City of Concord, North Carolina

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2012

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CITY OF CONCORD, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

Prepared by:

Finance Department

City of Concord, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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October 31, 2012

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, 2012, 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 2012.

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, 2012, 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, 2012, and is fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE CITY

The City of Concord is located in the north central portion of Cabarrus County, North Carolina (the "County"). The County is located in the east central part of the Charlotte-Gastonia-Concord MSA. The City, incorporated in 1796, is the County seat and covers an area of approximately 60.06 square miles with an estimated population of 80,386. 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. Although economic conditions are not expected to worsen, local indicators continue to indicate little to no growth in revenue. The slow growth is due to housing declines and financial sector problems that created the recession in 2008 which have slowed consumer spending. 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 2012 report, the latest expectations are that the slow growth scenario that re-emerged this summer will stay with us the rest of 2012. Most economic forecasts expect below average growth for the first 2 quarters of 2013, heightening the prospects for another economic downturn. Various national forecasts assume that the national unemployment rate will remain around 9% through much of 2013. 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. The City has begun to see growth in sales tax collections and that trend should continue, although at a slow pace. Principal products and services of major businesses include electrical devices, plastics, 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 grants to continue capital improvements in the City. The City has received the following awards:

- Parks & Recreation Trust Fund Grant, North Carolina Department of Transportation Safe Routes to Schools Grant, and a Carolina Thread Trail Grant for construction of Moss Creek Greenway.
- Various Federal Transportation Grants for Airport Improvements.
- Federal Transit Grant for Bus and Bus Facilities.

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.

In FY2013, the General Fund will finally realize the full impact of the loss of Philip Morris. The property value appeals have been settled so values will not change until new development takes place. Concord's annual property tax revenues from Philip Morris have declined from a high of $4.5 million to $819,000 in FY2013. The City has 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.

Cabarrus County Revaluation resulted in unprecedented declines in property values. While the Philip Morris value decline had some impact on the 13% loss in property valuation in Concord, much of the decline in Philip Morris personal property tax base and resulting revenue impact took place prior to revaluation. Raw, developable land and higher end housing led the way in the drop of property values during the revaluation. With the City being the only Cabarrus County local government lowering its tax rate at the time of the previous revaluation, and combined with the revenue losses due to Philip Morris, Council adopted a goal for staff to develop the budget recommendation using a revenue neutral tax rate calculation as provided for under Subsection (e)

of NC General Stature 159-11 as a cap. City Council did adopt a revenue neutral budget for fiscal year ending June 30, 2013.

LONG TERM FINANCIAL PLANNING

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

Last year the City reorganized to meet this challenge, including an Economic Development & Sustainability Director position within the City Manager's office to focus on economic development. 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.

Small business development has received a lot of attention lately with Cabarrus County pursuing studies and a special task force to evaluate government's role. The Cabarrus Economic Development Commission has proposed two special efforts to target this need and asked Concord, Kannapolis and Cabarrus County for funds to start implementation. This includes the revision of an existing Small Business Entrepreneurial Development Plan to include Concord and the rest of the County.

Concord Regional Airport (CRA) continues to be a vital resource in supporting the business and general aviation communities. One of the major projects continues to be repairing and upgrading the system providing water for fire suppression. Another is a multi-million dollar upgrade to strengthen the asphalt on the taxiways and parking areas to handle heavier aircraft.

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 will fund improvements to the Cabarrus Railroad Bridge which will add classic railing, decorative lighting and sidewalks on Cabarrus Avenue. 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'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. The City matched State funding controlled through the Carolina Thread Trail to acquire property off Weddington Road that can be used for a trail head and parking for that section of the Rocky River Greenway. PARTF, Carolina Thread Trail and other grant funds money are being used to construct another section of this greenway adjacent to Moss Creek, with the private donation of the land serving as an additional part of the match. The Rocky River Greenway remains a priority.

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 are complete and right-of-way acquisition is underway; construction is expected to follow soon with an anticipated completion in the summer of 2014.

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, 2012, the City's cash resources were invested as follows:

U.S. Government agencies	93%
Certificates of Deposit	4%
NCCMT	3%
Total	100%

The average yield on investments at June 30, 2012 is estimated at 1.2% as compared to less than 1% for all taxable money market funds for the same period.

RISK MANAGEMENT

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

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

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City of Concord administers a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The City is required by Article 12D of G.S. Chapter 143 to provide these benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The annual required contribution for the 2012 year was determined as part of the December 31, 2010 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, 2011. 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, 2011

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
Ella Mae Small	Mayor Pro Tempore

W. Lamar Barrier
Alfred M. Brown, Jr.
Hector H. Henry, II
David W. Phillips
Jim Ramseur
John Sweat, Jr.

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

CITY ORGANIZATIONAL CHART

Citizens of Concord

Mayor & City Council

City Attorney - 1 FTE

Deputy Attorney - 1 FTE
Support Services - 3 FTE

City Manager - 1 FTE

Deputy City Manager - 1 FTE

Assistant City Manager - 1FTE

Aviation - 36 FTE

Communications

Radio Shop - 3.5 FTE
Emergency Communications - 21.5 FTE

Fire & Life Safety

Fire & Life Safety Operations - 181 FTE
Fire Prevention - 6 FTE
Fire Training - 4 FTE

Housing

Operations/Vouchers/Grants - 14 FTE

Parks & Recreation

Parks & Recreation - 20
Aquatics - 0 FTE (all staff are PT- temporary)

Police

Sworn - 158.25 FTE
Non-Sworn - 20 FTE
Code Enforcement - 7 FTE

Data Services (contract arrangement)

GIS - 1 FTE

Buildings & Grounds

Cemeteries - 8 FTE
Buildings & Grounds - 39 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 - 4 FTE

Engineering - 24 FTE

Solid Waste & Recycling - 32 FTE

Stormwater - 20.25 FTE

Fleet Services - 13 FTE

Planning & Neighborhood Development

Planning & Neighborhood Dev. - 14 FTE
CDBG - 1.1 FTE
HOME - 0.9 FTE

Transportation

Traffic Services - 4 FTE
Traffic Signals - 5 FTE
Streets & Traffic - 27 FTE

Water Resources

Hillgrove Water Treatment Plant - 14.5 FTE
Coddle Creek Water Treatment Plant - 15.5 FTE
Waterlines Operations - 34.75 FTE

Wastewater Resources - 30 FTE

Public Transit - 2.55 FTE

City Manager's Office

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

Finance

Billing - 11 FTE
Customer Service - 15.5 FTE
Finance - 14 FTE
Purchasing - 7 FTE
Tax - 4.5 FTE
Utilities Collections - 4.5 FTE
Call Center - 8.5 FTE

Human Resources - 7 FTE

Wellness Center (contract arrangement)

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

POTTER & COMPANY, 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, 2012, 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, 2012, 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 23, 2012 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 Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance's and the Other Postemployment Benefits' Schedules of Funding Progress and Schedules of 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 general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Concord's basic financial statements. The 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, and is also not a required part of the basic financial statements. The other supplementary information section, and the schedule of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information section, and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us in the audit of basic financial statements and, accordingly, we express no opinion on them.

Potter & Company

October 23, 2012
Monroe, North Carolina

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City, we offer readers of the City of Concord's (the "City") financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. 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 $707,343,504 (*net assets*). Of this amount, $170,046,947 (*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 $9,456,747 (1%). The growth is attributable to an increase in cash and investments and a decrease in long term liabilities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $79,751,582, an increase of $3,478,455 in comparison with the prior year. Approximately 49 percent of this total amount or $39,175,951 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 $43,248,336 or 66 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, 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 78 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 79 through 82 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 86 through 103 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 148 through 149.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The assets of the City exceeded liabilities by $707,343,504 as of June 30, 2012.

By far the largest portion of the City's net assets (74 percent) reflects its investment in capital assets (e.g., land, buildings, automotive equipment, office and other equipment, electric system and distributions stations, water treatment and storage facilities, water distribution lines, and wastewater lines, less any related debt still outstanding that was issued to acquire those assets). The City of Concord uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Concord's Net Assets
Table 1

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$87,388,998	$83,346,490	$131,098,696	$119,834,692	$218,487,694	$203,181,182
Capital assets	294,147,772	308,358,762	364,944,423	369,016,378	659,092,195	677,375,140
Total Assets	381,536,770	391,705,252	496,043,119	488,851,070	877,579,889	880,556,322
Long-term liabilities outstanding	38,125,001	38,726,241	117,269,492	126,687,946	155,394,493	165,414,187
Other liabilities	5,568,777	5,048,967	9,273,115	12,206,411	14,841,892	17,255,378
Total liabilities	43,693,778	43,775,208	126,542,607	138,894,357	170,236,385	182,669,565
Net assets:						
Invested in capital assets, net of related debt	268,758,293	280,799,254	253,341,005	250,303,337	522,099,298	531,102,591
Restricted	15,197,259	17,123,716	-	-	15,197,259	17,123,716
Unrestricted	53,887,440	50,007,074	116,159,507	99,653,376	170,046,947	149,660,450
Total net assets	$337,842,992	$347,930,044	$369,500,512	$349,956,713	$707,343,504	$697,886,757

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 ($170,046,947) 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 $10,087,052 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.

During the current fiscal year, total net assets for business-type activities increased by $19,543,799. Business-type total liabilities decreased $12,351,750 due to refunding opportunities which have reduced the City's debt. The increase in current assets is a result of more revenues from charges for services. The additional non restricted cash and continued reductions in liabilities have contributed to the large increase in net assets.

City of Concord's Changes in Net Assets

Table 2

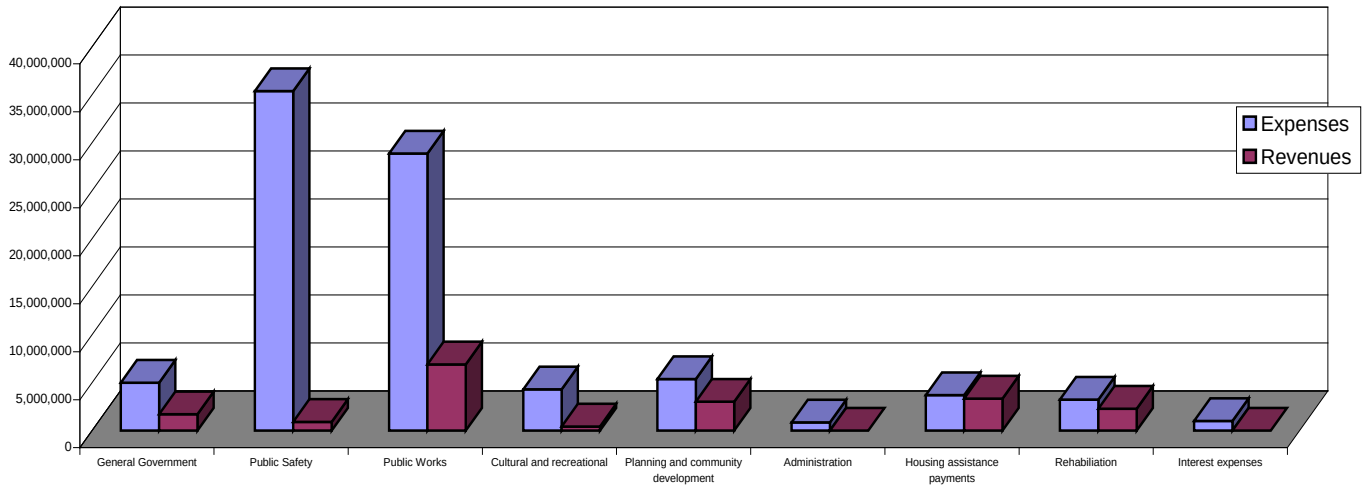
	Governmental Activites		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$5,185,534	$5,105,446	$128,991,318	$123,259,867	$134,176,852	$128,365,313
Operating grants/ contributions	10,099,206	8,361,322	3,148,598	4,252,712	13,247,804	12,614,034
Capital grants/contributions	3,307,835	9,750,000	1,591,427	5,026,770	4,899,262	14,776,770
General revenues:						
Ad valorem taxes	43,163,621	44,236,917	-	-	43,163,621	44,236,917
Other taxes	13,366,521	12,226,782	-	-	13,366,521	12,226,782
Grants and contributions not restricted to specific programs	2,880,377	3,159,222	-	-	2,880,377	3,159,222
Investment earnings	730,032	1,022,184	1,206,493	1,396,578	1,936,525	2,418,762
Miscellaneous gain(loss)	876,108	936,229	402,869	417,059	1,278,977	1,353,288
Total revenues	79,609,234	84,798,102	135,340,705	134,352,986	214,949,939	219,151,088
Expenses:						
General government	4,996,198	4,439,667	-	-	4,996,198	4,439,667
Public safety	35,378,939	34,818,159	-	-	35,378,939	34,818,159
Public works	28,875,757	31,612,314	-	-	28,875,757	31,612,314
Cultural & recreational	4,299,687	4,233,575	-	-	4,299,687	4,233,575
Planning & community development	5,373,310	3,096,020	-	-	5,373,310	3,096,020
Administration	856,103	784,000	-	-	856,103	784,000
Housing assistance payments	3,698,736	3,344,522	-	-	3,698,736	3,344,522
Rehabilitation	3,227,906	1,053,446	-	-	3,227,906	1,053,446
Interest on long term debt	1,005,570	1,508,832	-	-	1,005,570	1,508,832
Electric	-	-	66,381,454	69,740,487	66,381,454	69,740,487
Water	-	-	15,377,435	15,618,503	15,377,435	15,618,503
Wastewater	-	-	13,905,343	13,802,561	13,905,343	13,802,561
Regional airport	-	-	11,908,265	11,432,960	11,908,265	11,432,960
Stormwater	-	-	3,731,359	3,729,861	3,731,359	3,729,861
Other nonmajor business-type activities	-	-	6,477,130	5,929,905	6,477,130	5,929,905
Total expenses	87,712,206	84,890,535	117,780,986	120,254,277	205,493,192	205,144,812
Increase (decrease) in net assets before transfers	(8,102,972)	(92,433)	17,559,719	14,098,709	9,456,747	14,006,276
Transfers	(1,984,080)	(1,655,480)	1,984,080	1,655,480	-	-
Increase (decrease) in net assets	(10,087,052)	(1,747,913)	19,543,799	15,754,189	9,456,747	14,006,276
Net assets, July 1 (as restated Note 17)	347,930,044	349,677,957	349,956,713	334,202,524	697,886,757	683,880,481
Net assets, June 30	$337,842,992	$347,930,044	$369,500,512	$349,956,713	$707,343,504	$697,886,757

Governmental Activities

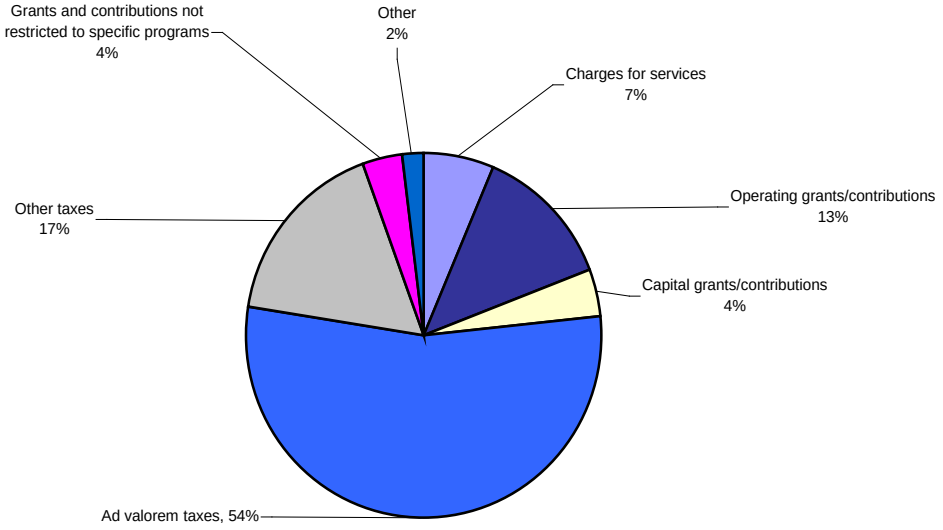
In fiscal year 2012, the net assets of governmental activities decreased by $10,087,052, or less than 3%. This decrease is the result of a 3% increase in expenditures and a 6% decline in revenues. Table 2 above, illustrates key elements of the changes in the governmental activities net assets. Listed below are a few points highlighting significant changes in net assets.

- Property taxes decreased by $1,073,296 (2%) during the year. This decrease was anticipated as the City anticipated continued declines in assessed values due to the Philip Morris plant closure.
- Sales tax revenue increased 9% in FY2012 as the economy began a slow recovery.
- Capital grants/contributions decreased $6,442,164 due to a large contribution of street values in fiscal year 2011.
- Investment earnings decreased 29% as interest rates remain near 0%.
- The total governmental activities increase in expenses, 3%, was the result of conservative operations within all departments. The City continued spending restrictions in fiscal year 2012, which were needed due to the decrease in some revenue collections.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net assets by $19,543,799 (6%).

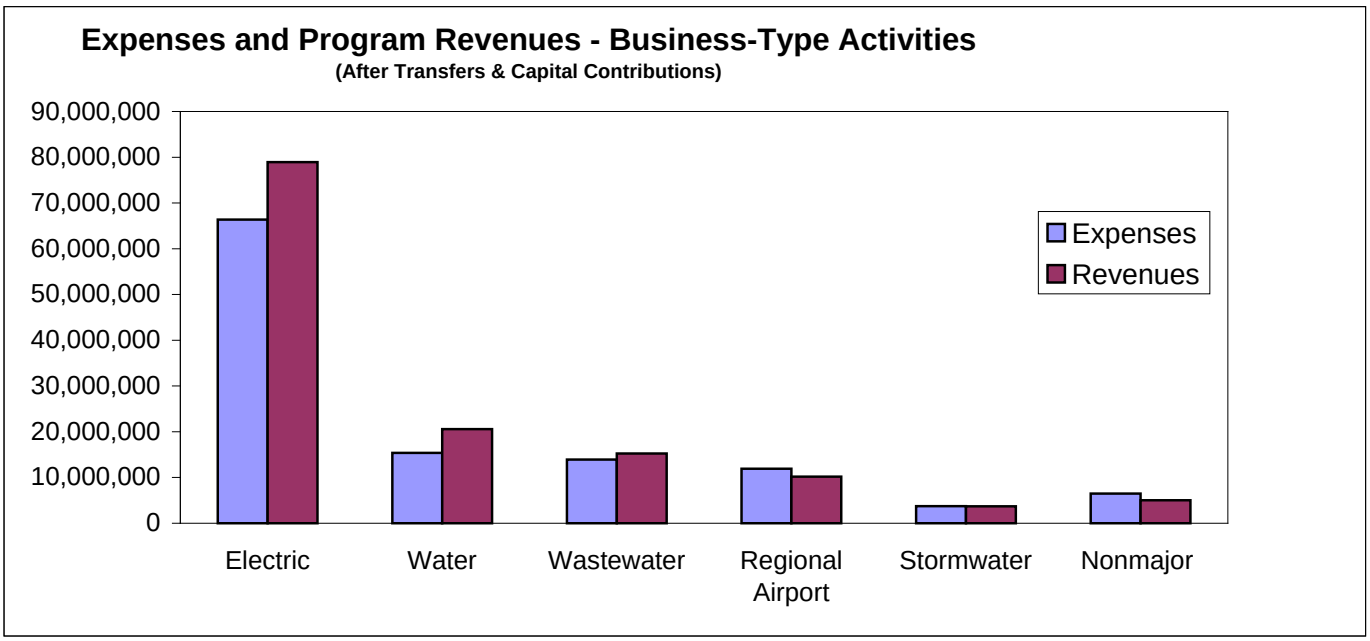
Key elements of the increase in business type activities, illustrated in table 2 located on page 19 are as follows:

- Charges for services for business-type activities increased by 5%, $5,731,451.
  - Usage remained relatively stable for the water and wastewater customers, the cities wastewater division's charges for service increased 1.6%. The increase is due to a small increase in consumption, there were no wastewater rate increases. Water charges for service increased around 1%. There were no water rate increases. The City continues to encourage customers to conserve and use less water and a tier water rate schedule was adopted in FY2010 by City Council to encourage conservation.
  - Aviation charges for service increased 8% 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 around 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 5% for fiscal year 2012. 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

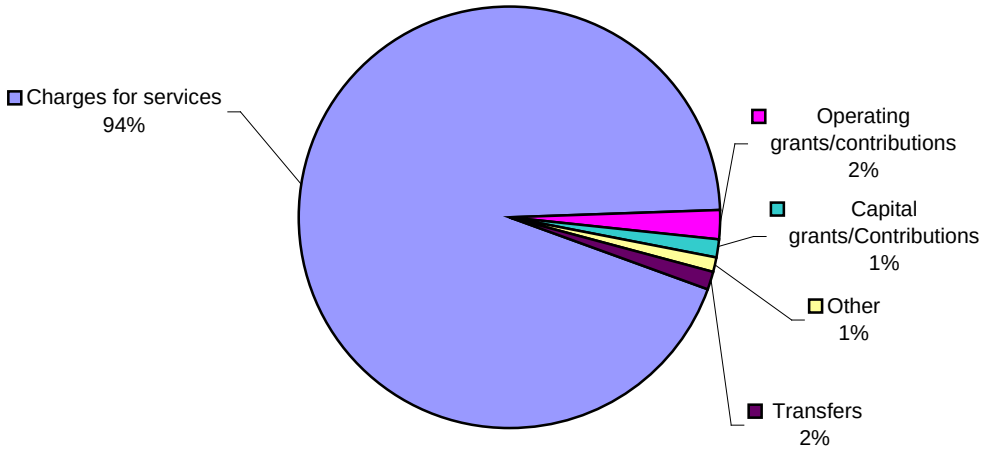
down retail costs and continued efforts to cut current operating costs, it has became necessary to begin raising retail rates to better reflect the rising wholesale costs in order to maintain current customer service and system maintenance levels. Adjustments will be considered based on a cost of service analysis taking into account the Duke changes in January of every year. Due to Duke's schedule for wholesale increases, FY 2012 reflects an average 6% retail rate increase that was effective September 2011.

- Expenses decreased 2% 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 FY2012 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 decreased 5% in fiscal year 2012 which were entirely a result of the wholesale rate adjustment passed to the City from Duke Power. The true up resulted in a credit of approximately $6.2 million this year which helped to offset purchase power costs. The credit results when the City's forecasted demand is less than the actual recorded.
    - Water operating expenses decreased 1% this year and wastewater operating costs were only up 1% as these departments continued implementing operating budget cuts to ensure that any decreases in rate revenue would be offset by a reduction in expenses.
    - The airport operating expenses increased 4%; 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 continues to be high.

The City's internal service fund is reported as a Business-type activity (proprietary fund) since enterprise funds are the largest users of the internal service fund's activities. The fund supports and assists these departments on a daily basis and is comprised of Utility Collections, Data Services, Billing, Customer Service, Engineering, Customer Care Services, Purchasing, and Building and Grounds.



Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of the City of Concord's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Concord's governmental funds reported combined ending fund balances of $79,751,582, an increase of 4.5 percent in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 49% 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 ($91,095), 2) restricted for streets, public safety and state statute stabilization ($15,106,164), 3) committed for future capital, planning & community development, and housing assistance ($13,452,847), and 4) assigned for specific purposes in other governmental funds ($11,925,525).

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 $43,248,336, while total fund balance for the general fund reached $57,480,127; representing an increase of $4,451,199. 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 66 percent of total general fund expenditures, while total fund balance represents 88 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 $10,470,127 but transfers to other funds reduced the actual net change in fund balance for the year to $4,451,199. The City transferred $6,709,502 to other funds for capital projects and debt service.

Other governmental fund balance decreased $972,744 due to reserve funds being expended to complete capital projects.

Proprietary Funds

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

Unrestricted net assets of the electric fund, the water fund, the wastewater fund and the regional airport fund at the end of the year were $48,397,918, $43,181,214, $11,838,807 and $5,690,102 respectively. The unrestricted net assets of all other enterprise funds were $7,753,700. The total growth in net assets for the proprietary funds was $19,543,799. 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 $1,026,099 or 1.5%. 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 collected more sales tax and property tax revenue than anticipated so the budget was amended to reflect the additional revenues that could be allocated to departmental budgets.

At year-end, *actual* revenues exceeded *final amended budget* numbers by 3.7%. *Actual* expenditures were less than *final budgetary* figures by 6.5%, resulting in excess of revenues over expenditures (before transfers) of $10,470,127.

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, 2012, totals $659,092,195 (net of accumulated depreciation). These assets include land, buildings, machinery and other equipment, improvements and infrastructure. The total net decrease in the City of Concord's investment in capital assets for the current fiscal year was 2.7 percent (a 4.6 percent decrease for governmental activities and a 1 percent decrease for business-type activities).

Major capital asset transactions during the year included the following:

- Construction of electric substations and enhancements/improvements to the electric transmission lines in amount of $1,150,343.
- Purchase of vehicles and equipment for general fund totaling $1,997,274.

- Purchase of one new fire truck totaling $314,727.
- The extension of the distribution and transmission lines for the City's water system and upgrades/improvements to the system in the amount of $884,016.
- The extension of the distribution and transmission lines for the City's wastewater system totaling $1,233,000.
- Extension and improvements of the Parks & Recreation facilities, grounds, and the greenway systems totaling $1,430,610.
- New Transit Center construction in progress and upgrades to vehicles and equipment totaling $207,474.

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	
	2012	2011	2012	2011	2012	2011
Land	$ 51,653,293	$ 51,252,658	$ 38,676,701	$ 38,676,701	$ 90,329,994	$ 89,929,359
Construction in progress	2,636,822	2,270,675	19,126,178	17,233,488	21,763,000	19,504,163
Buildings and systems	47,469,809	46,396,133	54,912,839	55,204,879	102,382,648	101,601,012
Improvements other than buildings	2,804,215	2,706,608	409,330,260	402,618,647	412,134,475	405,325,255
Machinery and equipment	29,578,808	28,430,791	23,881,092	22,653,843	53,459,900	51,084,634
Infrastructure	485,567,657	482,171,177	-	-	485,567,657	482,171,177
Sub-total	619,710,604	613,228,042	545,927,070	536,387,558	1,165,637,674	1,149,615,600
Less Accum. Depreciation	(325,562,832)	(304,869,280)	(180,982,647)	(167,371,181)	(506,545,479)	(472,240,461)
Total	$ 294,147,772	$ 308,358,762	$ 364,944,423	$ 369,016,377	$ 659,092,195	$ 677,375,139

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of $134,917,023 (principal). Of this amount, $0 comprises debt backed by the full faith and credit of the City and $95,050,178 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has $26,627,023 and $13,239,822 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation bonds	$ -	$ -	$ -	$ -	$ -	$ -
Installment purchases	4,429,089	4,958,156	8,810,733	9,573,218	13,239,822	14,531,374
Revenue Bonds	2,860,550	3,064,794	92,189,628	102,361,748	95,050,178	105,426,542
Installment notes	17,710,178	19,104,464	8,916,845	9,778,182	26,627,023	28,882,646
Total long-term debt	$ 24,999,817	$ 27,127,414	$ 109,917,206	$ 121,713,148	$ 134,917,023	$ 148,840,562

In the current fiscal year, the City of Concord's total debt decreased by $13,923,359 (9 percent). New debt is listed below:

- In May 2012, the City issued $17,635,000 of Utilities Systems advance refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's Series 2002A Utilities Systems Revenue Bonds. The refunding debt was issued at a net interest cost of 2.84%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2012 is $20,520,000. This refunding was undertaken to reduce total debt service payments over the following 17 years by $3,696,671 and resulted in an economic gain of $3,068,114. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred ($1,036,663) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2012 was $1,027,064.

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 $798,277,642. The current debt limitation for the City of Concord is $820,664,931, 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 2012 was 9.3%, which is a decrease from a rate of 10.5% in June of 2011. The state's unemployment rate for June of 2012 was 10.4%. (Source: Cabarrus Economic Development Corporation)

- Population has increased from 27,347 in 1990 to an estimated 80,386 as of July 1, 2011 (per the Office of State Budget and Management), which represents a growth rate of 194%. The City experienced a 1% growth in current year population when compared to the certified population estimate as of July 1, 2010.

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

- The City 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 North Carolina Fiscal Research Division states that the State of North Carolina also faces challenges. Recent economy-based collections have reflected the slowdown in economic activity. Growth remains positive, but it is weaker than six months ago. Sales tax collections have weakened and are running slightly below target. Concern is warranted as economic headwinds persist, increasing the difficulty for revenue collections to keep pace with the revenue forecast. The revenue forecast produced in April envisioned a slow recovery throughout the fiscal year and produced a cautious estimate of 4.3% baseline growth. This projection is well below the long-run average of 5.7% and should improve the chances of meeting fiscal year revenue projections. The slow growth pattern that re-emerged this spring and summer is expected to affect the rest of 2012. Most economic forecasts anticipate improving, but below-average growth in 2013.

- In FY 2012-13, the General Fund will finally realize the full impact of the loss of Philip Morris. The appeal of the Philip Morris tax valuation has been settled so values will not change until new development starts to take place on the property. Concord's annual property tax revenues from Philip Morris have declined from $4,577,798 to an anticipated $819,000 in FY 2012-13. The City has planned for these reductions therefore, there were no significant budget adjustments needed.

- Cabarrus County completed the reassessment for FY2012 property values. While the Philip Morris appeal had some impact on the ***13%*** loss in property valuation in Concord, much of the decline in Philip Morris personal property tax base and resulting revenue impact took place prior to revaluation. Raw, developable land and higher end housing led the way in the drop of property values during the revaluation. With the City being the only Cabarrus County local government lowering its tax rate at the time of the previous revaluation, and combined with the revenue losses due to Philip Morris, Council adopted

a goal for staff to develop the budget recommendation using a revenue neutral tax rate calculation as provided for under Subsection (e) of NC General Stature 159-11 as a cap. The revenue neutral rate of $0.48 was adopted.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2013. The amount of unassigned fund balance in the general fund is $43,248,336 as of July 1, 2012. Concord has no appropriation from fund balance for the 2013 fiscal year.

The tax base used in the fiscal year 2013 budget preparation represents a 13% decrease in real property values from fiscal year 2012 due to the results of the 2012 revaluation. The decrease is a result of the lost property values associated with Philip Morris as discussed earlier in this document. The tax rate has been determined using the revenue neutral formula which will result in a rate of $.4800 per $100 for fiscal year 2013. The revenue neutral rate will generate approximately the same property tax revenue as in the prior year.

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 2% rate increase in September of 2012 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 2013.

Water rates and charges will remain unchanged for the 2013 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 2013 budget year does not include any rate increase for wastewater charges. The City has elected to defer some capital projects to future years.

There is no increase in the stormwater fee that was implemented in FY 2005-06 to meet the mandated Phase II stormwater requirements. The fee remains at $4.30 per Equivalent Residential Unit. Revenues in FY 2012-13 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.

It was approved that the City award a very modest merit based lump-sum payment for those co-workers receiving a performance evaluation rating of “meets expectations” or better on the date of their annual evaluation. Any co-worker receiving “meets expectations” will receive $400, co-workers receiving “exceeds expectations” will receive $500, and any co-worker with an “outstanding” rating on their evaluation will receive $600. The awards will be paid pre-tax and part-time co-workers will be eligible for ½ of these amounts. Individual salaries and the ranges in the pay structure are not recommended for adjustment. Management would have preferred to recommend a percentage based performance based increase; however, financial limitations would not allow this across funds. 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 are budgeted to implement the study findings. 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. Funding is also included to continue the longevity plan for those hired before July 1, 1996 and to continue existing career development plans.

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, 2012

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Cash and investments	$ 60,438,542	$ 92,339,964	$ 152,778,506	$ 2,620,535
Receivables, net	8,591,170	23,589,227	32,180,397	-
Due from (to) other funds	1,174,259	(1,174,259)	-	-
Inventories	55,781	3,412,594	3,468,375	682,224
Prepaid expenses	35,314	12,858	48,172	43,234
Restricted assets - cash and investments	16,814,002	8,290,716	25,104,718	-
Capital assets:				
Non-depreciable	54,290,115	57,802,879	112,092,994	20,000
Depreciable, net	239,857,657	307,141,544	546,999,201	242,212
Bond issuance costs, net	279,930	4,627,596	4,907,526	-
Total assets	381,536,770	496,043,119	877,579,889	3,608,205
LIABILITIES				
Accounts payable and accrued liabilities	3,394,486	6,683,235	10,077,721	485,049
Accrued interest payable	-	359,783	359,783	-
Unearned revenues	747,993	-	747,993	-
Deposits	1,426,298	2,230,097	3,656,395	-
Non-current liabilities:				
Due within one year:				
Long-term debt	4,336,245	8,610,951	12,947,196	-
Installment purchases	441,953	768,233	1,210,186	-
Due in more than one year:				
Long-term debt	29,359,667	99,847,808	129,207,475	-
Long-term installment purchases	3,987,136	8,042,500	12,029,636	-
Total liabilities	43,693,778	126,542,607	170,236,385	485,049
NET ASSETS				
Invested in capital assets, net of related debt	268,758,293	253,341,005	522,099,298	262,212
Restricted for:				
Transportation	2,021,131	-	2,021,131	-
Stabilization by State Statute	12,945,109	-	12,945,109	-
Other	231,019	-	231,019	-
Unrestricted	53,887,440	116,159,507	170,046,947	2,860,944
Total net assets	$ 337,842,992	$ 369,500,512	$ 707,343,504	$ 3,123,156

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

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	$ 4,996,198	$ 1,710,506	$ -	$ -
Public safety	35,378,939	749,902	163,161	-
Public works	28,875,757	-	3,757,036	3,141,000
Cultural and recreational	4,299,687	265,249	-	166,835
Planning and community development	5,373,310	2,063,363	949,843	-
Administration	856,103	-	-	-
Housing assistance payments	3,698,736	-	3,336,254	-
Rehabilitation	3,227,906	396,514	1,892,912	-
Interest expense	1,005,570	-	-	-
Total governmental activities	87,712,206	5,185,534	10,099,206	3,307,835
Business-type activities:				
Electric	66,381,454	78,948,101	-	-
Water	15,377,435	19,856,057	-	727,746
Wastewater	13,905,343	14,772,364	-	485,730
Regional airport	11,908,265	9,809,448	-	377,951
Stormwater	3,731,359	3,714,155	-	-
Golf course	1,752,405	1,302,175	-	-
Housing	1,403,656	335,878	1,130,786	-
Transit	3,321,069	253,140	2,017,812	-
Total business-type activities	117,780,986	128,991,318	3,148,598	1,591,427
Total primary government	$ 205,493,192	$ 134,176,852	$ 13,247,804	$ 4,899,262
Component unit - City of Concord, ABC Board	$ 7,264,003	$ 7,468,896	$ -	$ -

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

Total general revenues not including transfers

Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning, as restated (Note 17)

Net assets - ending

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (3,285,692)	$ -	$ (3,285,692)	$ -
(34,465,876)	-	(34,465,876)	-
(21,977,721)	-	(21,977,721)	-
(3,867,603)	-	(3,867,603)	-
(2,360,104)	-	(2,360,104)	-
(856,103)	-	(856,103)	-
(362,482)	-	(362,482)	-
(938,480)	-	(938,480)	-
(1,005,570)	-	(1,005,570)	-
(69,119,631)	-	(69,119,631)	-
-	12,566,647	12,566,647	-
-	5,206,368	5,206,368	-
-	1,352,751	1,352,751	-
-	(1,720,866)	(1,720,866)	-
-	(17,204)	(17,204)	-
-	(450,230)	(450,230)	-
-	63,008	63,008	-
-	(1,050,117)	(1,050,117)	-
-	15,950,357	15,950,357	-
(69,119,631)	15,950,357	(53,169,274)	-
-	-	-	204,893
43,163,621	-	43,163,621	-
13,366,521	-	13,366,521	-
2,880,377	-	2,880,377	-
730,032	1,206,493	1,936,525	2,811
342,594	90,296	432,890	
533,514	312,573	846,087	62,498
61,016,659	1,609,362	62,626,021	65,309
(1,984,080)	1,984,080	-	-
59,032,579	3,593,442	62,626,021	65,309
(10,087,052)	19,543,799	9,456,747	270,202
347,930,044	349,956,713	697,886,757	2,852,954
$ 337,842,992	$ 369,500,512	$ 707,343,504	$ 3,123,156

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

GOVERNMENTAL FUNDS

BALANCE SHEET
June 30, 2012

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	$ 47,482,938	$ 12,955,604	$ 60,438,542
Receivables:			
Ad valorem taxes, net	1,778,996	9,713	1,788,709
Due from other governmental agencies	464,094	347,708	811,802
Sales tax refunds	821,944	-	821,944
Interest	165,804	3,875	169,679
Due from other funds	5,178,668	-	5,178,668
Other, net	4,385,151	613,885	4,999,036
Inventories	55,781	-	55,781
Prepaid items	35,314	-	35,314
Restricted assets - cash and investments	3,729,733	13,084,269	16,814,002
Total assets	$ 64,098,423	$ 27,015,054	$ 91,113,477
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued liabilities	$ 2,665,009	$ 729,477	$ 3,394,486
Due to other funds	-	4,004,409	4,004,409
Deferred revenues	2,526,989	9,713	2,536,702
Deposits	1,426,298	-	1,426,298
Total liabilities	6,618,296	4,743,599	11,361,895
Fund Balances (Deficits)			
Non Spendable			
Inventories	55,781	-	55,781
Prepaids	35,314	-	35,314
Restricted			
Stabilization by State Statute	11,979,641	965,468	12,945,109
Transportation	2,021,131	-	2,021,131
Public safety	139,924	-	139,924
Committed			
Future capital purchases	-	13,084,232	13,084,232
Planning and community development	-	163,887	163,887
Housing assistance	-	204,728	204,728
Assigned			
Future capital purchases	-	11,925,525	11,925,525
Unassigned	43,248,336	(4,072,385)	39,175,951
Total fund balances (deficits)	57,480,127	22,271,455	79,751,582
Total liabilities and fund balances	$ 64,098,423	$ 27,015,054	$ 91,113,477

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, 2012

Fund balances - total governmental funds		$ 79,751,582
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	$ 619,710,604	
Less accumulated depreciation	325,562,832	294,147,772
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	68,645	279,930
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	(20,570,727)	
HUD Loan	(1,865,000)	
Governmental installment purchases	(4,429,089)	
Separation allowance	(1,519,972)	
OPEB Liability	(6,560,959)	
Accrued vacation payable	(2,789,591)	(37,735,338)
Bond premium	(472,196)	
Less accumulated amortization	(82,533)	(389,663)
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements		
Deferred revenues		1,788,709
Net assets of governmental activities		$ 337,842,992

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, 2012

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	$ 43,009,813	$ 81,677	$ 43,091,490
Other taxes	13,366,521	-	13,366,521
Unrestricted intergovernmental revenues	2,880,377	-	2,880,377
Restricted intergovernmental revenues	3,542,598	6,170,612	9,713,210
Licenses and permits	1,873,658	-	1,873,658
Investment earnings	535,905	194,127	730,032
Investment earnings, restricted	19,323	-	19,323
Program income	-	698,157	698,157
Other revenues	3,691,640	171,281	3,862,921
Total revenues	68,919,835	7,315,854	76,235,689
Expenditures			
Current:			
General government	4,563,849	-	4,563,849
Public safety	31,353,312	-	31,353,312
Public works	10,215,647	-	10,215,647
Cultural and recreational	3,956,149	-	3,956,149
Planning and community development	5,230,542	81,677	5,312,219
Administration	-	856,103	856,103
Housing assistance payments	-	3,698,736	3,698,736
Rehabilitation	-	3,227,906	3,227,906
Capital outlay	2,056,361	1,941,665	3,998,026
Debt service	1,073,848	2,247,397	3,321,245
Total expenditures	58,449,708	12,053,484	70,503,192
Excess (deficiency) of revenues over (under) expenditures	10,470,127	(4,737,630)	5,732,497
Other Financing Sources (Uses)			
Transfers from other funds	690,574	8,167,989	8,858,563
Transfers to other funds	(6,709,502)	(4,403,103)	(11,112,605)
Total other financing sources (uses)	(6,018,928)	3,764,886	(2,254,042)
Net change in fund balances	4,451,199	(972,744)	3,478,455
Fund Balances			
Beginning	53,028,928	23,244,199	76,273,127
Ending	$ 57,480,127	$ 22,271,455	$ 79,751,582

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, 2012

Net change in fund balances - total governmental funds		$ 3,478,455
Amounts reported for governmental activities in the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.		
Expenditures for capital assets	$ 3,998,026	
Capital contributions	3,307,835	
Asset transfer from business-type activities	269,962	
Current year's depreciation	(21,780,388)	(14,204,565)
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		2,273,244
Premium		42,431
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund		
Current year amortization of bond issuance costs	(64,536)	
Change in law enforcement officers special separation allowance	(211,495)	
Change in OPEB liability	(1,252,971)	
Change in long-term compensated absences	(213,322)	(1,742,324)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		72,131
Basis of property disposed of during the year		(6,424)
Change in net assets of governmental activities		$ (10,087,052)

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes:				
Current year	$ 40,597,284	$ 41,684,084	**$ 41,883,033**	$ 198,949
Prior years	157,600	275,600	**791,930**	516,330
Penalties and interest	300,000	300,000	**334,850**	34,850
	41,054,884	42,259,684	**43,009,813**	750,129
Other taxes:				
Local government sales tax	11,789,495	12,305,503	**13,366,521**	1,061,018
Unrestricted intergovernmental revenues:				
Officers' fees	50,000	50,000	**45,139**	(4,861)
Utilities franchise tax	2,565,740	2,565,740	**2,479,163**	(86,577)
Beer and wine tax	113,600	344,542	**344,542**	-
Fire protection	7,000	7,000	**11,533**	4,533
	2,736,340	2,967,282	**2,880,377**	(86,905)
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,096,560	2,101,620	**2,101,620**	-
Cabarrus County schools	199,580	199,580	**204,970**	5,390
Transportation (federal, state and local)	310,400	312,478	**274,007**	(38,471)
FEMA	339,142	339,142	**295,924**	(43,218)
Other restricted intergovernmental revenues	199,830	579,953	**666,077**	86,124
	3,145,512	3,532,773	**3,542,598**	9,825
Licenses and permits:				
Vehicle licenses	380,000	380,000	**425,511**	45,511
Zoning permits	160,000	160,000	**187,083**	27,083
Fire permits and inspections	125,000	125,000	**163,152**	38,152
Privilege license	970,000	1,000,000	**1,050,730**	50,730
Other	26,700	26,700	**47,182**	20,482
	1,661,700	1,691,700	**1,873,658**	181,958
Investment earnings	400,000	400,000	**535,905**	135,905
Investment earnings restricted	20,000	20,000	**19,323**	(677)
	420,000	420,000	**555,228**	135,228
Other general revenues:				
Public safety	209,089	209,089	**381,780**	172,691
Environmental protection	1,841,500	1,841,500	**2,063,363**	221,863
Miscellaneous	654,311	1,011,898	**981,248**	(30,650)
Recreational	213,050	213,050	**265,249**	52,199
	2,917,950	3,275,537	**3,691,640**	416,103
Total revenues	63,725,881	66,452,479	**68,919,835**	2,467,356

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits	$ 170,942	$ 170,942	**$ 159,835**	$ 11,107
Professional services	85,600	85,600	**84,202**	1,398
Operating expenditures	96,681	101,286	**119,408**	(18,122)
Capital outlay	11,787	19,690	**-**	19,690
Governing body cost allocations	(202,147)	(202,147)	**(192,625)**	(9,522)
	162,863	175,371	**170,820**	4,551
City Manager's Office:				
Salaries and employee benefits	560,473	586,527	**577,409**	9,118
Professional services	201,947	201,947	**126,941**	75,006
Operating expenditures	48,116	50,521	**35,583**	14,938
Administrative cost allocations	(344,174)	(344,174)	**(377,217)**	33,043
	466,362	494,821	**362,716**	132,105
Public Service Administration department:				
Salaries and employee benefits	172,836	176,030	**176,469**	(439)
Professional services	30,327	1,877	**4,505**	(2,628)
Operating expenditures	318,411	321,570	**340,479**	(18,909)
Capital outlay	75,000	75,000	**-**	75,000
Debt service	332,190	332,190	**332,190**	-
Administrative cost allocations	(709,491)	(709,491)	**(468,331)**	(241,160)
	219,273	197,176	**385,312**	(188,136)
Risk Management department:				
Salaries and employee benefits	137,924	166,502	**165,888**	614
Professional services	22,200	52,200	**41,345**	10,855
Operating expenditures	23,116	35,810	**29,017**	6,793
Capital outlay	18,000	16,134	**-**	16,134
Risk management cost allocations	(104,852)	(104,852)	**(122,369)**	17,517
	96,388	165,794	**113,881**	51,913
Finance department:				
Salaries and employee benefits	905,936	921,040	**909,472**	11,568
Professional services	51,752	51,752	**41,904**	9,848
Operating expenditures	67,371	72,851	**70,413**	2,438
Capital outlay	53,428	53,428	**53,428**	-
Finance cost allocations	(546,785)	(546,785)	**(556,527)**	9,742
	531,702	552,286	**518,690**	33,596

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Tax department:				
Salaries and employee benefits	$ 238,850	$ 243,397	**$ 243,580**	$ (183)
Professional services	12,000	25,059	**22,372**	2,687
Operating expenditures	122,724	124,535	**122,480**	2,055
Cost allocations	25,560	25,560	**23,913**	1,647
	399,134	418,551	**412,345**	6,206
Legal department:				
Salaries and employee benefits	405,038	425,556	**424,103**	1,453
Professional services	54,617	50,433	**41,065**	9,368
Operating expenditures	44,160	48,621	**40,802**	7,819
Cost allocations	(273,708)	(273,708)	**(262,930)**	(10,778)
	230,107	250,902	**243,040**	7,862
Human resources:				
Salaries and employee benefits	493,149	493,149	**417,952**	75,197
Professional services	90,100	90,100	**74,572**	15,528
Operating expenditures	58,947	75,725	**102,258**	(26,533)
Capital outlay	101,000	86,998	**46,906**	40,092
Human resources cost allocations	(385,617)	(385,617)	**(330,819)**	(54,798)
	357,579	360,355	**310,869**	49,486
Wellness center:				
Professional services	262,776	262,776	**224,663**	38,113
Operating expenditures	44,562	44,562	**29,724**	14,838
Wellness center cost allocations	(96,342)	(96,342)	**(94,123)**	(2,219)
	210,996	210,996	**160,264**	50,732
Nondepartmental:				
Professional services	108,280	78,280	**77,671**	609
Operating expenditures	2,253,673	1,627,317	**1,425,364**	201,953
Outside agencies	145,734	163,206	**117,844**	45,362
Capital outlay	-	-	**14,685**	(14,685)
Cost allocations	673,744	673,744	**697,557**	(23,813)
	3,181,431	2,542,547	**2,333,121**	209,426
Total general government	5,855,835	5,368,799	**5,011,058**	357,741
Public safety:				
Police department:				
Salaries and employee benefits	11,763,172	11,763,172	**11,610,483**	152,689
Professional services	224,338	210,089	**213,405**	(3,316)
Operating expenditures	2,284,836	2,323,283	**2,017,968**	305,315
Capital outlay	825,995	844,105	**733,345**	110,760
Cost allocations	482,135	482,135	**468,514**	13,621
	15,580,476	15,622,784	**15,043,715**	579,069

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Communications:				
Salaries and employee benefits	$ 1,086,763	$ 1,099,251	**$ 1,100,668**	$ (1,417)
Professional services	5,441	8,200	**10,869**	(2,669)
Operating expenditures	80,958	354,942	**79,870**	275,072
Capital outlay	13,983	13,983	**13,995**	(12)
Cost allocations	1,232	1,232	**1,153**	79
	1,188,377	1,477,608	**1,206,555**	271,053
Fire department:				
Salaries and employee benefits	11,805,501	12,206,405	**12,224,029**	(17,624)
Professional services	107,402	56,760	**27,204**	29,556
Operating expenditures	2,017,822	2,038,721	**1,850,774**	187,947
Capital outlay	394,012	405,359	**373,178**	32,181
Debt service	834,831	834,831	**741,658**	93,173
Cost allocations	541,879	541,879	**524,308**	17,571
	15,701,447	16,083,955	**15,741,151**	342,804
Code enforcement:				
Salaries and employee benefits	467,849	479,333	**477,556**	1,777
Operating expenditures	187,181	190,212	**180,808**	9,404
Capital outlay	22,500	22,500	**21,108**	1,392
	677,530	692,045	**679,472**	12,573
Emergency management:				
Salaries and employee benefits	215,417	220,196	**217,226**	2,970
Professional services	15,000	15,000	**15,303**	(303)
Operating expenditures	38,270	40,250	**15,817**	24,433
	268,687	275,446	**248,346**	27,100
Radio shop:				
Salaries and employee benefits	194,483	201,603	**200,249**	1,354
Professional services	917	2,700	**10,653**	(7,953)
Operating expenditures	57,135	121,105	**106,455**	14,650
Capital outlay	169,548	169,548	**151,226**	18,322
	422,083	494,956	**468,583**	26,373
Total public safety	33,838,600	34,646,794	**33,387,822**	1,258,972
Public works:				
Traffic services:				
Salaries and employee benefits	299,935	305,021	**302,367**	2,654
Operating expenditures	207,053	202,368	**154,058**	48,310
Capital outaly	5,000	-	**6,525**	(6,525)
Cost allocations	30,180	30,180	**28,236**	1,944
	542,168	537,569	**491,186**	46,383

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Transportation signal:				
Salaries and employee benefits	$ 221,655	$ 234,042	**$ 232,943**	$ 1,099
Professional services	5,262	5,262	**534**	4,728
Operating expenditures	269,652	293,483	**296,285**	(2,802)
Capital outlay	15,000	15,000	**-**	15,000
Cost allocations	23,559	23,559	**22,041**	1,518
	535,128	571,346	**551,803**	19,543
Transportation:				
Salaries and employee benefits	1,642,011	1,642,011	**1,621,792**	20,219
Professional services	17,351	17,351	**1,995**	15,356
Operating expenditures	3,019,955	3,036,009	**1,520,014**	1,515,995
Capital outlay	252,543	252,543	**233,507**	19,036
Cost allocations	280,402	280,402	**270,241**	10,161
	5,212,262	5,228,316	**3,647,549**	1,580,767
Fleet services:				
Salaries and employee benefits	802,350	802,350	**796,600**	5,750
Professional services	393	393	**-**	393
Operating expenditures	2,469,548	2,582,997	**2,408,045**	174,952
Cost allocations	(3,256,968)	(3,256,968)	**(3,149,111)**	(107,857)
	15,323	128,772	**55,534**	73,238
Solid waste and recycling:				
Salaries and employee benefits	1,688,108	1,688,108	**1,611,153**	76,955
Professional services	89,976	97,687	**107,666**	(9,979)
Operating expenditures	3,762,301	3,762,301	**3,416,616**	345,685
Capital outlay	310,000	255,288	**255,287**	1
Cost allocations	118,996	118,996	**117,049**	1,947
	5,969,381	5,922,380	**5,507,771**	414,609
Cemetery:				
Salaries and employee benefits	387,146	392,274	**390,905**	1,369
Professional services	7,080	7,080	**671**	6,409
Operating expenditures	81,823	81,823	**61,514**	20,309
Cost allocations	4,311	4,311	**4,033**	278
	480,360	485,488	**457,123**	28,365
Total public works	12,754,622	12,873,871	**10,710,966**	2,089,667

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	$ 1,231,534	$ 1,239,808	**$ 1,210,442**	$ 29,366
Professional services	302,106	272,106	**181,257**	90,849
Operating expenditures	1,189,714	1,201,917	**954,442**	247,475
Capital outlay	38,633	38,633	**109,572**	(70,939)
Cost allocations	1,540,280	1,540,280	**1,610,008**	(69,728)
Total cultural and recreational	4,302,267	4,292,744	**4,065,721**	227,023
Planning and community development				
Planning department:				
Salaries and employee benefits	1,251,372	1,263,552	**1,252,787**	10,765
Professional services	386,460	354,222	**308,567**	45,655
Operating expenditures	426,624	599,035	**469,068**	129,967
Capital outlay	26,000	40,344	**43,599**	(3,255)
Incentive grants	2,813,593	3,002,374	**3,002,374**	-
Cost allocations	204,882	204,882	**197,746**	7,136
Total planning and community development	5,108,931	5,464,409	**5,274,141**	190,268
Total expenditures	61,860,255	62,646,617	**58,449,708**	4,123,671
Excess of revenues over expenditures	1,865,626	3,805,862	**10,470,127**	6,664,265
Other Financing Sources (Uses)				
Fund balance appropriated	3,962,951	2,262,452	**-**	2,262,452
Transfers from other funds	670,162	670,162	**690,574**	(20,412)
Transfers to other funds	(6,498,739)	(6,738,476)	**(6,709,502)**	(28,974)
Total other financing uses	(1,865,626)	(3,805,862)	**(6,018,928)**	2,213,066
Net change in fund balance	$ -	$ -	**4,451,199**	$ 4,451,199
Fund Balance				
Beginning			**53,028,928**	
Ending			**$ 57,480,127**	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS
June 30, 2012

	Business-type Activities - Enterprise Funds			
ASSETS	**Electric Fund**	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Current Assets				
Cash and investments	**$ 33,252,286**	**$ 38,365,729**	**$ 6,938,101**	**$ 5,431,367**
Receivables:				
Accounts receivable, net	**16,794,199**	**2,450,358**	**1,758,603**	**508,177**
Due from other governmental agencies	**-**	**-**	**-**	**-**
Interest	**93,997**	**98,895**	**9,540**	**-**
Other receivables	**-**	**-**	**-**	**-**
Inventories and prepaid expenses	**2,479,032**	**430,937**	**47,302**	**198,332**
Total current assets	**52,619,514**	**41,345,919**	**8,753,546**	**6,137,876**
Noncurrent Assets				
Restricted assets - cash and investments	**2,899,696**	**3,299,375**	**1,984,727**	**74,653**
Capital assets	**129,166,314**	**135,643,047**	**103,065,138**	**88,268,207**
Less accumulated depreciation	**(60,813,098)**	**(48,233,062)**	**(33,558,758)**	**(17,328,517)**
Bond issuance costs, net	**1,116,857**	**1,594,201**	**1,463,070**	**31,591**
Total noncurrent assets	**72,369,769**	**92,303,561**	**72,954,177**	**71,045,934**
Total assets	**124,989,283**	**133,649,480**	**81,707,723**	**77,183,810**
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	**5,441,824**	**252,281**	**79,032**	**198,143**
Current portion of long-term debt	**2,390,157**	**3,416,359**	**1,489,792**	**909,677**
Accrued interest	**94,928**	**149,908**	**79,520**	**5,429**
Due to other funds	**-**	**-**	**-**	**-**
Total current liabilities	**7,926,909**	**3,818,548**	**1,648,344**	**1,113,249**
Noncurrent Liabilities				
Long-term debt due after one year	**26,672,455**	**41,658,085**	**21,716,251**	**9,836,981**
Deposits	**1,687,032**	**435,075**	**1,075**	**74,650**
Total noncurrent liabilities	**28,359,487**	**42,093,160**	**21,717,326**	**9,911,631**
Total liabilities	**36,286,396**	**45,911,708**	**23,365,670**	**11,024,880**
NET ASSETS				
Invested in capital assets, net of related debt	**40,304,969**	**44,556,558**	**46,503,246**	**60,468,828**
Unrestricted (deficit)	**48,397,918**	**43,181,214**	**11,838,807**	**5,690,102**
Total net assets	**$ 88,702,887**	**$ 87,737,772**	**$ 58,342,053**	**$ 66,158,930**
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 Fund
$ 6,591,896	$ 761,338	$ 91,340,717	$ 999,247
275,475	102,301	21,889,113	-
-	1,225,447	1,225,447	-
15,333	2,215	219,980	-
-	254,687	254,687	-
2,115	70,591	3,228,309	197,143
6,884,819	2,416,579	118,158,253	1,196,390
-	32,265	8,290,716	-
57,189,276	28,996,036	542,328,018	3,599,052
(10,820,292)	(7,477,538)	(178,231,265)	(2,751,382)
-	421,877	4,627,596	-
46,368,984	21,972,640	377,015,065	847,670
53,253,803	24,389,219	495,173,318	2,044,060
84,378	397,331	6,452,989	230,246
101,884	720,509	9,028,378	350,806
-	29,998	359,783	-
-	1,174,259	1,174,259	-
186,262	2,322,097	17,015,409	581,052
64,821	6,624,143	106,572,736	1,317,572
-	32,265	2,230,097	-
64,821	6,656,408	108,802,833	1,317,572
251,083	8,978,505	125,818,242	1,898,624
46,326,236	14,333,498	252,493,335	847,670
6,676,484	1,077,216	116,861,741	(702,234)
$ 53,002,720	$ 15,410,714	$ 369,355,076	$ 145,436
		145,436	
		$ 369,500,512	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds			
	Electric Fund	Water Fund	Wastewater Fund	Regional Airport Fund
Operating Revenues				
Charges for services	$ 77,851,684	$ 18,516,425	$ 14,029,735	$ 9,779,077
Other operating revenues	1,096,417	1,339,632	742,629	30,371
Total operating revenue	78,948,101	19,856,057	14,772,364	9,809,448
Operating Expenses				
General and administrative	1,922,717	-	-	-
Professional services	-	-	-	-
Water plant and lakes	-	5,154,238	-	-
Water line operation and maintenance	-	5,473,994	-	-
Wastewater line and plant	-	-	10,185,335	-
Purchased power	50,898,080	-	-	-
Power line and plant	8,802,414	-	-	-
Airport operation and maintenance	-	-	-	9,567,548
Stormwater operation and maintenance	-	-	-	-
Utilities	-	-	-	-
Housing maintenance and repairs	-	-	-	-
Operating supplies	-	-	-	-
Other operating costs	-	-	-	-
Depreciation and amortization	3,973,103	3,815,595	2,857,381	1,888,484
Total operating expenses	65,596,314	14,443,827	13,042,716	11,456,032
Operating income (loss)	13,351,787	5,412,230	1,729,648	(1,646,584)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	-	-	-
Interest earned on investments	426,914	500,463	199,906	21,521
Interest expense	(785,140)	(933,608)	(862,627)	(452,233)
Gain (loss) on sale of capital assets	74,643	13,393	17,353	-
Other	-	-	229,589	25,362
Total nonoperating revenues (expenses)	(283,583)	(419,752)	(415,779)	(405,350)
Income (loss) before capital contributions and transfers	13,068,204	4,992,478	1,313,869	(2,051,934)
Capital contributions	-	727,746	485,730	377,951
Transfers in	-	-	-	837,808
Transfers out	(520,000)	-	-	-
Transfers in (out)	(520,000)	-	-	837,808
Change in net assets	12,548,204	5,720,224	1,799,599	(836,175)
Net Assets (Deficit):				
Beginning, as restated (Note 17)	76,154,683	82,017,548	56,542,454	66,995,105
Ending	$ 88,702,887	$ 87,737,772	$ 58,342,053	$ 66,158,930

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 Fund
$ 3,700,805	$ 1,391,383	$ 125,269,109	$ 9,064,317
13,350	499,810	3,722,209	-
3,714,155	1,891,193	128,991,318	9,064,317
-	682,115	2,604,832	6,429,193
-	2,884,914	2,884,914	1,005,656
-	-	5,154,238	-
-	-	5,473,994	-
-	-	10,185,335	-
-	-	50,898,080	-
-	-	8,802,414	-
-	-	9,567,548	-
2,169,009	-	2,169,009	-
-	251,772	251,772	-
-	359,695	359,695	-
-	466,948	466,948	-
-	603,523	603,523	1,445,455
1,559,934	913,668	15,008,165	184,013
3,728,943	6,162,635	114,430,467	9,064,317
(14,788)	(4,271,442)	14,560,851	-
-	3,148,598	3,148,598	-
51,342	6,347	1,206,493	-
(2,416)	(314,495)	(3,350,519)	-
10,540	(25,633)	90,296	(269,962)
-	57,622	312,573	-
59,466	2,872,439	1,407,441	(269,962)
44,678	(1,399,003)	15,968,292	(269,962)
-	-	1,591,427	-
-	1,961,903	2,799,711	-
-	(25,669)	(545,669)	-
-	1,936,234	2,254,042	-
44,678	537,231	19,813,761	(269,962)
52,958,042	14,873,483		415,398
$ 53,002,720	$ 15,410,714		$ 145,436
		(269,962)	
		$ 19,543,799	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds			
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Cash Flows From Operating Activities				
Receipts from customers	**$ 71,899,019**	**$ 19,725,725**	**$ 14,945,594**	**$ 12,112,420**
Payments to employees	**(4,605,164)**	**(3,449,940)**	**(1,579,332)**	**(1,728,252)**
Payments to suppliers	**(58,260,371)**	**(7,660,738)**	**(8,596,480)**	**(7,909,727)**
Net cash provided by (used in) operating activities	**9,033,484**	**8,615,047**	**4,769,782**	**2,474,441**
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	**-**	**-**	**-**	**-**
Transfers in	**-**	**-**	**-**	**837,808**
Transfers out	**(520,000)**	**-**	**-**	**-**
Operating grants received	**-**	**-**	**-**	**-**
Net cash provided by (used in) noncapital financing activities	**(520,000)**	**-**	**-**	**837,808**
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	**(6,328,432)**	**(19,337,343)**	**(1,374,177)**	**(821,400)**
Interest paid	**(1,210,050)**	**(1,927,132)**	**(952,632)**	**(480,993)**
Financing proceeds	**4,079,802**	**15,347,759**	**-**	**-**
Acquisition and construction of capital assets	**(3,963,340)**	**(2,519,475)**	**(1,332,306)**	**(455,949)**
Capital contributions - federal grant	**-**	**-**	**-**	**377,951**
Proceeds from the sale of capital assets	**79,645**	**13,393**	**17,353**	**-**
Net cash provided by (used in) capital and related financing activities	**(7,342,375)**	**(8,422,798)**	**(3,641,762)**	**(1,380,391)**
Cash Flows From Investing Activities				
Earnings on investments	**472,760**	**549,641**	**204,768**	**36,309**
Net cash provided by investing activities	**472,760**	**549,641**	**204,768**	**36,309**
Net increase (decrease) in cash and cash equivalents	**1,643,869**	**741,890**	**1,332,788**	**1,968,167**
Cash and cash equivalents:				
Beginning	**34,508,113**	**40,923,214**	**7,590,040**	**3,537,853**
Ending	**$ 36,151,982**	**$ 41,665,104**	**$ 8,922,828**	**$ 5,506,020**

Noncash investing, capital and financing activities:
The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of $1,213,476 representing donated capital assets.

Continued

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 3,660,009	$ 1,881,083	$ 124,223,850	$ 9,064,707
(1,196,504)	(431,645)	(12,990,837)	(6,177,722)
(949,674)	(3,878,645)	(87,255,635)	(2,725,510)
1,513,831	(2,429,207)	23,977,378	161,475
-	(880,658)	(880,658)	-
-	1,961,903	2,799,711	-
-	(25,669)	(545,669)	-
-	3,148,598	3,148,598	-
-	4,204,174	4,521,982	-
(40,956)	(650,000)	(28,552,308)	-
(2,416)	(347,205)	(4,920,428)	-
-	-	19,427,561	-
(344,559)	(602,938)	(9,218,567)	(285,652)
-	-	377,951	-
10,540	803	121,734	-
(377,391)	(1,599,340)	(22,764,057)	(285,652)
55,426	6,895	1,325,799	-
55,426	6,895	1,325,799	-
1,191,866	182,522	7,061,102	(124,177)
5,400,030	611,081	92,570,331	1,123,424
$ 6,591,896	$ 793,603	$ 99,631,433	$ 999,247

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds			
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Operating income (loss)	**$ 13,351,787**	**$ 5,412,230**	**$ 1,729,648**	**$ (1,646,584)**
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	**3,973,103**	**3,815,595**	**2,857,381**	**1,888,484**
Other income	**-**	**-**	**229,589**	**25,362**
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	**(7,049,082)**	**(130,332)**	**(56,359)**	**1,706,100**
Due from other governmental agencies	**-**	**-**	**-**	**571,510**
Inventories and prepaid expenses	**162,019**	**(61,308)**	**3,123**	**(73,645)**
Increase (decrease) in:				
Accounts payable and accrued expenses	**(1,664,243)**	**(603,851)**	**(51,524)**	**(56,401)**
Vacation accrual	**26,510**	**22,466**	**(8,938)**	**(8,966)**
OPEB liability	**153,487**	**144,057**	**66,812**	**71,226**
Deposits	**79,903**	**16,190**	**50**	**(2,645)**
Net cash provided by (used in) operating activities	**$ 9,033,484**	**$ 8,615,047**	**$ 4,769,782**	**$ 2,474,441**

See Notes to Financial Statements

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ (14,788)	$ (4,271,442)	$ 14,560,851	$ -
1,559,934	913,668	15,008,165	184,013
-	57,622	312,573	-
(54,146)	(64,940)	(5,648,759)	390
-	871,996	1,443,506	-
(660)	(5,290)	24,239	(51,639)
(25,145)	20,747	(2,380,417)	(185,811)
3,493	7,062	41,627	(22,631)
45,143	35,513	516,238	237,153
-	5,857	99,355	-
$ 1,513,831	$ (2,429,207)	$ 23,977,378	$ 161,475

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

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS
June 30, 2012

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	**$ 461,872**	**$ 1,322,100**
Total assets	**$ 461,872**	**$ 1,322,100**
LIABILITIES		
Agency payable	**$ -**	**$ 1,322,100**
NET ASSETS		
Assets held in trust for OPEB benefits	**$ 461,872**	**$ -**

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, 2012

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	**$ 639,614**
Member contributions	**94,332**
	733,946
Investment income	**13,664**
Total additions	**747,610**
Deductions:	
Benefits	**633,946**
Change in net assets	**113,664**
Net assets, beginning	**348,208**
Net assets, ending	**$ 461,872**

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

The government reports the following major governmental fund:

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

Proprietary funds are presented in the financial statements on the accrual basis of accounting, similar to the basis used by government-wide statements and are accounted for on a flow of economic resources measurement focus. Under this basis, revenues are recognized in the accounting period when earned and expenses are recognized in the period they are incurred. As permitted by accounting principles generally accepted in the United States of America, the City of Concord and the City of Concord ABC Board have elected to apply only applicable FASB Statements and Interpretations issued before November 30, 1989 in their accounting and reporting practices for their enterprise fund operations.

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

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

The government reports the following major proprietary funds:

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Cabarrus County is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts in the County, including the City of Concord. For motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, the City's vehicle taxes for vehicles registered in Cabarrus County from March 2011 through February 2012 apply to the fiscal year ended June 30, 2012. 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 Utility Capital Reserve Project Fund, the Golf Capital Project 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 Trust. The State Treasurer in her discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B authorized under G.S. 147-69.2(b)(8). The STIF securities are reported at cost and maintain a constant $1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The LTIF is also valued at $1 per share. The Global Ex-US Alpha Tilts Fund B is priced at 15.2845 per share and the Russell 3000 Alpha Tilts Fund B is priced at 31.596 per share at June 30, 2012.

Note 1. Summary of Significant Accounting Policies (Continued)

CASH AND CASH EQUILAVENTS

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

RESTRICTED ASSETS

The unexpended bond proceeds for the 2008 revenue bonds issued by the City and deposits on hand are classified as restricted assets for the respective funds because their use is completely restricted to the purpose for which the bonds were originally issued and the deposits will be used for. Monies set aside for debt service, extension, and replacement fund as required by the bond documents or designated for future projects are also classified as restricted assets. Powell Bill funds are also classified as restricted cash because it can be expended only for the purposes of maintaining, repairing, constructing, reconstructing or widening of local streets per G.S. 136-41.1 through 136-41.4.

AD VALOREM TAXES RECEIVABLE

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

ALLOWANCES FOR DOUBTFUL ACCOUNTS

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

INVENTORIES AND PREPAID ITEMS

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

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

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

CAPITAL ASSETS

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The City reported $1,103,489 in capitalized interest as part of the cost of capital assets under construction in fiscal year 2012.

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

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

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by 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 $1,788,709 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 $72,131 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, 2012 and June 30, 2011.

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, 2012, the City's deposits had a carrying amount of $26,456,977 and a bank balance of $26,350,453. Of the bank balance, $1,250,000 was covered by federal depository insurance and $25,100,453 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of $17,264 at June 30, 2012.

At June 30, 2012, the carrying amount of deposits for the ABC Board was $2,611,535 and the bank balance was $2,568,399. All of the bank balances were covered by federal depository insurance or collateralized deposits. The ABC Board had cash on hand of $17,264 at June 30, 2012.

Note 3. Cash and Investments (Continued)

At June 30, 2012, 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	$ 116,496,152	$ 3,172,520	$ 7,087,377	$ 43,003,491	$ 63,232,764
Commercial paper	29,087,860	29,087,860	-	-	-
North Carolina Capital Management Trust – Cash Portfolio	2,604,769	2,604,769	N/A	N/A	N/A
North Carolina Capital Management Trust – Term Portfolio	5,004,174	N/A	N/A	N/A	N/A
Total	$ 153,192,955	$ 34,865,149	$ 7,087,377	$ 43,003,491	$ 63,232,764

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, 2012, 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, 2012. The City's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The City's investments in US Government Agencies (Federal Home Loan Bank, Federal Farm Credit, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Concentration of Credit Risk – As noted above under Interest Rate Risk, the City's investment policy limits the amount the City may invest in any one issuer. More than 5 percent of the City's investments are in FNMA Discount Notes, Federal Home Loan Mortgage Corporation , and the Federal Home Loan Bank. These investments are 40%, 22%, and 11% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2012, the City's Health Care Plan had $461,872 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) 24.41%; State Treasurer's Long Term Investment Fund (LTIF) 9.90% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 65.69% (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 1.5 years at June 30, 2012. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 16.3 years at June 30, 2012.

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, 2012, the ABC Board did not have any investments.

Note 4. Receivables and Allowances for Doubtful Amounts

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

	Governmental Activities	Business-type Activities
Accounts receivable, net	$ -	$ 21,889,113
Ad valorem taxes, net	1,788,709	-
Due from other governmental agencies	811,802	1,225,447
Sales tax refunds	821,944	-
Interest	169,679	219,980
Other, net	4,999,036	254,687
	$ 8,591,170	$ 23,589,227

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

Governmental Activities, allowance for doubtful ad valorem taxes	$ 596,236
Governmental Activities, allowance for doubtful other receivables	$ 2,500
Business-type Activities, allowance for doubtful accounts receivable	$ 203,600

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	July 1, 2011	Increases	Decreases	Transfers	June 30, 2012
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 51,252,658	$ 400,635	$ -	$ -	$ 51,653,293
Construction in progress	2,270,675	965,795	599,648	-	2,636,822
Total capital assets, not being depreciated	53,523,333	1,366,430	599,648	-	54,290,115
Capital assets, being depreciated:					
Buildings	46,396,133	889,123	137,537	322,090	47,469,809
Improvements other than buildings	2,706,608	256,202	158,595	-	2,804,215
Machinery and equipment	28,430,791	1,997,273	1,210,719	361,463	29,578,808
Infrastructure	482,171,177	3,396,480	-	-	485,567,657
Total capital assets, being depreciated	559,704,709	6,539,078	1,506,851	683,553	565,420,489
Accumulated depreciation:					
Buildings	14,501,075	1,735,094	136,417	161,045	16,260,797
Improvements other than buildings	1,784,555	93,790	158,595	-	1,719,750
Machinery and equipment	20,368,939	2,306,554	1,205,415	252,546	21,722,624
Infrastructure	268,214,711	17,644,950	-	-	285,859,661
Total accumulated depreciation	304,869,280	21,780,388	1,500,427	413,591	325,562,832
Total capital assets, being depreciated, net	254,835,429	$ (15,241,310)	$ 6,424	$ 269,962	239,857,657
Government activities capital assets, net	$ 308,358,762				$ 294,147,772

Note 5. Capital Assets (Continued)

	July 1, 2011	Increases	Decreases	Transfers	June 30, 2012
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 38,676,701	$ -	$ -	$ -	$ 38,676,701
Construction in progress	17,233,488	6,314,053	4,421,363	-	19,126,178
Total capital assets, not being depreciated	55,910,189	6,314,053	4,421,363	-	57,802,879
Capital assets, being depreciated:					
Buildings	55,204,879	30,050	-	(322,090)	54,912,839
Improvements other than buildings	402,618,647	6,746,094	34,481	-	409,330,260
Machinery and equipment	22,653,843	2,300,463	711,751	(361,463)	23,881,092
Total capital assets, being depreciated	480,477,369	9,076,607	746,232	(683,553)	488,124,191
Accumulated depreciation:					
Buildings	15,928,687	1,779,713	-	(161,045)	17,547,355
Improvements other than buildings	134,831,814	11,033,252	34,481	-	145,830,585
Machinery and equipment	16,610,680	1,926,885	680,311	(252,547)	17,604,707
Total accumulated depreciation	167,371,181	14,739,850	714,792	(413,592)	180,982,647
Total capital assets, being depreciated, net	313,106,188	$ (5,663,243)	$ 31,440	$ (269,961)	307,141,544
Business-type activities capital assets, net	$ 369,016,377				$ 364,944,423

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	$ 254,931
Public safety	2,803,160
Public works	18,397,170
Culture & recreational	165,980
Planning and community development	159,147
Total depreciation expense – governmental activities	$ 21,780,388
Business-type activities:	
Electric	$ 3,868,406
Water	3,671,269
Wastewater	2,723,646
Regional airport	1,887,671
Stormwater	1,559,934
Other nonmajor business-type activities	844,911
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	184,013
Total depreciation expense – business-type activities	$ 14,739,850

Note 5. Capital Assets (Continued)

Activity for the ABC Board for the year ended June 30, 2012, was as follows:

	July 1, 2011	Increases	Decreases	June 30, 2012
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	324,379	41,715	-	366,094
Machinery and equipment	396,143	2,135	-	398,278
Total capital assets, being depreciated	771,600	43,850	-	815,450
Accumulated depreciation	536,433	36,805		573,238
Total capital assets, being depreciated, net	235,167	$ 7,045	$ -	242,212
Component unit capital assets, net	$ 255,167			$ 262,212

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	$ 1,407,725	$ 6,307,621
Accrued payroll and payroll related liabilities	1,663,301	328,082
Accrued sales tax payable	-	19,746
Other accrued liabilities	323,460	27,786
	$ 3,394,486	$ 6,683,235

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	1,711,742	1,351,005
	$ 5,747,229	$ 11,255,378

Installment purchases payable at June 30, 2012 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	$ 31,512
$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	212,577
$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	4,185,000
	$ 4,429,089

Note 7. Long-Term Debt (Continued)

Business-type activities:

$4,500,000, contract for construction of aviation hangar in fiscal year 2004 due in annual installments of $225,000; interest 5.01%, payable from Regional Airport Fund	$ 2,793,750
$7,550,000, contract for construction of aviation projects in fiscal year 2008 due in annual installments of $377,500; interest 4.44%, payable from Regional Airport Fund	5,851,250
$780,000, equipment purchase in fiscal year 2009 due in annual installments of $149,082 to $165,733 through June 2013; interest 3.545%, payable from Stormwater and Electric Funds	165,733
	$ 8,810,733

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
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	270,000	134,649	602,500	277,961
2018-2022	1,350,000	494,656	3,012,500	971,032
2023-2027	1,350,000	194,946	2,431,250	306,603
2028	135,000	3,022	188,750	4,224
	$ 4,429,089	$ 1,493,580	$ 8,810,733	$ 2,956,956

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, 2012 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 $68,022.	$ 407,698
$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%.	2,452,852
	$ 2,860,550

Business-type activities:

$27,365,000, Utilities Systems Revenue Bonds, Series 2008 due in annual installments of $500,000 to $1,595,000; through December 1, 2035; interest from 3.00% to 5.00%	$ 25,685,000
$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 $846,597.	15,667,683
$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 $203,139.	34,229,009
$17,635,000, Utilities Systems Refunding Revenue Bonds Series 2012 due in annual installments of $760,000 to $1,390,000 through December 2028; interest from 2.00% to 5.00%. The amount shown is net of the unamortized deferred loss on the defeasance of $1,027,064.	16,607,936
	$ 92,189,628

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
2013	$ 219,625	$ 111,606	$ 6,570,375	$ 3,722,250
2014	225,225	104,934	6,754,775	3,525,297
2015	295,785	96,730	6,939,215	3,311,038
2016	303,398	86,735	7,136,602	3,067,446
2017	312,130	76,152	7,357,870	2,806,967
2018-2022	1,155,786	210,910	26,634,214	10,125,241
2023-2027	416,623	10,094	17,043,377	5,021,440
2028-2032	-	-	9,280,000	2,577,654
2033-2036	-	-	6,550,000	675,750
	$ 2,928,572	$ 697,161	$ 94,266,428	$ 34,833,083

The future payments, as presented above, have not been reduced by $68,022 for governmental activities and $2,076,800 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 2008, 2009 and 2012. Section 6.6 of the General Trust Indenture requires the debt service coverage ratio to be no less than 120%. The debt service coverage ratio calculation for the year ended June 30, 2012, is as follows:

Net Income (GAAP Basis)	$ 12,690,020
Add: Depreciation Expense	10,263,321
Interest Expense	3,684,865
Income available for debt service	26,638,206
Debt service, principal and interest paid (Revenue bond only)	$ 10,483,719
Debt service coverage ratio	254%

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay $106,468,308 in electric, water, and wastewater system revenue bonds issued in 2008 through 2012. Proceeds from the bonds provided financing for various projects related to the electric, water, and wastewater systems. The bonds are payable solely from electric, water, and wastewater customer net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 10 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $129,099,511. Principal and interest paid for the current year and total customer net revenues were $10,483,719 and $113,576,522, respectively.

Note 7. Long-Term Debt (Continued)

Advance Refunding Bonds: In May 2012, the City issued $17,635,000 of Utilities Systems advance refunding bonds to provide resources to purchase certain non-callable Federal Securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the City's Series 2002A Utilities Systems Revenue Bonds. The refunding debt was issued at a net interest cost of 2.84%. As a result the refunded bonds are considered to be defeased and the liability has been removed from the respective funds. The amount of defeased debt that remains outstanding as of June 30, 2012 is $20,520,000. This refunding was undertaken to reduce total debt service payments over the following 17 years by $3,696,671 and resulted in an economic gain of $3,068,114. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred ($1,036,663) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2012 was $1,027,064.

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, 2012 was $914,619.

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, 2012 was $203,139.

Loan and installment notes: Loan and installment notes payable at June 30, 2012 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	$ 11,570,000
$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 $248,022.	6,140,178
	$ 17,710,178
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	$ 7,185,000
$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 $69,955.	1,731,845
	$ 8,916,845

Note 7. Long-Term Debt (Continued)

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

	Governmental Activities		Business-type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2013	$ 1,413,300	$ 730,525	$ 886,700	$ 383,910
2014	1,401,600	685,546	913,400	354,629
2015	1,381,000	640,273	929,000	323,727
2016	1,370,400	596,148	954,600	289,702
2017	1,350,900	651,638	984,100	141,212
2018-2022	5,911,000	1,886,503	4,319,000	508,372
2023-2027	3,210,000	864,675	-	-
2028-2030	1,920,000	172,800	-	-
	$ 17,958,200	$ 6,228,108	$ 8,986,800	$ 2,001,552

The future payments, as presented above, have not been reduced by $248,022 for governmental activities and $69,955 for business-type activities, the unamortized deferred loss as a result of the refundings.

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, 2012 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, 2012 was $317,977.

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	$ 1,865,000
	$ 1,865,000

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

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2013	$ 109,000	$ 87,774
2014	109,000	83,512
2015	109,000	79,076
2016	109,000	74,460
2017	109,000	69,658
2018-2022	545,000	271,958
2023-2027	545,000	134,113
2028-2029	230,000	12,769
	$ 1,865,000	$ 813,320

Note 7. Long-Term Debt (Continued)

A summary of changes in long-term debt follows:

	July 1, 2011	Additions	Reductions	June 30, 2012
Governmental activities:				
Installment purchases	$ 4,958,156	$ -	$ 529,067	$ 4,429,089
Less current maturities				441,953
Long-term installment purchases				$ 3,987,136
Bond payables:				
Installment notes	$ 19,379,300	$ -	$ 1,421,100	$ 17,958,200
Plus premium on limited obligation bonds	369,370	-	36,036	333,334
Revenue bonds	3,142,650	-	214,078	2,928,572
Plus premium on revenue bonds	62,724	-	6,395	56,329
Less deferred loss on defeasance	(352,692)	-	(36,647)	(316,045)
Total bond payable	$ 22,601,352	$ -	$ 1,640,962	20,960,390
HUD loan	$ 1,974,000	$ -	$ 109,000	1,865,000
Compensated absences	$ 2,576,268	$ 1,796,962	$ 1,583,639	2,789,591
Separation allowance	$ 1,308,477	$ 211,495	$ -	1,519,972
OPEB liability	$ 5,307,988	$ 1,252,971	$ -	6,560,959
Less current maturities:				
Installment notes				1,413,300
Revenue bonds				219,625
HUD loan				109,000
Compensated absences				2,594,320
Long-term debt				$ 29,359,667

	July 1, 2011	Additions	Reductions	June 30, 2012
Business-type activities:				
Installment purchases	$ 9,573,218	$ -	$ 762,485	$ 8,810,733
Less current maturities				768,233
Long-term installment purchases				$ 8,042,500
Bond payables:				
Installment notes	$ 9,855,700	$ -	$ 868,900	$ 8,986,800
Plus premium on limited obligation bonds	104,181	-	10,164	94,017
Revenue bonds	103,552,351	17,635,000	26,920,923	94,266,428
Plus premium on revenue bonds	1,442,070	1,792,561	177,295	3,057,336
Less deferred loss on defeasance	(1,268,121)	(1,036,663)	(158,029)	(2,146,755)
Total bond payable	$ 113,686,181	$ 18,390,898	$ 27,819,253	104,257,826
Compensated absences	$ 1,221,733	$ 970,498	$ 951,503	1,240,728
OPEB liability	$ 2,206,814	$ 753,391	$ -	2,960,205
Less current maturities:				
Installment notes				886,700
Revenue bonds				6,570,375
Compensated absences				1,153,876
Long-term debt				$ 99,847,808

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

The legal debt margin of the City at June 30, 2012 was $798,277,642.

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2012 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 4,004,409
General Fund	Nonmajor enterprise funds	1,174,259
		$ 5,178,668

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, 2012 is as follows:

Transfers To	Transfers From	Total
General fund	Nonmajor governmental funds	$ 170,574
General fund	Electric fund	520,000
Debt service fund	General fund	2,196,959
Nonmajor governmental funds	General fund	2,275,455
Nonmajor enterprise funds	General fund	1,399,280
Regional airport fund	General fund	837,808
Nonmajor governmental funds	Nonmajor enterprise funds	25,669
Nonmajor enterprise funds	Nonmajor governmental funds	562,623
Nonmajor governmental funds	Nonmajor governmental funds	3,669,906
		$ 11,658,274

Interfund transfers listed above represent funds used for payment of capital projects and debt service. On the government-wide statements, an additional transfer of $269,962 from the business-type activities to the governmental activities is shown. This transfer represents the book value of assets transferred from business-type activities to governmental activities during the year.

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 6.96% and 7.04%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 7.05% 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, 2012, 2011 and 2010 were $2,945,515, $2,582,477, and $1,967,204, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2012, 2011, and 2010 were $50,813, $50,466, and $38,341, 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, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	158
Total	169

(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 2012 current year was determined as part of the December 31, 2010 actuarial valuations using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Item (b) included an inflation component of 3.00%. The assumptions did not include postretirement benefit increases. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2010 was 20 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	$	371,915
Interest on net pension obligation		65,424
Adjustment to annual required contribution		(78,057)
Annual pension cost		359,282
Employer contributions made during the year		147,787
Increase in net pension obligation		211,495
Net pension obligation beginning of year		1,308,477
Net pension obligation end of year (included in the General Fund's long-term debt)	$	1,519,972

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, 2010	282,060	51	1,082,923
June 30, 2011	366,813	39	1,308,477
June 30, 2012	359,282	41	1,519,972

(4) Funded Status and Funding Progress:

As of December 31, 2011, 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 $3,573,036. The covered payroll (annual payroll of active employees covered by the plan) was $7,746,401, and the ratio of the UAAL to the covered payroll was 46 percent.

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

C. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding policy – Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2012 were $567,737, which consisted of $407,828 from the City and $159,909 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, 2012 were $1,839,902, which consisted of $1,191,194 from the City and $648,708 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 1.16% of covered payroll, respectively. For the year ended June 30, 2012, the City made payments for postretirement health benefit premiums of $733,946 of which $94,332 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	450,888
Adjustment to annual required contribution	(368,353)
Annual OPEB cost (expense)	2,645,977
Contributions made	(639,614)
Increase (decrease) in net OPEB obligation	2,006,363
Net OPEB obligation, beginning of year	7,514,801
Net OPEB obligation, end of year	$ 9,521,164

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
2010	2,470,787	20.8%	5,541,163
2011	2,624,301	24.8%	7,514,801
2012	2,645,977	24.2%	9,521,164

(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 - General fund	$ 1,778,996	$ -
Reserve for taxes receivable - Other governmental funds	9,713	-
Prepaid taxes, not yet earned - General fund	-	102,784
Prepaid privilege licenses, not yet earned - General fund	-	581,319
Other prepaid fees - General fund	-	63,890
	$ 1,788,709	$ 747,993

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	$ 57,480,127
Less:	
Inventories	55,781
Prepaids	35,314
Stabilization by State Statute	11,979,641
Streets – Powell Bill	2,021,131
Public Safety	139,924
Remaining Fund Balance	$ 43,248,336

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, 2012 in the General Fund was $963,980.

Note 13. Commitments and Contingencies

The City had commitments on contracts of approximately $1.9 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, 2012, 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, 2012, 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 $191,987,301. Employee health coverage is self insured through Blue Cross Blue Shield of North Carolina unless specified.

Note 14. Risk Management (Continued)

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 $600,000 per employee, after which the excess workers compensation insurance company will pay until the claim is closed.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The City's property policy provides up to $5 million in flood coverage for locations that are not located within a Federal Emergency Management Agency ("FEMA") flood zone. This coverage excludes locations that are included in FEMA areas designated as "A" or "V." The City does not have any property located within this designation at year end.

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

City of Concord ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workers compensation, and employee health coverage. The ABC Board also had liquor legal liability coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each board member 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, 2012.

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 $9,136. 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. Prior Period Adjustment

During the year ended June 30, 2012, it was discovered by City of Concord personnel that a fixed asset addition in the Housing Fund for the year ended June 30, 2011 was omitted. Accordingly, an adjustment of $419,360 was made to increase the beginning fund balance of the Housing Fund and to increase the beginning net assets of business-type activities on the Statement of Net Assets.

Note 17. Prior Period Adjustment (Continued)

The restatement of the Housing Fund beginning fund balance and net assets of the business-type activities is summarized as follows:

	Housing Fund
Fund balance at July 1, 2011, as originally stated	$ 6,865,127
Prior period adjustment	419,360
Fund balance at July 1, 2011, as restated	$ 7,284,487

	Business-type Activities
Net assets at July 1, 2011, as originally stated	$ 349,537,353
Prior period adjustment	419,360
Net assets at July 1, 2011, as restated	$ 349,956,713

Note 18. Subsequent Events

Management has evaluated subsequent events through October 23, 2012, 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, 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
December 31, 2011	-	3,573,036	3,573,036	-	7,746,401	46

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
2007	200,607	61 %
2008	213,871	61
2009	247,540	54
2010	273,092	52
2011	370,643	39
2012	371,915	40

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 percent of pay closed
Remaining amortization period	20 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% to 7.85%
*Includes inflation at	3.00%
Cost-of-living adjustments	None

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

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 Five Fiscal Years

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

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

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Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

Capital Project Funds

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

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

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

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

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, 2012

ASSETS	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Cash and investments	$ 674,516	$ 12,281,088	$ -	$ 12,955,604
Receivables:				
Ad valorem taxes, net	9,713	-	-	9,713
Due from other governmental agencies	347,708	-	-	347,708
Interest	1,022	2,853	-	3,875
Other, net	72,994	540,891	-	613,885
Restricted assets - cash and investments	-	13,084,256	13	13,084,269
Total assets	$ 1,105,953	$ 25,909,088	$ 13	$ 27,015,054
LIABILITIES AND FUND BALANCE				
Accounts payable and accrued liabilities	$ 310,296	$ 355,587	$ 63,594	$ 729,477
Due to other funds	121,955	-	3,882,454	4,004,409
Deferred revenues	9,713	-	-	9,713
Total liabilities	441,964	355,587	3,946,048	4,743,599
Fund Balances (Deficit)				
Restricted				
Stabilization by State Statute	421,724	543,744	-	965,468
Committed				
Future capital purchases	-	13,084,232	-	13,084,232
Planning and community development	163,887	-	-	163,887
Housing assistance	204,728	-	-	204,728
Assigned				
Future capital purchases	-	11,925,525	-	11,925,525
Unassigned	(126,350)	-	(3,946,035)	(4,072,385)
Total fund balance (deficit)	663,989	25,553,501	(3,946,035)	22,271,455
Total liabilities and fund balance	$ 1,105,953	$ 25,909,088	$ 13	$ 27,015,054

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 2012

ASSETS	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Cash and investments	$ 293,388	$ -	$ 153,928	$ 215,122
Receivables:				
Ad valorem taxes, net	-	-	-	-
Due from other governmental agencies	-	116,721	-	223,615
Interest	894	-	-	-
Other, net	72,994	-	-	-
Total assets	$ 367,276	$ 116,721	$ 153,928	$ 438,737
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	$ 88,660	$ 4,278	$ -	$ 214,719
Due to other funds	-	121,579	-	-
Deferred revenues	-	-	-	-
Total liabilities	88,660	125,857	-	214,719
Fund Balances (Deficit)				
Restricted				
Stabilization by State Statute	73,888	116,721	-	223,615
Committed				
Planning and community development	-	-	153,928	-
Housing assistance	204,728	-	-	-
Unassigned	-	(125,857)	-	403
Total fund balance (deficit)	278,616	(9,136)	153,928	224,018
Total liabilities and fund balance	$ 367,276	$ 116,721	$ 153,928	$ 438,737

Statement 2

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ 2,119	$ -	$ 9,959	$ -	$ 674,516
9,713	-	-	-	9,713
-	-	6,604	768	347,708
-	128	-	-	1,022
-	-	-	-	72,994
$ 11,832	$ 128	$ 16,563	$ 768	$ 1,105,953
$ 2,119	$ -	$ -	$ 520	$ 310,296
-	128	-	248	121,955
9,713	-	-	-	9,713
11,832	128	-	768	441,964
-	128	6,604	768	421,724
-	-	9,959	-	163,887
-	-	-	-	204,728
-	(128)	-	(768)	(126,350)
-	-	16,563	-	663,989
$ 11,832	$ 128	$ 16,563	$ 768	$ 1,105,953

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
June 30, 2012

ASSETS	Police Station	Parks	Parks Capital Reserve	Transportation
Cash and investments	$ 2,860,851	$ 501,547	$ -	$ 7,416,809
Receivables:				
Interest	-	-	2,853	-
Other, net	-	-	-	504,647
Restricted assets - cash and investments	24	-	948,432	-
Total assets	$ 2,860,875	$ 501,547	$ 951,285	$ 7,921,456
LIABILITIES AND FUND BALANCES				
Accounts payable and accrued liabilities	$ -	$ 19,313	$ -	$ 321,123
Total liabilities	-	19,313	-	321,123
Fund Balances (Deficit)				
Restricted				
Stabilization by State Statute	-	-	2,853	504,647
Committed				
Future capital purchases	-	-	948,432	-
Assigned				
Future capital purchases	2,860,875	482,234	-	7,095,686
Total fund balances (deficit)	2,860,875	482,234	951,285	7,600,333
Total liabilities and fund balances	$ 2,860,875	$ 501,547	$ 951,285	$ 7,921,456

Statement 3

Transportation Improvement	General Fund Capital Projects	General Fund Capital Reserve	Fire and Life Safety	Oakwood Cemetery	Total Capital Projects Funds
$ -	$ 1,430,835	$ -	$ 71,046	$ -	$ 12,281,088
-	-	-	-	-	2,853
-	-	36,244	-	-	540,891
-	-	12,135,800	-	-	13,084,256
$ -	$ 1,430,835	$ 12,172,044	$ 71,046	$ -	$ 25,909,088
$ -	$ 15,151	$ -	$ -	$ -	$ 355,587
-	15,151	-	-	-	355,587
-	-	36,244	-	-	543,744
-	-	12,135,800	-	-	13,084,232
-	1,415,684	-	71,046	-	11,925,525
-	1,415,684	12,172,044	71,046	-	25,553,501
$ -	$ 1,430,835	$ 12,172,044	$ 71,046	$ -	$ 25,909,088

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

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended June 30, 2012

	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Revenues				
Ad valorem taxes	$ 81,677	$ -	$ -	$ 81,677
Restricted intergovernmental revenues	5,584,403	586,209	-	6,170,612
Investment earnings	25,545	168,568	14	194,127
Program income	396,514	301,643	-	698,157
Other revenues	171,281	-	-	171,281
Total revenues	6,259,420	1,056,420	14	7,315,854
Expenditures				
Current:				
Planning and community development	81,677	-	-	81,677
Administration	750,500	105,603	-	856,103
Housing assistance payments	3,698,736	-	-	3,698,736
Rehabilitation	3,227,906	-	-	3,227,906
Public safety	-	-	-	-
Capital outlay	327,570	1,614,095	-	1,941,665
Debt service	200,731	-	2,046,666	2,247,397
Total expenditures	8,287,120	1,719,698	2,046,666	12,053,484
Excess (deficiency) of revenues over (under) expenditures	(2,027,700)	(663,278)	(2,046,652)	(4,737,630)
Other Financing Sources (Uses)				
Transfers from other funds	19,669	5,951,361	2,196,959	8,167,989
Transfers to other funds	(312,623)	(4,090,480)	-	(4,403,103)
Total other financing sources	(292,954)	1,860,881	2,196,959	3,764,886
Net change in fund balances	(2,320,654)	1,197,603	150,307	(972,744)
Fund Balances (Deficit)				
Beginning	2,984,643	24,355,898	(4,096,342)	23,244,199
Ending	$ 663,989	$ 25,553,501	$ (3,946,035)	$ 22,271,455

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, 2012

	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Revenues				
Ad valorem taxes	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	3,336,254	471,381	900,070	251,461
Investment earnings	24,808	-	135	-
Program income	-	44,606	-	39,887
Other income (loss)	(98,719)	-	270,000	-
Total revenue	3,262,343	515,987	1,170,205	291,348
Expenditures				
Current:				
Planning & community development	-	-	-	-
Administration	369,352	29,485	-	76,084
Housing assistance payments	3,698,736	-	-	-
Rehabilitation	-	487,438	2,562,306	106,596
Public safety	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	200,731	-
Total expenditures	4,068,088	516,923	2,763,037	182,680
Excess (deficiency) of revenues over (under) expenditures	(805,745)	(936)	(1,592,832)	108,668
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	19,669
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	19,669
Net change in fund balances	(805,745)	(936)	(1,592,832)	128,337
Fund Balances (Deficit)				
Beginning	1,084,361	(8,200)	1,746,760	95,681
Ending	$ 278,616	$ (9,136)	$ 153,928	$ 224,018

Statement 5

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	ARRA Stimulus	Total Special Revenue Funds
$ 81,677	$ -	$ -	$ -	81,677
-	-	349,658	275,579	5,584,403
-	602	-	-	25,545
-	312,021	-	-	396,514
-	-	-	-	171,281
81,677	312,623	349,658	275,579	6,259,420
81,677	-	-	-	81,677
-	-	-	275,579	750,500
-	-	-	-	3,698,736
-	-	71,566	-	3,227,906
-	-	-	-	-
-	-	327,570	-	327,570
-	-		-	200,731
81,677	-	399,136	275,579	8,287,120
-	312,623	(49,478)	-	(2,027,700)
-	-	-	-	19,669
-	(312,623)	-	-	(312,623)
-	(312,623)	-	-	(292,954)
-	-	(49,478)	-	(2,320,654)
-	-	66,041	-	2,984,643
$ -	$ -	$ 16,563	$ -	$ 663,989

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, 2012

	Police Station	Parks	Parks Capital Reserve	Transportation
Revenues				
Restricted intergovernmental revenues	$ -	$ -	$ -	$ 586,209
Program income	-	-	-	301,643
Investment earnings	30	-	10,283	36,956
Total revenues	30	-	10,283	924,808
Expenditures				
Administration	-	-	-	91,053
Capital outlay	-	375,090	-	1,044,317
Total expenditures	-	375,090	-	1,135,370
Excess (deficiency) of revenues over expenditures	30	(375,090)	10,283	(210,562)
Other Financing Sources (Uses)				
Transfers in	-	310,000	-	4,490,916
Transfers out	-	-	(322,780)	(113,953)
Total other financing sources (uses)	-	310,000	(322,780)	4,376,963
Net change in fund balances	30	(65,090)	(312,497)	4,166,401
Fund Balances (Deficit)				
Beginning	2,860,845	547,324	1,263,782	3,433,932
Ending	$ 2,860,875	$ 482,234	$ 951,285	$ 7,600,333

Transportation Improvement	General Fund Capital Projects	General Fund Capital Reserve	Fire and Life Safety	Oakwood Cemetery	Total Capital Projects Funds
$ -	$ -	$ -	$ -	$ -	$ 586,209
-	-	-	-	-	301,643
-	-	121,299	-	-	168,568
-	-	121,299	-	-	1,056,420
-	-	-	4,008	10,542	105,603
-	194,688	-	-	-	1,614,095
-	194,688	-	4,008	10,542	1,719,698
-	(194,688)	121,299	(4,008)	(10,542)	(663,278)
-	1,150,445	-	-	-	5,951,361
(2,483,173)	-	(1,150,162)	-	(20,412)	(4,090,480)
(2,483,173)	1,150,445	(1,150,162)	-	(20,412)	1,860,881
(2,483,173)	955,757	(1,028,863)	(4,008)	(30,954)	1,197,603
2,483,173	459,927	13,200,907	75,054	30,954	24,355,898
$ -	$ 1,415,684	$ 12,172,044	$ 71,046	$ -	$ 25,553,501

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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, 2012

ASSETS	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Current Assets				
Cash and investments	$ 47,012	$ 714,326	$ -	$ 761,338
Receivables:				
Accounts receivable, net	-	2,636	99,665	102,301
Due from other governments	-	5,083	1,220,364	1,225,447
Interest	-	2,215	-	2,215
Other	254,687	-	-	254,687
Inventories and prepaid expenses	54,069	16,522	-	70,591
Total current assets	355,768	740,782	1,320,029	2,416,579
Noncurrent assets:				
Restricted assets - cash and investments	-	32,265	-	32,265
Capital assets	9,483,330	11,480,776	8,031,930	28,996,036
Less accumulated depreciation	(200,127)	(4,646,437)	(2,630,974)	(7,477,538)
Bond issuance costs, net	421,877	-	-	421,877
Total noncurrent assets	9,705,080	6,866,604	5,400,956	21,972,640
Total assets	10,060,848	7,607,386	6,720,985	24,389,219
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	147,674	64,920	184,737	397,331
Current portion of long-term debt	670,000	45,320	5,189	720,509
Accrued interest	29,998	-	-	29,998
Due to other funds	-	-	1,174,259	1,174,259
Total current liabilities	847,672	110,240	1,364,185	2,322,097
Noncurrent liabilities				
Long-term debt due after one year	6,515,000	104,338	4,805	6,624,143
Deposits	-	32,265	-	32,265
Total noncurrent liabilities	6,515,000	136,603	4,805	6,656,408
Total liabilities	7,362,672	246,843	1,368,990	8,978,505
NET ASSETS (DEFICIT)				
Invested in capital assets, net of related debt	2,098,204	6,834,339	5,400,956	14,333,499
Unrestricted	599,972	526,204	(48,961)	1,077,215
Total net assets	$ 2,698,176	$ 7,360,543	$ 5,351,995	$ 15,410,714

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

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
Year Ended June 30, 2012

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 830,880	$ 335,878	$ 224,625	$ 1,391,383
Other operating revenues	471,295	-	28,515	499,810
Total operating revenue	1,302,175	335,878	253,140	1,891,193
Operating Expenses				
General and administrative	-	508,062	174,053	682,115
Professional services	728,475	-	2,156,439	2,884,914
Utilities	-	251,772	-	251,772
Maintenance and repairs	-	359,695	-	359,695
Operating supplies	-	-	466,948	466,948
Other operating costs	603,586	-	(63)	603,523
Depreciation and amortization	105,849	284,127	523,692	913,668
Total operating expenses	1,437,910	1,403,656	3,321,069	6,162,635
Operating income (loss)	(135,735)	(1,067,778)	(3,067,929)	(4,271,442)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	1,130,786	2,017,812	3,148,598
Interest earned on investments	-	6,347	-	6,347
Interest expense	(314,495)	-	-	(314,495)
Gain (loss) on sale of capital assets	(25,633)	-	-	(25,633)
Other	31,252	26,370	-	57,622
Total nonoperating revenues (expenses)	(308,876)	1,163,503	2,017,812	2,872,439
Income (loss) before transfers	(444,611)	95,725	(1,050,117)	(1,399,003)
Transfers In (Out)				
Transfers Out	-	(19,669)	(6,000)	(25,669)
Transfers In	1,271,472	-	690,431	1,961,903
Transfers in (out)	1,271,472	(19,669)	684,431	1,936,234
Change in net assets	826,861	76,056	(365,686)	537,231
Net Assets (Deficit):				
Beginning, as restated (Note 17)	1,871,315	7,284,487	5,717,681	14,873,483
Ending	$ 2,698,176	$ 7,360,543	$ 5,351,995	$ 15,410,714

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2012

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers	$ 1,265,947	$ 370,959	$ 244,177	$ 1,881,083
Payments to employees	-	(287,344)	(144,301)	(431,645)
Payments to suppliers	(1,324,669)	(780,907)	(1,773,069)	(3,878,645)
Net cash provided by (used in) operating activities	(58,722)	(697,292)	(1,673,193)	(2,429,207)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	(59,082)	-	(821,576)	(880,658)
Transfers in	1,271,472	-	690,431	1,961,903
Transfers out	-	(19,669)	(6,000)	(25,669)
Operating grants received	-	1,130,786	2,017,812	3,148,598
Net cash provided by noncapital financing activities	1,212,390	1,111,117	1,880,667	4,204,174
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(650,000)	-	-	(650,000)
Interest paid	(347,205)	-	-	(347,205)
Acquisition and construction of capital assets	(110,254)	(285,210)	(207,474)	(602,938)
Proceeds from the sale of capital assets	803	-	-	803
Net cash used in capital and related financing activities	(1,106,656)	(285,210)	(207,474)	(1,599,340)
Cash Flows Provided by Investing Activities				
Earnings on investments	-	6,895	-	6,895
Net increase in cash and cash equivalents	47,012	135,510	-	182,522
Cash and cash equivalents:				
Beginning	-	611,081	-	611,081
Ending	$ 47,012	$ 746,591	$ -	$ 793,603

Continued

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2012

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	$ (135,735)	$ (1,067,778)	$ (3,067,929)	$ (4,271,442)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	105,849	284,127	523,692	913,668
Other income	31,252	26,370	-	57,622
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(67,480)	11,503	(8,963)	(64,940)
Due from other governmental agencies	-	(2,792)	874,788	871,996
Inventories and prepaid expenses	(6,858)	1,568	-	(5,290)
Increase (decrease) in:				
Accounts payable and accrued expenses	14,250	7,678	(1,181)	20,747
Vacation accrual	-	5,076	1,986	7,062
OPEB liability	-	31,099	4,414	35,513
Deposits	-	5,857	-	5,857
Net cash provided by (used in) operating activities	$ (58,722)	$ (697,292)	$ (1,673,193)	$ (2,429,207)

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, 2012

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment
General Government				
Governing body	$ -	$ -	$ -	$ 5,429
Administration	3,160,338	5,231,884	310,512	1,234,948
Finance	-	-	-	487,178
Tax office	-	-	-	79,152
Legal	-	-	-	-
Human resources	-	451,282	-	71,026
Total general government	3,160,338	5,683,166	310,512	1,877,733
Public Safety				
Communications	-	-	-	1,536,049
Police	48,130	15,212,803	110,922	6,903,069
Fire	600,570	14,289,384	200,190	11,708,204
Sign shop	-	-	-	67,715
Total public safety	648,700	29,502,187	311,112	20,215,037
Public Works				
Streets	40,826,364	329,086	76,177	3,377,858
Sanitation	-	3,498,290	18,169	2,832,522
Cemeteries	-	-	191,522	165,342
Transportation	50,987	-	-	-
Fleet Services	-	322,090	-	365,679
Total public works	40,877,351	4,149,466	285,868	6,741,401
Cultural and Recreational				
Parks and recreation	6,529,352	7,980,532	1,896,723	530,054
Planning and Community Development				
Planning and zoning	437,552	29,450	-	173,130
Section 8, Housing Assistance	-	125,008	-	41,453
Total planning and community development	437,552	154,458	-	214,583
Total capital assets	$ 51,653,293	$ 47,469,809	$ 2,804,215	$ 29,578,808

Infrastructure	Construction in Progress	Total
$ -	$ -	$ 5,429
446,014	-	10,383,696
-	-	487,178
-	-	79,152
-	-	-
-	-	522,308
446,014	-	11,477,763
-	-	1,536,049
-	-	22,274,924
-	-	26,798,348
-	-	67,715
-	-	50,677,036
477,715,327	2,568,008	524,892,820
-	-	6,348,981
168,239	-	525,103
6,843,848	-	6,894,835
-	45,661	733,430
484,727,414	2,613,669	539,395,169
-	-	16,936,661
394,229	23,153	1,057,514
-	-	166,461
394,229	23,153	1,223,975
$ 485,567,657	$ 2,636,822	$ 619,710,604

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, 2012

Function/Activity	June 30, 2011	Additions	Retirements/ Transfers	June 30, 2012
General Government				
Governing body	$ 5,429	**$ -**	**$ -**	**$ 5,429**
Administration	10,556,026	**38,185**	**210,515**	**10,383,696**
Finance	433,750	**53,428**	**-**	**487,178**
Tax office	79,152	**-**	**-**	**79,152**
Legal	-	**-**	**-**	**-**
Human resources	475,402	**46,906**	**-**	**522,308**
Total general government	11,549,759	**138,519**	**210,515**	**11,477,763**
Public Safety				
Communications	1,422,534	**165,221**	**51,706**	**1,536,049**
Police	21,651,432	**754,452**	**130,960**	**22,274,924**
Fire	27,105,674	**373,178**	**680,504**	**26,798,348**
Sign shop	67,715	**-**	**-**	**67,715**
Total public safety	50,247,355	**1,292,851**	**863,170**	**50,677,036**
Public Works				
Streets	520,551,252	**4,425,349**	**83,781**	**524,892,820**
Sanitation	6,338,808	**255,287**	**245,114**	**6,348,981**
Cemeteries	525,103	**-**	**-**	**525,103**
Transportation	6,894,835	**-**	**-**	**6,894,835**
Fleet services	-	**45,661**	**(687,769)**	**733,430**
Total public works	534,309,998	**4,726,297**	**(358,874)**	**539,395,169**
Cultural and Recreational				
Parks and recreation	16,080,583	**1,430,610**	**574,532**	**16,936,661**
Planning and Community Development				
Planning and zoning	873,886	**317,231**	**133,603**	**1,057,514**
Section 8, Housing Assistance	166,461	**-**	**-**	**166,461**
Total planning and community development	1,040,347	**317,231**	**133,603**	**1,223,975**
Total capital assets	$ 613,228,042	**$ 7,905,508**	**$ 1,422,946**	**$ 619,710,604**

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Restricted intergovernmental revenues	$ 3,400,000	$ 3,400,000	**$ 3,336,254**	$ (63,746)
Investment earnings	3,000	3,000	**24,808**	21,808
Program income	5,000	5,000	**-**	(5,000)
Other income (loss)	5,637	5,637	**(98,719)**	(104,356)
Total revenues	3,413,637	3,413,637	**3,262,343**	(151,294)
Expenditures				
Administration	376,297	376,297	**369,352**	6,945
Housing assistance payments	3,037,340	3,887,340	**3,698,736**	188,604
Total expenditures	3,413,637	4,263,637	**4,068,088**	195,549
Excess of revenues over expenditures	-	(850,000)	**(805,745)**	44,255
Other Financing Sources				
Appropriated fund balance	-	850,000	**-**	(850,000)
Total other financing sources	-	850,000	**-**	(850,000)
Deficiency of revenues and other financing sources over expenditures	$ -	$ -	**(805,745)**	$ (805,745)
Fund Balance				
Beginning			**1,084,361**	
Ending			**$ 278,616**	

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, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 383,917	$ 371,043	**$ 12,826**	$ 383,869
Program income	140,488	140,488	**-**	140,488
Total revenues	524,405	511,531	**12,826**	524,357
Expenditures				
Administration	37,022	87,973	**(44,148)**	43,825
Rehabilitation	498,581	404,094	**94,438**	498,532
Total expenditures	535,603	492,067	**50,290**	542,357
Excess (deficiency) of revenues over expenditures	(11,198)	19,464	**(37,464)**	(18,000)
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	$ -	$ 30,662	**$ (37,464)**	$ (6,802)

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, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 394,001	$ 394,000	$ -	$ 394,000
Program income	99,565	99,565	-	99,565
Total revenues	493,566	493,565	-	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, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 369,909	$ 355,990	**$ 6,255**	$ 362,245
Program income	63,515	63,515	**-**	63,515
Total revenues	433,424	419,505	**6,255**	425,760
Expenditures				
Administration	2,517	2,516	**-**	2,516
Rehabilitation	443,928	356,949	**86,780**	443,729
Total expenditures	446,445	359,465	**86,780**	446,245
Excess (deficiency) of revenues over expenditures	(13,021)	60,040	**(80,525)**	(20,485)
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	**$ (80,525)**	$ (7,464)

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, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 389,737	$ 264,092	**$ 120,446**	$ 384,538
Program income	52,721	52,720	**-**	52,720
Total revenues	442,458	316,812	**120,446**	437,258
Expenditures				
Administration	88,156	88,156	**-**	88,156
Rehabilitation	355,344	317,533	**32,611**	350,144
Total expenditures	443,500	405,689	**32,611**	438,300
Excess (deficiency) of revenues over expenditures	(1,042)	(88,877)	**87,835**	(1,042)
Other Financing Sources (Uses)				
Transfers In	1,042	1,042	**-**	1,042
Total other financing sources	1,042	1,042	**-**	1,042
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (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, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 425,304	$ 286,313	**$ 102,971**	$ 389,284
Program income	39,534	39,534	**-**	39,534
Total revenues	464,838	325,847	**102,971**	428,818
Expenditures				
Administration	92,895	95,061	**(2,166)**	92,895
Rehabilitation	371,943	254,874	**77,180**	332,054
Total expenditures	464,838	349,935	**75,014**	424,949
Excess (deficiency) of revenues over expenditures	$ -	$ (24,088)	**$ 27,957**	$ 3,869

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

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

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 355,477	$ -	**$ 228,883**	$ 228,883
Program income	50,000	-	**44,606**	44,606
Total revenues	405,477	-	**273,489**	273,489
Expenditures				
Administration	81,096	-	**75,799**	75,799
Rehabilitation	324,381	-	**196,429**	196,429
Total expenditures	405,477	-	**272,228**	272,228
Excess (deficiency) of revenues over expenditures	$ -	$ -	**$ 1,261**	$ 1,261

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

SECTION 108 LOAN/BEDI GRANT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ -	$ 16,294	**$ 135**	$ 16,429
Restricted intergovernmental revenues	1,000,000	99,930	**900,070**	1,000,000
Other income	287,865	17,864	**270,000**	287,864
Total revenues	1,287,865	134,088	**1,170,205**	1,304,293
Expenditures				
Rehabilitation	3,063,009	114,573	**2,562,306**	2,676,879
Total expenditures	3,063,009	114,573	**2,562,306**	2,676,879
Excess (deficiency) of revenues over expenditures	(1,775,144)	19,515	**(1,392,101)**	(1,372,586)
Other Financing Sources (Uses)				
Debt issued	1,974,000	1,974,000	**-**	1,974,000
Debt service	(198,856)	(246,755)	**(200,731)**	(447,486)
Transfers In	99,930	99,930	**-**	99,930
Transfers Out	(99,930)	(99,930)	**-**	(99,930)
Total other financing sources (uses)	1,775,144	1,727,245	**(200,731)**	1,526,514
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ 1,746,760	**(1,592,832)**	$ 153,928
Fund Balance				
Beginning			**1,746,760**	
Ending			**$ 153,928**	

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

HOME FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,080,872	$ 240,158	**$ 251,461**	$ 491,619
Program income	831,932	781,931	**39,887**	821,818
Total revenues	1,912,804	1,022,089	**291,348**	1,313,437
Expenditures				
Administration	446,973	280,975	**76,084**	357,059
Rehabilitation	1,701,650	862,697	**106,596**	969,293
Total expenditures	2,148,623	1,143,672	**182,680**	1,326,352
Excess (deficiency) of revenues over expenditures	(235,819)	(121,583)	**108,668**	(12,915)
Other Financing Sources (Uses)				
Transfers In	235,819	217,264	**19,669**	236,933
Total other financing sources	235,819	217,264	**19,669**	236,933
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 95,681	**128,337**	$ 224,018
Fund Balance				
Beginning			**95,681**	
Ending			**$ 224,018**	

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

MUNICIPAL SERVICE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes	$ 73,900	$ 81,823	**$ 81,677**	$ (146)
Expenditures				
Community development	73,900	81,823	**81,677**	146
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

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

ADDITIONAL VEHICLE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Program income	$ 275,000	$ 275,000	**$ 312,021**	$ 37,021
Investment earnings	-	-	**602**	602
Total revenues	275,000	275,000	**312,623**	37,623
Other Financing Uses				
Transfers out	(275,000)	(275,000)	**(312,623)**	(37,623)
Total other financing uses	(275,000)	(275,000)	**(312,623)**	(37,623)
Total of revenues and other financing sources	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

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

EECBG STIMULUS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 638,825	$ 289,166	**$ 349,658**	$ 638,824
Total revenues	638,825	289,166	**349,658**	638,824
Expenditures				
Rehabilitation	278,120	183,383	**71,566**	254,949
Capital outlay	486,205	165,242	**327,570**	492,812
Total expenditures	764,325	348,625	**399,136**	747,761
Excess (deficiency) of revenues over expenditures	(125,500)	(59,459)	**(49,478)**	(108,937)
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	$ -	$ 66,041	**(49,478)**	$ 16,563
Fund Balance				
Beginning			**66,041**	
Ending			**$ 16,563**	

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

PARKS AND RECREATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Contributions	$ 50,250	$ 50,250	**$ -**	$ 50,250
Restricted intergovernmental revenues	210,000	-	**-**	-
Total operating revenues	260,250	50,250	**-**	50,250
Operating Expenditures				
Lake Howell Park	64,031	-	**-**	-
Logan Multipurpose Improvements	367,592	336,401	**12,829**	349,230
Hartsell Stairwell	80,000	77,777	**-**	77,777
Logan Parking Lot	197,000	-	**128,461**	128,461
McEachern Greenway	208,491	103,490	**30,174**	133,664
Rocky River Greenway	870,775	202,896	**203,626**	406,522
Total operating expenditures	1,787,889	720,564	**375,090**	1,095,654
Deficiency of revenues over expenditures before transfers	(1,527,639)	(670,314)	**(375,090)**	(1,045,404)
Transfers In (Out)				
Transfers in	1,541,639	1,231,638	**310,000**	1,541,638
Transfer out	(14,000)	(14,000)	**-**	(14,000)
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 547,324	**$ (65,090)**	$ 482,234

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

PARKS & RECREATION CAPITAL RESERVE PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Other income	$ 79,048	$ 76,137	**$ 10,283**	$ 86,420
Excess of revenues over expenditures	79,048	76,137	**10,283**	86,420
Other Financing Sources				
Transfers from other funds	1,593,583	1,593,583	**-**	1,593,583
Appropriation to fund balance	(943,913)	-	**-**	-
Transfers to other funds	(728,718)	(405,938)	**(322,780)**	(728,718)
Total other financing sources (uses)	(79,048)	1,187,645	**(322,780)**	864,865
Excess of revenues and other financing sources over expenditures	$ -	$ 1,263,782	**(312,497)**	$ 951,285
Fund Balance				
Beginning			**1,263,782**	
Ending			**$ 951,285**	

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

TRANSPORTATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 13,871,133	$ 249,102	**$ 586,209**	$ 835,311
Investment earnings	15,000	-	**36,956**	36,956
Program income	263,000	-	**301,643**	301,643
Total operating revenues	14,149,133	249,102	**924,808**	1,173,910
Operating Expenditures				
George Liles Extension	10,767,000	-	**-**	-
Poplar Tent/Hwy 29 CMAQ	897,125	99,844	**88,980**	188,824
Hwy 601/Hwy 3 CMAQ	1,202,829	-	**48,177**	48,177
Future Improvements	3,738,630	-	**-**	-
Signal & Fiber - Lake Concord Rd	222,025	44,609	**193,406**	238,015
Signal & Fiber - 29/LC/NCDOT	195,000	117,298	**39,445**	156,743
Derita Rd	11,933,813	139,354	**342,460**	481,814
Poplar Tent/Hwy 73 Sidewalks & Bike Ln	500,000	-	**-**	-
Cabarrus RR Bridge Railing	250,000	-	**-**	-
Infrastructure	150,000	-	**50,605**	50,605
Burrage Rd Bridge Replacement	2,748,900	150,329	**160,032**	310,361
Morehead Improvements	1,700,000	1,276,500	**211,727**	1,488,227
Contract services	538	-	**538**	538
Total operating expenditures	34,305,860	1,827,934	**1,135,370**	2,963,304
Deficiency of revenues over expenditures before transfers	(20,156,727)	(1,578,832)	**(210,562)**	(1,789,394)
Other Financing Sources (Uses)				
Financing Proceeds	10,767,000	-	**-**	-
Transfers In	9,503,680	5,012,764	**4,490,916**	9,503,680
Transfers Out	(113,953)	-	**(113,953)**	(113,953)
Total other financing sources	20,156,727	5,012,764	**4,376,963**	9,389,727
Excess of revenues and transfers over expenditures	$ -	$ 3,433,932	**$ 4,166,401**	$ 7,600,333

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

TRANSPORTATION IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	**Final**	**Actual**	**(Negative)**
Revenues				
Investment earnings	$ 15,000	$ -	**$ -**	$ -
Program income	263,000	-	**-**	-
Total revenues	278,000	-	**-**	-
Expenditures				
Capital outlay	150,000	-	**-**	-
Total expenditures	150,000	-	**-**	-
Excess of revenues over expenditures	128,000	-	**-**	-
Other Financing Sources (Uses)				
Appropriation to fund balance	(1,369,949)	-	**-**	-
Transfers in	1,990,718	-	**-**	-
Transfers out	(748,769)	-	**(2,483,173)**	(2,483,173)
Total other financing sources (uses)	(128,000)	-	**(2,483,173)**	(2,483,173)
Deficiency of revenues and other financing sources (uses) over expenditures	$ -	$ -	**(2,483,173)**	$ (2,483,173)
Fund Balance				
Beginning			**2,483,173**	
Ending			**$ -**	

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

GENERAL FUND CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues	$ 313,000	$ -	**$ -**	$ -
Total revenues	313,000	-	**-**	-
Expenditures				
Capital outlay	1,959,071	36,005	**194,688**	230,693
Contract services	77,000	76,694	**-**	76,694
Total expenditures	2,036,071	112,699	**194,688**	307,387
Deficiency of revenues over expenditures before transfers	(1,723,071)	(112,699)	**(194,688)**	(307,387)
Transfer In	1,723,071	572,626	**1,150,445**	1,723,071
Excess of revenues and transfers over expenditures	$ -	$ 459,927	**$ 955,757**	$ 1,415,684

GENERAL CAPITAL RESERVE PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment Earnings	$ 378,635	$ 378,635	**$ 121,299**	$ 499,934
Expenditures				
Capital outlay	12,050,745	-	-	-
Total expenditures	12,050,745	-	-	-
Excess (deficiency) of revenues over expenditures	(11,672,110)	378,635	**121,299**	499,934
Other Financing Sources (Uses)				
Transfers In	12,822,272	12,822,272	-	12,822,272
Transfers Out	(1,150,162)	-	**(1,150,162)**	(1,150,162)
Total other financing sources (uses)	11,672,110	12,822,272	**(1,150,162)**	11,672,110
Excess of revenues and other financing sources (uses) over expenditures	$ -	$ 13,200,907	**(1,028,863)**	$ 12,172,044
Fund Balance				
Beginning			**13,200,907**	
Ending			**$ 12,172,044**	

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

FIRE AND LIFE SAFETY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	$ 82,280	$ 6,030	$ -	$ 6,030
Total operating expenditures	82,280	6,030	-	6,030
Deficiency of revenues over expenditures before transfers	(82,280)	(6,030)	-	(6,030)
Transfer In (Out)	82,280	82,280		82,280
Excess of revenues and transfers over expenditures	$ -	$ 76,250	$ -	$ 76,250

Change in net assets:	
Fire and Life Safety Capital Project Fund	$ -
2008 Debt Issuance Capital Project Fund (Statement 52)	**(4,008)**
	$ (4,008)

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

OAKWOOD CEMETERY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Capital outlay	$ 157,890	$ 126,936	**$ -**	$ 126,936
Contract services	-	-	**10,542**	10,542
Total operating expenditures	157,890	126,936	**10,542**	137,478
Deficiency of revenues over expenditures	(157,890)	(126,936)	**(10,542)**	(137,478)
Other Financing Sources (Uses)				
Transfers in	157,890	157,890	**-**	157,890
Transfers out	-	-	**(20,412)**	(20,412)
Total other financing sources	157,890	157,890	**(20,412)**	137,478
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 30,954	**$ (30,954)**	$ -

ELECTRIC OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 76,052,231	$ 76,210,995	**$ 77,851,684**	$ 1,640,689
Other operating revenues	682,955	1,113,374	**1,096,417**	(16,957)
Total operating revenues	76,735,186	77,324,369	**78,948,101**	1,623,732
Operating Expenditures				
Administration	2,184,611	2,185,399	**1,769,230**	416,169
Purchased power	57,214,871	52,714,871	**50,898,080**	1,816,791
Power line and plant	9,381,163	9,462,863	**8,802,414**	660,449
Total operating expenditures	68,780,645	64,363,133	**61,469,724**	2,893,409
Nonoperating Revenues (Expenditures)				
Capital outlay	(5,483,259)	(5,524,005)	**(3,531,113)**	1,992,892
Interest earned on investments	230,000	230,000	**426,914**	196,914
Issuance of refunding bonds	-	3,703,336	**3,703,350**	14
Premium on refunding bonds	-	376,452	**376,452**	-
Redemption of refunded bonds	-	(4,309,200)	**(4,309,200)**	-
Cost of issuance	-	(185,417)	**(178,909)**	6,508
Debt service and capital lease payments	(2,933,449)	(2,940,144)	**(2,804,372)**	135,772
Appropriated Fund Balance	1,002,167	3,416,996	**-**	(3,416,996)
Appropriation to Fund Balance	(250,000)	(5,250,000)	**-**	5,250,000
Gain on sale of capital assets	-	40,746	**74,643**	33,897
Total nonoperating expenditures	(7,434,541)	(10,441,236)	**(6,242,235)**	4,199,001
Income before capital contributions and transfers	520,000	2,520,000	**11,236,142**	8,716,142
Transfers In (Out)				
Transfers out	(520,000)	(2,520,000)	**(2,520,000)**	-
Excess of revenues over expenditures and transfers	$ -	$ -	**8,716,142**	$ 8,716,142
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,973,103)**	
Capital outlay			**3,531,113**	
Unfunded OPEB Expense			**(153,487)**	
Refunding bond proceeds			**(3,703,350)**	
Premium on refunding bonds			**(376,452)**	
Issuance costs			**178,909**	
Debt service			**6,328,432**	
Change in net assets			**$ 10,548,204**	
Change in net assets:				
Electric Operating Fund			**$ 10,548,204**	
2002 Revenue Bonds Capital Project Fund (Statement 33)			**-**	
2008 Revenue Bonds Capital Project Fund (Statement 34)			**-**	
Utility Capital Reserve Project Fund (Statement 41)			**2,000,000**	
			$ 12,548,204	

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, 2012

	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			$ -	

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, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Interest earned on investments	$ 149,334	$ 255,665	**$ -**	$ 255,665
	149,334	255,665	**-**	255,665
Expenditures				
Capital Outlay:				
100 KV - Substation K	647,172	84,877	**562,295**	647,172
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	181,573	181,574	**-**	181,574
Capitalized interest	1,722,333	1,722,333	**-**	1,722,333
Cost of issuance	400,316	400,315	**-**	400,315
Total expenditures	11,504,864	10,942,570	**562,295**	11,504,865
Deficiency of revenues over expenditures	(11,355,530)	(10,686,905)	**(562,295)**	(11,249,200)
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	10,405,761	**-**	10,405,761
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ (281,144)	**(562,295)**	$ (843,439)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**562,295**	
Change in net assets			**$ -**	

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

WATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 17,655,780	$ 17,655,780	**$ 18,516,425**	$ 860,645
Other operating revenues	668,403	697,359	**1,339,632**	642,273
Total operating revenues	18,324,183	18,353,139	**19,856,057**	1,502,918
Operating Expenditures				
Repairs and maintenance	1,318,167	1,156,009	**768,994**	387,015
Water plants and lakes	5,781,481	5,951,481	**4,547,124**	1,404,357
Water line operation and maintenance	5,786,367	5,892,395	**5,168,057**	724,338
Total operating expenditures	12,886,015	12,999,885	**10,484,175**	2,515,710
Nonoperating Revenues (Expenditures)				
Interest earned on investments	281,620	281,620	**500,463**	218,843
Issuance of refunding bonds	-	13,931,664	**13,931,650**	(14)
Premium on refunding bonds	-	1,416,109	**1,416,109**	-
Redemption of refunded bonds	-	(16,210,800)	**(16,210,800)**	-
Capital outlay	(1,621,391)	(1,509,149)	**(895,810)**	613,339
Debt service	(4,304,918)	(4,333,874)	**(4,060,151)**	273,723
Cost of issuance	-	(697,522)	**(672,979)**	24,543
Gain on sale of capital assets	-	1,628	**13,393**	11,765
Appropriated Fund Balance	5,433,216	6,993,765	**-**	(6,993,765)
Total nonoperating expenditures	(211,473)	(126,559)	**(5,978,125)**	(5,851,566)
Income before capital contributions and transfers	5,226,695	5,226,695	**3,393,757**	(1,832,938)
Transfers In (Out)				
To Project Fund	(5,226,695)	(5,226,695)	**(5,226,695)**	-
Capital Contributions	-	-	**727,746**	727,746
Excess of revenues, capital contributions over expenditures	$ -	$ -	**(1,105,192)**	$ (1,105,192)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,815,595)**	
Unfunded OPEB Expense			**(144,057)**	
Refunding bond proceeds			**(13,931,650)**	
Premium on refunding bonds			**(1,416,109)**	
Issuance costs			**672,979**	
Capital outlay			**895,810**	
Debt service			**19,337,343**	
Change in net assets			**$ 493,529**	
Change in net assets:				
Water Operating Fund			**$ 493,529**	
2002 Revenue Bonds Capital Project Fund (Statement 36)			**-**	
2008 Revenue Bonds Capital Project Fund (Statement 37)			**-**	
Water Projects Capital Project Fund (Statement 38)			**5,226,695**	
			$ 5,720,224	

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

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, 2012

	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			$ -	

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, 2012

	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	1,706,146	**1,456,096**	3,162,242
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	1,225,071	**-**	1,225,071
Total expenditures	12,171,789	8,470,526	**1,456,096**	9,926,622
Deficiency of revenues over expenditures	(12,171,789)	(8,470,526)	**(1,456,096)**	(9,926,622)
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	$ -	$ 4,886,840	**(1,456,096)**	$ 3,430,744
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**1,456,096**	
Change in net assets			**$ -**	

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

WATER PROJECTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	8,653,095	200,538	**289,103**	489,641
Total operating expenditures	8,653,095	200,538	**289,103**	489,641
Deficiency of revenues over expenditures before transfers	(8,653,095)	(200,538)	**(289,103)**	(489,641)
Transfer In	8,653,095	3,586,400	**5,226,695**	8,813,095
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 3,385,862	**4,937,592**	$ 8,323,454
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**289,103**	
Change in net assets			**$ 5,226,695**	

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

WASTEWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 13,749,433	$ 13,749,433	**$ 14,029,735**	$ 280,302
Other operating revenues	308,000	651,090	**742,629**	91,539
Total operating revenues	14,057,433	14,400,523	**14,772,364**	371,841
Operating Expenditures				
Repairs and maintenance	325,000	155,804	**212,478**	(56,674)
Wastewater line and plant	10,454,438	10,575,873	**9,906,045**	669,828
Total operating expenditures	10,779,438	10,731,677	**10,118,523**	613,154
Nonoperating Revenues (Expenditures)				
Interest earned on investments	60,000	60,000	**198,805**	138,805
Capital outlay	(1,095,537)	(1,522,039)	**(1,332,306)**	189,733
Debt service	(2,362,462)	(2,326,811)	**(2,236,804)**	90,007
Miscellaneous Revenues	12,837	12,837	**79,378**	66,541
Gain (loss) on sale of capital assets	40,000	40,000	**17,353**	(22,647)
Appropriated Fund Balance	67,167	67,167	**-**	(67,167)
Total nonoperating expenditures	(3,277,995)	(3,668,846)	**(3,273,574)**	395,272
Income before capital contributions and transfers in	-	-	**1,380,267**	1,380,267
Capital Contributions	-	-	**485,730**	485,730
Transfers In (Out)				
From General Fund	-	-	**-**	-
Excess of revenues and operating transfers over expenditures	$ -	$ -	**1,865,997**	$ 1,865,997
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(2,857,381)**	
Capital outlay			**1,332,306**	
Unfunded OPEB Expense			**(66,812)**	
Debt service			**1,374,177**	
Change in net assets			**$ 1,648,287**	
Change in net assets:				
Wastewater Operating Fund			**$ 1,648,287**	
2008 Revenue Bonds Capital Project Fund (Statement 40)			**151,312**	
			$ 1,799,599	

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, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 104,952	$ 7,070	**$ 1,101**	$ 8,171
Special Assessment	396,201	245,990	**150,211**	396,201
	501,153	253,060	**151,312**	404,372
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)	(4,859,495)	**151,312**	(4,708,183)
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	$ -	$ (483,900)	**151,312**	$ (332,588)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net assets			**$ 151,312**	

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

UTILITY CAPITAL RESERVE PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2012

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

The change in net assets is allocated as follows:

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

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

REGIONAL AIRPORT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 10,741,702	$ 10,741,702	**$ 9,779,077**	$ (962,625)
Other operating revenues	10,000	32,250	**30,371**	(1,879)
Total operating revenues	10,751,702	10,773,952	**9,809,448**	(964,504)
Operating Expenditures				
Airport operation and maintenance	10,574,897	10,884,847	**9,496,322**	1,388,525
Total operating expenditures	10,574,897	10,884,847	**9,496,322**	1,388,525
Nonoperating Revenues (Expenditures)				
Interest earned on investments	40,000	40,000	**21,518**	(18,482)
Capital outlay	(479,591)	(364,558)	**(455,949)**	(91,391)
Debt service	(1,021,453)	(1,021,453)	**(1,018,347)**	3,106
Miscellaneous revenues	16,409	16,409	**25,362**	8,953
Appropriated Fund Balance	674,070	148,971	**-**	(148,971)
Total nonoperating expenditures	(770,565)	(1,180,631)	**(1,427,416)**	(246,785)
Income (loss) before capital contributions and transfers	(593,760)	(1,291,526)	**(1,114,290)**	177,236
Capital Contributions	40,000	150,000	**377,951**	227,951
Transfers In (Out)				
Transfers in	837,808	1,425,574	**837,808**	(587,766)
Among Airport Funds	(284,048)	(284,048)	**(284,046)**	2
Deficiency of revenues and operating transfers over expenditures	$ -	$ -	**(182,577)**	$ (182,577)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(1,482,651)**	
Capital outlay			**455,949**	
Unfunded OPEB Expense			**(71,226)**	
Debt service			**602,500**	
Change in net assets			**$ (678,005)**	

Change in net assets:	
Regional Airport Operating Fund	**$ (678,005)**
2008 Debt Issuance Capital Project Fund (Statement 52)	**-**
First Concord Capital Project Fund (Statement 54)	**(158,170)**
	$ (836,175)

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

STORMWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Operating Revenues				
Charges for services	$ 3,567,500	$ 3,567,500	**$ 3,700,805**	$ 133,305
Other operating revenues	16,657	16,657	**13,350**	(3,307)
Total operating revenues	3,584,157	3,584,157	**3,714,155**	129,998
Operating Expenditures				
Stormwater operation and maintenance	2,290,943	2,286,367	**2,123,866**	162,501
Total operating expenditures	2,290,943	2,286,367	**2,123,866**	162,501
Nonoperating Revenues (Expenditures)				
Capital outlay	(92,000)	(92,000)	**(100,741)**	(8,741)
Interest earned on investments	20,000	20,000	**51,342**	31,342
Gain on sale of capital assets	-	-	**10,540**	10,540
Debt service and capital lease payments	(43,372)	(43,372)	**(43,372)**	-
Appropriation to Fund Balance	(590,588)	(590,588)	**-**	590,588
Total nonoperating expenditures	(705,960)	(705,960)	**(82,231)**	623,729
Income before capital contributions and transfers	587,254	591,830	**1,508,058**	916,228
Transfers Out				
To Project Fund	(587,254)	(591,830)	**(591,830)**	-
Excess of revenues over expenditures and transfers out	$ -	$ -	**916,228**	$ 916,228
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(1,559,934)**	
Debt service			**40,956**	
Unfunded OPEB Expense			**(45,143)**	
Capital outlay			**100,741**	
Change in net assets			**$ (547,152)**	
Change in net assets:				
Stormwater Operating Fund			**$ (547,152)**	
Stormwater Capital Project Fund (Statement 44)			**591,830**	
			$ 44,678	

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

STORMWATER CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 1,146,904	$ 140,000	**$ -**	$ 140,000
Total operating revenues	1,146,904	140,000	**-**	140,000
Operating Expenditures				
Capital outlay	3,305,808	807,288	**243,818**	1,051,106
Total operating expenditures	3,305,808	807,288	**243,818**	1,051,106
Deficiency of revenues over expenditures before transfers	(2,158,904)	(667,288)	**(243,818)**	(911,106)
Transfer In	2,158,904	1,567,074	**591,830**	2,158,904
Excess of revenues and transfers over expenditures	$ -	$ 899,786	**348,012**	$ 1,247,798
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**243,818**	
Change in net assets			**$ 591,830**	

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

GOLF COURSE OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Operating Revenues				
Charges for services	$ 836,054	$ 836,054	**$ 830,880**	$ (5,174)
Other operating revenues	447,262	447,262	**471,295**	24,033
Total operating revenues	1,283,316	1,283,316	**1,302,175**	18,859
Operating Expenditures				
Professional services	706,714	706,714	**728,475**	(21,761)
Other operating costs	654,678	680,311	**603,586**	76,725
Total operating expenditures	1,361,392	1,387,025	**1,332,061**	54,964
Nonoperating Revenues (Expenditures)				
Loss on sale of capital assets	-	25,633	**(25,633)**	(51,266)
Miscellaneous revenue	39,306	39,306	**31,252**	(8,054)
Total nonoperating revenues	39,306	64,939	**5,619**	(59,320)
Loss before transfers	(38,770)	(38,770)	**(24,267)**	14,503
Transfers in (out)				
From general fund	1,035,975	1,035,975	**1,021,472**	(14,503)
Among golf course funds	(997,205)	(997,205)	**(997,205)**	-
Excess of revenues over expenditures and transfers in (out)	$ -	$ -	**-**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(36,881)**	
Change in net assets			**$ (36,881)**	
Change in net assets:				
Golf Course Operating Fund			**$ (36,881)**	
Golf Capital Project Fund (Statement 46)			**250,000**	
First Concord Capital Project Fund (Statement 54)			**613,742**	
			$ 826,861	

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

GOLF CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	$ 250,000	$ -	**$ 110,254**	$ 110,254
Total operating expenditures	250,000	-	**110,254**	110,254
Deficiency of revenues over expenditures before transfers	(250,000)	-	**(110,254)**	(110,254)
Transfer In	250,000	-	**250,000**	250,000
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ -	**139,746**	$ 139,746
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**110,254**	
Change in net assets			**$ 250,000**	

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

HOUSING DEPARTMENT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 287,000	$ 287,000	**$ 335,878**	$ 48,878
Total operating revenues	287,000	287,000	**335,878**	48,878
Operating Expenditures				
Administrative	460,909	514,477	**476,963**	37,514
Utilities	330,000	305,000	**251,772**	53,228
Housing maintenance and repairs	346,054	341,054	**359,695**	(18,641)
Total operating expenditures	1,136,963	1,160,531	**1,088,430**	72,101
Nonoperating Revenues (Expenditures)				
Operating subsidy	857,410	905,978	**866,177**	(39,801)
Interest earned on investments	5,000	5,000	**6,347**	1,347
Miscellaneous	12,473	12,473	**26,370**	13,897
Capital outlay	(28,000)	(28,000)	**(23,754)**	4,246
Appropriated Fund Balance	3,080	3,080	**-**	(3,080)
Total nonoperating revenues	849,963	898,531	**875,140**	(23,391)
Income before transfers	-	25,000	**122,588**	97,588
Transfers in (out)				
Transfer out	-	(25,000)	**(19,669)**	5,331
Transfer in	-	-	**-**	-
Excess of revenues and transfers over expenditures	$ -	$ -	**102,919**	$ 102,919
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			**(31,099)**	
Capital outlay			**23,754**	
Depreciation			**(284,127)**	
Change in net assets			**$ (188,553)**	
Change in net assets:				
Housing Operating Fund			**$ (188,553)**	
Housing Capital Project Fund (Statement 48)			**264,609**	
ARRA Stimulus Fund (Statement 53)			**-**	
			$ 76,056	

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

HOUSING CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Capital outlay	$ 520,859	$ 125,240	**$ 261,456**	$ 386,696
Other Financing Sources (Uses)				
Federal grants	520,859	122,087	**264,609**	386,696
Excess of other financing sources over expenditures	$ -	$ (3,153)	**3,153**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**261,456**	
Change in net assets			**$ 264,609**	

TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Charges for services	$ 591,602	$ 368,073	**$ 224,625**	$ 592,698
Restricted intergovernmental revenues	105,000	62,326	**28,515**	90,841
Total operating revenues	696,602	430,399	**253,140**	683,539
Operating Expenditures				
Administrative	313,802	149,392	**169,639**	319,031
Professional services	6,388,100	4,191,992	**2,156,439**	6,348,431
Operating supplies	1,260,698	623,347	**466,948**	1,090,295
Miscellaneous	-	4,325	**(63)**	4,262
Total operating expenditures	7,962,600	4,969,056	**2,792,963**	7,762,019
Nonoperating Revenues (Expenditures)				
Operating subsidy	7,670,905	5,209,050	**1,928,339**	7,137,389
Capital outlay	(2,585,358)	(2,172,369)	**(118,001)**	(2,290,370)
Deficiency of revenues over expenditures before transfers	(2,180,451)	(1,501,976)	**(729,485)**	(2,231,461)
Transfer In	2,520,837	1,836,362	**690,431**	2,526,793
Transfer Out	(340,386)	(334,386)	**(6,000)**	(340,386)
Excess of revenues and transfers over expenditures	$ -	$ -	**(45,054)**	$ (45,054)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(523,692)**	
Unfunded OPEB Expense			**(4,414)**	
Capital outlay			**118,001**	
Change in net assets			**$ (455,159)**	
Change in net assets:				
Transit Fund			**$ (455,159)**	
ARRA Stimulus Fund (Statement 53)			**89,473**	
			$ (365,686)	

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2012

	Budget	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	$ 1,885,729	**$ 1,964,477**	$ (78,748)
Professional services	14,891	**1,675**	13,216
Other expenses	593,526	**524,973**	68,553
Capital outlay	23,000	**-**	23,000
Building and grounds allocation	(2,517,146)	**(2,624,786)**	107,640
	-	**(133,661)**	133,661
Data Services			
Salaries and benefits	84,188	**86,603**	(2,415)
Professional services	948,590	**926,265**	22,325
Other expenses	410,195	**361,416**	48,779
Capital outlay	161,646	**65,421**	96,225
Data services allocation	(1,604,619)	**(1,440,307)**	(164,312)
	-	**(602)**	602
Engineering			
Salaries and benefits	1,772,467	**1,666,981**	105,486
Professional services	13,762	**12,475**	1,287
Other expenses	147,466	**107,745**	39,721
Engineering allocation	(1,933,695)	**(1,863,616)**	(70,079)
	-	**(76,415)**	76,415
Call Center			
Salaries and benefits	396,921	**384,478**	12,443
Other expenses	26,013	**23,231**	2,782
Call center allocation	(422,934)	**(423,976)**	1,042
	-	**(16,267)**	16,267
Billing			
Salaries and benefits	585,201	**593,868**	(8,667)
Other expenses	251,804	**262,145**	(10,341)
Capital outlay	64,000	**59,481**	4,519
Billing allocation	(901,005)	**(906,996)**	5,991
	-	**8,498**	(8,498)

(Continued)

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2012

	Budget	Actual	Variance - Favorable (Unfavorable)
Customer Service			
Salaries and benefits	$ 832,047	**$ 869,659**	$ (37,612)
Professional services	3,379	**13,650**	(10,271)
Other expenses	121,585	**96,562**	25,023
Capital outlay	25,000	**21,520**	3,480
Customer service allocation	(982,011)	**(1,019,412)**	37,401
	-	**(18,021)**	18,021
Warehouse Operations			
Salaries and benefits	406,971	**420,065**	(13,094)
Other expenses	58,581	**53,377**	5,204
Capital outlay	51,870	**49,117**	2,753
Warehouse allocation	(517,422)	**(498,453)**	(18,969)
	-	**24,106**	(24,106)
Utilities Collection			
Salaries and benefits	207,667	**205,909**	1,758
Professional services	53,500	**51,591**	1,909
Other expenses	24,496	**16,006**	8,490
Utilities collection allocation	(285,663)	**(286,771)**	1,108
	-	**(13,265)**	13,265
Total operating expenditures	-	**(225,627)**	225,627
Nonoperating Revenues (Expenditures)			
Loss on sale of capital assets	-	**(269,962)**	(269,962)
Deficiency of revenues over expenditures	$ -	**(44,335)**	$ (44,335)
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		**(184,013)**	
Unfunded OPEB Expense		**(237,153)**	
Capital outlay		**195,539**	
Change in net assets		**$ (269,962)**	

Change in net assets:	
Internal Service Fund	**$ (269,962)**
Fiber Optic Capital Project Fund (Statement 51)	**-**
	$ (269,962)

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

FIBER PROJECT CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Fiber project	$ 244,000	$ 83,015	**$ 90,113**	$ 173,128
Total operating expenditures	244,000	83,015	**90,113**	173,128
Deficiency of revenues over expenditures before transfers	(244,000)	(83,015)	**(90,113)**	(173,128)
Transfer In	244,000	244,000	**-**	244,000
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 160,985	**(90,113)**	$ 70,872
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**90,113**	
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, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ 140,700	$ 140,699	$ -	$ 140,699
Restricted intergovernmental revenues	40,000	40,000	-	40,000
Total revenue	180,700	180,699	-	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	591,327	**4,008**	595,335
North Taxiway	1,390,431	1,390,431	-	1,390,431
Fuel Farm	247,076	240,072	-	240,072
Apron Construction	49,164	49,164	-	49,164
Hangar In Common	2,584,719	2,538,866	-	2,538,866
Land	3,287,924	3,287,924	-	3,287,924
Total expenditures	13,516,737	13,457,575	**4,008**	13,461,583
Deficiency of revenues over expenditures	(13,336,037)	(13,276,876)	**(4,008)**	(13,280,884)
Other Financing Sources (Uses)				
Transfers in	502,000	502,000	-	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	13,336,038	-	13,336,038
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ 59,162	**(4,008)**	$ 55,154
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			-	
Change in net assets			**$ (4,008)**	

The change in net assets is allocated as follows:	
Fire & Life Safety Capital Project Fund	**$ (4,008)**
Regional Airport Fund	-
	$ (4,008)

ARRA STIMULUS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,710,482	$ 1,959,735	**$ 365,052**	$ 2,324,787
Total revenue	1,710,482	1,959,735	**365,052**	2,324,787
Expenditures				
Administration	445,482	163,402	**275,579**	438,981
Public Safety	-	255,502	**-**	255,502
Transit operating supplies	41,336	128,130	**-**	128,130
Capital outlay	1,223,664	1,080,759	**89,473**	1,170,232
Total expenditures	1,710,482	1,627,793	**365,052**	1,992,845
Excess of revenues over expenditures	$ -	$ 331,942	**-**	$ 331,942
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			**89,473**	
Change in net assets			**$ 89,473**	

The change in net assets is allocated as follows:	
ARRA Stimulus Special Revenue Fund	**$ -**
Housing Fund	**-**
Transit Fund	**89,473**
	$ 89,473

CITY OF CONCORD, NORTH CAROLINA **Statement 54**

FIRST CONCORD CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2012

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 329,326	$ 329,325	**$ -**	$ 329,325
Investment earnings	-	712,409	**47**	712,456
Miscellaneous earnings	-	24,939	**-**	24,939
Total revenue	329,326	1,066,673	**47**	1,066,720
Expenditures				
Debt service	26,012,695	19,814,294	**3,266,447**	23,080,741
Cost of issuance	1,096,201	548,896	**-**	548,896
Administration	-	3,809	**-**	3,809
Capital outlay:				
Police Headquarters	14,737,000	14,547,983	**-**	14,547,983
Communication equipment	1,164,326	1,160,722	**-**	1,160,722
Total expenditures	43,010,222	36,075,704	**3,266,447**	39,342,151
Deficiency of revenues over expenditures	(42,680,896)	(35,009,031)	**(3,266,400)**	(38,275,431)
Other Financing Sources				
Transfers in	26,012,695	18,675,785	**3,478,210**	22,153,995
Issuance of refunding bonds	9,235,000	9,235,000	**-**	9,235,000
Premium on refunding bonds	508,201	508,201	**-**	508,201
Payment to refunded bonds escrow agent	(9,180,000)	(9,180,000)	**-**	(9,180,000)
Bond proceeds	16,105,000	16,374,141	**-**	16,374,141
Total other financing sources	42,680,896	35,613,127	**3,478,210**	39,091,337
Deficiency of revenues and other financing sources over expenditures	$ -	$ 604,096	**211,810**	$ 815,906
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Debt service principal payments			**2,290,000**	
Depreciation and amortization			**(2,628,911)**	
Change in net assets			**$ (127,101)**	

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

Debt Service Fund	**$ 150,307**
Police Station Capital Project Fund	**30**
Governmental activities	**(733,010)**
Golf Course Fund	**613,742**
Regional Airport Fund	**(158,170)**
	$ (127,101)

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2012

	Balance July 1, 2011	Addition	Deduction	Balance June 30, 2012
Joe Cannon Trust:				
Assets:				
Cash	$ 64,237	$ 88,500	$ 141,552	$ 11,185
Liabilities:				
Agency payable	$ 64,237	$ 88,500	$ 141,552	$ 11,185
Employee's Insurance Fund:				
Assets:				
Cash	$ 2,315,427	$ 6,780,265	$ 7,784,777	$ 1,310,915
Liabilities:				
Agency payable	$ 2,315,427	$ 6,780,265	$ 7,784,777	$ 1,310,915
Total agency funds:				
Assets:				
Cash	$ 2,379,664	$ 6,868,765	$ 7,926,329	$ 1,322,100
Liabilities:				
Agency payable	$ 2,379,664	$ 6,868,765	$ 7,926,329	$ 1,322,100

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2012

Fiscal Year	Uncollected Balance June 30, 2011	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2012
2011-2012	$ -	$ 42,975,743	$ 41,955,806	$ 1,019,937
2010-2011	1,036,518	-	616,338	420,180
2009-2010	384,558	-	112,781	271,777
2008-2009	308,778	-	56,267	252,511
2007-2008	148,927	-	59,259	89,668
2006-2007	90,618	-	9,607	81,011
2005-2006	52,275	-	5,871	46,404
2004-2005	42,277	-	1,715	40,562
2003-2004	113,028	-	1,798	111,230
2002-2003	53,083	-	1,418	51,665
2001-2002	59,755	-	59,755	-
	$ 2,289,817	$ 42,975,743	$ 42,880,615	2,384,945
Less allowance for uncollectible ad valorem taxes receivable				596,236
Ad valorem taxes receivable				$ 1,788,709

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	$ 42,674,963	$ 80,645	
Taxes written off	98,423	89	
Total collections and credits	$ 42,773,386	$ 80,734	$ 42,854,120
Interest billed and collected during the year			335,882
Taxes written off			(98,512)
Total Ad valorem taxes			$ 43,091,490

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2012

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy: Property	Total Levy: Registered Motor Vehicles
Original levy:					
City wide	$ 9,622,665,614	**0.42**	**$ 40,415,196**	**$ 40,415,196**	**$ -**
Municipal Service District	44,388,700	**0.18**	**79,900**	**79,900**	**-**
Current year's rate, Motor vehicles	396,505,343	**0.42**	**1,664,999**	**-**	**1,664,999**
Prior year taxes, Motor vehicles	231,608,085	**0.42**	**972,638**	**-**	**972,638**
Penalties			**81,841**	**81,841**	**-**
Discoveries/additional listings:					
Current year taxes, City wide	188,909,067	**0.42**	**793,418**	**793,418**	**-**
Current year taxes, MSD	903,417	**0.18**	**1,626**	**1,626**	**-**
Current year's rate, Motor vehicles	3,717,479	**0.42**	**15,588**	**-**	**15,588**
Prior year taxes, Motor vehicles	2,397,045	**0.42**	**10,068**	**-**	**10,068**
Penalties			**23,643**	**23,643**	**-**
Abatements:					
Current year's rate, City wide	(224,075,000)	**0.42**	**(941,115)**	**(941,115)**	**-**
Current year's rate, MSD	-	**0.18**	**-**	**-**	
Current year's rate, Motor vehicles	(4,486,024)	**0.42**	**(18,841)**	**-**	**(18,841)**
Prior year taxes, Motor vehicles	(4,222,088)	**0.42**	**(17,733)**	**-**	**(17,733)**
Penalties			**(4,405)**	**(4,405)**	**-**
Total for year	**$ 10,258,311,638**		**43,076,823**	**40,450,104**	**2,626,719**
Less uncollected tax at June 30, 2012			**1,019,937**	**757,545**	**262,392**
Current year's taxes collected			**$ 42,056,886**	**$ 39,692,559**	**$ 2,364,327**
Current levy collection percentage			**97.63%**	**98.13%**	**90.01%**

Distribution of levy:	
General Fund	**$ 42,995,246**
Municipal Service District	**81,577**
	$ 43,076,823

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2012

	Reported Value	Fair Value
Cash		
On hand	$ 17,264	$ 17,264
Demand deposits	19,888,828	19,888,828
Certificates of deposit	6,568,149	6,568,149
Total cash	26,474,241	26,474,241
Investments		
North Carolina Capital Management Trust	7,608,943	7,608,943
Federal Farm Credit	4,000,000	4,023,400
FNMA Discount Notes	61,333,439	61,476,381
Federal Home Loan	17,215,615	17,052,176
Federal Home Loan Mortgage Corporation	33,947,098	33,956,945
Commercial Paper	29,087,860	29,159,085
Total investments	153,192,955	153,276,930
Total cash and investments	$ 179,667,196	$ 179,751,171
Distribution by Fund		
General Fund:		
Unrestricted	$ 47,482,938	
Restricted	3,729,733	$ 51,212,671
Special Revenue Funds (Unrestricted):		
Housing Assistance Fund		293,388
Section 108 Loan/BEDI Grant Fund		153,928
Home Fund		215,122
Municipal Service District		2,119
EECBG Stimulus		9,959
Capital Project Funds:		
Police Station:		
Unrestricted	2,860,851	
Restricted	24	2,860,875
Parks (Unrestricted)		501,547
Parks & Recreation Capital Reserve Project Fund (Restricted)		948,432
Transportation (Unrestricted)		7,416,809
General Fund Capital Project Fund (Unrestricted)		1,430,835
General Fund Capital Reserve Project Fund (Restricted)		12,135,800
Fire and Life Safety (Unrestricted)		71,046
Debt Service Fund (Restricted)		13

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2012

Distribution by Fund (Continued)		
Enterprise Funds:		
Electric Fund:		
Unrestricted	**$ 33,252,286**	
Restricted	**2,899,696**	**$ 36,151,982**
Water Fund:		
Unrestricted	**38,365,729**	
Restricted	**3,299,375**	**41,665,104**
Wastewater Fund:		
Unrestricted	**6,938,101**	
Restricted	**1,984,727**	**8,922,828**
Regional Airport Fund:		
Unrestricted	**5,431,367**	
Restricted	**74,653**	**5,506,020**
Stormwater Fund (Unrestricted)		**6,591,896**
Golf Course Fund (Unrestricted)		**47,012**
Housing Department Fund:		
Unrestricted	**714,326**	
Restricted	**32,265**	**746,591**
Internal Service Fund (Unrestricted)		**999,247**
OPEB Trust Fund (Restricted)		**461,872**
Agency Fund		**1,322,100**
Total reported value		**$ 179,667,196**

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2012

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Opportunity and Support 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872
	Assets:				
	Current Assets:				
	Cash:				
111	Cash - unrestricted	$ 697,541	$ -	$ 36,110	$ -
113	Cash - other restricted	-	-	257,278	-
114	Cash - tenant security deposits	32,048	-	-	-
115	Cash - restricted for payment of current liabilities	19,552	-	-	-
100	**Total cash**	749,141	-	293,388	-
	Accounts and notes receivable:				
121	Accounts receivable - PHA Projects	-	-	72,994	-
126	Accounts receivable - tenants - dwelling units	3,527	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(891)	-	-	-
127	Notes, loans, and mortgages receivable - current	624	-	-	-
129	Accrued interest receivable	2,215	-	894	-
120	**Total receivables**	5,475	-	73,888	-
142	Prepaid expenses and other assets	-	-	-	-
143	Inventories	18,358	-	-	-
143.1	Allowance for obsolete inventories	(1,836)	-	-	-
150	**Total current assets**	771,138	-	367,276	-
	Noncurrent Assets:				
161	Land	4,445,360	-	-	-
162	Buildings	219,359	-	-	-
166	Accumulated depreciation	(3,221,665)	-	-	-
167	Construction in progress	386,696	-	-	-
180	**Total non-current assets**	1,829,750	-	-	-
190	**Total Assets**	$ 2,600,888	$ -	$ 367,276	$ -
	Liabilities and Equity:				
	Liabilities:				
	Current Liabilities:				
312	Accounts payable (less than or equal to 90 days)	$ 38,304	$ -	$ 4,521	$ -
321	Accrued wage/payroll taxes payable	4,799	-	4,561	-
322	Accrued compensated absences	5,075	-	-	-
341	Tenant security deposits	32,048	-	-	-
342	Deferred revenue	217	-	-	-
345	Other current liabilities	19,552	-	73,162	-
346	Accrued liabilities - other	-	-	1,187	-
310	**Total current liabilities**	99,995	-	83,431	-
	Non-current Liabilities:				
353	Non-current Liabilities - Other	-	-	5,229	-
354	Accrued compensated absensces - non current	43,656	-	-	-
357	Accrued pension and OPEB liabilities	100,927	-	-	-
350	**Total non-current liabilities**	144,583	-	5,229	-
300	**Total liabilities**	244,578	-	88,660	-
	Equity:				
	Contributed Capital:				
508.1	Invested in capital assets, net of related debt	1,829,750	-	-	-
511.1	Restricted net assets	-	-	257,278	-
512.1	Unrestricted net assets	526,560	-	21,338	-
513	**Total equity**	2,356,310	-	278,616	-
600	**Total liabilities and equity**	$ 2,600,888	$ -	$ 367,276	$ -

(Continued)

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2012

Line Item	Account Description	Low Rent Public Housing 14.850	Resident Opportunity and Support 14.870	Housing Choice Vouchers 14.871	Public Housing Capital Fund 14.872
	Revenues:				
70300	Net tenant rental revenue	$ 289,881	$ -	$ -	$ -
70600	HUD PHA grants	826,858	48,568	3,336,254	261,817
71100	Investment income - unrestricted	-	-	19	-
71400	Fraud recovery	-	-	662	-
71500	Other income	78,214	-	614,493	-
72000	Investment income - restricted	-	-	876	-
70000	**Total revenues**	1,194,953	48,568	3,952,304	261,817
	Expenses:				
	Administrative:				
91100	Administrative salaries	151,111	37,892	240,039	-
91200	Auditing fees	1,791	-	1,138	-
91310	Bookkeeping fees	36,987	-	-	-
91500	Employee benefit contributions	135,555	10,656	83,942	-
91600	Office expenses	-	-	31,496	-
91800	Travel	10,992	20	3,971	-
91900	Other	71,016	-	8,768	-
92400	Tenant services - other	11,981	-	-	-
93100	Water	45,984	-	-	-
93200	Electricity	81,876	-	-	-
93300	Gas	67,092	-	-	-
93600	Sewer	47,733	-	-	-
93800	Other utility expense	9,088	-	-	-
94100	Ordinary maintenance and operations - labor	90,579	-	-	-
94200	Ordinary maintenance and operations - materials and other	85,377	-	-	-
94300	Ordinary maintenance and operations - contract costs	196,999	-	-	261,817
96100	Insurance premiums	26,003	-	-	-
96200	Other general expense	1,553	-	-	-
96300	Bad debt - tenant rents	5,115	-	-	-
96900	**Total operating expenses**	1,076,832	48,568	369,354	261,817
97000	**Excess of operating revenues over expenditures**	118,121	-	3,582,950	-
97300	Housing assistance payments	-	-	3,698,736	-
97350	HAP Portability-in	-	-	590,579	-
97400	Depreciation expense	284,127	-	-	-
90000	**Total expenses**	1,360,959	48,568	4,658,669	261,817
10030	Operating transfers from/to primary government	19,669	-	-	-
10000	**Excess of revenue over expenses**	(146,337)	-	(706,365)	-
11030	Beginning equity	2,082,329	-	984,981	-
11040	Prior period adjustments, equity transfers & correction of errors	420,318	-	-	-
11170	Administrative fee equity	-	-	21,338	-
11180	Housing assistance payments equity	-	-	257,278	-
	Ending equity	$ 2,356,310	$ -	$ 278,616	$ -
11190	Unit months available	2,057	-	6,492	-
11210	Number of unit months leased	1,927	-	6,320	-
11270	Excess cash	564,885	-	-	-

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS
June 30, 2012

	July 1, 2011	Increases	Decreases	Transfers	June 30, 2012
Electric Fund					
Capital assets, not being depreciated:					
Land	$ 1,172,514	$ -	$ -	$ -	$ 1,172,514
Construction in progress	2,988,387	2,202,097	10,827	-	5,179,657
Total capital assets, not being depreciated	4,160,901	2,202,097	10,827	-	6,352,171
Capital assets, being depreciated:					
Buildings	5,608,551	-	-	-	5,608,551
Improvements other than buildings	108,519,113	1,150,343	-	-	109,669,456
Machinery and equipment	7,205,494	751,796	421,154	-	7,536,136
Total capital assets, being depreciated	121,333,158	1,902,139	421,154	-	122,814,143
Accumulated depreciation:					
Buildings	1,616,586	159,837	-	-	1,776,423
Improvements other than buildings	49,907,895	3,166,827	-	-	53,074,722
Machinery and equipment	5,836,362	541,742	416,151	-	5,961,953
Total accumulated depreciation	57,360,843	3,868,406	416,151	-	60,813,098
Total capital assets, being depreciated, net	63,972,315	(1,966,267)	5,003	-	62,001,045
Electric Fund capital assets, net	$ 68,133,216	$ 235,830	$ 15,830	$ -	$ 68,353,216
Water Fund					
Capital assets, not being depreciated:					
Land	$ 814,060	$ -	$ -	$ -	$ 814,060
Construction in progress	3,051,054	2,539,711	85,022	-	5,505,743
Total capital assets, not being depreciated	3,865,114	2,539,711	85,022	-	6,319,803
Capital assets, being depreciated:					
Buildings	15,139,334	30,050	-	-	15,169,384
Improvements other than buildings	110,711,295	884,016	-	-	111,595,311
Machinery and equipment	2,603,211	-	25,349	(19,313)	2,558,549
Total capital assets, being depreciated	128,453,840	914,066	25,349	(19,313)	129,323,244
Accumulated depreciation:					
Buildings	2,345,299	492,653	-	-	2,837,952
Improvements other than buildings	40,437,855	2,955,220	-	-	43,393,075
Machinery and equipment	1,823,301	223,396	25,349	(19,313)	2,002,035
Total accumulated depreciation	44,606,455	3,671,269	25,349	(19,313)	48,233,062
Total capital assets, being depreciated, net	83,847,385	(2,757,203)	-	-	81,090,182
Water Fund capital assets, net	$ 87,712,499	$ (217,492)	$ 85,022	$ -	$ 87,409,985

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2012

	July 1, 2011	Increases	Decreases	Transfers	June 30, 2012
Wastewater Fund					
Capital assets, not being depreciated:					
Land	$ 1,065,402	$ -	$ -	$ -	$ 1,065,402
Construction in progress	305,386	377,783	305,385	-	377,784
Total capital assets, not being depreciated	1,370,788	377,783	305,385	-	1,443,186
Capital assets, being depreciated:					
Buildings	1,920,754	-	-	-	1,920,754
Improvements other than buildings	95,987,288	1,233,000	-	-	97,220,288
Machinery and equipment	1,995,848	512,639	27,577	-	2,480,910
Total capital assets, being depreciated	99,903,890	1,745,639	27,577	-	101,621,952
Accumulated depreciation:					
Buildings	470,418	50,279	-	-	520,697
Improvements other than buildings	28,790,437	2,533,049	-	-	31,323,486
Machinery and equipment	1,601,832	140,318	27,575	-	1,714,575
Total accumulated depreciation	30,862,687	2,723,646	27,575	-	33,558,758
Total capital assets, being depreciated, net	69,041,203	(978,007)	2	-	68,063,194
Wastewater Fund capital assets, net	$ 70,411,991	$ (600,224)	$ 305,387	$ -	$ 69,506,380
Regional Airport Fund					
Capital assets, not being depreciated:					
Land	$ 22,475,939	$ -	$ -	$ -	$ 22,475,939
Construction in progress	7,089,795	442,703	3,312,158	-	4,220,340
Total capital assets, not being depreciated	29,565,734	442,703	3,312,158	-	26,696,279
Capital assets, being depreciated:					
Buildings	23,489,461	-	-	-	23,489,461
Improvements other than buildings	32,767,834	3,312,159	-	-	36,079,993
Machinery and equipment	1,989,229	13,245	-	-	2,002,474
Total capital assets, being depreciated	58,246,524	3,325,404	-	-	61,571,928
Accumulated depreciation:					
Buildings	6,937,635	809,267	-	-	7,746,902
Improvements other than buildings	7,192,373	978,402	-	-	8,170,775
Machinery and equipment	1,310,838	100,002	-	-	1,410,840
Total accumulated depreciation	15,440,846	1,887,671	-	-	17,328,517
Total capital assets, being depreciated, net	42,805,678	1,437,733	-	-	44,243,411
Regional Airport Fund capital assets, net	$ 72,371,412	$ 1,880,436	$ 3,312,158	$ -	$ 70,939,690

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2012

	July 1, 2011	Increases	Decreases	Transfers	June 30, 2012
Stormwater Fund					
Capital assets, not being depreciated:					
Land	$ 114,282	$ -	$ -	$ -	$ 114,282
Construction in progress	973,864	243,818	166,576	-	1,051,106
Total capital assets, not being depreciated	1,088,146	243,818	166,576	-	1,165,388
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	54,240,774	166,576	-	-	54,407,350
Machinery and equipment	1,439,288	100,741	-	-	1,540,029
Total capital assets, being depreciated	55,756,571	267,317	-	-	56,023,888
Accumulated depreciation:					
Buildings	4,499	2,891	-	-	7,390
Improvements other than buildings	8,268,088	1,380,239	-	-	9,648,327
Machinery and equipment	987,771	176,804	-	-	1,164,575
Total accumulated depreciation	9,260,358	1,559,934	-	-	10,820,292
Total capital assets, being depreciated, net	46,496,213	(1,292,617)	-	-	45,203,596
Stormwater Fund capital assets, net	$ 47,584,359	$(1,048,799)	$ 166,576	$ -	$ 46,368,984
Nonmajor Enterprise Funds					
Capital assets, not being depreciated:					
Land	$ 13,034,504	$ -	$ -	$ -	$ 13,034,504
Construction in progress	2,825,002	507,941	541,395	-	2,791,548
Total capital assets, not being depreciated	15,859,506	507,941	541,395	-	15,826,052
Capital assets, being depreciated:					
Buildings	8,970,270	-	-	(322,090)	8,648,180
Improvements other than buildings	392,343	-	34,481	-	357,862
Machinery and equipment	7,420,773	922,042	237,671	(342,150)	7,762,994
Total capital assets, being depreciated	16,783,386	922,042	272,152	(664,240)	16,769,036
Accumulated depreciation:					
Buildings	4,554,250	264,786	-	(161,045)	4,657,991
Improvements other than buildings	235,166	19,515	34,481	-	220,200
Machinery and equipment	5,050,576	744,623	211,236	(233,234)	5,350,729
Total accumulated depreciation	9,839,992	1,028,924	245,717	(394,279)	10,228,920
Total capital assets, being depreciated, net	6,943,394	(106,882)	26,435	(269,961)	6,540,116
Nonmajor Enterprise Funds capital assets, net	$ 22,802,900	$ 401,059	$ 567,830	$ (269,961)	$ 22,366,168
Business-type activities capital assets, net	$369,016,377	$ 650,810	$ 4,452,803	$ (269,961)	$364,944,423

SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT
June 30, 2012

	July 1, 2011	Increases	Decreases	June 30, 2012	Current Maturities
Electric Fund					
Installment purchase	$ 242,014	$ -	$ 119,029	$ 122,985	$ 122,985
Revenue bonds	30,260,023	3,703,350	6,209,403	27,753,970	1,952,880
Plus premium on revenue bonds	431,352	376,452	52,276	755,528	-
Less deferred loss on defeasance	(419,049)	(217,713)	(52,526)	(584,236)	-
Compensated absences	311,438	265,286	238,776	337,948	314,292
OPEB liability	522,930	153,487	-	676,417	-
Electric Fund long-term debt	$ 31,348,708	$ 4,280,862	$ 6,566,958	$ 29,062,612	$ 2,390,157
Water Fund					
Revenue bonds	$ 49,013,894	$13,931,650	$19,337,343	$ 43,608,201	$ 3,208,186
Plus premium on revenue bonds	631,300	1,416,109	87,481	1,959,928	-
Less deferred loss on defeasance	(498,857)	(818,950)	(68,246)	(1,249,561)	-
Compensated absences	201,376	211,480	189,014	223,842	208,173
OPEB liability	387,977	144,057	-	532,034	-
Water Fund long-term debt	$ 49,735,690	$14,884,346	$19,545,592	$ 45,074,444	$ 3,416,359
Wastewater Fund					
Revenue bonds	$ 24,278,434	$ -	$ 1,374,177	$ 22,904,257	$ 1,409,309
Plus premium on revenue bonds	379,418	-	37,538	341,880	-
Less deferred loss on defeasance	(272,697)	-	(29,694)	(243,003)	-
Compensated absences	95,479	61,026	69,964	86,541	80,483
OPEB liability	49,556	66,812	-	116,368	-
Wastewater Fund long-term debt	$ 24,530,190	$ 127,838	$ 1,451,985	$ 23,206,043	$ 1,489,792
Regional Airport Fund					
Installment purchase	$ 9,247,500	$ -	$ 602,500	$ 8,645,000	$ 602,500
Installment notes	2,020,700	-	218,900	1,801,800	216,700
Plus premium on LOBs	104,181	-	10,164	94,017	-
Less deferred loss on defeasance	(77,518)	-	(7,563)	(69,955)	-
Compensated absences	106,254	56,938	65,904	97,288	90,477
OPEB liability	107,282	71,226	-	178,508	-
Regional Airport Fund long-term debt	$ 11,508,399	$ 128,164	$ 889,905	$ 10,746,658	$ 909,677
Stormwater Fund					
Installment purchase	$ 83,704	$ -	$ 40,956	$ 42,748	$ 42,748
Compensated absences	60,094	71,316	67,823	63,587	59,136
OPEB liability	15,227	45,143	-	60,370	-
Stormwater Fund long-term debt	$ 159,025	$ 116,459	$ 108,779	$ 166,705	$ 101,884
Nonmajor Enterprise Funds					
Installment notes	$ 7,835,000	$ -	$ 650,000	$ 7,185,000	$ 670,000
Compensated absences	447,092	304,452	320,022	431,522	401,315
OPEB liability	1,123,842	272,666	-	1,396,508	-
Nonmajor Enterprise Funds long-term debt	$ 9,405,934	$ 577,118	$ 970,022	$ 9,013,030	$ 1,071,315
Business-type activities long-term debt	$126,687,946	$20,114,787	$29,533,241	$117,269,492	$ 9,379,184

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Statistical Section

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

	Page
Financial Trends These tables contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	167
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.	178
Debt Capacity These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	187
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.	194
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.	197

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)

	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	$ 326,719,238	$ 326,920,735	$ 309,986,003	$ 284,946,314
Restricted	3,199,679	1,726,972	14,161,024	1,401,030
Unrestricted	27,947,308	27,409,054	33,933,025	27,394,767
Total governmental activities net assets	$ 357,866,225	$ 356,056,761	$ 358,080,052	$ 313,742,111
Business-type activities				
Invested in capital assets, net of related debt	$ 111,465,919	$ 131,359,965	$ 134,962,615	$ 202,771,280
Restricted	12,846,101	9,724,792	8,430,158	-
Unrestricted	36,101,647	34,559,284	44,878,471	57,039,952
Total business-type activities net assets	$ 160,413,667	$ 175,644,041	$ 188,271,244	$ 259,811,232
Primary government				
Invested in capital assets, net of related debt	$ 438,185,157	$ 458,280,700	$ 444,948,618	$ 487,717,594
Restricted	16,045,780	11,451,764	22,591,182	1,401,030
Unrestricted	64,048,955	61,968,338	78,811,496	84,434,719
Total primary government activities net assets	$ 518,279,892	$ 531,700,802	$ 546,351,296	$ 573,553,343

Table 1

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
$ 269,225,599	$ 299,422,732	$ 299,238,599	$ 285,243,071	$ 280,799,254	$ -
1,732,787	2,000,450	1,716,091	1,710,932	17,123,716	14,966,240
47,184,219	52,092,724	55,488,182	62,723,954	50,007,074	231,019
$ 318,142,605	$ 353,515,906	$ 356,442,872	$ 349,677,957	$ 347,930,044	$ 15,197,259
$ 224,285,478	$ 247,374,035	$ 232,711,487	$ 243,365,138	$ 249,883,977	$ -
-	-	-	-	-	-
59,665,695	55,299,614	79,999,678	90,837,386	99,653,376	-
$ 283,951,173	$ 302,673,649	$ 312,711,165	$ 334,202,524	$ 349,537,353	$ -
$ 493,511,077	$ 546,796,767	$ 531,950,086	$ 528,608,209	$ 528,608,209	$ -
1,732,787	2,000,450	1,716,091	1,710,932	1,710,932	14,966,240
106,849,914	107,392,338	135,487,860	153,561,340	153,561,340	231,019
$ 602,093,778	$ 656,189,555	$ 669,154,037	$ 683,880,481	$ 683,880,481	$ 15,197,259

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

	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	$ 4,546,553	$ 4,557,587	$ 4,876,678	$ 4,788,163
Public safety	20,091,084	21,523,893	22,594,274	23,013,748
Public works	24,824,155	26,934,935	27,309,037	26,382,096
Cultural & recreational	3,280,271	3,525,572	3,465,415	3,686,163
Planning & community development	3,710,036	3,214,575	3,459,007	3,504,571
Administration	433,935	477,794	540,718	513,157
Housing assistance Payments	3,151,869	3,149,939	3,231,539	3,177,960
Rehabilitation	953,413	603,691	897,186	3,027,682
Professional Services	-	23,183	49,974	-
Protective Services	58,334	-	-	-
Interest on long-term debt	2,850,591	1,525,505	1,685,824	2,108,260
Total governmental activities expenses	63,900,241	65,536,674	68,109,652	70,201,800
Business-type activities:				
Electric	41,331,094	43,493,600	45,875,830	49,358,049
Water	11,327,235	12,884,358	12,335,344	13,532,054
Wastewater	10,595,555	12,004,226	12,619,272	12,393,861
Regional airport	6,602,063	7,102,300	8,476,592	9,849,839
Stormwater *	-	-	-	3,045,795
Other non major business-type	3,137,548	3,919,178	4,897,152	5,312,094
Total business-type activities expenses	72,993,495	79,403,662	84,204,190	93,491,692
Total primary government expenses	$ 136,893,736	$ 144,940,336	$ 152,313,842	$ 163,693,492
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 1,475,431	$ 1,734,293	$ 1,664,787	$ 1,724,914
Public safety	513,134	581,284	579,516	615,923
Public works	65,789	33,353	38,964	-
Cultural and recreational	239,248	257,311	254,378	261,141
Planning and community development	268,738	292,747	270,777	629,386
Housing assistance	13,642	14,822	21,694	32,107
Rehabilitation	451,471	194,718	525,269	629,192
Operating grants and contributions	6,543,489	6,174,770	6,604,130	6,455,832
Capital grants and contributions	5,181,108	14,746,573	13,276,425	20,750,187
Total government activities program revenues	14,752,050	24,029,871	23,235,940	31,098,682

Fiscal Year 2007	2008	2009	2010	2011	2012
$ 4,240,566	$ 3,217,768	$ 3,603,395	$ 4,354,769	$ 4,439,667	$ 4,996,198
25,711,447	29,389,987	32,327,159	33,333,315	34,818,159	35,378,939
28,358,904	30,592,926	31,815,013	33,362,313	31,612,314	28,875,757
4,097,842	4,263,979	4,356,816	4,287,048	4,233,575	4,299,687
2,214,193	2,612,748	2,516,223	2,840,033	3,096,020	5,373,310
444,287	526,464	557,556	656,431	784,000	856,103
3,081,332	3,251,666	3,351,185	3,119,188	3,344,522	3,698,736
2,529,418	1,586,145	680,796	553,868	1,053,446	3,227,906
-	-	-	-	-	-
-	-	-	-	-	-
1,760,202	1,815,914	1,847,213	1,773,371	1,508,832	1,005,570
72,438,191	77,257,597	81,055,356	84,280,336	84,890,535	87,712,206
54,551,657	57,480,622	63,073,567	63,797,452	69,740,487	66,381,454
14,559,911	16,915,149	15,692,404	15,550,286	15,618,503	15,377,435
12,598,417	13,381,789	14,205,883	13,507,142	13,802,561	13,905,343
9,948,799	13,106,629	10,668,036	10,023,077	11,432,960	11,908,265
3,097,290	3,613,613	3,879,657	3,946,044	3,729,861	3,731,359
5,827,627	5,842,740	6,403,396	5,856,696	6,349,265	6,477,130
100,583,701	110,340,542	113,922,943	112,680,697	112,680,697	117,780,986
$ 173,021,892	$ 187,598,139	$ 194,978,299	$ 196,961,033	$ 197,571,232	$ 205,493,192
$ 1,957,522	$ 1,851,370	$ 1,752,112	$ 1,593,175	$ 1,527,420	$ 1,710,506
717,881	925,384	706,749	739,461	622,544	749,902
-	-	-	-	-	-
266,775	268,988	352,470	251,425	266,110	265,249
890,214	1,247,480	853,001	1,316,731	2,025,498	2,063,363
14,085	4,438	3,055	4,046	3,009	-
858,730	1,327,157	816,778	654,957	660,865	396,514
6,735,548	7,589,562	6,772,165	8,039,500	8,361,322	10,099,206
13,875,367	45,810,044	12,178,471	4,399,871	9,750,000	3,307,835
25,316,122	59,024,423	23,434,801	16,999,166	23,216,768	18,592,575

(Continued)

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

	2003	2004	2005	2006
Business-type activities:				
Charges for services				
Electric	$ 46,526,293	$ 48,828,093	$ 50,625,078	$ 55,127,472
Water	11,645,255	13,875,415	15,171,631	17,390,495
Wastewater	9,361,373	10,981,818	11,032,814	12,700,502
Regional airport	5,186,380	5,898,965	7,112,333	8,997,417
Stormwater *	-	-	-	1,810,605
Other non major business-type	1,830,160	1,778,627	1,824,525	1,901,989
Operating grants and contributions	702,066	3,570,403	2,015,190	2,139,688
Capital grants and contributions	7,476,831	6,614,817	7,937,240	6,605,150
Total business-type activities program revenues	82,728,358	91,548,138	95,718,811	106,673,318
Total primary government program revenue	$ 97,480,408	$ 115,578,009	$ 118,954,751	$ 137,772,000
Net (Expenses)/Revenue				
Governmental activities	$ (49,148,191)	$ (41,506,803)	$ (44,873,712)	$ (39,103,118)
Business-type activities	9,734,863	12,144,476	11,514,621	13,181,626
Total primary government net expense	$ (39,413,328)	$ (29,362,327)	$ (33,359,091)	$ (25,921,492)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Ad Valorem taxes	$ 26,486,974	$ 27,085,722	$ 30,055,475	$ 31,727,866
Other taxes	8,098,765	11,227,814	11,721,923	12,634,031
Operating grants and contributions	3,072,778	2,794,866	2,729,405	2,761,579
Investment earnings	555,721	230,081	915,247	1,709,502
Miscellaneous gain (loss)	(913,044)	1,157,108	840,042	1,313,009
Transfers	(796,492)	(2,798,252)	634,911	(55,380,810)
Total governmental activities	36,504,702	39,697,339	46,897,003	(5,234,823)
Business-type activities				
Investment earnings	1,203,038	639,566	1,381,335	1,966,270
Miscellaneous gain (loss)	(167,746)	(351,920)	366,158	1,011,282
Transfers	796,492	2,798,252	(634,911)	55,380,810
Total business-type activities	1,831,784	3,085,898	1,112,582	58,358,362
Total primary government	$ 38,336,486	$ 42,783,237	$ 48,009,585	$ 53,123,539
Change in Net Assets				
Governmental activities	$ (12,643,489)	$ (1,809,464)	$ 2,023,291	$ (44,337,941)
Business-type activities	11,566,647	15,230,374	12,627,203	71,539,988
Total primary government	$ (1,076,842)	$ 13,420,910	$ 14,650,494	$ 27,202,047

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

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
$ 57,784,175	$ 61,920,483	$ 61,902,700	$ 69,955,857	$ 74,971,026	$ 78,948,101
19,484,661	18,692,941	17,491,941	19,272,961	19,105,584	19,856,057
13,824,857	13,478,931	12,903,815	13,773,878	14,384,621	14,772,364
9,329,042	11,406,644	9,911,053	8,092,461	9,124,603	9,809,448
3,140,958	3,325,017	3,489,201	3,989,017	3,730,742	3,714,155
2,487,179	2,386,692	1,907,614	1,720,911	1,943,291	1,891,193
2,804,136	2,934,222	3,191,973	5,178,504	4,252,712	3,148,598
9,735,545	8,199,207	7,721,792	8,497,858	5,026,770	1,591,427
118,590,553	122,344,137	118,520,089	130,481,447	132,539,349	133,731,343
$ 143,906,675	$ 181,368,560	$ 141,954,890	$ 147,480,613	$ 155,756,117	$ 152,323,918
$ (47,122,069)	$ (18,233,174)	$ (57,620,555)	$ (67,281,170)	$ (67,281,170)	$ (69,119,631)
18,006,852	12,003,595	4,597,146	17,800,750	17,800,750	15,950,357
$ (29,115,217)	$ (6,229,579)	$ (53,023,409)	$ (49,480,420)	$ (49,480,420)	$ (53,169,274)
$ 34,049,377	$ 37,881,901	$ 44,094,142	$ 45,363,018	$ 44,236,917	$ 43,163,621
13,034,399	13,899,527	13,390,448	12,567,428	12,226,782	13,366,521
2,607,041	2,745,792	3,237,013	2,642,020	3,159,222	2,880,377
2,318,298	2,439,936	1,385,206	1,322,057	1,022,184	730,032
2,327,114	646,073	1,230,921	761,842	936,229	876,108
(2,813,666)	(4,006,754)	(2,790,209)	(2,140,110)	(1,655,480)	(1,984,080)
51,522,563	53,606,475	60,547,521	60,516,255	59,925,854	59,032,579
2,630,486	2,648,596	2,467,828	1,571,516	1,396,578	1,206,493
688,937	63,531	182,333	(21,017)	417,059	402,869
2,813,666	4,006,754	2,790,209	2,140,110	1,655,480	1,984,080
6,133,089	6,718,881	5,440,370	3,690,609	3,469,117	3,593,442
$ 57,655,652	$ 60,325,356	$ 65,987,891	$ 64,206,864	$ 63,394,971	$ 62,626,021
$ 4,400,494	$ 35,373,301	$ 2,926,966	$ (6,764,915)	$ (6,764,915)	$ (10,087,052)
24,139,941	18,722,476	10,037,516	21,491,359	21,491,359	19,543,799
$ 28,540,435	$ 54,095,777	$ 12,964,482	$ 14,726,444	$ 14,726,444	$ 9,456,747

CITY OF CONCORD, NORTH CAROLINA

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

	2003	2004	2005	2006
General Fund				
Nonspendable	$ 57,917	$ 64,080	$ 59,593	$ 62,926
Restricted	8,011,141	10,974,673	12,102,471	11,254,425
Assigned	1,529,994	1,900,000	1,400,000	1,000,000
Unassigned	17,428,462	15,365,039	18,043,420	23,556,065
Total General Fund	$ 27,027,514	$ 28,303,792	$ 31,605,484	$ 35,873,416
All Other Governmental funds				
Restricted	$ 4,149,313	2,878,557	$ 13,809,540	$ 5,356,295
Committed	2,895,785	3,102,669	4,996,183	3,725,056
Assigned	-	-	1,602,900	1,034,851
Unassigned	(1,828,980)	(4,339,359)	(2,973,416)	(2,937,456)
Total all other governmental funds	$ 5,216,118	$ 1,641,867	$ 17,435,207	$ 7,178,746

Table 3

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
$ 77,207	$ 82,097	$ 128,476	$ 128,127	$ 109,186	$ 91,095
14,173,093	15,500,611	13,577,559	13,436,085	15,998,293	14,140,696
2,500,000	-	1,500,000	-	-	-
25,463,521	31,263,025	37,301,067	37,504,311	36,921,449	43,248,336
$ 42,213,821	$ 46,845,733	$ 52,507,102	$ 51,068,523	$ 53,028,928	$ 57,480,127
$ 2,451,186	$ 380,095	$ 1,166,853	$ 606,815	$ 1,016,237	$ 965,468
2,969,987	9,211,002	9,129,724	17,321,294	17,156,767	13,452,847
3,143,818	7,204,539	5,556,958	6,964,454	9,839,140	11,925,525
(2,877,789)	(4,368,446)	(4,627,540)	(3,978,046)	(4,767,945)	(4,072,385)
$ 5,687,202	$ 12,427,190	$ 11,225,995	$ 20,914,517	$ 23,244,199	$ 22,271,455

CITY OF CONCORD, NORTH CAROLINA

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

	2003	2004	2005	2006
Revenues				
Taxes	$ 26,363,349	$ 27,034,919	$ 29,944,032	$ 31,590,195
Other taxes	8,098,765	11,227,814	11,721,923	12,634,031
Unrestricted intergovernmental revenues	2,190,806	2,468,473	2,216,581	2,370,415
Restricted Intergovernmental revenues	7,382,635	6,622,348	7,543,542	7,294,501
Licenses, fees, and permits	1,548,846	1,901,077	1,810,650	1,860,604
Contributions, net of refunds	496,272	(11,962)	-	-
Investment earnings	555,721	230,081	915,247	1,709,502
Investment earnings restricted	12,244	11,900	22,562	20,460
Program income	465,113	209,540	546,963	661,299
Other revenues	1,136,437	1,306,182	1,782,727	2,641,356
Total revenues	48,250,188	51,000,372	56,504,227	60,782,363
Expenditures				
General government	3,359,490	3,174,553	3,557,999	3,536,022
Public safety	18,563,975	20,229,685	21,063,625	21,492,133
Public works	6,340,360	7,755,198	7,721,365	7,704,046
Cultural and recreational	3,025,981	3,321,160	3,252,320	3,489,498
Planning and community development	3,637,961	3,201,518	3,433,787	3,487,888
Administration	433,935	477,794	540,718	513,157
Housing assistance payments	3,151,869	3,149,939	3,231,539	3,177,960
Rehabilitation	953,413	603,691	897,186	3,027,682
Professional services	39,112	23,183	49,974	1,662
Protective services	19,222	-	-	-
Capital outlay	5,675,625	4,294,814	5,469,582	13,545,494
Debt service				
Interest	402,852	268,950	686,309	1,010,025
Principal	4,573,707	4,410,482	4,244,702	5,101,402
Total expenditures	50,177,502	50,910,967	54,149,106	66,086,969
Excess of revenues over (under) expenditures	(1,927,314)	89,405	2,355,121	(5,304,606)
Other Financing Sources (Uses)				
Proceeds of installment purchase contracts	-	-	-	794,543
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	5,438,734	3,370,872	7,492,150	6,526,804
Transfers out	(6,235,226)	(6,169,124)	(6,857,239)	(8,005,270)
Total Other Financing Sources (Uses)	(598,465)	(2,387,377)	16,739,911	(683,923)
Net change in fund balances	$ (2,525,779)	$ (2,297,972)	$ 19,095,032	$ (5,988,529)
Debt service as a percentage of non capital expenditures	11.18%	10.04%	10.13%	11.63%

Table 4

Fiscal Year 2007	2008	2009	2010	2011	2012
$ 34,215,412	$ 37,911,743	$ 43,689,541	$44,974,492	$44,213,325	$ 43,091,490
13,034,399	13,899,527	13,390,448	12,567,428	12,226,782	13,366,521
2,563,097	2,745,792	3,237,013	2,642,020	3,159,222	2,880,377
8,301,691	8,416,850	6,870,323	8,161,071	8,534,858	9,713,210
2,124,094	2,055,273	1,912,088	1,755,810	1,650,649	1,873,658
-	147,312	-	-	-	-
2,318,298	2,439,936	1,385,206	1,322,057	1,022,184	730,032
71,580	82,799	46,022	36,179	26,044	19,323
872,815	1,327,157	816,778	654,957	660,865	698,157
3,908,482	2,668,896	2,836,489	2,788,234	3,549,375	3,862,921
67,409,868	71,695,285	74,183,908	74,902,248	75,043,304	76,235,689
2,854,944	3,021,404	3,393,127	4,215,552	4,511,799	4,563,849
24,200,346	25,995,498	28,388,096	29,472,135	30,708,135	31,353,312
9,271,991	9,804,616	11,578,500	11,422,287	12,807,858	10,215,647
3,900,738	3,870,407	3,948,833	3,839,337	3,803,036	3,956,149
2,194,719	2,540,302	2,346,714	2,780,589	3,005,580	5,312,219
444,287	526,464	557,556	656,431	784,000	856,103
3,081,332	3,251,666	3,351,185	3,119,188	3,344,522	3,698,736
2,529,418	1,586,145	680,796	553,868	1,053,446	3,227,906
-	-	-	-	-	-
-	-	-	-	-	-
6,313,426	6,955,436	6,708,441	3,432,237	3,641,809	3,998,026
560,949	1,815,914	1,847,213	1,779,766	1,542,254	1,048,001
5,296,127	4,322,779	4,830,733	3,512,055	4,064,454	2,273,244
60,648,277	63,690,631	67,631,194	64,783,445	69,266,893	70,503,192
6,761,591	8,004,654	6,552,714	10,118,803	5,776,411	5,732,497
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)	-	-
8,118,956	10,983,594	8,951,756	17,455,195	14,095,374	8,858,563
(10,932,622)	(14,990,348)	(11,741,965)	(19,595,305)	(15,780,456)	(11,112,605)
(1,912,730)	3,367,246	(2,092,540)	(1,868,860)	(1,486,324)	(2,254,042)
$ 4,848,861	$ 11,371,900	$ 4,460,174	$ 8,249,943	$ 4,290,087	$ 3,478,455
10.78%	10.82%	10.96%	8.86%	10.04%	4.99%

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NUMBER OF ELECTRIC CUSTOMERS BY TYPE,
Last Seven Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Total
2006	21,888	3,816	77	25,781
2007	22,874	3,997	72	26,943
2008	23,441	4,002	71	27,514
2009	23,003	3,846	71	26,920
2010	23,343	3,982	43	27,368
2011	23,450	3,957	40	27,447
2012	23,502	4,107	46	27,655

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

CITY OF CONCORD, NORTH CAROLINA

ELECTRIC RATES
Last Seven Fiscal Years

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

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

Table 6

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

TEN LARGEST ELECTRIC CUSTOMERS, June 30, 2012

	2012	
Customer	**Electric Revenue**	**Percentage of Total Electric Revenue**
Concord Mills LLC	$ 2,044,866	2.58 %
City of Concord	1,984,566	2.51
Perdue Farms Inc	1,575,531	1.99
Cabarrus County Schools	1,569,751	1.98
Legrand	1,389,307	1.76
S&D Coffee	1,199,865	1.52
Celgard LLC	1,029,319	1.30
Rocky River Water Treatment Plant	953,317	1.21
Northeast Medical Center	912,572	1.15
Cabarrus Plastics Mfg	891,348	1.13
Total	$ 13,550,442	17.13 %

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

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

	Real Property						
Fiscal Year	Residential Property (1)	Commercial Property (2)	Industrial Property (2)	Personal Property	Public Service Companies	Total Taxable Assessed Value	Total Weighted Average Rate (3)
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
2012	5,533,750,240	2,523,536,878	1,212,065,051	871,682,129	117,277,340	10,258,311,638	0.4190

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
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
2012	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

	2012			2003		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Charlotte Motor Speedway LLC	$ 259,822,688	1	2.65 %	$ 135,715,819	3	2.59 %
Concord Mills Mall LTD Prtnshp	223,330,700	2	2.28	159,323,718	2	3.04
Celgard	108,282,340	3	1.10	-		-
Philip Morris USA Inc	93,107,045	4	0.95	1,077,366,380	1	20.58
Great Wolf Lodge	93,058,270	5	0.95	-		-
JQH-Concord Development LLC	55,672,490	6	0.57	-		-
Hendrick Motorsports Inc	36,399,998	7	0.37	33,048,652	6	0.63
WMCI Charlotte XIII LLC	35,268,981	8	0.36	-		-
HSREI LLC	32,931,762	9	0.34	-		-
S&D Coffee Company	30,674,890	10	0.31	24,264,273	8	0.46
Concord Telephone Company	-		-	65,226,193	4	1.25
Pass & Seymour, Inc.	-		-	41,378,186	5	0.79
Bell/Sysco Food Services Inc	-		-	30,356,620	7	0.58
Concord Commons Ltd Prtnshp	-		-	18,107,930	9	0.35
Fieldcrest Cannon	-		-	17,879,928	10	0.34
Total	$ 968,549,164		9.88 %	$ 1,602,667,699		30.61 %

Source: Cabarrus County Tax Office

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	26,200,348	25,573,728	97.6%	574,955	26,148,683	99.8%
2004	26,821,016	26,168,438	97.6%	541,348	26,709,786	99.6%
2005	29,739,025	29,143,606	98.0%	554,857	29,698,463	99.9%
2006	31,617,094	31,020,263	98.1%	550,427	31,570,690	99.9%
2007	34,290,995	33,605,746	98.0%	604,238	34,209,984	99.8%
2008	37,819,888	37,086,369	98.1%	643,851	37,730,220	99.8%
2009	44,077,915	42,894,749	97.3%	930,655	43,825,404	99.4%
2010	44,956,754	43,881,105	97.6%	803,872	44,684,977	99.4%
2011	44,365,653	43,329,051	97.7%	616,422	43,945,473	99.1%
2012	43,076,823	42,056,886	97.6%	-	42,056,886	97.6%

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CITY OF CONCORD, NORTH CAROLINA

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

	Governmental activities				Business type activities			
Fiscal Year	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes	Installment Purchase	General Obligation Bonds	Revenue Bonds	Installment Notes
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
2012	4,429	-	2,669	18,292	8,811	-	95,177	9,081

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

Table 12

Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
170,894	3.90%	2,858
160,163	3.48%	2,623
171,919	3.49%	2,760
161,881	3.00%	2,552
152,265	2.62%	2,231
154,537	2.51%	2,174
169,017	2.85%	2,121
162,797	2.69%	2,047
150,819	2.47%	1,876
138,459	2.24%	1,705

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)
2003	6,820,000	5,959,390	860,610	0.02%	14.39
2004	5,604,999	4,845,522	759,477	0.02%	12.44
2005	4,410,000	3,750,568	659,432	0.01%	10.59
2006	3,260,000	2,699,527	560,473	0.01%	8.84
2007	2,140,002	1,677,035	462,967	0.01%	6.78
2008	1,044,999	678,089	366,910	0.01%	5.16
2009	235,000	-	235,000	0.01%	2.95
2010	85,000	-	85,000	0.01%	1.07
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-

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, 2012

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)	423,582,488	100%	**423,582,488**
Total			**$ 423,582,488**

(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)

	2003	2004	2005	2006
Debt Limit	$ 464,253	$ 474,213	$ 550,332	$ 585,817
Total net debt applicable to limit	49,841	45,561	62,048	41,775
Legal debt margin	$ 414,412	$ 428,652	$ 488,284	$ 544,042
Total net debt applicable to the limit as a percentage of debt limit	11%	10%	11%	7%

Table 15

Fiscal Year 2007	2008	2009	2010	2011	2012
$ 606,928	$ 672,850	$ 779,858	$ 856,688	$ 779,768	$ 820,665
38,499	35,809	31,819	28,391	24,337	22,387
$ 568,429	$ 637,041	$ 748,039	$ 828,297	$ 755,431	$ 798,278
6%	5%	4%	3%	3%	3%

Legal Debt Margin Calculation for Fiscal Years	
Total assessed value	$ 10,258,311,638
Debt limit (8% of assessed value)	820,664,931
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	13,239,822
Installment notes	26,945,000
Less: Amount of bonded debt incurred for Electric, Water and Wastewater purposes	(17,797,533)
Total net debt applicable to limit	22,387,289
Legal Debt Margin	$ 798,277,642
Net debt as a % of assessed values	0.22%

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
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
2012	20,370	14,477	5,893	3,127	1,927	1.17

Wastewater Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2012	15,219	9,984	5,235	1,374	953	2.25

Electric Revenue Bonds

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
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
2012	79,450	63,939	15,511	1,900	1,203	5.00

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)
2003	59,791	4,385,879	30,599	21,763	8.3%
2004	61,070	4,605,198	31,450	22,446	7.0%
2005	62,291	4,931,757	32,705	23,906	4.3%
2006	63,429	5,389,062	34,165	23,684	3.8%
2007	68,249	5,810,277	35,061	25,000	4.0%
2008	71,071	6,144,892	35,744	27,152	5.2%
2009	79,673	5,922,390	33,651	28,550	8.2%
2010	79,519	6,057,692	33,926	28,127	8.3%
2011 (5)	80,386	6,118,269	34,265	28,827	7.8%
2012 (5)	81,190	6,179,452	34,608	29,298	6.6%

(1) State Demographer's Office. 2012 is an estimate.
(2) Bureau of Economic Analysis. Information only available at the County level.
(3) 2003-2006 Cabarrus County School Board Accountability Office; 2007-2012 N.C. Public Schools.
(4) Based on annual average as published by N.C. Employment Security Commission - Labor Market Division
(5) Data not yet available for personal income. Estimated amounts based on 1 percentage increase from prior year.

PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2012			2003		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Carolina Medical Center-NorthEast	4,500	1	5.59%	3,700	3	5.15%
Concord Mills Mall	4,000	2	4.97%	4,000	2	5.56%
Cabarrus County Schools	3,800	3	4.72%	2,500	5	3.48%
Cabarrus County Government	975	4	1.21%	804	8	1.12%
City of Concord	936	5	1.16%	838	7	1.17%
Connextions	900	6	1.12%	-		-
North Carolina Government	771	7	0.96%	-		-
Kannapolis City Schools	750	8	0.93%	693	9	0.96%
Shoe Show	700	9	0.87%	-		-
S&D Coffee and Tea	575	10	0.71%	-		-
Pillowtex/Fieldcrest Cannon Inc	-		-	4,200	1	5.84%
Philip Morris	-		-	2,600	4	3.62%
Carolina Mall	-		-	850	6	1.18%
CT Communications	-		-	670	10	0.93%
	17,907		22.24%	20,855		29.01%

Source: Cabarrus County Finance

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

Function/Program	2003	2004	2005	2006
General Fund				
General Government				
Public Service Administration	2.00	2.00	2.00	2.00
City Manager's Office	6.00	6.00	6.00	6.00
Risk Management	-	-	-	-
Human Resources	5.75	5.88	6.00	7.00
Finance	12.19	12.00	12.00	12.75
Tax	4.00	3.00	4.00	4.00
Legal	1.25	2.63	3.01	4.00
Non-Departmental	-	-	-	-
Public Safety				
Police	148.00	154.00	154.50	160.00
Code Enforcement	-	-	-	-
Communications	20.50	20.50	20.50	20.94
Radio Shop	4.00	3.70	3.70	4.20
Fire & Life Safety (Operations)	154.35	154.65	154.65	154.65
Fire & Life Safety (Prevention)	-	-	-	-
Fire & Life Safety (Training)	-	-	-	-
Fire & Life Safety (Emergency Management)	-	-	-	-
Public Works				
Street & Traffic	20.00	20.00	20.00	23.50
Powell Bill	-	-	-	-
Traffic Services	6.00	6.00	6.00	5.00
Traffic Signals	3.00	2.66	1.75	2.50
Solid Waste & Recycling	32.00	31.33	31.00	32.49
Cemeteries	-	-	8.00	8.00
Fleet Services	14.00	13.00	13.00	14.00
Other Public Works				
Economic Development				
Business & Neighborhood Services	24.00	19.50	18.50	15.50
Transportation (Contract)	-	-	-	-
Economic Development	-	-	-	-
Development Services	-	5.00	6.00	9.00
Culture & Recreation				
Parks and recreation	19.34	19.37	19.37	20.81
Parks and recreation Aquatics (seasonal staff)	-	-	-	-
Total FTE General Fund	476.38	481.22	489.98	506.34

(Continued)

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
2.00	2.00	2.00	2.00	2.00	1.00
6.00	6.00	6.00	6.00	6.00	5.00
-	-	-	-	2.00	2.00
7.00	7.00	8.00	8.00	6.00	7.00
13.00	13.00	13.00	13.00	13.35	14.00
4.75	5.00	5.00	4.50	4.50	4.50
4.00	5.00	5.00	5.00	5.00	5.00
-	-	-	-	-	-
161.50	170.25	174.25	175.25	177.25	178.25
7.00	7.00	7.00	7.00	7.00	7.00
20.94	22.50	22.50	22.50	22.50	21.50
4.70	4.70	4.70	4.50	4.50	3.50
159.63	160.30	173.30	170.00	182.00	182.00
-	6.00	6.00	6.00	6.00	6.00
-	2.00	2.00	2.00	2.00	2.00
-	2.85	2.80	2.80	2.85	2.85
26.00	27.00	27.00	26.00	27.00	27.00
-	-	-	-	-	-
5.83	6.00	6.00	6.00	5.00	5.00
3.00	3.00	3.00	3.00	4.00	4.00
34.00	35.34	37.00	36.50	33.00	32.00
8.00	8.00	8.00	8.00	8.00	8.00
14.00	14.00	14.00	13.25	13.00	13.00
8.50	8.50	9.00	9.00	8.85	15.00
-	-	-	-	-	-
-	-	-	-	-	1.00
9.00	10.00	10.00	9.00	9.00	-
21.00	21.75	22.75	22.00	22.00	20.00
-	-	-	-	-	-
519.85	547.19	568.30	561.30	572.80	566.60

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

	2003	2004	2005	2006
Other Funds				
Municipal Service District Fund	-	-	-	-
Home Consortium Fund	1.50	1.00	1.00	1.50
Transportation Improvement Fund	-	-	-	-
CDBG	1.50	1.50	1.50	2.00
Addl. $5 Vehicle Tax (Transit Fund)	-	-	-	-
Stormwater	14.00	13.66	15.00	15.00
Electric				
Electric Administration	2.00	2.00	2.00	2.00
Purchased Power	-	-	-	-
Powerlines Maintenance	15.00	14.00	14.00	14.00
Tree Trimming	10.00	10.00	10.00	10.00
Electric Construction	42.00	42.00	36.00	36.00
Peak Shaving	1.00	1.00	1.00	1.00
Electric Engineering	-	-	6.00	6.00
Utility Locate Services	-	-	-	-
Water Resources				
Hillgrove Water Treatment Plant	16.50	14.50	14.50	14.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.50
Waterlines Operations & Maintenance	31.00	33.00	33.00	36.50
Public Transit				
Rider Transit System	-	-	-	-
Wastewater Resources	29.00	29.00	29.00	29.00
Golf Course (contract)	-	-	-	-
Internal Services				
Utility Collections	4.00	5.00	5.00	5.00
Data Services	-	-	1.00	1.00
Billing	17.00	16.00	16.00	15.00
Customer Service	14.00	14.00	14.00	15.00
Engineering	28.00	28.00	28.00	27.00
Purchasing	11.00	9.00	9.00	9.00
Customer Care Center	6.15	6.15	6.15	6.15
Buildings & Grounds	43.12	42.75	37.75	37.43
Aviation	33.00	36.33	36.33	36.33
Public Housing	11.81	12.00	12.00	13.00
Total FTE Other Funds	347.08	346.39	343.73	347.91
Total	823.46	827.61	833.71	854.25

Source: City of Concord Budget Department

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
-	-	-	-	-	-
1.50	1.50	1.50	1.50	1.30	0.90
-	-	-	-	-	-
1.50	2.00	1.50	1.50	1.50	1.10
-	-	-	-	-	-
18.00	20.00	21.00	20.50	20.25	20.25
2.00	2.75	3.00	2.00	2.00	2.00
-	-	-	-	-	-
14.00	14.00	13.00	13.00	13.00	13.00
10.00	10.00	10.00	9.00	9.00	9.00
34.00	34.00	34.00	34.00	34.00	34.00
1.00	1.00	2.00	2.00	2.00	2.00
6.00	6.00	6.00	5.00	5.00	5.00
4.50	5.00	5.00	5.00	5.00	4.00
14.50	14.50	14.50	14.50	14.50	14.50
15.50	15.50	15.50	15.50	15.50	15.50
37.00	37.00	37.00	35.00	34.75	34.75
-	-	-	-	2.00	2.75
29.50	31.00	31.00	30.00	30.00	30.00
-	-	-	-	-	-
5.00	5.00	5.00	4.50	4.50	4.50
1.00	1.00	1.00	1.00	1.00	1.00
14.00	13.00	13.00	11.00	11.00	11.00
15.00	17.00	17.00	17.00	16.00	16.00
27.92	28.00	28.00	25.00	25.00	25.00
9.00	9.00	9.00	9.00	8.00	7.00
6.90	7.15	7.95	7.70	7.65	8.15
38.69	41.27	41.50	39.60	38.50	39.50
37.59	38.00	40.50	36.50	35.25	36.00
16.00	16.00	16.00	16.50	16.00	14.00
360.10	369.67	373.95	356.30	352.70	350.90
879.95	916.86	942.25	917.60	925.50	917.50

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006
Police				
Physical arrests	6,236	6,864	7,223	4,914
Parking violations	N/A	N/A	1,393	1,163
Traffic violations	7,508	7,501	9,011	8,461
Communications				
Calls received	81,465	82,151	88,082	89,180
Fire				
Emergency responses	6,534	6,284	6,291	6,304
Fires extinguished	365	290	325	390
Inspections	2,927	4,409	2,857	3,155
Education classes conducted	729	725	775	918
Customer Care Center				
Calls answered	N/A	9,416	115,832	127,747
Solid Waste & Recycling				
Refuse collected (tons per day)	85	71	91	86
Recyclables collected (tons per day)	8	8	9	8
Other Public Works				
Street resurfacing (miles)	38	6	26	8
Potholes repaired	377	585	370	226
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	543	607	693	1,007
Single family attached in units	7	8	44	N/A
Two family residential in units	1	2	1	2
Commercial building permits issued	117	175	130	118
Parks and recreation				
% Cost recovery Adult programs	71	80	86	89
Youth participation	2,843	3,186	5,488	10,220
Rec center attendance	61,237	64,755	66,700	68,751
Stormwater				
Accounts	N/A	N/A	N/A	25,477
Electric				
Accounts	24,224	24,537	24,933	26,194
Average megawatt hours daily use (2)	1,878	1,992	2,083	2,132
Substations	12	12	12	12
Water				
Accounts	26,930	27,836	28,993	31,130
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					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
7,749	10,113	6,128	6,275	5,783	5,837
2,990	3,879	2,506	1,576	3,343	2,964
15,775	16,293	13,629	13,004	13,561	9,878
101,130	107,265	105,912	107,585	107,341	100,197
6,870	7,310	7,324	7,287	7,920	8,856
404	378	327	322	402	315
3,648	5,137	5,255	5,166	5,564	5,764
927	389	492	668	575	446
136,958	151,419	159,197	153,503	153,158	206,144
93	92	94	99	92	89
9	11	11	13	14	22
10	11	11	10	7	8
199	60	80	72	78	74
92	78	75	95	96	101
87	89	89	89	89	90
524	614	212	346	284	403
53	146	49	30	20	4
1	1	13	13	0	66
27	128	36	11	18	52
87	90	90	90	90	90
10,367	9,127	11,097	11,285	9,974	9,974
71,625	73,227	73,194	73,947	93,846	93,846
26,639	28,935	28,823	29,007	29,292	29,683
26,945	27,514	26,920	27,368	27,447	27,675
2,132	2,272	2,241	2,221	2,401	2,332
12	14	14	14	14	15
32,629	33,988	33,522	33,688	33,859	34,431
73	65	27	36	43	33
11	10	9	10	9	9
13	11	10	13	12	13

CITY OF CONCORD, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

	2003	2004	2005	2006
Transit				
Average daily use	N/A	602	893	1,122
Days of operation	N/A	54	260	270
Wastewater				
Accounts	23,210	24,181	25,417	27,550
Average daily treatment (thousands of gallons)	8,363	8,541	8,159	8,048
Golf Course				
Total Green Fee Rounds (3)	27,727	30,210	29,920	31,657
Cart Fee Rounds	23,736	29,001	27,226	27,571
Tournaments hosted	48	60	51	63
Aviation				
Avgas (annual gallons)	291,936	355,297	330,900	309,740
Jeta (annual gallons)	1,579,367	1,746,389	1,904,926	1,858,589
Operations = take off & landing (1)	66,782	68,914	67,416	63,084
Tax Base listings				
T Hanger	65	64	67	65
HIC	22	26	30	29
Tiedown	34	36	38	34
Corporate	5	5	5	5
Ground	5	7	8	7
Office	17	15	18	18
Public Housing				
Units in use	174	174	174	174
Housing Choice Vouchers	534	534	534	534

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

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

Fiscal Year					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
1,202	1,239	1,328	1,264	1,252	1,451
304	307	307	307	307	310
29,050	30,423	30,338	30,729	30,972	31,569
8,071	7,741	9,047	8,875	7,821	8,193
35,018	33,663	23,237	30,085	26,256	25,410
29,978	27,760	28,498	27,942	23,488	22,183
73	67	78	66	63	70
277,269	278,882	221,096	222,943	193,419	197,687
1,926,918	2,093,295	1,655,052	1,661,764	1,660,208	1,516,123
64,660	70,519	60,506	56,706	61,553	60,612
67	67	67	67	67	67
40	41	42	42	41	46
42	51	51	51	32	30
6	6	6	7	6	9
8	8	8	10	11	18
18	23	29	31	34	35
174	174	174	174	174	174
534	534	534	541	541	541

CITY OF CONCORD, NORTH CAROLINA

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

Function/Program	2003	2004	2005	2006
Police				
Stations	1	1	1	1
Patrol Units	98	104	110	116
Fire				
Stations	8	8	8	8
Fire Units	14	14	14	14
Solid Waste & Recycling				
Refuse collection trucks	N/A	N/A	N/A	N/A
Other Public Works				
Paved streets (miles)	285	293	300	308
Signalized Street	12	12	13	13
Control Beacons	N/A	N/A	N/A	8
Guardrail	N/A	N/A	N/A	N/A
Sidewalk	73	79	89	99
School Zond Flashers	N/A	N/A	N/A	N/A
Facilities (City owned):				
Parks (acreage)	13	13	83	101
Playgrounds	14	14	14	14
Gymnasiums	3	3	3	3
Basketball courts	9	9	9	9
Tennis courts	14	14	14	14
Playing fields	28	28	28	28
Swimming pool	1	1	1	1
Green Way	N/A	1	1	2
Walking Trails	N/A	3	3	3
Stormwater				
Storm Sewers (miles)	N/A	N/A	N/A	N/A
Electric				
Substations	12	12	12	12
Water				
Water Mains (miles)	N/A	N/A	N/A	N/A
Fire hydrants	N/A	N/A	N/A	N/A
Storage capacity (millions of gallons)	14	14	14	14
Transit				
Transit Center	N/A	N/A	N/A	N/A
Buses	N/A	N/A	8	8
Wastewater				
Sanitary sewers (miles)	455	458	462	475
Treatment capacity (thousands of gallons)	3,117,292	2,978,056	2,937,536	2,946,068
Golf Course	1	1	1	1
Aviation				
Terminal	1	1	1	1
T Hangars	67	67	67	67
Corporate Hangar	2	2	2	2
Private Hangar	N/A	N/A	N/A	N/A
Hanger in Common	4	5	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					
2007	**2008**	**2009**	**2010**	**2011**	**2012**
1	1	1	1	1	1
116	120	120	120	132	134
8	8	9	9	10	10
14	14	14	14	14	14
23	23	27	29	28	28
312	321	323	324	326	329
13	13	14	14	14	15
6	6	6	6	6	6
3	3	4	4	4	4
106	195	199	202	205	206
N/A	N/A	N/A	N/A	19	21
101	101	101	101	101	101
14	14	14	14	14	14
3	3	3	3	3	3
9	9	9	9	11	11
14	14	14	14	14	14
28	28	28	28	28	28
1	1	1	1	1	1
2	2	2	5	5	5
3	3	3	3	3	3
N/A	86	161	229	254	256
12	14	14	14	14	15
628	658	663	667	680	681
3,910	4,219	4,648	3,898	3,898	4,633
14	14	14	14	14	14
N/A	N/A	N/A	N/A	1	1
8	8	10	12	12	12
500	516	516	530	530	530
3,340,866	2,825,589	3,302,270	3,239,373	2,854,630	2,997,804
1	1	1	1	1	1
1	1	1	1	1	1
67	67	67	67	67	67
2	2	2	2	2	3
N/A	N/A	N/A	N/A	9	9
6	6	7	7	8	7
N/A	585	625	688	713	713
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*

Independent Auditor's Report

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 aggregated remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2012, which collectively comprises the City of Concord's basic financial statements, and have issued our report thereon dated October 23, 2012. Our report includes a reference to 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. Other auditors audited the financial statements of the City of Concord ABC Board, as described in our report on the City of Concord's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Concord's internal control 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. [12-1] A significant deficiency is a

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Concord in a separate letter dated October 23, 2012.

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 23, 2012
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

Independent Auditor's Report

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

Compliance

We have audited the City of Concord, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. 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, 2012.

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

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purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Potter & Company

October 23, 2012
Monroe, North Carolina

POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

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

Compliance

We have audited the City of Concord, North Carolina. compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of its major State programs for the year ended June 30, 2012. 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, 2012.

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

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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.

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 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.

Potter & Company

October 23, 2012
Monroe, North Carolina

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2012

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	**$ 50,290**	**$ -**	**$ -**
	14.218	B-08-MC-37-0012	**86,780**	**-**	**-**
	14.218	B-09-MC-37-0012	**32,611**	**-**	**-**
	14.218	B-10-MC-37-0012	**72,248**	**-**	**-**
	14.218	B-11-MC-37-0012	**227,623**	**-**	**44,606**
			469,552	**-**	**44,606**
HOME Program - Program Income	14.239	M-07-DC-370209	**18,759**	**-**	**-**
	14.239	M-08-DC-370209	**3,991**	**-**	**-**
	14.239	M-09-DC-370209	**92,262**	**-**	**-**
	14.239	M-10-DC-370209	**8,111**	**-**	**59,437**
	14.239	M-11-DC-370209	**-**	**-**	**119**
			123,123	**-**	**59,556**
Public Housing: Operating subsidy	14.850	A-3249	**1,101,575**	**-**	**-**
Public Housing Capital Fund	14.852	NC19P00850109	**161,660**	**-**	**-**
	14.852	NC19P00850110	**99,796**	**-**	**-**
			261,456	**-**	**-**
Section 8, Housing Assistance Payments for Housing Vouchers	14.871	A-3344-V	**4,068,088**	**-**	**-**
Ross Homeownership Grant	14.870	NC008RFS103A008	**37,622**	**-**	**-**
U.S. Department of Energy:					
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DE-SC0002340	**349,634**	**-**	**49,503**
U.S. Department of Justice:					
Justice Assistance Grant	16.738	2010-DJ-BX-0287	**5,709**	**-**	**-**
Justice Assistance Grant	16.738	2011-DJ-BX-2465	**33,699**	**-**	**290**
Justice Assistance Grant	16.738	2011-DJ-BX-2091	**-**	**14,018**	**14,233**
			39,408	**14,018**	**14,523**

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
Year Ended June 30, 2012

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:					
Security & Safety Project	20.106	36237.29.13.1	$ -	$ 111,240	$ 12,360
Security & Safety Project	20.106	36237.29.13.3	-	851	95
Master Plan/Stormwater Plan	20.106	36237.29.13.2	-	38,655	4,295
Weather Equip & Tower	20.106	36237.29.14.1	-	60,285	6,698
Pavement Strenghening	20.106	36237.29.14.2	-	162,264	18,029
			-	373,295	41,477
Federal Transit:					
ARRA - Transit Grant	20.507	NC-96-X011-00	89,473	-	-
Federal Transit Grant	20.507	NC-90-X481-00	1,277,090	296,019	1,074,721
			1,366,563	296,019	1,074,721
U.S. Department of Homeland Security:					
SAFER Grant	97.083	EMW2008FF00773	295,633	-	166,966
Environmental Protection Agency:					
Brownfield Economic Development	66.818	B-05-BD-37-0025	894,298	-	-
ARRA - Brownfield	66.818	2B-95426709-0	30,097	-	-
			924,395	-	-
Total federal awards			9,037,049	683,332	1,451,352
State Financial Assistance:					
Department of Transportation:					
Metropolitan Planning Grant	20.505	39225.1.3	-	229,053	57,264
Metropolitan Planning Grant	20.505	36230.7.11.6	-	33,300	3,700
Powell Bill	N/A		-	1,772,989	-
			-	2,035,342	60,964
Department of Commerce					
Main St Energy Grant	N/A	DE-EE0000157	-	245,482	-
Department of Environment and Natural Resources					
Parks and Recreation Trust Fund	N/A	4005	-	12,694	-
Total state awards			-	2,293,518	60,964
Total federal and state awards			$ 9,037,049	$ 2,976,850	$ 1,512,316

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, 2012

(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	$ 3,336,254	$ -	$ -	$ 3,336,254
Community development	471,381	-	-	471,381
Section 108 Loan/BEDI Grant	900,070			
Home	251,461	-	-	251,461
EECBG Stimulus	349,658	-	-	349,658
ARRA Stimulus	275,579	-	-	275,579
Capital project funds:				
Transportation	586,209	-	-	586,209
Enterprise funds:				
Regional Airport	-	-	377,951	377,951
Housing Department	-	1,130,786	-	1,130,786
Transit	-	2,017,812	-	2,017,812
Total federal	6,170,612	3,148,598	377,951	8,797,091
State assistance:				
General fund	3,542,598	-	-	3,542,598
Total state	3,542,598	-	-	3,542,598
	$ 9,713,210	$ 3,148,598	$ 377,951	$ 12,339,689

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted _____ yes X no

Federal Awards
Internal control over major federal programs:

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

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

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

Identification of major federal programs:

CFDA Number	Name of Federal Program
14.850	Public Housing : Operating Subsidy
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 $ 300,000

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

State Awards
Internal control over major State programs:

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

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

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

Identification of major State programs:

Program Name
Powell Bill
Federal Transit Grant

Section II - Financial Statement Findings

SIGNIFICANT DEFICIENCY
12-1 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, 2012

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCY

12 – 1 Timely Deposits

Name of contact person: Pam Hinson, Finance Director

Corrective Action: All departments that receive moneys will be reminded of appropriate deposit procedures. The finance department, along with department heads, will continue to monitor and implement procedures to correct on a timely basis any untimely deposits.

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.

Finding:	**11 – 1**
Status:	Departments were informed of appropriate deposit procedures; however, there was an instance of an untimely deposit during the year.
Corrective Action:	All departments that receive moneys were reminded of appropriate deposit procedures. The finance department, along with department heads, will continue to monitor and implement procedures to correct on a timely basis any untimely deposits. The City will implement the above procedure immediately.