081**
Internal Service Fund (Unrestricted)		**1,123,424**
OPEB Trust Fund (Restricted)		**348,208**
Agency Fund		**2,379,664**
Total reported value		**$ 168,541,503**

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2011

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	Capital Funds Stimulus Grant 14.885
	Assets:					
	Current Assets:					
	Cash:					
111	Cash - unrestricted	$ 584,881	$ -	$ 104,951	$ -	$ -
113	Cash - other restricted	-	-	984,978	-	-
114	Cash - tenant security deposits	26,191	-	-	-	-
115	Cash - restricted for payment of current liabilities	14,241	-	289	-	-
100	**Total cash**	625,313	-	1,090,218	-	-
	Accounts and notes receivable:					
121	Accounts receivable - PHA Projects	-	-	20,773	-	-
124	Accounts receivable - other government	-	-	-	-	-
126	Accounts receivable - tenants - dwelling units	2,126	-	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(553)	-	-	-	-
127	Notes, loans, and mortgages receivable - current	624	-	-	-	-
129	Accrued interest receivable	2,765	-	4,694	-	-
120	**Total receivables**	4,962	-	25,467	-	-
142	Prepaid expenses and other assets	-	-	-	-	-
143	Inventories	20,100	-	-	-	-
143.1	Allowance for obsolete inventories	(2,010)	-	-	-	-
150	**Total current assets**	648,365	-	1,115,685	-	-
	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	63,785	-	99,381	-	-
166	Accumulated depreciation	(2,975,474)	-	(99,381)	-	-
167	Construction in progress	125,240	-	-	-	-
180	**Total non-current assets**	1,609,307	-	-	-	-
190	**Total Assets**	$ 2,257,672	$ -	$ 1,115,685	$ -	$ -
	Liabilities and Equity:					
	Liabilities:					
	Current Liabilities:					
312	Accounts payable (less than or equal to 90 days)	$ 22,402	$ -	$ 23,401	$ -	$ -
321	Accrued wage/payroll taxes payable	68,636	-	13,962	-	-
322	Accrued compensated absences	43,656	-	12,840	-	-
341	Tenant security deposits	26,191	-	-	-	-
342	Deferred revenue	217	-	-	-	-
345	Other current liabilities	14,241	-	79,314	-	-
346	Accrued liabilities - other	-	-	1,187	-	-
310	**Total current liabilities**	175,343	-	130,704	-	-
300	**Total liabilities**	175,343	-	130,704	-	-
	Equity:					
	Contributed Capital:					
508.1	Invested in capital assets, net of related debt	1,609,307	-	-	-	-
511.1	Restricted net assets	-	-	1,035,203	-	-
512.1	Unrestricted net assets	473,022	-	(50,222)	-	-
513	**Total equity**	2,082,329	-	984,981	-	-
600	**Total liabilities and equity**	$ 2,257,672	$ -	$ 1,115,685	$ -	$ -

(Continued)

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2011

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	Capital Funds Stimulus Grant 14.885
	Revenues:					
70300	Net tenant rental revenue	$ 242,299	$ -	$ -	$ -	$ -
70600	HUD PHA grants	810,038	116,039	3,933,998	236,182	214,051
70610	Capital grants	-	-	-	-	-
70800	Other government grants	-	-	-	-	-
71100	Investment income - unrestricted	-	-	195	-	-
71400	Fraud recovery	-	-	3,009	-	-
71500	Other income	91,254	-	-	-	-
72000	Investment income - restricted	-	-	9,092	-	-
70000	**Total revenues**	1,143,591	116,039	3,946,294	236,182	214,051
	Expenses:					
	Administrative:					
91100	Administrative salaries	164,669	82,908	237,009	-	-
91200	Auditing fees	2,001	-	1,166	-	-
91310	Bookkeeping fees	29,621	-	-	-	-
91500	Employee benefit contributions	85,326	32,750	73,910	-	-
91600	Office expenses	-	-	17,621	-	-
91800	Travel	13,547	40	4,019	-	-
91900	Other	46,660	341	6,377	-	-
92400	Tenant services - other	25,584	-	-	-	-
93100	Water	51,754	-	-	-	-
93200	Electricity	86,165	-	-	-	-
93300	Gas	88,248	-	-	-	-
93600	Sewer	53,702	-	-	-	-
93800	Other utility expense	9,285	-	-	-	-
94100	Ordinary maintenance and operations - labor	89,519	-	-	-	-
94200	Ordinary maintenance and operations - materials and other	59,899	-	-	-	-
94300	Ordinary maintenance and operations - contract costs	117,552	-	-	186,182	214,051
96100	Insurance premiums	11,053	-	-	-	-
96200	Other general expense	1,750	-	-	-	-
96210	Compensated absences	2,146	-	4,134	-	-
96300	Bad debt - tenant rents	7,654	-	-	-	-
96900	**Total operating expenses**	946,135	116,039	344,236	186,182	214,051
97000	**Excess of operating revenues over expenditures**	197,456	-	3,602,058	50,000	-
97300	Housing assistance payments	-	-	3,236,126	-	-
97350	HAP Portability-in	-	-	108,396	-	-
97400	Depreciation expense	262,482	-	5,833	-	-
90000	**Total expenses**	1,208,617	116,039	3,694,591	186,182	214,051
10010	Operating transfers in	50,000	-	-	-	-
10020	Operating transfers out	-	-	-	(50,000)	-
10030	Operating transfers from/to primary government	18,657	-	-	-	-
10000	**Excess of revenue over expenses**	3,631	-	251,703	-	-
11030	Beginning equity	2,065,947	-	733,278	-	-
11040	Prior period adjustments, equity transfers & correction of errors	12,751	-	-	-	-
11170	Administrative fee equity	-	-	(50,222)	-	-
11180	Housing assistance payments equity	-	-	1,035,203	-	-
	Ending equity	$ 2,082,329	$ -	$ 984,981	$ -	$ -
11190	Unit months available	2,088	-	6,492	-	-
11210	Number of unit months leased	1,916	-	5,841	-	-
11270	Excess cash	376,088	-	-	-	-

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS
June 30, 2011

	July 1, 2010	Increases	Decreases	Transfers	June 30, 2011
Electric Fund					
Capital assets, not being depreciated:					
Land	$ 1,172,514	$ -	$ -	$ -	$ 1,172,514
Construction in progress	2,073,118	930,337	-	(15,068)	2,988,387
Total capital assets, not being depreciated	3,245,632	930,337	-	(15,068)	4,160,901
Capital assets, being depreciated:					
Buildings	5,608,551	-	-	-	5,608,551
Improvements other than buildings	106,749,618	1,754,427	-	15,068	108,519,113
Machinery and equipment	8,221,655	44,595	943,713	(117,043)	7,205,494
Total capital assets, being depreciated	120,579,824	1,799,022	943,713	(101,975)	121,333,158
Accumulated depreciation:					
Buildings	1,456,750	159,836	-	-	1,616,586
Improvements other than buildings	46,781,282	3,126,613	-	-	49,907,895
Machinery and equipment	6,370,766	523,693	941,054	(117,043)	5,836,362
Total accumulated depreciation	54,608,798	3,810,142	941,054	(117,043)	57,360,843
Total capital assets, being depreciated, net	65,971,026	(2,011,120)	2,659	15,068	63,972,315
Electric Fund capital assets, net	$ 69,216,658	$(1,080,783)	$ 2,659	$ -	$ 68,133,216
Water Fund					
Capital assets, not being depreciated:					
Land	$ 814,060	$ -	$ -	$ -	$ 814,060
Construction in progress	1,343,075	2,524,693	-	(816,714)	3,051,054
Total capital assets, not being depreciated	2,157,135	2,524,693	-	(816,714)	3,865,114
Capital assets, being depreciated:					
Buildings	15,039,133	100,201	-	-	15,139,334
Improvements other than buildings	107,514,527	2,380,054	-	816,714	110,711,295
Machinery and equipment	2,660,954	270,441	325,842	(2,342)	2,603,211
Total capital assets, being depreciated	125,214,614	2,750,696	325,842	814,372	128,453,840
Accumulated depreciation:					
Buildings	1,854,432	490,867	-	-	2,345,299
Improvements other than buildings	37,555,369	2,882,486	-	-	40,437,855
Machinery and equipment	1,907,265	242,910	324,532	(2,342)	1,823,301
Total accumulated depreciation	41,317,066	3,616,263	324,532	(2,342)	44,606,455
Total capital assets, being depreciated, net	83,897,548	(865,567)	1,310	816,714	83,847,385
Water Fund capital assets, net	$ 86,054,683	$ 1,659,126	$ 1,310	$ -	$ 87,712,499

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2011

	July 1, 2010	Increases	Decreases	Transfers	June 30, 2011
Wastewater Fund					
Capital assets, not being depreciated:					
Land	$ 1,065,402	$ -	$ -	$ -	$ 1,065,402
Construction in progress	6,496,621	197,508	-	(6,388,743)	305,386
Total capital assets, not being depreciated	7,562,023	197,508	-	(6,388,743)	1,370,788
Capital assets, being depreciated:					
Buildings	5,237,859	37,645	-	(3,354,750)	1,920,754
Improvements other than buildings	83,436,931	2,806,864	-	9,743,493	95,987,288
Machinery and equipment	1,990,357	155,734	95,739	(54,504)	1,995,848
Total capital assets, being depreciated	90,665,147	3,000,243	95,739	6,334,239	99,903,890
Accumulated depreciation:					
Buildings	420,349	50,069	-	-	470,418
Improvements other than buildings	26,337,740	2,452,697	-	-	28,790,437
Machinery and equipment	1,592,202	130,271	95,739	(24,902)	1,601,832
Total accumulated depreciation	28,350,291	2,633,037	95,739	(24,902)	30,862,687
Total capital assets, being depreciated, net	62,314,856	367,206	-	6,359,141	69,041,203
Wastewater Fund capital assets, net	$ 69,876,879	$ 564,714	$ -	$ (29,602)	$ 70,411,991
Regional Airport Fund					
Capital assets, not being depreciated:					
Land	$ 22,475,939	$ -	$ -	$ -	$ 22,475,939
Construction in progress	10,307,598	268,874	-	(3,486,677)	7,089,795
Total capital assets, not being depreciated	32,783,537	268,874	-	(3,486,677)	29,565,734
Capital assets, being depreciated:					
Buildings	20,948,666	74,509	-	2,466,286	23,489,461
Improvements other than buildings	31,762,650	50,436	-	954,748	32,767,834
Machinery and equipment	2,835,339	241,340	1,203,299	115,849	1,989,229
Total capital assets, being depreciated	55,546,655	366,285	1,203,299	3,536,883	58,246,524
Accumulated depreciation:					
Buildings	6,213,062	724,573	-	-	6,937,635
Improvements other than buildings	6,238,260	954,113	-	-	7,192,373
Machinery and equipment	2,367,512	96,119	1,202,999	50,206	1,310,838
Total accumulated depreciation	14,818,834	1,774,805	1,202,999	50,206	15,440,846
Total capital assets, being depreciated, net	40,727,821	(1,408,520)	300	3,486,677	42,805,678
Regional Airport Fund capital assets, net	$ 73,511,358	$(1,139,646)	$ 300	$ -	$ 72,371,412

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2011

	July 1, 2010	Increases	Decreases	Transfers	June 30, 2011
Stormwater Fund					
Capital assets, not being depreciated:					
Land	$ 114,282	$ -	$ -	$ -	$ 114,282
Construction in progress	452,104	521,760	-	-	973,864
Total capital assets, not being depreciated	566,386	521,760	-	-	1,088,146
Capital assets, being depreciated:					
Buildings	5,116	71,393	-	-	76,509
Improvements other than buildings	54,240,774	-	-	-	54,240,774
Machinery and equipment	1,414,777	2,150	-	22,361	1,439,288
Total capital assets, being depreciated	55,660,667	73,543	-	22,361	55,756,571
Accumulated depreciation:					
Buildings	2,004	2,495	-	-	4,499
Improvements other than buildings	6,887,849	1,380,239	-	-	8,268,088
Machinery and equipment	751,816	213,594	-	22,361	987,771
Total accumulated depreciation	7,641,669	1,596,328	-	22,361	9,260,358
Total capital assets, being depreciated, net	48,018,998	(1,522,785)	-	-	46,496,213
Stormwater Fund capital assets, net	$ 48,585,384	$(1,001,025)	$ -	$ -	$ 47,584,359
Nonmajor Enterprise Funds					
Capital assets, not being depreciated:					
Land	$ 12,356,201	$ 376,461	$ -	$ 301,842	$ 13,034,504
Construction in progress	2,291,506	1,238,526	-	(705,030)	2,825,002
Total capital assets, not being depreciated	14,647,707	1,614,987	-	(403,188)	15,859,506
Capital assets, being depreciated:					
Buildings	8,747,798	82,471	-	112,985	8,943,254
Machinery and equipment	8,625,451	291,289	1,462,621	(33,346)	7,420,773
Total capital assets, being depreciated	17,373,249	373,760	1,462,621	79,639	16,364,027
Accumulated depreciation:					
Buildings	4,500,782	281,921	-	6,713	4,789,416
Machinery and equipment	6,051,340	616,120	1,452,981	(163,903)	5,050,576
Total accumulated depreciation	10,552,122	898,041	1,452,981	(157,190)	9,839,992
Total capital assets, being depreciated, net	6,821,127	(524,281)	9,640	236,829	6,524,035
Nonmajor Enterprise Funds capital assets, net	$ 21,468,834	$ 1,090,706	$ 9,640	$ (166,359)	$ 22,383,541
Business-type activities capital assets, net	$368,713,796	$ 93,092	$ 13,909	$ (195,961)	$368,597,018

SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT
June 30, 2011

	July 1, 2010	Increases	Decreases	June 30, 2011	Current Maturities
Electric Fund					
Installment purchase	$ 356,915	$ -	$ 114,901	$ 242,014	$ 119,029
Revenue bonds	32,103,043	-	1,843,020	30,260,023	1,897,982
Plus premium on revenue bonds	480,142	-	48,790	431,352	-
Less deferred loss on defeasance	(469,559)	-	(50,510)	(419,049)	-
Compensated absences	315,603	208,731	212,896	311,438	289,639
OPEB liability	390,247	132,683	-	522,930	-
Electric Fund long-term debt	$ 33,176,391	$ 341,414	$ 2,169,097	$ 31,348,708	$ 2,306,650
Water Fund					
Revenue bonds	$ 52,037,765	$ -	$ 3,023,871	$ 49,013,894	$ 3,116,943
Plus premium on revenue bonds	705,669	-	74,369	631,300	-
Less deferred loss on defeasance	(559,520)	-	(60,663)	(498,857)	-
Compensated absences	196,603	186,619	181,846	201,376	187,279
OPEB liability	305,051	82,926	-	387,977	-
Water Fund long-term debt	$ 52,685,568	$ 269,545	$ 3,219,423	$ 49,735,690	$ 3,304,222
Wastewater Fund					
Revenue bonds	$ 25,628,064	$ -	$ 1,349,630	$ 24,278,434	$ 1,385,997
Plus premium on revenue bonds	416,957	-	37,539	379,418	-
Less deferred loss on defeasance	(302,391)	-	(29,694)	(272,697)	-
Compensated absences	87,917	91,010	83,448	95,479	88,795
OPEB liability	49,556	-	-	49,556	-
Wastewater Fund long-term debt	$ 25,880,103	$ 91,010	$ 1,440,923	$ 24,530,190	$ 1,474,792
Regional Airport Fund					
Installment purchase	$ 9,850,000	$ -	$ 602,500	$ 9,247,500	$ 602,500
Installment notes	2,237,517	2,031,700	2,248,517	2,020,700	218,900
Plus premium on LOBs	-	111,804	7,623	104,181	-
Less deferred loss on defeasance	-	(83,190)	(5,672)	(77,518)	-
Compensated absences	89,220	76,564	59,530	106,254	98,816
OPEB liability	90,697	16,585	-	107,282	-
Regional Airport Fund long-term debt	$ 12,267,434	$ 2,153,463	$ 2,912,498	$ 11,508,399	$ 920,216
Stormwater Fund					
Installment purchase	$ 123,240	$ -	$ 39,536	$ 83,704	$ 40,956
Compensated absences	59,070	65,715	64,691	60,094	55,888
OPEB liability	15,227	-	-	15,227	-
Stormwater Fund long-term debt	$ 197,537	$ 65,715	$ 104,227	$ 159,025	$ 96,844
Nonmajor Enterprise Funds					
Installment notes	$ 8,465,000	$ -	$ 630,000	$ 7,835,000	$ 650,000
Compensated absences	433,325	374,114	360,347	447,092	415,795
OPEB liability	742,384	381,458	-	1,123,842	-
Nonmajor Enterprise Funds long-term debt	$ 9,640,709	$ 755,572	$ 990,347	$ 9,405,934	$ 1,065,795
Business-type activities long-term debt	$ 133,847,742	$ 3,676,719	$ 10,836,515	$ 126,687,946	$ 9,168,519

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Statistical Section

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

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Financial Trends These tables contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	163
Revenue Capacity These tables contain information to help the reader assess the factors affecting the city's ability to generate its electric revenues and property taxes.	173
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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.	188
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.	191

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 Ten 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

Table 1

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
$ 284,946,314	$ 269,225,599	$ 299,422,732	$ 299,238,599	$ 285,243,071	$ 280,799,254
1,401,030	1,732,787	2,000,450	1,716,091	1,710,932	17,123,716
27,394,767	47,184,219	52,092,724	55,488,182	62,723,954	50,007,074
$ 313,742,111	$ 318,142,605	$ 353,515,906	$ 356,442,872	$ 349,677,957	$ 347,930,044
$ 202,771,280	$ 224,285,478	$ 247,374,035	$ 232,711,487	$ 243,365,138	$ 249,883,977
-	-	-	-	-	-
57,039,952	59,665,695	55,299,614	79,999,678	90,837,386	99,653,376
$ 259,811,232	$ 283,951,173	$ 302,673,649	$ 312,711,165	$ 334,202,524	$ 349,537,353
$ 487,717,594	$ 493,511,077	$ 546,796,767	$ 531,950,086	$ 528,608,209	$ 530,683,231
1,401,030	1,732,787	2,000,450	1,716,091	1,710,932	17,123,716
84,434,719	106,849,914	107,392,338	135,487,860	153,561,340	149,660,450
$ 573,553,343	$ 602,093,778	$ 656,189,555	$ 669,154,037	$ 683,880,481	$ 697,467,397

CITY OF CONCORD, NORTH CAROLINA

CHANGES IN NET ASSETS
Last Ten 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**	**2011**
$ 4,788,163	$ 4,240,566	$ 3,217,768	$ 3,603,395	$ 4,354,769	$ 4,439,667
23,013,748	25,711,447	29,389,987	32,327,159	33,333,315	34,818,159
26,382,096	28,358,904	30,592,926	31,815,013	33,362,313	31,612,314
3,686,163	4,097,842	4,263,979	4,356,816	4,287,048	4,233,575
3,504,571	2,214,193	2,612,748	2,516,223	2,840,033	3,096,020
513,157	444,287	526,464	557,556	656,431	784,000
3,177,960	3,081,332	3,251,666	3,351,185	3,119,188	3,344,522
3,027,682	2,529,418	1,586,145	680,796	553,868	1,053,446
-	-	-	-	-	-
-	-	-	-	-	-
2,108,260	1,760,202	1,815,914	1,847,213	1,773,371	1,508,832
70,201,800	72,438,191	77,257,597	81,055,356	84,280,336	84,890,535
49,358,049	54,551,657	57,480,622	63,073,567	63,797,452	69,740,487
13,532,054	14,559,911	16,915,149	15,692,404	15,550,286	15,618,503
12,393,861	12,598,417	13,381,789	14,205,883	13,507,142	13,802,561
9,849,839	9,948,799	13,106,629	10,668,036	10,023,077	11,432,960
3,045,795	3,097,290	3,613,613	3,879,657	3,946,044	3,729,861
5,312,094	5,827,627	5,842,740	6,403,396	5,856,696	6,349,265
93,491,692	100,583,701	110,340,542	113,922,943	112,680,697	120,673,637
$ 163,693,492	$ 173,021,892	$ 187,598,139	$ 194,978,299	$ 196,961,033	$ 205,564,172
$ 1,724,914	$ 1,957,522	$ 1,851,370	$ 1,752,112	$ 1,593,175	$ 1,527,420
615,923	717,881	925,384	706,749	739,461	622,544
-	-	-	-	-	-
261,141	266,775	268,988	352,470	251,425	266,110
629,386	890,214	1,247,480	853,001	1,316,731	2,025,498
32,107	14,085	4,438	3,055	4,046	3,009
629,192	858,730	1,327,157	816,778	654,957	660,865
6,455,832	6,735,548	7,589,562	6,772,165	8,039,500	8,361,322
20,750,187	13,875,367	45,810,044	12,178,471	4,399,871	9,750,000
31,098,682	25,316,122	59,024,423	23,434,801	16,999,166	23,216,768

(Continued)

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

* 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	2011
$ 55,127,472	$ 57,784,175	$ 61,920,483	$ 61,902,700	$ 69,955,857	$ 74,971,026
17,390,495	19,484,661	18,692,941	17,491,941	19,272,961	19,105,584
12,700,502	13,824,857	13,478,931	12,903,815	13,773,878	14,384,621
8,997,417	9,329,042	11,406,644	9,911,053	8,092,461	9,124,603
1,810,605	3,140,958	3,325,017	3,489,201	3,989,017	3,730,742
1,901,989	2,487,179	2,386,692	1,907,614	1,720,911	1,943,291
2,139,688	2,804,136	2,934,222	3,191,973	5,178,504	4,252,712
6,605,150	9,735,545	8,199,207	7,721,792	8,497,858	5,026,770
106,673,318	118,590,553	122,344,137	118,520,089	130,481,447	132,539,349
$ 137,772,000	$ 143,906,675	$ 181,368,560	$ 141,954,890	$ 147,480,613	$ 155,756,117
$ (39,103,118)	$ (47,122,069)	$ (18,233,174)	$ (57,620,555)	$ (67,281,170)	$ (61,673,767)
13,181,626	18,006,852	12,003,595	4,597,146	17,800,750	11,865,712
$ (25,921,492)	$ (29,115,217)	$ (6,229,579)	$ (53,023,409)	$ (49,480,420)	$ (49,808,055)
$ 31,727,866	$ 34,049,377	$ 37,881,901	$ 44,094,142	$ 45,363,018	$ 44,236,917
12,634,031	13,034,399	13,899,527	13,390,448	12,567,428	12,226,782
2,761,579	2,607,041	2,745,792	3,237,013	2,642,020	3,159,222
1,709,502	2,318,298	2,439,936	1,385,206	1,322,057	1,022,184
1,313,009	2,327,114	646,073	1,230,921	761,842	936,229
(55,380,810)	(2,813,666)	(4,006,754)	(2,790,209)	(2,140,110)	(1,655,480)
(5,234,823)	51,522,563	53,606,475	60,547,521	60,516,255	59,925,854
1,966,270	2,630,486	2,648,596	2,467,828	1,571,516	1,396,578
1,011,282	688,937	63,531	182,333	(21,017)	417,059
55,380,810	2,813,666	4,006,754	2,790,209	2,140,110	1,655,480
58,358,362	6,133,089	6,718,881	5,440,370	3,690,609	3,469,117
$ 53,123,539	$ 57,655,652	$ 60,325,356	$ 65,987,891	$ 64,206,864	$ 63,394,971
$ (44,337,941)	$ 4,400,494	$ 35,373,301	$ 2,926,966	$ (6,764,915)	$ (1,747,913)
71,539,988	24,139,941	18,722,476	10,037,516	21,491,359	15,334,829
$ 27,202,047	$ 28,540,435	$ 54,095,777	$ 12,964,482	$ 14,726,444	$ 13,586,916

CITY OF CONCORD, NORTH CAROLINA

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

	2002	2003	2004	2005
General Fund				
Nonspendable	$ 26,702	$ 57,917	$ 64,080	$ 59,593
Restricted	8,212,614	8,011,141	10,974,673	12,102,471
Assigned	2,461,551	1,529,994	1,900,000	1,400,000
Unassigned	17,556,261	17,428,462	15,365,039	18,043,420
Total General Fund	$ 28,257,128	$ 27,027,514	$ 28,303,792	$ 31,605,484
All Other Governmental funds				
Restricted	$ 6,266,356	4,149,313	$ 2,878,557	$ 13,809,540
Committed	2,340,321	2,895,785	3,102,669	4,996,183
Assigned	521,429	-	-	1,602,900
Unassigned	(2,615,820)	(1,828,980)	(4,339,359)	(2,973,416)
Total all other governmental funds	$ 6,512,286	$ 5,216,118	$ 1,641,867	$ 17,435,207

Table 3

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
$ 62,926	$ 77,207	$ 82,097	$ 128,476	$ 128,127	$ 109,186
11,254,425	14,173,093	15,500,611	13,577,559	13,436,085	15,998,293
1,000,000	2,500,000	-	1,500,000	-	-
23,556,065	25,463,521	31,263,025	37,301,067	37,504,311	36,921,449
$ 35,873,416	$ 42,213,821	$ 46,845,733	$ 52,507,102	$ 51,068,523	$ 53,028,928
$ 5,356,295	$ 2,451,186	$ 380,095	$ 1,166,853	$ 606,815	$ 1,016,237
3,725,056	2,969,987	9,211,002	9,129,724	17,321,294	17,156,767
1,034,851	3,143,818	7,204,539	5,556,958	6,964,454	9,839,140
(2,937,456)	(2,877,789)	(4,368,446)	(4,627,540)	(3,978,046)	(4,767,945)
$ 7,178,746	$ 5,687,202	$ 12,427,190	$ 11,225,995	$ 20,914,517	$ 23,244,199

CITY OF CONCORD, NORTH CAROLINA

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

	2002	2003	2004	2005
Revenues				
Taxes	$ 25,787,012	$ 26,363,349	$ 27,034,919	$ 29,944,032
Other taxes	7,985,401	8,098,765	11,227,814	11,721,923
Unrestricted intergovernmental revenues	2,208,077	2,190,806	2,468,473	2,216,581
Restricted Intergovernmental revenues	5,155,645	7,382,635	6,622,348	7,543,542
Licenses, fees, and permits	945,704	1,548,846	1,901,077	1,810,650
Contributions, net of refunds	128,708	496,272	(11,962)	-
Investment earnings	1,250,417	555,721	230,081	915,247
Investment earnings restricted	41,148	12,244	11,900	22,562
Program income	402,797	465,113	209,540	546,963
Other revenues	1,468,905	1,136,437	1,306,182	1,782,727
Total revenues	45,373,814	48,250,188	51,000,372	56,504,227
Expenditures				
General government	3,422,366	3,359,490	3,174,553	3,557,999
Public safety	17,450,440	18,563,975	20,229,685	21,063,625
Public works	6,311,292	6,340,360	7,755,198	7,721,365
Cultural and recreational	3,030,065	3,025,981	3,321,160	3,252,320
Planning and community development	3,113,589	3,637,961	3,201,518	3,433,787
Administration	394,144	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	-	39,112	23,183	49,974
Protective services	41,252	19,222	-	-
Capital outlay	16,720,834	5,675,625	4,294,814	5,469,582
Debt service				
Interest	750,310	402,852	268,950	686,309
Principal	4,930,478	4,573,707	4,410,482	4,244,702
Total expenditures	59,601,821	50,177,502	50,910,967	54,149,106
Excess of revenues over (under) expenditures	(14,228,007)	(1,927,314)	89,405	2,355,121
Other Financing Sources (Uses)				
Proceeds of installment purchase contracts	-	-	-	-
Debt issued	-	198,027	410,875	16,105,000
Loss on refunding	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Redemption of refunded bonds	-	-	-	-
Transfers in	5,877,520	5,438,734	3,370,872	7,492,150
Transfers out	(6,484,520)	(6,235,226)	(6,169,124)	(6,857,239)
Total Other Financing Sources (Uses)	(607,000)	(598,465)	(2,387,377)	16,739,911
Net change in fund balances	$ (14,835,007)	$ (2,525,779)	$ (2,297,972)	$ 19,095,032
Debt service as a percentage of non capital expenditures	13.25%	11.18%	10.04%	10.13%

Table 4

Fiscal Year 2006	2007	2008	2009	2010	2011
$ 31,590,195	$ 34,215,412	$ 37,911,743	$43,689,541	$44,974,492	$ 44,213,325
12,634,031	13,034,399	13,899,527	13,390,448	12,567,428	12,226,782
2,370,415	2,563,097	2,745,792	3,237,013	2,642,020	3,159,222
7,294,501	8,301,691	8,416,850	6,870,323	8,161,071	8,534,858
1,860,604	2,124,094	2,055,273	1,912,088	1,755,810	1,650,649
-	-	147,312	-	-	-
1,709,502	2,318,298	2,439,936	1,385,206	1,322,057	1,022,184
20,460	71,580	82,799	46,022	36,179	26,044
661,299	872,815	1,327,157	816,778	654,957	660,865
2,641,356	3,908,482	2,668,896	2,836,489	2,788,234	3,549,375
60,782,363	67,409,868	71,695,285	74,183,908	74,902,248	75,043,304
3,536,022	2,854,944	3,021,404	3,393,127	4,215,552	4,511,799
21,492,133	24,200,346	25,995,498	28,388,096	29,472,135	30,708,135
7,704,046	9,271,991	9,804,616	11,578,500	11,422,287	12,807,858
3,489,498	3,900,738	3,870,407	3,948,833	3,839,337	3,803,036
3,487,888	2,194,719	2,540,302	2,346,714	2,780,589	3,005,580
513,157	444,287	526,464	557,556	656,431	784,000
3,177,960	3,081,332	3,251,666	3,351,185	3,119,188	3,344,522
3,027,682	2,529,418	1,586,145	680,796	553,868	1,053,446
1,662	-	-	-	-	-
-	-	-	-	-	-
13,545,494	6,313,426	6,955,436	6,708,441	3,432,237	3,641,809
1,010,025	560,949	1,815,914	1,847,213	1,779,766	1,542,254
5,101,402	5,296,127	4,322,779	4,830,733	3,512,055	4,064,454
66,086,969	60,648,277	63,690,631	67,631,194	64,783,445	69,266,893
(5,304,606)	6,761,591	8,004,654	6,552,714	10,118,803	5,776,411
794,543	900,936	5,400,000	-	-	-
-	-	1,974,000	704,487	-	-
-	-	-	(6,818)	-	-
-	-	-	-	2,721,512	7,203,300
-	-	-	-	41,493	396,397
-	-	-	-	-	(7,400,939)
-	-	-	-	(2,491,755)	-
6,526,804	8,118,956	10,983,594	8,951,756	17,455,195	14,095,374
(8,005,270)	(10,932,622)	(14,990,348)	(11,741,965)	(19,595,305)	(15,780,456)
(683,923)	(1,912,730)	3,367,246	(2,092,540)	(1,868,860)	(1,486,324)
$ (5,988,529)	$ 4,848,861	$ 11,371,900	$ 4,460,174	$ 8,249,943	$ 4,290,087
11.63%	10.78%	10.82%	10.96%	8.86%	11.16%

NUMBER OF ELECTRIC CUSTOMERS BY TYPE,
Last Six Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Total
2006	21,888	3,816	77	25,781
2007	22,874	3,997	72	26,943
2008	23,441	4,002	71	27,514
2009	23,003	3,846	71	26,920
2010	23,343	3,982	43	27,368
2011	23,450	3,957	40	27,447

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

ELECTRIC RATES
Last Six Fiscal Years

	Fiscal Year					
	2006	2007	2008	2009	2010	2011
Residential Customers						
Basic charges	$ 7.87	$ 7.87	$ 7.87	$ 8.58	$ 9.11	$ 9.46
Energy Charges per kWh (July - October)						
First 350	0.068348	0.070193	0.073572	0.083982	0.880000	0.091331
Over 350	0.072245	0.074090	0.072121	0.082401	0.880000	0.091331
Energy Charges per kWh (November - June)						
First 350	0.068348	0.070193	0.073572	0.083982	0.880000	0.091331
Over 350	0.071791	0.073636	0.064837	0.074461	0.795700	0.082582
Commercial Customers						
Basic Facilities Charge	10.88	10.88	15.75	17.17	17.51	18.20
Demand Charge per kW (over 30 kW of billing demand)	3.48	3.48	3.27	3.56	3.63	3.77
Energy Charge						
First 125 kWh per kW billing demand per month						
First 3,000	0.097250	0.099095	0.095361	0.107729	0.109884	0.114193
Next 87,000	0.051491	0.053336	0.055878	0.064693	0.065987	0.068575
Over 90,000	0.037937	0.039782	0.053880	0.062515	0.063765	0.066266
Next 275 kWh per kW billing demand per month						
First 6,000	0.052794	0.054639	0.053179	0.061751	0.062986	0.065456
Next 134,000	0.051580	0.053425	0.046879	0.054884	0.055982	0.058177
Over 140,000	0.047676	0.049521	0.044880	0.052705	0.053759	0.055867
All over 400 kWh per kW billing demand	0.045303	0.047148	0.043880	0.051615	0.052647	0.054712
Industrial Customers						
Basic Facilities Charge	16.35	16.35	15.75	17.17	17.86	18.54
Demand Charge per kW (over 30 kW of billing demand)	3.45	3.45	3.07	3.35	3.48	3.62
Energy Charge						
First 125 kWh per kW billing demand per month						
First 3,000	0.096114	0.097959	0.088579	0.099641	0.103627	0.107612
Next 87,000	0.052940	0.054785	0.051467	0.059189	0.061557	0.063924
Over 90,000	0.037489	0.039334	0.049590	0.057143	0.059429	0.061714
Next 275 kWh per kW billing demand per month						
First 140,000	0.049088	0.050933	0.043008	0.049969	0.051968	0.053967
Over 140,000	0.442900	0.046135	0.041129	0.047921	0.049838	0.051755
All over 400 kWh per kW billing demand	0.042383	0.044228	0.040189	0.046896	0.048772	0.050648

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

TEN LARGEST ELECTRIC CUSTOMERS, June 30, 2011

	2011	
Customer	**Electric Revenue**	**Percentage of Total Electric Revenue**
Concord Mills LLC	$ 1,950,746	2.57 %
Legrand	1,524,162	2.01
Perdue Farms Inc	1,470,271	1.94
City of Concord	1,855,401	2.45
S&D Coffee	1,055,355	1.39
Rocky River Water Treatment Plant	1,013,005	1.34
Cabarrus County Schools	1,432,416	1.89
Northeast Medical Center	828,380	1.09
Great Wolf of the Carolinas LLC	658,694	0.87
Cabarrus Plastics Mfg	682,522	0.90
Total	$ 12,470,952	16.45 %

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)
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
2011	5,487,235,382	2,815,229,000	1,203,378,000	950,770,388	102,087,173	10,558,699,943	0.4190

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
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
2011	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

	2011			2002		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Philip Morris USA Inc	$ 658,584,244	1	6.59 %	$ 1,110,345,689	1	21.07 %
Charlotte Motor Speedway LLC	286,703,463	2	2.83	129,923,690	3	2.47
Concord Mills Mall LTD Prtnshp	208,989,040	3	2.06	144,255,600	2	2.74
Great Wolf Lodge	69,294,110	4	0.68	-		-
JQH-Concord Development LLC	56,832,500	5	0.56	-		-
PDG/Inland Concord Venture	48,764,450	6	0.48	-		-
Hendrick Motorsports Inc	43,749,998	7	0.43	26,725,918	6	0.51
HSREI LLC	35,892,410	8	0.35	-		-
Cresent Concord Venture I LLC	35,171,690	9	0.35	-		-
Inland Western Concord	35,098,870	10	0.35	-		-
Concord Telephone Company	-		-	61,710,697	4	1.17
Pass & Seymour, Inc.	-		-	43,489,430	5	0.83
S&D Coffee Company	-		-	24,311,878	7	0.47
Bell/Sysco Food Services Inc	-		-	22,452,568	8	0.45
Fieldcrest Cannon	-		-	20,439,044	9	0.39
Carolina Mall	-		-	20,037,390	10	0.38
Total	$ 1,479,080,775		14.68 %	$ 1,583,654,514		30.48 %

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
2002	25,719,073	25,068,758	97.5%	590,551	25,659,309	99.8%
2003	26,200,348	25,573,728	97.6%	573,109	26,146,837	99.8%
2004	26,821,016	26,168,438	97.6%	539,411	26,707,849	99.6%
2005	29,739,025	29,143,606	98.0%	553,114	29,696,720	99.9%
2006	31,617,094	31,020,263	98.1%	544,540	31,564,803	99.8%
2007	34,290,995	33,605,746	98.0%	597,526	34,203,272	99.7%
2008	37,819,888	37,086,369	98.1%	582,370	37,668,739	99.6%
2009	44,077,915	42,894,749	97.3%	874,439	43,769,188	99.3%
2010	44,956,754	43,881,105	97.6%	692,118	44,573,223	99.1%
2011	44,365,653	43,329,051	97.7%	-	43,329,051	97.7%

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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
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
2011	4,958	-	2,853	19,749	9,573	-	103,726	9,960

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

Table 12

Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
148,054	3.47%	2,613
170,894	3.90%	2,911
160,163	3.48%	2,679
171,919	3.49%	2,815
161,881	3.00%	2,599
152,265	2.62%	2,401
154,537	2.55%	2,264
169,017	2.88%	2,378
162,797	2.70%	2,043
150,819	2.43%	1,897

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)
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
2011	-	-	-	0.00%	-

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

(1) See Table 8 for property value data.
(2) Population data can be found in Table 17.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (3)	Estimated Share of Direct and Overlapping Debt
Debt paid with property taxes			
City of Concord (1)	$ -	100%	**$ -**
Cabarrus County (2)	414,200,193	100%	**414,200,193**
Total			**$ 414,200,193**

(1) Includes general obligation debt expected to be paid from property tax revenues
(2) Source: Cabarrus County Finance Department
(3) The percentage used to calculate the overlapping debt for Cabarrus County is 100% because the Concord city limits are completely within the borders of Cabarrus County.

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)

	2002	2003	2004	2005
Debt Limit	$ 455,191	$ 464,253	$ 474,213	$ 550,332
Total net debt applicable to limit	55,199	49,841	45,561	62,048
Legal debt margin	$ 399,992	$ 414,412	$ 428,652	$ 488,284
Total net debt applicable to the limit as a percentage of debt limit	12%	11%	10%	11%

Table 15

Fiscal Year 2006	2007	2008	2009	2010	2011
$ 585,817	$ 606,928	$ 672,850	$ 779,858	$ 856,688	$ 844,696
41,775	38,499	35,809	31,819	28,391	24,337
$ 544,042	$ 568,429	$ 637,041	$ 748,039	$ 828,297	$ 820,359
7%	6%	5%	4%	3%	3%

Legal Debt Margin Calculation for Fiscal Years	
Total assessed value	$ 10,558,699,943
Debt limit (8% of assessed value)	844,695,995
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	14,531,374
Installment notes	29,235,000
Less: Amount of bonded debt incurred for Electric, Water and Wastewater purposes	(19,428,918)
Total net debt applicable to limit	24,337,456
Legal Debt Margin	$ 820,358,539
Net debt as a % of assessed values	0.23%

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

Water Revenue Bonds

Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2011	21,683	10,381	11,302	3,024	1,621	2.43

Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2011	16,515	10,260	6,255	1,350	909	2.77

Electric Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2011	75,516	65,646	9,870	1,958	893	3.46

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)
2002	56,663	4,263,725	30,584	20,900	6.3%
2003	58,710	4,385,879	30,783	21,763	8.3%
2004	59,791	4,605,198	31,770	22,446	7.0%
2005	61,070	4,931,757	33,170	23,906	4.3%
2006	62,291	5,389,062	34,733	23,684	3.8%
2007	63,429	5,810,277	35,703	25,521	4.0%
2008	68,249	6,057,221	35,935	26,917	5.2%
2009	71,071	5,869,800	34,083	28,093	8.2%
2010 (5)	79,673	6,034,154	35,037	27,682	8.3%
2011 (5)	79,519	6,203,111	36,018	28,362	7.8%

(1) State Demographer's Office
(2) Bureau of Economic Analysis. Information only available at the County level.
(3) 2002-2006 Cabarrus County School Board Accountability Office; 2007-2010 N.C. Public Schools; 2011 is estimated.
(4) Based on annual average as published by N.C. Employment Security Commission - Labor Market Division
(5) Data not yet available for personal income. Estimated amounts based on 2.8 percentage increase from prior year.

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2011			2002		
Employer	Employees *	Rank	Percentage of Total City Employment	Employees *	Rank	Percentage of Total City Employment
Carolina Medical Center-NorthEast	4,500	1	6.12%	3,200	1	4.48%
Cabarrus County Schools	3,800	2	5.17%	-		-
Cabarrus County Government	975	3	1.33%	1,000	4	1.40%
City of Concord	936	4	1.27%	822	6	1.15%
Connextions	900	5	1.22%	-		-
North Carolina Government	771	6	1.05%	-		-
Kannapolis City Schools	750	7	1.02%	-		-
Shoe Show	700	8	0.95%	-		-
Hendrick Motorsports	500	9	0.68%	-		-
ACN	500	10	0.68%	-		-
Concord Mills Mall	-		-	3,000	2	4.20%
Phillip Morris	-		-	2,900	3	4.06%
Pillowtex/Fieldcrest Cannon Inc	-		-	850	5	1.19%
CT Communications	-		-	700	7	0.98%
Pass & Seymour Legrand	-		-	550	8	0.77%
Sysco Food Service	-		-	520	9	0.73%
Wal-Mart	-		-	480	10	0.67%
	14,332		19.49%	14,022		19.65%

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

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FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM, Last Ten 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**	**2011**
2.00	2.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	6.00	6.00
-	-	-	-	-	2.00
7.00	7.00	7.00	8.00	8.00	6.00
12.75	13.00	13.00	13.00	13.00	13.35
4.00	4.75	5.00	5.00	4.50	4.50
4.00	4.00	5.00	5.00	5.00	5.00
-	-	-	-	-	-
160.00	161.50	170.25	174.25	175.25	177.25
-	7.00	7.00	7.00	7.00	7.00
20.94	20.94	22.50	22.50	22.50	22.50
4.20	4.70	4.70	4.70	4.50	4.50
154.65	159.63	160.30	173.30	170.00	182.00
-	-	6.00	6.00	6.00	6.00
-	-	2.00	2.00	2.00	2.00
-	-	2.85	2.80	2.80	2.85
23.50	26.00	27.00	27.00	26.00	27.00
-	-	-	-	-	-
5.00	5.83	6.00	6.00	6.00	5.00
2.50	3.00	3.00	3.00	3.00	4.00
32.49	34.00	35.34	37.00	36.50	33.00
8.00	8.00	8.00	8.00	8.00	8.00
15.50	8.50	8.50	9.00	9.00	8.85
-	-	-	-	-	-
-	-	-	-	-	-
9.00	9.00	10.00	10.00	9.00	9.00
20.81	21.00	21.75	22.75	22.00	22.00
-	-	-	-	-	-
492.34	505.85	533.19	554.30	548.05	559.80

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM, Last Ten 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)	-	-	-	-
Transit				
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

Source: City of Concord Budget Department

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
-	-	-	-	-	-
1.50	1.50	1.50	1.50	1.50	1.30
-	-	-	-	-	-
2.00	1.50	2.00	1.50	1.50	1.50
-	-	-	-	-	-
15.00	18.00	20.00	21.00	20.50	20.25
2.00	2.00	2.75	3.00	2.00	2.00
-	-	-	-	-	-
14.00	14.00	14.00	13.00	13.00	13.00
10.00	10.00	10.00	10.00	9.00	9.00
36.00	34.00	34.00	34.00	34.00	34.00
1.00	1.00	1.00	2.00	2.00	2.00
6.00	6.00	6.00	6.00	5.00	5.00
-	4.50	5.00	5.00	5.00	5.00
14.50	14.50	14.50	14.50	14.50	14.50
15.50	15.50	15.50	15.50	15.50	15.50
36.50	37.00	37.00	37.00	35.00	34.75
-	-	-	-	-	-
29.00	29.50	31.00	31.00	30.00	30.00
-	-	-	-	-	-
					2.00
5.00	5.00	5.00	5.00	4.50	4.50
1.00	1.00	1.00	1.00	1.00	1.00
15.00	14.00	13.00	13.00	11.00	11.00
15.00	15.00	17.00	17.00	17.00	16.00
27.00	27.92	28.00	28.00	25.00	25.00
14.00	14.00	14.00	14.00	13.25	13.00
9.00	9.00	9.00	9.00	9.00	8.00
6.15	6.90	7.15	7.95	7.70	7.65
37.43	38.69	41.27	41.50	39.60	38.50
36.33	37.59	38.00	40.50	36.50	35.25
13.00	16.00	16.00	16.00	16.50	16.00
361.91	374.10	383.67	387.95	369.55	365.70
854.25	879.95	916.86	942.25	917.60	925.50

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005
Police				
Physical arrests	6,658	6,236	6,864	7,223
Parking violations	N/A	N/A	N/A	1,393
Traffic violations	8,468	7,508	7,501	9,011
Communications				
Calls received	74,783	81,465	82,151	88,082
Fire				
Emergency responses	6,421	6,534	6,284	6,291
Fires extinguished	292	365	290	325
Inspections	2,258	2,927	4,409	2,857
Education classes conducted	879	729	725	775
Customer Care Center				
Calls answered	N/A	N/A	9,416	115,832
Solid Waste & Recycling				
Refuse collected (tons per day)	58	85	71	91
Recyclables collected (tons per day)	19	8	8	9
Other Public Works				
Street resurfacing (miles)	23	38	6	26
Potholes repaired	400	377	585	370
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	617	543	607	693
Single family attached in units	3	7	8	44
Two family residential in units	2	1	2	1
Commercial building permits issued	122	117	175	130
Parks and recreation				
% Cost recovery Adult programs	35	71	80	86
Youth participation	N/A	2,843	3,186	5,488
Rec center attendance	N/A	61,237	64,755	66,700
Stormwater				
Accounts	N/A	N/A	N/A	N/A
Electric				
Accounts	23,819	24,224	24,537	24,933
Average megawatt hours daily use (2)	1,860	1,878	1,992	2,083
Substations	12	12	12	12
Water				
Accounts	26,117	26,930	27,836	28,993
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					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
4,914	7,749	10,113	6,128	6,275	5,783
1,163	2,990	3,879	2,506	1,576	3,343
8,461	15,775	16,293	13,629	13,004	13,561
89,180	101,130	107,265	105,912	107,585	107,341
6,304	6,870	7,310	7,324	7,287	7,920
390	404	378	327	322	402
3,155	3,648	5,137	5,255	5,166	5,564
918	927	389	492	668	575
127,747	136,958	151,419	159,197	153,503	153,158
86	93	92	94	99	92
8	9	11	11	13	14
8	9.83	11	11	9.85	6.81*
226	199	60	80	72	78
N/A	92	78	75	95	96
N/A	86.75	89	89	89	89.03
1,007	524	614	212	346	284
N/A	53	146	49	30	20
2	1	1	13	13	0
118	27	128	36	11	18
89	87	90	90	90	90
10,220	10,367	9,127	11,097	11,285	9,974
68,751	71,625	73,227	73,194	73,947	93,846
25,477	26,639	28,935	28,823	29,007	29,292
26,194	26,945	27,514	26,920	27,368	27,447
2,132	2,132	2,272	2,241	2,221	2,401
12	12	14	14	14	14
31,130	32,629	33,988	33,522	33,688	33,859
N/A	73	65	27	36	43
N/A	10.67	10.3	8.6	10	9.41
N/A	12.73	11.2	10.2	13	12.42

CITY OF CONCORD, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

	2002	2003	2004	2005
Transit				
Average daily use	N/A	N/A	602	893
Days of operation	N/A	N/A	54	260
Wastewater				
Accounts	22,807	23,210	24,181	25,417
Average daily treatment (thousands of gallons)	8,128	8,363	8,541	8,159
Golf Course				
Total Green Fee Rounds (3)	30,338	27,727	30,210	29,920
Cart Fee Rounds	24,981	23,736	29,001	27,226
Tournaments hosted	48	48	60	51
Aviation				
Avgas (annual gallons)	285,305	291,936	355,297	330,900
Jeta (annual gallons)	1,425,787	1,579,367	1,746,389	1,904,926
Operations = take off & landing (1)	65,141	66,782	68,914	67,416
Tax Base listings				
T Hanger	63	65	64	67
HIC	25	22	26	30
Tiedown	34	34	36	38
Corporate	3	5	5	5
Ground	4	5	7	8
Office	11	17	15	18
Public Housing				
Units in use	174	174	174	174
Housing Choice Vouchers	534	534	534	534

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

(1) Control tower hours of operation 0700-0000
(2) From Annual EIA 861 which is based on calendar year information
(3) Green Fee rounds have been converted to 18 hole rounds

Table 20
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(Continued)

Fiscal Year					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
1,122	1,202	1,239	1,328	1,264	1,252
270	304	307	307	307	307
27,550	29,050	30,423	30,338	30,729	30,972
8,048	8,071	7,741	9,047	8,875	7,821
31,657	35,018	33,663	23,237	30,085	26,256
27,571	29,978	27,760	28,498	27,942	23,488
63	73	67	78	66	63
309,740	277,269	278,882	221,096	222,943	193,419
1,858,589	1,926,918	2,093,295	1,655,052	1,661,764	1,660,208
63,084	64,660	70,519	60,506	56,706	61,553
65	67	67	67	67	67
29	40	41	42	42	41
34	42	51	51	51	32
5	6	6	6	7	6
7	8	8	8	10	11
18	18	23	29	31	34
174	174	174	174	174	174
534	534	534	534	541	541

CITY OF CONCORD, NORTH CAROLINA

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

Function/Program	2002	2003	2004	2005
Police				
Stations	1	1	1	1
Patrol Units	90	98	104	110
Fire				
Stations	8	8	8	8
Fire Units	14	14	14	14
Solid Waste & Recycling				
Refuse collection trucks	N/A	N/A	N/A	N/A
Other Public Works				
Paved streets (miles)	283	285	293	300
Signalized Street	N/A	12	12	13
Control Beacons	N/A	N/A	N/A	N/A
Guardrail	N/A	N/A	N/A	N/A
Sidewalk	71.21	73.32	78.77	89.2
School Zond Flashers	N/A	N/A	N/A	N/A
Facilities (City owned):				
Parks (acreage)	13	13	13	83
Playgrounds	14	14	14	14
Gymnasiums	3	3	3	3
Basketball courts	9	9	9	9
Tennis courts	14	14	14	14
Playing fields	28	28	28	28
Swimming pool	1	1	1	1
Green Way	N/A	N/A	1	1
Walking Trails	N/A	N/A	3	3
Stormwater				
Storm Sewers (miles)	N/A	N/A	N/A	N/A
Electric				
Substations	12	12	12	12
Water				
Water Mains (miles)	N/A	N/A	N/A	N/A
Fire hydrants	N/A	N/A	N/A	N/A
Storage capacity (millions of gallons)	13	14	14	14
Transit				
Buses	N/A	N/A	N/A	8
Wastewater				
Sanitary sewers (miles)	N/A	455	458	462
Treatment capacity (thousands of gallons)	3,052,661	3,117,292	2,978,056	2,937,536
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
Private Hangar	N/A	N/A	N/A	N/A
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					
2006	**2007**	**2008**	**2009**	**2010**	**2011**
1	1	1	1	1	1
116	116	120	120	120	132
8	8	8	9	9	10
14	14	14	14	14	14
N/A	23	23	27	29	28
308	311.55	321	323	324	326.35
13	13	13	14	14	14
8	6	6	6	6	6
N/A	3.33	3.36	3.74	3.97	3.97
98.54	105.81	194.84	199.21	201.54	205.38
N/A	N/A	N/A	N/A	N/A	19
101	101	101	101	101	101
14	14	14	14	14	14
3	3	3	3	3	3
9	9	9	9	9	11
14	14	14	14	14	14
28	28	28	28	28	28
1	1	1	1	1	1
2	2	2	2	4.5	4.5
3	3	3	3	3	3
N/A	N/A	86.18	161.29	229.36	254
12	12	14	14	14	14
N/A	628	658	663	667	680.2
N/A	3910	4219	4648	3898	3898
14	14	14	14	14	14
8	8	8	10	12	12
475	500	516	516	530	530
2,946,068	3,340,866	2,825,589	3,302,270	3,239,373	2,854,630
1	1	1	1	1	1
1	1	1	1	1	1
67	67	67	67	67	67
2	2	2	2	2	2
N/A	N/A	N/A	N/A	N/A	9
5	6	6	7	7	8
N/A	N/A	585	625	688	713.349
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, 2011, which collectively comprises the City of Concord's basic financial statements, and have issued our report thereon dated October 25, 2011. 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

Management of the City of Concord is responsible for establishing and maintaining effective 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.

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

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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. However, we did not identify any deficiencies in internal control over financial reporting that we consider 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 control over financial reporting. [11-1] 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.

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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 entity, 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, 2011
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 OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, 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 over compliance 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, 2011
Monroe, North Carolina

Potter & Company

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 could have a direct and material effect on each of its major State programs for the year ended June 30, 2011. 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 of the City of Concord's compliance with those requirements.

In our opinion, the City of Concord complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2011.

Internal Control Over Compliance

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 the requirements that could have a direct and material effect on a major State program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, 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.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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, 2011
Monroe, North Carolina

Potter & Company

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2011

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-07-MC-37-0012	**$ 33,090**	**$ -**	**$ -**
	14.218	B-08-MC-37-0012	**37,720**	**-**	**-**
	14.218	B-09-MC-37-0012	**260,629**	**-**	**-**
	14.218	B-10-MC-37-0012	**310,401**	**-**	**39,534**
ARRA - CDBG Grant	14.253	B-09-MY-37-0012	**6,954**	**-**	**-**
			648,794	**-**	**39,534**
HOME Program - Program Income	14.239	M-06-DC-370209	**156,562**	**-**	**-**
	14.239	M-07-DC-370209	**203,806**	**-**	**-**
	14.239	M-08-DC-370209	**21,615**	**-**	**-**
	14.239	M-09-DC-370209	**56,559**	**-**	**32,716**
	14.239	M-10-DC-370209	**-**	**-**	**15,098**
			438,542	**-**	**47,814**
Public Housing: Operating subsidy	14.850	A-3249	**993,866**	**-**	**-**
Public Housing Capital Fund	14.852	NC19P00850108	**107,693**	**-**	**-**
	14.852	NC19P00850109	**90,397**	**-**	**-**
	14.852	NC19P00850110	**34,843**	**-**	**-**
ARRA - Housing Capital Fund	14.885	NC19S00850109	**155,943**	**-**	**-**
			388,876	**-**	**-**
Section 8, Housing Assistance Payments for Housing Vouchers	14.871	A-3344-V	**3,688,759**	**-**	**-**
Ross Homeownership Grant	14.870	NC008REF100A007	**62,816**	**-**	**-**
	14.870	NC008RFS103A008	**60,806**	**-**	**-**
			123,622	**-**	**-**
U.S. Department of Energy:					
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DE-SC0002340	**151,989**	**-**	**59,459**
U.S. Department of Justice:					
Justice Assistance Grant	16.738	2009-DJ-BX-1090	**9,750**	**-**	**-**
Justice Assistance Grant	16.738	2010-DJ-BX-0287	**44,024**	**-**	**-**
ARRA - Justice Assistance Grant	16.804	2009-SB-B9-2326	**61,062**	**-**	**-**
			114,836	**-**	**-**

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
Year Ended June 30, 2011

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:					
SMS Pilot Project	20.106	36237.29.12.4	**$ 51,111**	**$ -**	**$ 5,679**
Apron Construction	20.106	36237.29.13.2	**88**	**-**	**10**
Land Acquisition	20.106	36237.29.12.1	**978,989**	**-**	**108,777**
Master Plan/Stormwater Plan	20.106	36237.29.13.2	**17,519**	**-**	**1,947**
Pavement Overlay Project	20.106	36237.29.13.2	**34,402**	**-**	**3,822**
Weather Equip & Tower	20.106	36237.29.14.1	**38,830**	**-**	**4,314**
Pavement Strenghening	20.106	36237.29.14.2	**41,220**	**-**	**4,580**
			1,162,159	**-**	**129,129**
Federal Transit:					
ARRA - Transit Grant	20.507	NC-96-X011-00	**317,086**	**-**	**-**
Federal Transit Grant	20.507	NC-90-X481-00	**1,877,461**	**423,056**	**1,224,587**
			2,194,547	**423,056**	**1,224,587**
U.S. Department of Homeland Security:					
SAFER Grant	97.083	EMW2008FF00773	**417,131**	**-**	**122,329**
Exercise Grant	97.067	2008-GE-T8-0033	**-**	**35,292**	**-**
			417,131	**35,292**	**122,329**
Environmental Protection Agency:					
ARRA - Brownfield	66.818	2B-95426709-0	**74,915**	**-**	**-**
Total federal awards			**10,398,036**	**458,348**	**1,622,852**
State Financial Assistance:					
Department of Transportation:					
Metropolitan Planning Grant	20.505	39225.1.3	**-**	**224,029**	**56,007**
Metropolitan Planning Grant	20.505	36230.7.10.6	**-**	**33,327**	**3,903**
Powell Bill	N/A		**-**	**2,033,989**	**-**
			-	**2,291,345**	**59,910**
Total state awards			**-**	**2,291,345**	**59,910**
Total federal and state awards			**$ 10,398,036**	**$ 2,749,693**	**$ 1,682,762**

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, 2011

(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	$ 3,933,998	$ -	$ -	$ 3,933,998
Community development	614,401	-	-	614,401
Home	333,324	-	-	333,324
EECBG Stimulus	151,989	-	-	151,989
ARRA Stimulus	142,931	-	-	142,931
Capital project funds:				
Transportation	167,370	-	-	167,370
Enterprise funds:				
Regional Airport	-	-	1,097,663	1,097,663
Housing Department	-	1,331,042	-	1,331,042
Transit	-	2,921,670	-	2,921,670
Total federal	5,344,013	4,252,712	1,097,663	10,694,388
State assistance:				
General fund	2,574,134	-	-	2,574,134
Total state	2,574,134	-	-	2,574,134
	$ 7,918,147	$ 4,252,712	$ 1,097,663	$ 13,268,522

(3) Statement and Certification of Capital Fund Grant Cost for Annual Contributions Contract A-3249 (NC19P00850108)

1. The Actual Capital Fund Program Costs of NC19P00850108 were as follows:

Funds Approved	$ 262,238
Funds Expended	262,238
Excess (Deficiency) of Funds Approved	$ -
Funds Advanced:	
HUD Grants	$ 262,238
Funds Expended	262,238
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
97.083	Staffing for Adequate Fire and Emergency Response Grant
20.500	Federal Transit Grant
20.500	ARRA – Transit Grant
20.106	Airport Improvement Program
14.239	HOME Program
14.885	ARRA – Public Housing Capital Fund
81.128	ARRA – Energy Efficiency and Conservation Block Grant
66.818	ARRA – Brownfields Assessment and Cleanup Grant

Dollar threshold used to distinguish between Type A and Type B Programs $ 311,941

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
Federal Transit Grant

Section II - Financial Statement Findings

SIGNIFICANT DEFICIENCY
11-1 Timely Deposits

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

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 in an official depository or with the finance officer.

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, 2011

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

11 – 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.

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, 2011

Finding:	**10 – 1**
Status:	Departments were informed of appropriate deposit procedures; however, there was an instance of an untimely deposit during the year.
Corrective Action:	The current year deposit in question was during the early part of the year before the departments were informed of the prior year finding. All departments that receive moneys were reminded of appropriate deposit procedures and they were followed after being informed by management.

Finding:	**10 – 2**
Status:	The Accounting Manager received and reviewed the payroll registers before they were submitted.