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Rendering of Concord's new City Hall, estimated to open in late 2015

City of Concord, North Carolina Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2014

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CITY OF CONCORD, NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014

Prepared by:

Finance Department

City of Concord, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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October 13, 2014

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, 2014, 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 2014.

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, 2014, 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, 2014, 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 83,279. The City adjoins the City of Charlotte, North Carolina, and is one of seven incorporated municipalities in Cabarrus County.

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

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

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

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

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

Project Ordinance may be formally amended as required by the governing board within the guidelines of the Local Government Budget and Fiscal Control Act. Changes of functions and total budgets of any fund require approval of the governing board. The City Manager is authorized to reallocate departmental appropriations, as he considers necessary, and to affect interdepartmental transfers within a fund as long as it does not exceed 10% of the appropriated monies for the department whose allocation is reduced. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Capital Project Ordinance is used to establish a budget for a project that extends over more than one fiscal year. Capital Project's budget to actual comparisons for each governmental fund for which a capital project budget has been adopted is also included in this report.

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

FACTORS AFFECTING FINANCIAL CONDITION

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

LOCAL ECONOMY

The unemployment rate for Cabarrus County at June of 2014 was 6.0%, which is a decrease from a rate of 8.8% in June of 2013. The state's unemployment rate for June of 2013 was 9.3%. The City of Concord's unemployment rate at June of 2014 is 4.6%.(Source: Cabarrus Economic Development Corporation)

Unemployment has decreased and sales tax collections continue to rebound. Foreclosures have continued to decrease which will aid in property tax collections. The sales tax revenues continue to recover. Construction is also rebounding in the Charlotte region. Utility revenue remains steady with small growths in consumption.

The North Carolina Fiscal Research Division states that the State of North Carolina's economy is continuing to gain strength. The pace of this growth should continue at a steady upward trend, but the pace is slow. Sales tax collections have continued to grow and are anticipated to meet the 2.9% growth target for the year. One important element in the strengthening of the State's overall economy is the improving housing market. With so many jobs directly and indirectly tied to housing, the recent improvements in housing are encouraging. The revenue forecast produced in April envisioned a continued slow recovery throughout the fiscal year.

The City's economy has benefitted from the City's proximity to Charlotte, ongoing improvements to major interstate highways, the City's partnership with the State to improve other major thoroughfares within the City and the available land zoned for business development located within the City. This has led to increased economic growth and diversification over the past 20 years. Principal products manufactured in the City now include lithium battery membranes,

coffee, electrical wiring devices and accessories, foods, motorsports equipment, plastics, printing and publishing, concrete products, lumber and wood, specialized colorings, fabricated metal and machinery products, mobile and modular home components, corrugated packaging and textiles. The distribution, warehousing and shipping industry is a growing sector of the City's economy. This industry benefits from proximity to Charlotte (a regional trucking and manufacturing center with a major commercial international airport, including major freight operations). The most recent investment can be partially traced to the many major transportation projects in Concord that are just completed, currently underway or that will begin in 2015. Concord has great access to Interstate 85, which has six existing interchanges in the City and was just been widened from Exit 49 to Exit 55. NCDOT will be starting a project in 2015 to widen the remaining part of I-85 in Cabarrus County. The George Liles Parkway extension that is currently underway will not only link US 29 in Concord directly to I-85, it will provided enhanced access to approximately 3000 acres of property zoned for business development in the geographic middle of the City, including the former Philip Morris site. The northeastern part of Charlotte's Interstate 485 Outerbelt is to be completed by the end of this year. This will provide easy access to the western side of Concord and will spur even more industrial and commercial development in that area. The City is partnering with NCDOT to widen Derita Road, running by Concord Regional Airport, as development along that corridor will be accelerated once I-485 is complete. I-485 will also add another direct route to access I-77, in addition to NC 73 and I-85.

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

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

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

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

For FY 2014-15, the recommended Concord property tax rate continues to be among the lowest third of full-service North Carolina municipalities with populations greater than 35,000 and the lowest of those that do not charge solid waste and/or recycling fees. The tax rate remains at $.48 per $100 of valuation.

LONG TERM FINANCIAL PLANNING

There has been a significant increase in available industrial/distribution facility "product" in the form of speculative buildings constructed or under construction that has been spurred by the City providing investment grants. An 88,000-square-foot spec building was recently sold to an expending industry already, in the International Business Park, between Poplar Tent Road and N.C. 73 and construction of a $12 million, 277,000-square-foot spec building is underway nearby on International Drive at the intersection with Poplar Tent Road. Also under construction is a 403,750 spec building in the Concord Airport Business Park located off Derita Road and the same developer has plans to build another 150,000-square-foot building in the same area. There have already been several inquiries from prospects interested in these buildings with Amazon planning to take about half the space in the Derita Road building. The Derita Road area is attracting other investment. S&D continues to up-fit the buildings on the second campus they acquired to meet their needs. A new business park, the River Oaks Corporate Center is under development up the street at the intersection of Derita Road and Poplar Tent Road.

One of the most exciting developments was the recent sale of the former Philip Morris property. The purchasers plan to focus on "clean tech" industries with more specific announcements to come later. This acreage, combined with other properties along the George Liles Parkway extension currently under construction, means Concord has over 3,000 acres of property zoned for business near the geographic center of the City.

Retail development has also made a comeback. New shopping centers are planned, such as the one located at the intersection of George Liles Parkway and Weddington Road to be anchored by a Publix. Just down the street on Concord Parkway a Walmart Market has just opened. The Concord Mills/Speedway area continues to be strong with the addition of the new Sea Life Aquarium in the Mall and the Hendrick Automall closer to the Speedway.

Downtown continues to move forward with several new restaurants coming into existing storefronts. The sale of the historic Helig-Myers building for renovation into market rate apartments should establish the viability of residential development in downtown, helping to support the further diversification of retail businesses.

Consistent with the Council goal established a few years ago, the construction of a new City Hall located at the intersection of Cabarrus and Market, adjacent to the Police Headquarters, has begun. This cost will be financed rather than using reserves as this would deplete any excess in the capital reserve and fund balance over the City Council's goal.

Concord Regional Airport (CRA) continues to be a vital resource in supporting the business and general aviation communities. A promising development has been the addition of scheduled commercial operations at Concord Regional Airport through the Allegiant Airlines flights to Orlando. Allegiant started commercial service in December. The twice a week service to Orlando-Sanford International Airport provides an affordable option for local travelers here in Concord and elsewhere in Central North Carolina. Service has been widely successful and Allegiant has announced plans to expand their operations. The activity has already helped to solidify the airport's position in qualifying for FAA funding for airports with commercial type operations.

The Burrage Road Bridge replacement is underway and the rehabilitation of the concrete portion of the street will start soon. After these projects are completed, the NE Subset sidewalk extension will be constructed in the same area. In addition, the FY 2014-15 funds will be used to continue

the design work for improvements to Brookwood Avenue, matching dollars for the traffic management grant and for the Virginia Street improvements.

Three projects have surfaced as priorities in the I-85 – Exit 49 area. These include a “fly over” directly into the first entrance to Concord Mills Mall, pedestrian improvements along Bruton Smith Boulevard and the completion of the Derita Road widening project, including the bridge, from the Rocky River to the end of Concord Mills Boulevard. These are currently being ranked using the new NCDOT ranking criteria. Concord has strengthened the ranking by offering to provide a 20% match for the projects. The City may have to be involved in partnering with NCDOT to advance one or more of these projects if State money is not readily available.

With the Philip Morris property sold and the George Liles Parkway extension project underway, there is likely to be a push for public/private partnerships in developing the infrastructure needed to support development that will lead to job growth along this important corridor. The City will need to play a role in making sure the street systems serving such properties are well planned and are multi-modal in nature.

Concord continues the partnership with CATS on the 80x Concord Express running between Charlotte and Concord, although the ridership continues to go down due to the amount of construction going on between Concord in Charlotte that is undermining the ability of the system to stay on schedule. Safe and reliable service is the most important factor for system customers. It is important to note that Rider has received the award for “Outstanding Performance in Traffic & Passenger Safety” two years in a row. This recognition was provided by the North Carolina Public Transit Association for Urban/Regional/Small Fixed Route systems - 999,999 miles or less.

PARTF, Carolina Thread Trail and NCDOT grant money is being used to help fund the current construction of the first segments of the Hector H. Henry, II Greenway adjacent to Moss Creek, with the private donation of the land serving as an additional part of the match. Developing other sections of the Hector H. Henry, II Greenway remains a priority. The fire station site on Weddington Road at the Rocky River will also be used as a trail head and parking for the Greenway. The 58 acre site also provides a limited amount of additional usable land to develop other needed recreation facilities for the western side of Concord. Continued development of the McEachern Greenway is also a priority as planning continues on how to connect the section in Mickey McGee Park north to beyond Cabarrus Avenue. Some construction funds are already budgeted for construction of part of this segment.

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

The City continues to plan for future needs related to the City’s water resources. While demand may not be growing significantly in the current economic environment, Concord cannot wait to move forward to prepare for the future and expand its supply of potable water. Concord, Kannapolis and Albemarle are jointly funding the work necessary to construct a line to bring treated Yadkin River water from the Albemarle system which will be completed in FY2015.

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, 2014, the City's cash resources were invested as follows:

U.S. Government agencies	83%
U.S Treasuries	1%
NCCMT	6%
All other	10%
Total	100%

The average yield on investments at June 30, 2014 is estimated at 1.8% as compared to less than 1% for all taxable money market funds for the same period.

RISK MANAGEMENT

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

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

PENSION AND OTHER POST EMPLOYMENT BENEFITS

The City of Concord administers a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The City is required by Article 12D of G.S. Chapter 143 to provide these benefits and has chosen to fund the benefit

payments on a pay as you go basis through appropriations made in the General Fund operating budget. The annual required contribution for the 2014 year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method.

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

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

The City of Concord also provides postretirement health benefits to retirees and their dependents. As of the end of the current fiscal year, there were 90 retired employees receiving benefits, which are being partially funded.

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

FISCAL POLICIES

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

RESERVE POLICY

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Concord, North Carolina for its comprehensive annual financial report for the fiscal year ended June 30, 2013. 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-five consecutive years.

The presentation of this report could not have been accomplished without the assistance and dedication of the entire staff of the Finance Department. Special thanks go to Accounting Manager, Jessica Jones, and the entire accounting staff for their contribution and preparation of this report. We also appreciate the cooperation and assistance of the other City departments, as well as the assistance of the City's independent auditor, Potter & Company, P.A., in their assistance of this report. In addition, we express our appreciation to the Mayor and City Council for their continued support and leadership in conducting the financial activities of the City in a responsible and progressive manner.

Respectfully submitted,

W. Brian Hiatt
City Manager

Pam Hinson
Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Concord

North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

CITY OF CONCORD, NORTH CAROLINA

CITY GOVERNING BODY AND OFFICIALS

Members of the Governing Body

City Council

J. Scott Padgett	Mayor
W. Lamar Barrier	Mayor Pro Tempore

Alfred M. Brown, Jr.
Jennifer Parsley
David W. Phillips
Jim Ramseur
Ella Mae Small
John Sweat, Jr.

W. Brian Hiatt	City Manager
Pam T. Hinson	Finance Director
VaLerie Kolczynski	City Attorney
Kim Deason	City Clerk

CITY ORGANIZATIONAL CHART

Citizens of Concord

Mayor & City Council

City Attorney - 1 FTE

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

City Manager - 1 FTE

City Manager's Office

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

Finance

Billing - 10 FTE
Customer Service - 15.5 FTE
Finance - 13.25 FTE
Purchasing - 7 FTE
Tax - 4.5 FTE
Utilities Collections - 4.5 FTE

Assistant City Manager - 1FTE

Aviation - 35 FTE

Emergency Communications

Radio Shop - 3.5 FTE
Emergency Communications - 22.5 FTE

Fire

Fire Operations - 181 FTE
Fire Prevention - 7 FTE
Fire Training - 4 FTE

Housing

Operations/Vouchers - 13.38 FTE

Parks & Recreation

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

Police

Sworn - 169.25 FTE
Non-Sworn - 20 FTE
Code Enforcement - 7 FTE

Data Services (contract arrangement)

GIS - 1 FTE

Human Resources - 7 FTE

Wellness Center (contract arrangement)

Buildings & Grounds

Cemeteries - 8 FTE
Buildings & Grounds - 40.65 FTE

Rocky River Golf Course (contract arrangement)

Deputy City Manager - 1 FTE

Electric Systems

Administration - 3 FTE
Electric Construction - 33 FTE
Electric Engineering - 5 FTE
Peak Shaving - 0 FTE
Purchased Power - 0 FTE
Powerline Maintenance - 17 FTE
Tree Trimming - 7 FTE
Utility Locate Services - 4 FTE

Engineering - 23 FTE

Solid Waste & Recycling - 32 FTE

Stormwater - 22.1 FTE

Fleet Services - 13 FTE

Planning & Neighborhood Development

Planning & Neighborhood Dev. - 14.5 FTE
CDBG - 1.1 FTE
HOME - 0.9 FTE

Transportation

Traffic Services - 5 FTE
Traffic Signals - 6 FTE
Streets & Traffic - 27 FTE

Water Resources

Hillgrove Water Treatment Plant - 15 FTE
Coddle Creek Water Treatment Plant - 16 FTE
Waterlines Operations - 33.59 FTE

Wastewater Resources - 30.3 FTE

Public Transit - 3.7 FTE

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

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Auditors' Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Concord ABC Board, the component unit. Those statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Concord ABC Board, is based solely on the report of another auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of City of Concord ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions
In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Concord, North Carolina, as of June 30, 2014, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The other supplementary information section and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the other 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 and statistical sections have not been subjected to the auditing procedures applied by us in the audit of basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2014, on our consideration of the City of Concord's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Concord's internal control over financial reporting and compliance.

Potter & Company

October 13, 2014
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, 2014. We encourage readers to read the information presented here in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources for the City's governmental and business type activities exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $766,617,098 (*net position*). Of this amount, $191,024,868 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by $48,894,505 (7%). The growth is attributable to an increase in cash and investments and a decrease in long term liabilities. Total revenues for the City increased 18%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $93,797,121, an increase of $7,002,883 in comparison with the prior year. Approximately 36 percent of this total amount or $33,695,701 is available for spending at the government's discretion (*unassigned*). The increase in combined ending fund balance numbers is a result of an excess of revenues over expenditures for the fiscal year in the general and other governmental funds and an increase in reserves for future capital projects in other governmental funds.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $37,663,790 or 53 percent of total general fund expenditures and transfers.
- The City holds the following underlying bond ratings at June 30, 2014:

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

OVERVIEW OF FINANCIAL STATEMENTS

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

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

The government-wide financial statements can be found on pages 31 through 33 of this report.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

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

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

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

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

Proprietary Funds

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for electric, water, wastewater, stormwater, and aviation operations, all of which are considered to be major funds of the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service fund is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 44 through 51 of this report.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 55 through 80 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 81 through 84 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and non-major enterprise funds are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 87 through 104 of this report. Other supplemental information regarding the internal service fund of the primary government is located on pages 144 through 145.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources for the City exceeded liabilities and deferred inflows of resources by $766,617,098 as of June 30, 2014.

By far the largest portion of the City's net position (72 percent) reflects its investment in capital assets (e.g., land, buildings, automotive equipment, office and other equipment, electric system and distributions stations, water treatment and storage facilities, water distribution lines, and wastewater lines, less any related debt still outstanding that was issued to acquire those assets). The City of Concord uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Concord's Statement of Net Position
Table 1

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	$94,213,567	$102,360,662	$140,552,568	$153,153,769	$234,766,135	$255,514,431
Capital assets	284,288,129	301,151,837	361,712,279	368,906,519	646,000,408	670,058,356
Total Assets	378,501,696	403,512,499	502,264,847	522,060,288	880,766,543	925,572,787
Deferred outflows of resources	279,396	242,749	1,940,733	1,734,712	2,220,129	1,977,461
Long-term liabilities outstanding	37,708,133	37,030,002	111,653,801	103,861,286	149,361,934	140,891,288
Other liabilities	5,261,178	6,288,666	10,477,832	13,653,336	15,739,010	19,942,002
Total liabilities	42,969,311	43,318,668	122,131,633	117,514,622	165,100,944	160,833,290
Deferred inflows of resources	163,135	99,860	-	-	163,135	99,860
Net position:						
Net investment in capital assets	260,979,309	279,817,761	258,370,354	273,797,482	519,349,663	553,615,243
Restricted	15,054,357	21,976,987	-	-	15,054,357	21,976,987
Unrestricted	59,614,980	58,541,972	123,703,593	132,482,896	183,318,573	191,024,868
Total net position	$335,648,646	$360,336,720	$382,073,947	$406,280,378	$717,722,593	$766,617,098

An additional portion of the City's net position (2.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($191,024,868) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Concord is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an increase of $24,688,074 in net position reported in connection with the City of Concord's governmental type activities. This increase is associated with an increase in capital assets and restricted cash and investments.

During the current fiscal year, total net position for business-type activities increased by $24,206,431. Business-type total liabilities decreased $7,792,515 due to principal payments which have reduced the City's debt. The increase in current assets is a result of growth in cash and investments. Investment income and grants account for the majority of this increase. The additional non restricted cash and continued reductions in liabilities have contributed to the large increase in net position.

City of Concord's Changes in Net Position

Table 2

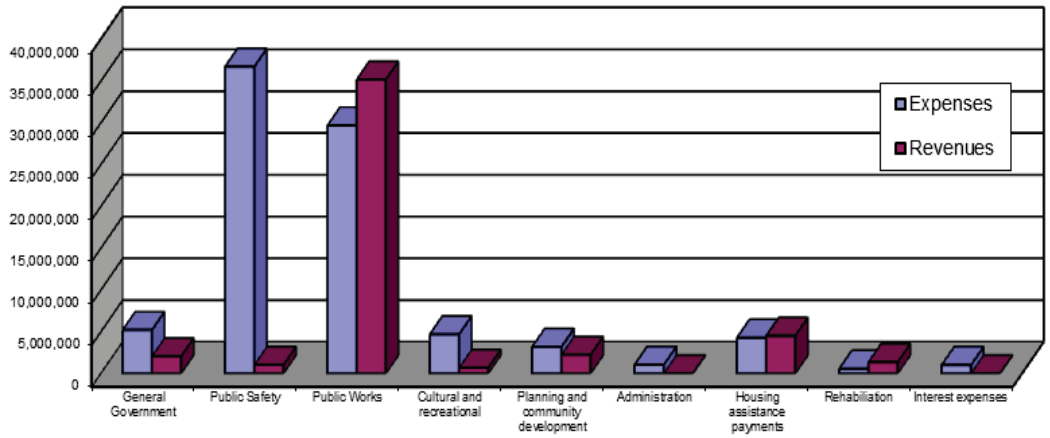
	Governmental Activites		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program revenues:						
Charges for services	$6,040,169	$7,333,523	$130,816,420	$132,216,625	$136,856,589	$139,550,148
Operating grants/ contributions	8,667,106	7,707,977	3,152,858	7,764,200	11,819,964	15,472,177
Capital grants/contributions	8,533,706	31,991,743	5,488,658	9,201,434	14,022,364	41,193,177
General revenues:						
Ad valorem taxes	43,549,135	46,423,570	-	-	43,549,135	46,423,570
Other taxes	14,046,489	14,042,681	-	-	14,046,489	14,042,681
Grants and contributions not restricted to specific programs	3,155,697	3,142,852	-	-	3,155,697	3,142,852
Investment earnings	(281,947)	1,260,653	(245,850)	1,669,623	(527,797)	2,930,276
Miscellaneous gain(loss)	926,090	996,503	494,871	468,406	1,420,961	1,464,909
Total revenues	84,636,445	112,899,502	139,706,957	151,320,288	224,343,402	264,219,790
Expenses:						
General government	4,494,000	5,195,490	-	-	4,494,000	5,195,490
Public safety	35,643,640	36,879,444	-	-	35,643,640	36,879,444
Public works	28,865,813	29,664,081	-	-	28,865,813	29,664,081
Cultural & recreational	4,771,467	4,685,065	-	-	4,771,467	4,685,065
Planning & community development	3,854,751	3,186,781	-	-	3,854,751	3,186,781
Administration	649,716	1,036,472	-	-	649,716	1,036,472
Housing assistance payments	4,258,426	4,279,279	-	-	4,258,426	4,279,279
Rehabilitation	554,455	568,412	-	-	554,455	568,412
Interest on long term debt	1,032,636	1,002,581	-	-	1,032,636	1,002,581
Electric	-	-	74,356,658	75,116,682	74,356,658	75,116,682
Water	-	-	15,211,584	16,135,531	15,211,584	16,135,531
Wastewater	-	-	13,668,630	14,182,892	13,668,630	14,182,892
Regional airport	-	-	11,477,819	11,766,345	11,477,819	11,766,345
Stormwater	-	-	3,744,547	3,783,127	3,744,547	3,783,127
Other nonmajor business-type activities	-	-	7,052,787	7,843,103	7,052,787	7,843,103
Total expenses	84,124,904	86,497,605	125,512,025	128,827,680	209,636,929	215,325,285
Increase (decrease) in net position before transfers	511,541	26,401,897	14,194,932	22,492,608	14,706,473	48,894,505
Transfers	(2,429,308)	(1,713,823)	2,429,308	1,713,823	-	-
Increase (decrease) in net position	(1,917,767)	24,688,074	16,624,240	24,206,431	14,706,473	48,894,505
Net position, July 1	337,566,413	335,648,646	365,449,707	382,073,947	703,016,120	717,722,593
Net position, June 30	$335,648,646	$360,336,720	$382,073,947	$406,280,378	$717,722,593	$766,617,098

Governmental Activities

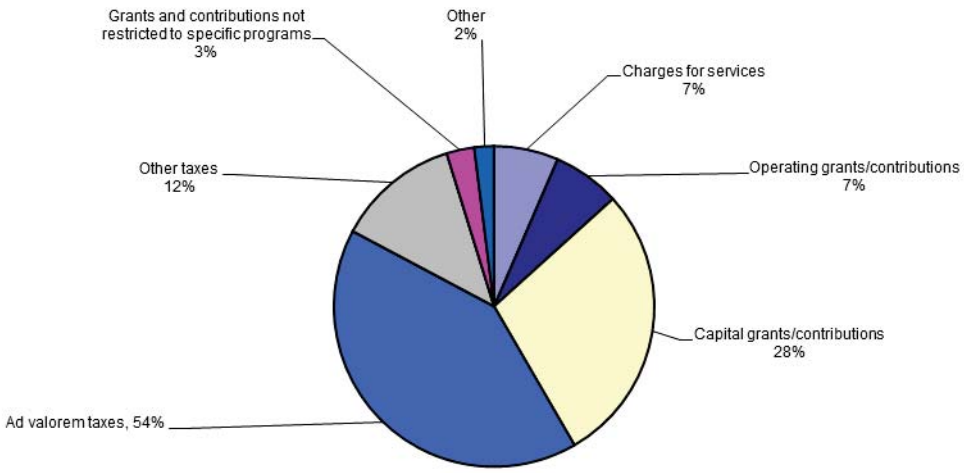
In fiscal year 2014, the net position of governmental activities increased by $24,688,074, or more than 7%. This increase in net position results due to increases in program revenues. Table 2 above, illustrates key elements of the changes in the governmental activities net position. Listed below are a few points highlighting significant changes in net position.

- Property taxes increased by $2,874,435 (7%) during the year. This increase confirms that the City is continuing to experience increases in property values. The City experienced an increase in property tax revenue in the prior year as well as this current fiscal year.
- Capital grants/contributions increased $23,458,037 due to an increase in developer contributed capital related to infrastructure.
- Charges for services increased 21%, $1,293,354, as revenues city-wide continue to recover.
- The total governmental activities increase in expenses was 3%. The City increased capital spending this fiscal year as funding capital outlay was needed.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-type Activities

Business type activities increased the City's net position by $24,206,431 (6%).

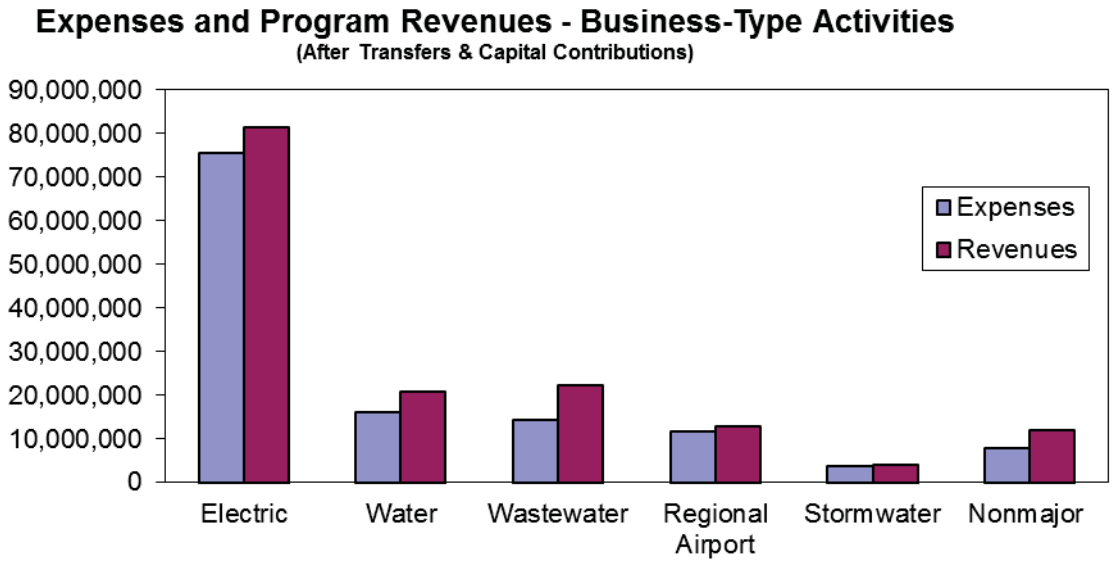
Key elements of the increase in business type activities, illustrated in table 2 located on page 20 are as follows:

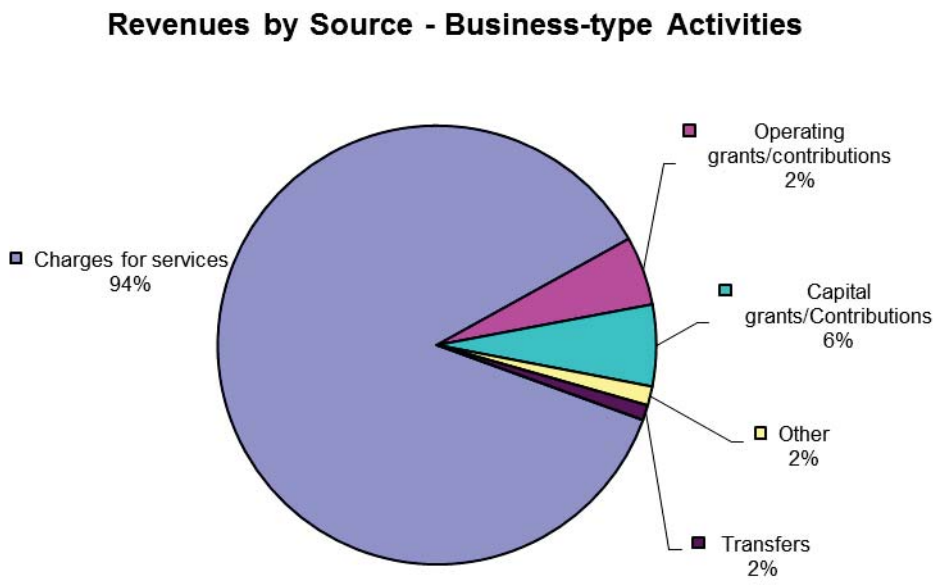
- Charges for services for business-type activities increased by 1%, $1,400,205.
    - Usage remained relatively stable for the water and wastewater customers, the cities wastewater division's charges for service increased 1.8%. The increase is due to a small increase in consumption, there were no wastewater rate increases. Water charges for service also 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 4.7% 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 increase in demand for fuel resulted in the increase in charges for service at the airport.
    - Stormwater charges for service increased 1% 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 remained stable for fiscal year 2014. Duke Energy Corporation is the main supplier for City power. During calendar year 2008, these wholesale costs increased approximately 18.5%. Due to these large increases, the City evaluated rates during fiscal year 2009 and hired a rate consultant. Despite past efforts to hold down retail costs and continued efforts to

cut current operating costs, it became necessary to begin raising retail rates to better reflect the rising wholesale costs in order to maintain current customer service and system maintenance levels. Adjustments are now considered based on a cost of service analysis taking into account the Duke changes in January of every year. Due to Duke's schedule for wholesale increases, FY 2014 reflected no retail rate increase.

- Expenses increased 3% when compared to the prior year. The City had implemented budget cuts in the prior years when revenues began to slow due to the economic conditions within the nation and our area of the state. These conservative measures remained a practice of the City in FY2014 which ensured that operating costs did not outpace the City's revenue sources.
  - Electric operating expenses increased 1% due to operational costs in the power line and plant divisions.
  - Wastewater operating costs increased 4%. System maintenance expenses and additional professional service contracts resulted in this increase. There were no major weather issues this past year, such as a drought as in previous years.
  - The airport operating expenses increased 3%; the majority of this increase was associated with the cost of fuel for resale and the amount of fuel the airport purchased. The airport also works to manage operations as conservatively as possible.

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





FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the City of Concord's governmental funds reported combined ending fund balances of $93,797,121, an increase of 8 percent in comparison with the prior year. Funds that are available for spending at the government's discretion (unassigned) represent 36% 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 ($178,322), 2) restricted for streets, public safety and state statute stabilization ($21,798,665), 3) committed for future capital, planning & community development, and housing assistance ($20,189,379), and 4) assigned for specific purposes in other governmental funds ($17,935,054).

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 $37,663,790, while total fund balance for the general fund reached $57,879,528; representing a increase of $2,719,461. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned general fund balance represents 53 percent of total general fund expenditures, while total fund balance represents 81 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 $14,067,056 but transfers to other funds reduced the actual net change in fund balance for the year to 2,719,461. The City transferred $11,893,747 to other funds. The majority of these transfers are for capital projects, reserves for planned future projects, and debt service.

Other governmental fund balance increased $4,283,422 due to reserve funds being increased to complete future capital projects.

Proprietary Funds

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

Unrestricted net position of the electric fund, the water fund, the wastewater fund and the regional airport fund at the end of the year were $58,167,212, $44,893,367, $14,691,749 and $5,992,871 respectively. The unrestricted net position of all other enterprise funds was $9,645,998. The total growth in net position for the proprietary funds was $24,206,431. Factors affecting the growth are addressed in more detail in the discussion of the City of Concord's business-type activities which begin on page 22 of this document.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Total amendments to the General Fund increased revenues and expenditures by $6,869,926 or 10%. This is a significant budgetary variance between original and final amended budget for the City. The major adjustment to the budget is related to a non-operating one time transfer in the amount of $5 million that was sent to the City's reserve fund for planned future projects. The significant operating amendment relates to the Transportation operating budget that was adjusted to reflect an increase in street repair cost and State Street Aid funding ($1.6 million) and the Code Enforcement operating budget was also adjusted for additional costs associated with demolishing properties.

At year-end, *actual* revenues exceeded *final amended budget* numbers by almost 4%. *Actual* expenditures were less than *final budgetary* figures by 7.5%, resulting in excess of revenues over expenditures (before transfers) of $14,067,056.

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, 2014, totals $670,058,356 (net of accumulated depreciation). These assets include land, buildings, machinery and other equipment, improvements and infrastructure. The total net increase in the City of Concord's investment in capital assets for the current fiscal year was 3.7 percent (a 6 percent increase for governmental activities and a 2 percent increase for business-type activities).

Major capital asset transactions during the year included the following:

- Construction of electric substations and enhancements/improvements to the electric transmission lines in amount of $2,194,762.
- Purchase of vehicles and equipment for general fund totaling $1,631,412.

- Preliminary construction costs of new City Hall totaling $861,478.
- The extension of the distribution and transmission lines for the City's water system and upgrades/improvements to the system in the amount of $4,085,188.
- The land and initial construction costs associated with a new fire station totaling $1,146,244.
- Purchase of 8 new hybrid buses for the Transit Department totaling $5,006,932.
- Extension and improvements of the Parks & Recreation facilities, grounds, and the greenway systems totaling $1,005,455.
- Airport improvements totaling $1,788,106.

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

Capital Assets

Table 3

	Governmental Activities		Buiness-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Land	$ 51,749,134	$ 53,419,775	$ 41,606,719	$ 40,892,255	$ 93,355,853	$ 94,312,030
Construction in progress	3,001,523	5,641,842	17,093,779	14,357,959	20,095,302	19,999,801
Buildings and systems	47,496,124	48,453,990	57,804,100	58,936,302	105,300,224	107,390,292
Improvements other than buildings	2,850,711	2,789,762	415,948,076	434,287,501	418,798,787	437,077,263
Machinery and equipment	29,217,978	29,413,749	24,023,305	27,959,835	53,241,283	57,373,584
Infrastructure	495,416,884	526,325,461	-	-	495,416,884	526,325,461
Sub-total	629,732,354	666,044,579	556,475,979	576,433,852	1,186,208,333	1,242,478,431
Less Accum. Depreciation	(345,444,225)	(364,892,742)	(194,763,700)	(207,527,333)	(540,207,925)	(572,420,075)
Total	$ 284,288,129	$ 301,151,837	$ 361,712,279	$ 368,906,519	$ 646,000,408	$ 670,058,356

Long-term Debt

At the end of the current fiscal year, the City of Concord had total debt outstanding of $116,840,000 (principal). Of this amount, $0 comprises debt backed by the full faith and credit of the City and $83,425,000 represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has $22,330,000 and $11,085,000 outstanding in installment notes and purchases, respectively.

General Obligations, Installment Purchases and Revenue Bonds

Table 4

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
Installment purchases	$ 3,987,136	$ 3,645,000	$ 8,042,500	$ 7,440,000	$ 12,029,636	$ 11,085,000
Revenue Bonds	2,708,947	2,483,722	87,696,053	80,941,278	90,405,000	83,425,000
Installment notes	16,544,900	15,143,300	8,100,100	7,186,700	24,645,000	22,330,000
Total long-term debt	$ 23,240,983	$ 21,272,022	$ 103,838,653	$ 95,567,978	$ 127,079,636	$ 116,840,000

In the current fiscal year, the City of Concord's total debt decreased by $10,239,636 (8 percent). There is no new debt for fiscal year ending June, 2014. There is more information available in the note 7 of this document regarding refunding and advance refunding issues in prior years.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin (excess of the amount of debt legally authorized over the amount of debt outstanding) for the City is $755,076,092. The current debt limitation for the City of Concord is $773,864,392, which is significantly greater than the City of Concord's outstanding general obligation debt.

Additional information on the City of Concord's long-term debt can be found in note 7 on pages 66 through 71 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The unemployment rate for Cabarrus County at June of 2014 was 6.0%, which is a decrease from a rate of 8.8% in June of 2013. The state's unemployment rate for June of 2013 was 9.3%. The City of Concord's unemployment rate at June of 2014 is 4.6%.(Source: Cabarrus Economic Development Corporation)

- Population has increased from 27,347 in 1990 to an estimated 83,279 as of July 1, 2013 (per the Office of State Budget and Management), which represents a growth rate of 204%. The City experienced a 2% growth in current year population when compared to the certified population estimate as of July 1, 2012.

- The economic climate will be the biggest factor impacting future Concord budget recommendations. Unemployment has decreased and sales tax collections continue to rebound. Foreclosures have continued to decrease which will aid in property tax collections. The sales tax revenues continue to recover but the growth is slow. Of course, some of this is related to the on-going weakness in the construction industry, but the area has seen construction begin to recover. Utility revenue remains steady with

small growths in consumption. Experts are saying the recovery will continue to be slow, with local governments being some of the last institutions to benefit.

- The City's Planning & Community Development Department continues to focus on economic development within the City. This position provides a direct resource for the Cabarrus County Economic Development Commission staff and a liaison for any business seeking to locate or expand in Concord. Job creation and expansion of the tax base has to be a priority.

  The North Carolina Fiscal Research Division states that the State of North Carolina's economy is continuing to gain strength. The pace of this growth should continue at a steady upward trend, but the pace is slow. Sales tax collections have continued to grow and are anticipated to meet the 2.9% growth target for the year. One important element in the strengthening of the State's overall economy is the improving housing market. With so many jobs directly and indirectly tied to housing, the recent improvements in housing are encouraging. The revenue forecast produced in April envisioned a continued slow recovery throughout the fiscal year.

All of these factors were considered in preparing the City of Concord's budget for fiscal year 2015. The amount of unassigned fund balance in the general fund is $37,663,790 as of July 1, 2014. Concord has no appropriation from fund balance for the 2015 fiscal year.

The tax base used in the fiscal year 2015 budget preparation represents an estimated 4% increase in real property values from fiscal year 2013 projections. One cent on the City's tax rate produces $915,022 in revenue, after the City's estimated collection rate is applied. This rate compares favorably to past City tax rates and remains one of the lowest in the state among medium to large size cities. The fiscal year 2015 does not include a tax increase. The City has now experienced the full financial impact of the Philip Morris plant closure that has resulted in a total assessed value decline of 82% ($895 million) since the closure was announced in June of 2007. The property value losses associated with Philip Morris should now be fully realized in prior years and future declines are not anticipated.

The City's contract to purchase power from Duke Energy is based on Duke Energy's system average cost. Costs are tied to Duke's expenditures and go up (or down) depending upon market conditions and infrastructure investment. As anticipated, wholesale costs from Duke Energy are starting to stabilize. This is leading to more predictability in the rates Concord charges its customers. In fact, fiscal year 2012-13 saw the first Purchased Power Adjustment (PPA) that reduced user costs. No increases were needed for fiscal year 2013-14, and projections for fiscal year 2014-15 also include no increases. Duke Energy continues to pursue retail rate increases that would be consistent with what it has passed on to its wholesale customers like Concord and is receiving incremental approvals from the North Carolina Utility Commission for such adjustments. Concord is impacted by the comparison of the Concord rates with Duke's. Staff will continue to make sure the same principles applied to retail rate reviews are used for the setting of wholesale rates so our customers are not subsidizing Duke's retail customers. At the same time, the wholesale energy market is changing and Concord must be preparing now for future wholesale purchase contracts, including talking with all potential suppliers.

Concord, Kannapolis and Albemarle are jointly funding a line to bring treated Yadkin River water from the Albemarle system. The bidding process is complete for the project and construction has begun in fiscal year 2013-14, completion expected in fiscal year 2015. Concord will fund its portion from reserves. Though no change was recommended in fiscal year 2014, water rate increases, an average of 3 percent, will be implemented in fiscal year 2015. Rates are evaluated annually against the amounts needed to fund major capital projects and to meet

increasing environmental standards. Upfront capacity purchases, such as the "take or pay" amount in the Albemarle agreement, have also resulted in the need to adjust rates in fiscal year 2015. Faced with the reality that Cabarrus County has no additional water sources within its boundaries, we must go outside to obtain water. As a result, water continues to be more expensive in Cabarrus County than for its neighbors who are adjacent to free water sources fed by larger rivers. The Water and Sewer Authority of Cabarrus County is completing the new master plan for the entire County. This data will be used to develop strategic plans for upcoming water and wastewater budgets.

The wastewater rate structure is designed for all customers to pay a uniform volume rate based on their metered water consumption. Customers that do not have water service will pay a flat fee. Although it was difficult, the 2014 budget year did not include any rate increase for wastewater charges, as the City elected to defer some capital projects to future years. The fiscal year 2015 budget does include moderate rate increases, an average of 3 percent, as the City will begin to address capital needs.

There is no increase in the stormwater fee that was implemented in fiscal year 2005-06 to meet the mandated Phase II stormwater requirements. The fee remains at $4.30 per Equivalent Residential Unit. Revenues in fiscal year 2014-15 will be used for required system mapping, for maintenance projects, to match federal dollars for stream restoration projects and to expand maintenance of the existing system.

The City will begin construction on a new City Hall, current cost estimates are $20 million. The debt service has been included in the fiscal year 2015 budget as the City expects to secure financing in late 2014.

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

I 85 Widening Projects and NC 73 to 29-601 Connector in Rowan County –

- The project between Concord Mills Boulevard and NC 73 is complete except for around Poplar Tent and NC 73 interchanges. Concord is participating with NCDOT to provide sidewalks and bicycle accommodations along both Poplar Tent Road and NC 73.

- NCDOT is now getting ready to start another I-85 project from NC 73 to 29-601 Connector in Rowan County. This will include significant improvements to the interchanges at Exits 58 (US 29) and 60 (Copperfield/Dale Earnhardt).

Derita Road – Traffic congestion is choking this important corridor that serves the Airport, the growing industrial area, and Concord Mills. Concord was required to pick up the total cost to match the Federal funds for this NCDOT Road. The match is estimated to be $3,036,763. Design and permitting is nearing completion and right-of-way acquisition is underway with construction to begin in 2015.

George Liles Parkway Extension – Project underway with Blythe acting as contractor. There are incentives for contractor to finish portion between Weddington and Concord Parkway (US 29) first. Entire project to Roberta Road should be completed in 2017, including the interchange at US 29.

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

FY09/10: No merit increases, no adjustment to the pay structure
FY10/11: Flat, across-the board $600 salary increase at evaluation date
FY11/12: Across the board 1.5% or $600 (whichever was larger) salary increase effective December 2011
FY12/13: $400/$500/$600 lump-sum payments based on merit.
FY13/14: 2% salary adjustment effective July 1, 2013 for those with current evaluation ratings of at least meets expectations. Merit adjustments were also available on the evaluation date from 1% to 3% based on evaluation ratings.

It is clear that many employers in the public and private sectors are enhancing their compensation offers as the economy strengthens. During the recession, the City tried to benefit its coworkers by managing positions to provide stability to employees. Many positions were frozen or eliminated, but no one was laid off. Now we are seeing other employers who laid off workers begin to rapidly ramp up to hire experienced personnel to meet the expanding workload. There were no overall adjustments to our pay structure that raised entry level salaries during this time. That is why this budget includes money to fund a comprehensive classification and pay study. The results will be implemented in fiscal year 2015. We want to make sure we capture the new reality in attracting and retaining good employees. We are already seeing some of our best professionals being targeted by other organizations, and other local governments and companies paying more to new employees for the same level of work.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Concord's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Concord, P.O. Box 308, Concord, North Carolina 28026. This report may also be viewed on the City's website located at the following address: *http://www.concordnc.gov.*

STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**	**Component Unit**
Cash and investments	$ 61,736,846	$ 116,973,903	$ 178,710,749	$ 3,145,734
Receivables, net	11,863,073	27,957,363	39,820,436	-
Due from (to) other funds	3,839,162	(3,839,162)	-	-
Inventories	159,983	3,496,036	3,656,019	810,156
Prepaid expenses	20,725	231,054	251,779	42,806
Restricted assets - cash and investments	24,740,873	8,334,575	33,075,448	-
Capital assets:				
Non-depreciable	59,061,617	55,250,214	114,311,831	213,804
Depreciable, net	242,090,220	313,656,305	555,746,525	276,816
Total assets	403,512,499	522,060,288	925,572,787	4,489,316
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	242,749	1,734,712	1,977,461	-
Total deferred outflows of resources	242,749	1,734,712	1,977,461	-
LIABILITIES				
Accounts payable and accrued liabilities	3,702,126	10,885,488	14,587,614	484,168
Accrued interest payable	-	317,033	317,033	-
Unearned revenues	479,698	-	479,698	-
Deposits	2,106,842	2,450,815	4,557,657	-
Non-current liabilities:				
Due within one year:				
Long-term debt	3,920,804	8,783,334	12,704,138	-
Installment purchases	270,000	602,500	872,500	-
Due in more than one year:				
Long-term debt	29,464,198	87,637,952	117,102,150	-
Long-term installment purchases	3,375,000	6,837,500	10,212,500	-
Total liabilities	43,318,668	117,514,622	160,833,290	484,168
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	99,860	-	99,860	-
Total deferred inflows of resources	99,860	-	99,860	-
NET POSITION				
Net investment in capital assets	279,817,761	273,797,482	553,615,243	490,620
Restricted for:				
Transportation	2,341,033	-	2,341,033	-
Stabilization by State Statute	18,926,236	-	18,926,236	-
Other	709,718	-	709,718	-
Unrestricted	58,541,972	132,482,896	191,024,868	3,514,528
Total net position	$ 360,336,720	$ 406,280,378	$ 766,617,098	$ 4,005,148

See Notes to Financial Statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

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	$ 5,195,490	$ 2,047,645	$ -	$ -
Public safety	36,879,444	834,822	220,136	-
Public works	29,664,081	651,378	2,901,497	31,614,518
Cultural and recreational	4,685,065	294,687	-	377,225
Planning and community development	3,186,781	1,908,627	319,926	-
Administration	1,036,472	-	-	-
Housing assistance payments	4,279,279	981,520	3,526,187	-
Rehabilitation	568,412	614,844	740,231	-
Interest expense	1,002,581	-	-	-
Total governmental activities	86,497,605	7,333,523	7,707,977	31,991,743
Business-type activities:				
Electric	75,116,682	80,753,191	-	-
Water	16,135,531	19,829,445	-	521,390
Wastewater	14,182,892	15,075,545	-	6,862,260
Regional airport	11,766,345	10,272,804	-	1,817,784
Stormwater	3,783,127	3,796,150	-	-
Golf course	1,874,053	1,723,432	-	-
Housing	1,824,935	292,356	930,737	-
Transit	4,144,115	473,702	6,833,463	-
Total business-type activities	128,827,680	132,216,625	7,764,200	9,201,434
Total primary government	$ 215,325,285	$ 139,550,148	$ 15,472,177	$ 41,193,177
Component unit - City of Concord, ABC Board	$ 8,041,093	$ 8,642,818	$ -	$ -

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

Total general revenues not including transfers

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
$ (3,147,845)	$ -	$ (3,147,845)	$ -
(35,824,486)	-	(35,824,486)	-
5,503,312	-	5,503,312	-
(4,013,153)	-	(4,013,153)	-
(958,228)	-	(958,228)	-
(1,036,472)	-	(1,036,472)	-
228,428	-	228,428	-
786,663	-	786,663	-
(1,002,581)	-	(1,002,581)	-
(39,464,362)	-	(39,464,362)	-
-	5,636,509	5,636,509	-
-	4,215,304	4,215,304	-
-	7,754,913	7,754,913	-
-	324,243	324,243	-
-	13,023	13,023	-
-	(150,621)	(150,621)	-
-	(601,842)	(601,842)	-
-	3,163,050	3,163,050	-
-	20,354,579	20,354,579	-
(39,464,362)	20,354,579	(19,109,783)	-
-	-	-	601,725
46,423,570	-	46,423,570	-
14,042,681	-	14,042,681	-
3,142,852	-	3,142,852	-
1,260,653	1,669,623	2,930,276	1,113
280,349	149,805	430,154	-
716,154	318,601	1,034,755	96,143
65,866,259	2,138,029	68,004,288	97,256
(1,713,823)	1,713,823	-	-
64,152,436	3,851,852	68,004,288	97,256
24,688,074	24,206,431	48,894,505	698,981
335,648,646	382,073,947	717,722,593	3,306,167
$ 360,336,720	$ 406,280,378	$ 766,617,098	$ 4,005,148

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

GOVERNMENTAL FUNDS

BALANCE SHEET
June 30, 2014

ASSETS	General Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	$ 41,928,487	$ 19,808,359	$ 61,736,846
Receivables:			
Ad valorem taxes, net	2,306,001	5,537	2,311,538
Due from other governmental agencies	662,316	233,473	895,789
Sales tax refunds	1,903,778	-	1,903,778
Interest	134,894	73,603	208,497
Due from other funds	8,470,550	-	8,470,550
Other, net	5,089,298	1,454,173	6,543,471
Inventories	159,983	-	159,983
Prepaid items	18,339	-	18,339
Restricted assets - cash and investments	4,736,320	20,004,553	24,740,873
Total assets	$ 65,409,966	$ 41,579,698	$ 106,989,664
LIABILITIES			
Accounts payable and accrued liabilities	$ 2,538,037	$ 1,025,180	$ 3,563,217
Due to other funds	-	4,631,388	4,631,388
Unearned revenues	479,698	-	479,698
Deposits	2,106,842	-	2,106,842
Total liabilities	5,124,577	5,656,568	10,781,145
DEFERRED INFLOWS OF RESOURCES			
Property taxes receivable	2,306,001	5,537	2,311,538
Prepaid taxes	99,860	-	99,860
Total deferred inflows of resources	2,405,861	5,537	2,411,398
FUND BALANCES (DEFICITS)			
Non Spendable			
Inventories	159,983	-	159,983
Prepaids	18,339	-	18,339
Restricted			
Stabilization by State Statute	17,164,987	1,761,249	18,926,236
Transportation	2,341,033	-	2,341,033
Public safety	531,396	-	531,396
Committed			
Future capital purchases	-	20,004,545	20,004,545
Planning and community development	-	14,338	14,338
Housing assistance	-	170,496	170,496
Assigned			
Future capital purchases	-	17,935,054	17,935,054
Unassigned	37,663,790	(3,968,089)	33,695,701
Total fund balances (deficits)	57,879,528	35,917,593	93,797,121
Total liabilities, deferred inflows of resources and fund balances	$ 65,409,966	$ 41,579,698	$ 106,989,664

See Notes to Financial Statements.

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

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2014

Fund balances - total governmental funds		$ 93,797,121
Amounts reported for governmental activities in the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets	$ 666,044,579	
Less accumulated depreciation	364,892,742	301,151,837
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Bond insurance cost	4,842	
Less accumulated amortization	2,456	2,386
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	(17,627,022)	
HUD Loan	(1,647,000)	
Governmental installment purchases	(3,645,000)	
Separation allowance	(1,870,809)	
OPEB Liability	(8,970,063)	
Accrued vacation payable	(2,965,305)	(36,725,199)
Deferred charge on refunding	393,290	
Less accumulated amortization	150,541	242,749
Bond premium	(472,196)	
Less accumulated amortization	(167,393)	(304,803)
Costs of workers' compensation claims associated with the Fire department not accrued in the governmental fund statements		(138,909)
Liabilities for earned revenues considered deferred inflows of resources in fund statements		2,311,538
Net position of governmental activities		$ 360,336,720

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, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Ad valorem taxes	$ 46,005,171	$ 99,007	$ 46,104,178
Other taxes	14,042,681	-	14,042,681
Unrestricted intergovernmental revenues	3,142,852	-	3,142,852
Restricted intergovernmental revenues	3,727,966	5,645,110	9,373,076
Licenses and permits	2,210,200	-	2,210,200
Investment earnings	869,188	391,465	1,260,653
Investment earnings, restricted	16,234	-	16,234
Program income	-	2,247,742	2,247,742
Other revenues	3,640,401	192,512	3,832,913
Total revenues	73,654,693	8,575,836	82,230,529
Expenditures			
Current:			
General government	4,802,271	-	4,802,271
Public safety	32,950,943	-	32,950,943
Public works	11,854,052	-	11,854,052
Cultural and recreational	4,310,686	-	4,310,686
Planning and community development	3,025,925	99,007	3,124,932
Administration	-	1,036,472	1,036,472
Housing assistance payments	-	4,279,279	4,279,279
Rehabilitation	-	568,412	568,412
Capital outlay	1,796,300	5,667,503	7,463,803
Debt service	847,460	2,275,513	3,122,973
Total expenditures	59,587,637	13,926,186	73,513,823
Excess (deficiency) of revenues over (under) expenditures	14,067,056	(5,350,350)	8,716,706
Other Financing Sources (Uses)			
Transfers from other funds	546,152	11,814,802	12,360,954
Transfers to other funds	(11,893,747)	(2,181,030)	(14,074,777)
Total other financing sources (uses)	(11,347,595)	9,633,772	(1,713,823)
Net change in fund balances	2,719,461	4,283,422	7,002,883
Fund Balances			
Beginning	55,160,067	31,634,171	86,794,238
Ending	$ 57,879,528	$ 35,917,593	$ 93,797,121

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, 2014

Net change in fund balances - total governmental funds		$ 7,002,883
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	$ 7,463,803	
Capital contributions	30,420,539	
Current year's depreciation	(20,949,675)	16,934,667
Repayment of long term debt principal is considered an expenditure in the governmental funds, but their repayment reduces long-term liabilities in the statement of net position.		
Principal payments		2,077,961
Premium		42,431
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund		
Current year amortization of bond insurance costs	(484)	
Current year amortization of deferred charge on refunding	(36,648)	
Change in law enforcement officers special separation allowance	(169,618)	
Change in OPEB liability	(1,198,707)	
Change in long-term compensated absences	(73,935)	(1,479,392)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds (see Note 2)		319,392
Costs of workers' compensation claims associated with the Fire department not accrued in the governmental fund statements		(138,909)
Basis of property disposed of during the year		(70,959)
Change in net position of governmental activities		$ 24,688,074

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes:				
Current year	$ 42,862,167	$ 44,274,915	**$ 44,815,797**	$ 540,882
Prior years	548,000	548,000	**828,235**	280,235
Penalties and interest	300,000	300,000	**361,139**	61,139
	43,710,167	45,122,915	**46,005,171**	882,256
Other taxes:				
Local government sales tax	13,567,800	13,715,129	**14,042,681**	327,552
Unrestricted intergovernmental revenues:				
Officers' fees	50,000	32,000	**32,814**	814
Utilities franchise tax	2,600,000	2,700,000	**2,743,064**	43,064
Beer and wine tax	358,000	356,335	**356,335**	-
Fire protection	10,000	10,639	**10,639**	-
	3,018,000	3,098,974	**3,142,852**	43,878
Restricted intergovernmental revenues:				
State Street-Aid allocations	2,100,000	2,100,000	**2,216,407**	116,407
Cabarrus County schools	200,000	279,027	**302,641**	23,614
Transportation (federal, state and local)	301,869	374,263	**354,127**	(20,136)
FEMA	82,229	82,229	**78,793**	(3,436)
On-behalf of payments - Fire and Rescue	-	-	**33,269**	33,269
Other restricted intergovernmental revenues	522,765	587,327	**742,729**	155,402
	3,206,863	3,422,846	**3,727,966**	305,120
Licenses and permits:				
Vehicle licenses	405,000	472,717	**641,909**	169,192
Zoning permits	188,000	188,000	**192,218**	4,218
Fire permits and inspections	150,000	150,000	**162,555**	12,555
Privilege license	1,000,000	1,161,605	**1,194,969**	33,364
Other	19,500	24,500	**18,549**	(5,951)
	1,762,500	1,996,822	**2,210,200**	213,378
Investment earnings	350,000	-	**869,188**	869,188
Investment earnings restricted	20,000	20,000	**16,234**	(3,766)
	370,000	20,000	**885,422**	865,422
Other general revenues:				
Public safety	137,062	137,062	**369,626**	232,564
Environmental protection	1,885,100	1,860,564	**1,908,627**	48,063
Miscellaneous	475,900	1,150,276	**1,067,461**	(82,815)
Recreational	247,775	289,775	**294,687**	4,912
	2,745,837	3,437,677	**3,640,401**	202,724
Total revenues	68,381,167	70,814,363	**73,654,693**	2,840,330

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Expenditures				
General government:				
Governing body:				
Salaries and employee benefits	$ 163,737	$ 168,737	**$ 166,962**	$ 1,775
Professional services	58,500	73,500	**76,263**	(2,763)
Operating expenditures	87,697	87,697	**94,469**	(6,772)
Governing body cost allocations	(167,447)	(167,447)	**(185,732)**	18,285
	142,487	162,487	**151,962**	10,525
City Manager's Office:				
Salaries and employee benefits	662,747	702,747	**693,402**	9,345
Professional services	203,017	188,017	**156,747**	31,270
Operating expenditures	61,683	61,683	**50,111**	11,572
Administrative cost allocations	(391,276)	(391,276)	**(473,485)**	82,209
	536,171	561,171	**426,775**	134,396
Public Service Administration department:				
Salaries and employee benefits	186,607	194,607	**190,579**	4,028
Professional services	2,770	2,770	**2,726**	44
Operating expenditures	354,579	354,579	**261,409**	93,170
Debt service	330,159	330,159	**330,159**	-
Administrative cost allocations	(710,671)	(710,671)	**(431,090)**	(279,581)
	163,444	171,444	**353,783**	(182,339)
Risk Management department:				
Salaries and employee benefits	189,954	189,954	**164,163**	25,791
Professional services	86,120	86,120	**75,798**	10,322
Operating expenditures	80,481	81,381	**50,011**	31,370
Risk management cost allocations	(183,937)	(183,937)	**(151,645)**	(32,292)
	172,618	173,518	**138,327**	35,191
Finance department:				
Salaries and employee benefits	943,551	993,551	**982,427**	11,124
Professional services	50,014	50,014	**44,414**	5,600
Operating expenditures	86,166	86,166	**75,408**	10,758
Capital outlay	75,000	75,000	**-**	75,000
Finance cost allocations	(605,358)	(605,358)	**(580,426)**	(24,932)
	549,373	599,373	**521,823**	77,550

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Tax department:				
Salaries and employee benefits	$ 245,984	$ 253,984	**$ 245,683**	$ 8,301
Professional services	18,074	18,074	**11,982**	6,092
Operating expenditures	162,097	162,097	**123,209**	38,888
Cost allocations	22,689	22,689	**19,337**	3,352
	448,844	456,844	**400,211**	56,633
Legal department:				
Salaries and employee benefits	502,644	502,644	**485,951**	16,693
Professional services	55,500	55,500	**56,119**	(619)
Operating expenditures	52,216	52,216	**53,036**	(820)
Cost allocations	(323,001)	(323,001)	**(315,953)**	(7,048)
	287,359	287,359	**279,153**	8,206
Human resources:				
Salaries and employee benefits	497,197	537,197	**540,498**	(3,301)
Professional services	166,000	166,000	**100,208**	65,792
Operating expenditures	132,793	132,793	**111,050**	21,743
Human resources cost allocations	(413,169)	(413,169)	**(404,395)**	(8,774)
	382,821	422,821	**347,361**	75,460
Wellness center:				
Professional services	456,879	456,879	**459,364**	(2,485)
Operating expenditures	17,567	17,567	**15,092**	2,475
Wellness center cost allocations	(158,989)	(158,989)	**(178,395)**	19,406
	315,457	315,457	**296,061**	19,396
Nondepartmental:				
Professional services	408,215	(295,785)	**370,699**	(666,484)
Operating expenditures	3,103,472	2,455,841	**1,123,534**	1,332,307
Outside agencies	-	5,796	**(1,618)**	7,414
Capital outlay	-	80,000	**135,000**	(55,000)
Cost allocations	762,035	762,035	**724,359**	37,676
	4,273,722	3,007,887	**2,351,974**	655,913
Total general government	7,272,296	6,158,361	**5,267,430**	890,931
Public safety:				
Police department:				
Salaries and employee benefits	11,880,666	12,184,693	**12,311,809**	(127,116)
Professional services	276,912	276,912	**249,195**	27,717
Operating expenditures	2,596,533	2,602,279	**1,899,083**	703,196
Capital outlay	610,867	664,050	**610,620**	53,430
Cost allocations	564,864	564,864	**497,754**	67,110
	15,929,842	16,292,798	**15,568,461**	724,337

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Communications:				
Salaries and employee benefits	$ 1,158,299	$ 1,158,299	**$ 1,125,199**	$ 33,100
Professional services	9,136	8,336	**9,017**	(681)
Operating expenditures	88,457	82,257	**87,578**	(5,321)
Cost allocations	14,036	14,036	**11,963**	2,073
	1,269,928	1,262,928	**1,233,757**	29,171
Fire department:				
Salaries and employee benefits	12,159,263	12,637,263	**12,899,936**	(262,673)
Professional services	188,108	188,108	**164,891**	23,217
Operating expenditures	2,050,686	2,051,686	**1,906,895**	144,791
Capital outlay	472,013	385,468	**284,485**	100,983
Debt service	513,968	513,968	**517,301**	(3,333)
Cost allocations	567,781	567,781	**497,323**	70,458
	15,951,819	16,344,274	**16,270,831**	73,443
Code enforcement:				
Salaries and employee benefits	475,291	505,291	**497,369**	7,922
Professional services	2,055	2,055	**2,174**	(119)
Operating expenditures	191,933	570,933	**487,369**	83,564
	669,279	1,078,279	**986,912**	91,367
Emergency management:				
Salaries and employee benefits	103,480	103,480	**104,863**	(1,383)
Professional services	5,000	5,000	**-**	5,000
Operating expenditures	23,726	23,726	**6,779**	16,947
	132,206	132,206	**111,642**	20,564
Radio shop:				
Salaries and employee benefits	147,715	147,715	**130,328**	17,387
Professional services	2,568	2,568	**2,658**	(90)
Operating expenditures	48,993	55,993	**58,760**	(2,767)
Capital outlay	89,395	89,395	**84,265**	5,130
	288,671	295,671	**276,011**	19,660
Total public safety	34,241,745	35,406,156	**34,447,614**	958,542
Public works:				
Traffic services:				
Salaries and employee benefits	301,452	301,452	**313,803**	(12,351)
Professional services	1,027	1,027	**1,057**	(30)
Operating expenditures	213,555	214,055	**119,544**	94,511
Capital outlay	8,000	8,000	**26,025**	(18,025)
Cost allocations	29,966	29,966	**25,574**	4,392
	554,000	554,500	**486,003**	68,497

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Transportation signal:				
Salaries and employee benefits	$ 277,230	$ 277,230	**$ 206,319**	$ 70,911
Professional services	5,513	5,513	**14,921**	(9,408)
Operating expenditures	352,462	368,382	**371,607**	(3,225)
Capital outlay	23,000	23,000	**29,694**	(6,694)
Cost allocations	25,573	25,573	**21,795**	3,778
	683,778	699,698	**644,336**	55,362
Transportation:				
Salaries and employee benefits	1,629,453	1,649,453	**1,632,718**	16,735
Professional services	19,099	19,099	**9,333**	9,766
Operating expenditures	2,160,373	3,759,312	**2,612,006**	1,147,306
Capital outlay	387,250	387,250	**360,142**	27,108
Cost allocations	317,509	317,509	**269,007**	48,502
	4,513,684	6,132,623	**4,883,206**	1,249,417
Fleet services:				
Salaries and employee benefits	858,424	858,424	**885,634**	(27,210)
Professional services	771	771	**11,305**	(10,534)
Operating expenditures	2,708,823	2,757,607	**2,446,331**	311,276
Capital outlay	30,000	30,000	**12,449**	17,551
Cost allocations	(3,592,389)	(3,592,389)	**(3,180,810)**	(411,579)
	5,629	54,413	**174,909**	(120,496)
Solid waste and recycling:				
Salaries and employee benefits	1,727,542	1,727,542	**1,648,873**	78,669
Professional services	79,367	79,367	**93,999**	(14,632)
Operating expenditures	3,949,419	3,949,419	**3,643,449**	305,970
Capital outlay	143,000	143,000	**171,928**	(28,928)
Cost allocations	254,144	254,144	**223,045**	31,099
	6,153,472	6,153,472	**5,781,294**	372,178
Cemetery:				
Salaries and employee benefits	400,195	400,195	**398,846**	1,349
Professional services	3,299	3,299	**1,223**	2,076
Operating expenditures	104,857	104,857	**83,654**	21,203
Capital outlay	9,000	9,000	**7,911**	1,089
Cost allocations	961	961	**819**	142
	518,312	518,312	**492,453**	25,859
Total public works	12,428,875	14,113,018	**12,462,201**	1,771,313

Continued

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Cultural and recreational:				
Recreation department:				
Salaries and employee benefits	$ 1,389,458	$ 1,389,458	**$ 1,263,351**	$ 126,107
Professional services	266,053	266,053	**233,835**	32,218
Operating expenditures	1,206,495	1,232,839	**1,136,996**	95,843
Capital outlay	140,000	87,151	**73,781**	13,370
Cost allocations	1,782,537	1,782,537	**1,676,504**	106,033
Total cultural and recreational	4,784,543	4,758,038	**4,384,467**	373,571
Planning and community development				
Planning department:				
Salaries and employee benefits	1,242,380	1,242,380	**1,206,584**	35,796
Professional services	346,127	418,521	**386,093**	32,428
Operating expenditures	449,897	465,662	**385,403**	80,259
Capital outlay	10,000	40,000	**-**	40,000
Incentive grants	1,303,226	1,303,226	**711,329**	591,897
Cost allocations	397,261	397,261	**336,516**	60,745
Total planning and community development	3,748,891	3,867,050	**3,025,925**	841,125
Total expenditures	62,476,350	64,302,623	**59,587,637**	4,835,482
Excess of revenues over expenditures	5,904,817	6,511,740	**14,067,056**	7,555,316
Other Financing Sources (Uses)				
Fund balance appropriated	725,906	5,209,954	**-**	5,209,954
Transfers from other funds	593,470	546,152	**546,152**	-
Transfers to other funds	(7,224,193)	(12,267,846)	**(11,893,747)**	(374,099)
Total other financing uses	(5,904,817)	(6,511,740)	**(11,347,595)**	4,835,855
Net change in fund balance	$ -	$ -	**2,719,461**	$ 2,719,461
Fund Balance				
Beginning			**55,160,067**	
Ending			**$ 57,879,528**	

See Notes to Financial Statements.

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF NET POSITION
June 30, 2014

	Major Enterprise Funds			
ASSETS	**Electric Fund**	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Current Assets				
Cash and investments	$ 47,863,868	$ 41,901,755	$ 11,139,717	$ 4,780,425
Receivables:				
Accounts receivable, net	13,743,948	5,468,630	1,839,901	2,016,838
Due from other governmental agencies	-	-	-	-
Interest	111,275	81,980	25,221	12,450
Other receivables	-	-	-	-
Inventories and prepaid expenses	2,706,738	667,902	113,113	133,340
Total current assets	64,425,829	48,120,267	13,117,952	6,943,053
Noncurrent Assets				
Restricted assets - cash and investments	3,055,187	3,135,399	2,025,884	83,260
Capital assets	133,772,056	142,726,164	111,714,786	94,755,234
Less accumulated depreciation	(68,142,801)	(55,584,155)	(39,075,230)	(21,220,128)
Total noncurrent assets	68,684,442	90,277,408	74,665,440	73,618,366
Total assets	133,110,271	138,397,675	87,783,392	80,561,419
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	459,025	1,037,241	183,616	54,830
Total deferred outflows of resources	459,025	1,037,241	183,616	54,830
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	6,055,768	3,366,835	52,654	503,529
Current portion of long-term debt	2,242,566	3,124,928	2,059,716	895,692
Accrued interest	83,856	129,695	72,126	4,340
Due to other funds	-	-	-	-
Total current liabilities	8,382,190	6,621,458	2,184,496	1,403,561
Noncurrent Liabilities				
Long-term debt due after one year	23,492,586	36,675,296	18,582,814	8,432,010
Deposits	1,847,487	484,723	500	83,260
Total noncurrent liabilities	25,340,073	37,160,019	18,583,314	8,515,270
Total liabilities	33,722,263	43,781,477	20,767,810	9,918,831
NET POSITION				
Net investment in capital assets	41,679,821	50,760,072	52,507,449	64,704,547
Unrestricted	58,167,212	44,893,367	14,691,749	5,992,871
Total net position	$ 99,847,033	$ 95,653,439	$ 67,199,198	$ 70,697,418

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities

See Notes to Financial Statements.

Exhibit H

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 9,286,429	$ 633,166	$ 115,605,360	$ 1,368,543
224,698	241,782	23,535,797	-
-	3,701,008	3,701,008	-
16,570	1,739	249,235	-
-	471,098	471,098	225
1,230	76,599	3,698,922	28,168
9,528,927	5,125,392	147,261,420	1,396,936
-	34,845	8,334,575	-
57,900,523	31,776,887	572,645,650	3,788,202
(13,952,009)	(6,818,545)	(204,792,868)	(2,734,465)
43,948,514	24,993,187	376,187,357	1,053,737
53,477,441	30,118,579	523,448,777	2,450,673
-	-	1,734,712	-
-	-	1,734,712	-
70,183	646,906	10,695,875	189,613
51,363	744,310	9,118,575	267,259
-	27,016	317,033	-
-	3,839,162	3,839,162	-
121,546	5,257,394	23,970,645	456,872
166,442	5,277,939	92,627,087	1,848,365
-	34,845	2,450,815	-
166,442	5,312,784	95,077,902	1,848,365
287,988	10,570,178	119,048,547	2,305,237
43,948,514	19,143,342	272,743,745	1,053,737
9,240,939	405,059	133,391,197	(908,301)
$ 53,189,453	$ 19,548,401	$ 406,134,942	$ 145,436
		145,436	
		$ 406,280,378	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2014

	Major Enterprise Funds			
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Operating Revenues				
Charges for services	**$ 79,443,551**	**$ 18,455,260**	**$ 14,433,900**	**$ 10,259,763**
Other operating revenues	**1,309,640**	**1,374,185**	**641,645**	**13,041**
Total operating revenue	**80,753,191**	**19,829,445**	**15,075,545**	**10,272,804**
Operating Expenses				
General and administrative	**2,243,515**	**-**	**-**	**-**
Professional services	**-**	**-**	**-**	**-**
Water plant and lakes	**-**	**4,712,989**	**-**	**-**
Water line operation and maintenance	**-**	**6,098,144**	**-**	**-**
Wastewater line and plant	**-**	**-**	**10,489,020**	**-**
Purchased power	**56,631,428**	**-**	**-**	**-**
Power line and plant	**11,160,320**	**-**	**-**	**-**
Airport operation and maintenance	**-**	**-**	**-**	**9,360,568**
Stormwater operation and maintenance	**-**	**-**	**-**	**-**
Utilities	**-**	**-**	**-**	**-**
Housing maintenance and repairs	**-**	**-**	**-**	**-**
Operating supplies	**-**	**-**	**-**	**-**
Other operating costs	**-**	**-**	**-**	**-**
Depreciation and amortization	**4,036,201**	**3,805,456**	**2,830,755**	**1,994,811**
Total operating expenses	**74,071,464**	**14,616,589**	**13,319,775**	**11,355,379**
Operating income (loss)	**6,681,727**	**5,212,856**	**1,755,770**	**(1,082,575)**
Nonoperating Revenues (Expenses)				
Operating subsidy	**-**	**-**	**-**	**-**
Interest earned on investments	**729,662**	**547,245**	**214,790**	**69,168**
Interest expense	**(1,045,218)**	**(1,518,942)**	**(863,117)**	**(410,966)**
Gain (loss) on sale of capital assets	**29,085**	**12,253**	**3,710**	**-**
Other	**-**	**-**	**241,815**	**9,742**
Total nonoperating revenues (expenses)	**(286,471)**	**(959,444)**	**(402,802)**	**(332,056)**
Income (loss) before capital contributions and transfers	**6,395,256**	**4,253,412**	**1,352,968**	**(1,414,631)**
Capital contributions	**-**	**521,390**	**6,862,260**	**1,817,784**
Transfers in	**-**	**-**	**-**	**580,483**
Transfers out	**(548,594)**	**(3,878)**	**(2,078)**	**(9,995)**
Transfers in (out)	**(548,594)**	**(3,878)**	**(2,078)**	**570,488**
Change in net position	**5,846,662**	**4,770,924**	**8,213,150**	**973,641**
Net Position				
Beginning	**94,000,371**	**90,882,515**	**58,986,048**	**69,723,777**
Ending	**$ 99,847,033**	**$ 95,653,439**	**$ 67,199,198**	**$ 70,697,418**

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

Change in net position of business-type activities

See Notes to Financial Statements.

Exhibit I

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 3,776,309	$ 1,665,030	$ 128,033,813	$ 9,127,195
19,841	824,460	4,182,812	-
3,796,150	2,489,490	132,216,625	9,127,195
-	979,568	3,223,083	6,147,449
-	3,236,862	3,236,862	1,166,098
-	-	4,712,989	-
-	-	6,098,144	-
-	-	10,489,020	-
-	-	56,631,428	-
-	-	11,160,320	-
-	-	9,360,568	-
2,095,184	-	2,095,184	-
-	260,869	260,869	-
-	294,012	294,012	-
-	833,531	833,531	-
-	720,180	720,180	1,596,419
1,687,943	1,214,434	15,569,600	217,229
3,783,127	7,539,456	124,685,790	9,127,195
13,023	(5,049,966)	7,530,835	-
-	7,764,200	7,764,200	-
97,411	11,347	1,669,623	-
-	(303,647)	(4,141,890)	-
43,011	61,746	149,805	-
-	67,044	318,601	-
140,422	7,600,690	5,760,339	-
153,445	2,550,724	13,291,174	-
-	-	9,201,434	-
-	1,718,939	2,299,422	-
(1,385)	(19,669)	(585,599)	-
(1,385)	1,699,270	1,713,823	-
152,060	4,249,994	24,206,431	-
53,037,393	15,298,407		145,436
$ 53,189,453	$ 19,548,401		$ 145,436
		-	
		$ 24,206,431	

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

	Major Enterprise Funds			
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Cash Flows From Operating Activities				
Receipts from customers	**$ 80,561,135**	**$ 16,930,879**	**$ 15,243,818**	**$ 9,047,633**
Payments to employees	**(5,101,234)**	**(3,734,010)**	**(1,540,726)**	**(1,656,993)**
Payments to suppliers	**(63,774,326)**	**(4,129,414)**	**(9,580,744)**	**(7,462,658)**
Net cash provided by (used in) operating activities	**11,685,575**	**9,067,455**	**4,122,348**	**(72,018)**
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	**-**	**-**	**-**	**-**
Transfers in	**-**	**-**	**-**	**580,483**
Transfers out	**(548,594)**	**(3,878)**	**(2,078)**	**(9,995)**
Operating grants received	**-**	**-**	**-**	**-**
Net cash provided by (used in) noncapital financing activities	**(548,594)**	**(3,878)**	**(2,078)**	**570,488**
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	**(2,008,750)**	**(3,299,998)**	**(1,446,028)**	**(815,900)**
Interest paid	**(1,050,263)**	**(1,608,150)**	**(866,883)**	**(411,508)**
Acquisition and construction of capital assets	**(3,012,123)**	**(4,203,674)**	**(302,672)**	**(1,887,925)**
Capital contributions - federal grant	**-**	**-**	**-**	**1,817,784**
Proceeds from the sale of capital assets	**29,085**	**12,253**	**3,710**	**1,950**
Net cash provided by (used in) capital and related financing activities	**(6,042,051)**	**(9,099,569)**	**(2,611,873)**	**(1,295,599)**
Cash Flows From Investing Activities				
Earnings on investments	**733,089**	**549,983**	**212,727**	**67,664**
Net cash provided by (used in) investing activities	**733,089**	**549,983**	**212,727**	**67,664**
Net increase (decrease) in cash and cash equivalents	**5,828,019**	**513,991**	**1,721,124**	**(729,465)**
Cash and cash equivalents:				
Beginning	**45,091,036**	**44,523,163**	**11,444,477**	**5,593,150**
Ending	**$ 50,919,055**	**$ 45,037,154**	**$ 13,165,601**	**$ 4,863,685**

Noncash investing, capital and financing activities:
The City of Concord received noncash capital contributions in the Water and Wastewater Funds in the amount of $7,383,650 representing donated capital assets.

Continued

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 3,825,802	$ 2,354,897	$ 127,964,164	$ 9,145,739
(1,278,217)	(521,569)	(13,832,749)	(5,901,047)
(749,067)	(8,009,524)	(93,705,733)	(2,600,381)
1,798,518	(6,176,196)	20,425,682	644,311
-	2,985,462	2,985,462	-
-	1,718,939	2,299,422	-
(1,385)	(19,669)	(585,599)	-
-	7,764,200	7,764,200	-
(1,385)	12,448,932	12,463,485	-
-	(700,000)	(8,270,676)	-
-	(305,150)	(4,241,954)	-
(544,287)	(5,390,434)	(15,341,115)	(354,049)
-	-	1,817,784	-
43,011	138,741	228,750	-
(501,276)	(6,256,843)	(25,807,211)	(354,049)
96,717	11,643	1,671,823	-
96,717	11,643	1,671,823	-
1,392,574	27,536	8,753,779	290,262
7,893,855	640,475	115,186,156	1,078,281
$ 9,286,429	$ 668,011	$ 123,939,935	$ 1,368,543

CITY OF CONCORD, NORTH CAROLINA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2014

	Major Enterprise Funds			
	Electric Fund	**Water Fund**	**Wastewater Fund**	**Regional Airport Fund**
Operating income (loss)	**$ 6,681,727**	**$ 5,212,856**	**$ 1,755,770**	**$ (1,082,575)**
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	**4,036,201**	**3,805,456**	**2,830,755**	**1,994,811**
Other income	**-**	**-**	**241,815**	**7,790**
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	**(192,056)**	**(2,898,566)**	**(73,542)**	**(1,232,961)**
Due from other governmental agencies	**-**	**-**	**-**	**-**
Inventories and prepaid expenses	**346,311**	**19,268**	**3,270**	**68,063**
Increase (decrease) in:				
Accounts payable and accrued expenses	**593,063**	**2,759,433**	**(698,890)**	**72,734**
Vacation accrual	**7,942**	**3,843**	**724**	**18,623**
OPEB liability	**145,350**	**136,326**	**63,171**	**75,843**
Deposits	**67,037**	**28,839**	**(725)**	**5,654**
Net cash provided by (used in) operating activities	**$ 11,685,575**	**$ 9,067,455**	**$ 4,122,348**	**$ (72,018)**

See Notes to Financial Statements

Stormwater Fund	Nonmajor Enterprise Funds	Total	Business-type Activities Internal Service Fund
$ 13,023	$ (5,049,966)	$ 7,530,835	$ -
1,687,943	1,214,434	15,569,600	217,229
-	143,385	392,990	14,444
29,652	(355,971)	(4,723,444)	4,100
-	(2,458,934)	(2,458,934)	-
(635)	10,727	447,004	133,220
21,899	297,818	3,046,057	44,873
4,010	(14,088)	21,054	6,180
42,626	33,793	497,109	224,265
-	2,606	103,411	-
$ 1,798,518	$ (6,176,196)	$ 20,425,682	$ 644,311

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

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2014

	Other Postemployment Benefit Trust Fund	Agency Funds
ASSETS		
Cash	$ 827,824	$ 2,000,353
Total assets	$ 827,824	$ 2,000,353
LIABILITIES		
Agency payable	$ -	$ 2,000,353
NET POSITION		
Net position held in trust for OPEB benefits and other purposes	$ 827,824	$ -

See Notes to Financial Statements

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

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2014

	Other Postemployment Benefit Trust Fund
Additions:	
Employer contributions	**$ 719,740**
Member contributions	**198,099**
	917,839
Investment income	**105,707**
Total additions	**1,023,546**
Deductions:	
Benefits	**817,839**
Change in net position	**205,707**
Net position, beginning	**622,117**
Net position, ending	**$ 827,824**

See Notes to Financial Statements

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Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

BLENDED COMPONENT UNIT – FIRST CONCORD CORPORATION

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

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

The City Council appoints the members of the Alcoholic Beverage Control Board. In addition, the ABC Board is required by State statute to distribute a share of its surpluses to the General Fund of the City. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from the entity's administrative offices at City of Concord ABC Board, 1255 Concord Parkway North, Concord, North Carolina 28025.

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

The government reports the following major governmental fund:

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

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

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 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.

Note 1. Summary of Significant Accounting Policies (Continued)

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 for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the 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 is both restricted and unrestricted net position available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

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

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

General Statute 159-30.1 allows the City to establish an Other Postemployment Benefit (OPEB) Trust Fund managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the City to make contributions to the Trust. The State Treasurer in her discretion may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies, and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B authorized under G.S. 147-69.2(b)(8). The STIF securities are reported at cost and maintain a constant $1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The LTIF is also valued at $1 per share. The Global Ex-US Alpha Tilts Fund B is priced at 22.1960 per share and the Russell 3000 Alpha Tilts Fund B is priced at 48.3524 per share at June 30, 2014.

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.

Note 1. Summary of Significant Accounting Policies (Continued)

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 $81,227 in capitalized interest as part of the cost of capital assets under construction in fiscal year 2014.

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

LONG-TERM DEBT

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

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

COMPENSATED ABSENCES

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

NET POSITION AND FUND BALANCES

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

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

USE OF ESTIMATES

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

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

The governmental funds reconciliation of the balance sheet to the statement of net position includes a reconciling item that relates to deferred inflows of resources susceptible to full accrual on the entity-wide statements. In the governmental funds, the ad valorem taxes were not susceptible to accrual as revenues and were reported as deferred inflows of resources. The $2,311,538 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 $319,392 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, 2014 and June 30, 2013.

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

Note 3. Cash and Investments

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

At June 30, 2014, the City's deposits had a carrying amount of $40,161,966 and a bank balance of $40,119,955. Of the bank balance, $1,250,000 was covered by federal depository insurance and $38,869,955 in interest-bearing deposits was covered by collateral held under the pooling method. The City had cash on hand of $16,450 at June 30, 2014.

Note 3. Cash and Investments (Continued)

At June 30, 2014, the carrying amount of deposits for the ABC Board was $3,136,234 and the bank balance was $3,340,056. All of the bank balances were covered by federal depository insurance or collateralized deposits.

At June 30, 2014, 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	$ 144,622,458	$ 3,249,643	$ 2,116,495	$ 45,437,996	$ 93,818,324
U. S. Treasuries	1,493,428	-	-	-	1,493,428
Commercial paper	16,992,226	16,992,226	-	-	-
North Carolina Capital Management Trust – Cash Portfolio	5,481,602	5,481,602	N/A	N/A	N/A
North Carolina Capital Management Trust – Term Portfolio	5,018,420	N/A	N/A	N/A	N/A
Total	$ 173,608,134	$25,723,471	$ 2,116,495	$45,437,996	$95,311,752

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, 2014, the City's investments in commercial paper consisted of four different issuers. All were rated A1 or A1+ by Standard & Poor's. Moody's rated three as P1, with the remaining one rated NR. 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, 2014. 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 the Federal Home Loan Bank, FNMA Discount Notes, and Federal Home Loan Mortgage Corporation. These investments are 44%, 26%, and 7% respectively, of the City's total investments.

OPEB Trust Fund

At June 30, 2014, the City's Health Care Plan had $827,824 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) 24.37%; State Treasurer's Long Term Investment Fund (LTIF) 9.87% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 65.76% (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 1.3 years at June 30, 2014. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 16.3 years at June 30, 2014.

Credit Risk – The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The LTIF is

Note 3. Cash and Investments (Continued)

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

At June 30, 2014, 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	$ -	$ 23,535,797
Ad valorem taxes, net	2,311,538	-
Due from other governmental agencies	895,789	3,701,008
Sales tax refunds	1,903,778	-
Interest	208,497	249,235
Other, net	6,543,471	471,323
	$ 11,863,073	$ 27,957,363

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

Governmental Activities, allowance for doubtful ad valorem taxes	$ 770,513
Governmental Activities, allowance for doubtful other receivables	$ 2,022
Business-type Activities, allowance for doubtful accounts receivable	$ 211,712

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	July 1, 2013	Increases	Decreases	Transfers	June 30, 2014
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 51,749,134	$ 1,673,039	$ 2,398	$ -	$ 53,419,775
Construction in progress	3,001,523	3,720,697	1,080,378	-	5,641,842
Total capital assets, not being depreciated	54,750,657	5,393,736	1,082,776	-	59,061,617
Capital assets, being depreciated:					
Buildings	47,496,124	1,005,867	48,001	-	48,453,990
Improvements other than buildings	2,850,711	15,471	76,420	-	2,789,762
Machinery and equipment	29,217,978	1,631,413	1,358,034	(77,608)	29,413,749
Infrastructure	495,416,884	30,918,233	9,656	-	526,325,461
Total capital assets, being depreciated	574,981,697	33,570,984	1,492,111	(77,608)	606,982,962
Accumulated depreciation:					
Buildings	18,028,915	1,843,327	41,885	-	19,830,357
Improvements other than buildings	1,819,648	102,114	56,189	-	1,865,573
Machinery and equipment	22,305,047	2,118,356	1,323,082	(77,608)	23,022,713
Infrastructure	303,290,615	16,885,878	2,394	-	320,174,099
Total accumulated depreciation	345,444,225	20,949,675	1,423,550	(77,608)	364,892,742
Total capital assets, being depreciated, net	229,537,472	$ 12,621,309	$ 68,561	$ -	242,090,220
Government activities capital assets, net	$ 284,288,129				$ 301,151,837

Note 5. Capital Assets (Continued)

	July 1, 2013	Increases	Decreases	Transfers	June 30, 2014
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 41,606,719	$ -	$ 714,464	$ -	$ 40,892,255
Construction in progress	17,093,779	8,184,223	10,920,043	-	14,357,959
Total capital assets, not being depreciated	58,700,498	8,184,223	11,634,507	-	55,250,214
Capital assets, being depreciated:					
Buildings	57,804,100	1,346,178	213,976	-	58,936,302
Improvements other than buildings	415,948,076	18,362,560	23,135	-	434,287,501
Machinery and equipment	24,023,305	6,865,426	3,006,504	77,608	27,959,835
Total capital assets, being depreciated	497,775,481	26,574,164	3,243,615	77,608	521,183,638
Accumulated depreciation:					
Buildings	19,213,129	2,002,716	173,796	-	21,042,049
Improvements other than buildings	156,984,661	11,782,820	23,135	-	168,744,346
Machinery and equipment	18,565,910	2,012,484	2,915,064	77,608	17,740,938
Total accumulated depreciation	194,763,700	15,798,020	3,111,995	77,608	207,527,333
Total capital assets, being depreciated, net	303,011,781	$ 10,776,144	$ 131,620	$ -	313,656,305
Business-type activities capital assets, net	$ 361,712,279				$ 368,906,519

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	$ 268,468
Public safety	2,674,666
Public works	17,630,503
Culture & recreational	337,863
Planning and community development	38,175
Total depreciation expense – governmental activities	$ 20,949,675
Business-type activities:	
Electric	$ 4,029,422
Water	3,829,248
Wastewater	2,830,012
Regional airport	1,997,411
Stormwater	1,687,943
Other nonmajor business-type activities	1,206,755
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	217,229
Total depreciation expense – business-type activities	$ 15,798,020

Note 5. Capital Assets (Continued)

Activity for the ABC Board for the year ended June 30, 2014, was as follows:

	July 1, 2013	Increases	Decreases	June 30, 2014
Component unit:				
Capital assets, not being depreciated - land	$ 20,000	$ 193,804	$ -	$ 213,804
Capital assets, being depreciated:				
Buildings	51,078	13,400	-	64,478
Improvements other than buildings	466,182	-	-	466,182
Machinery and equipment	380,069	6,342	-	386,411
Total capital assets, being depreciated	897,329	19,742	-	917,071
Accumulated depreciation	590,712	49,543		640,255
Total capital assets, being depreciated, net	306,617	$ (29,801)	$ -	276,816
Component unit capital assets, net	$ 326,617			$ 490,620

Note 6. Accounts Payable and Accrued Liabilities

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

	Governmental Activities	Business-type Activities
Accounts payable	$ 2,022,921	$ 10,430,379
Accrued payroll and payroll related liabilities	1,247,755	393,979
Accrued sales tax payable	-	13,273
Other accrued liabilities	431,450	47,857
	$ 3,702,126	$ 10,885,488

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

Note 7. Long-Term Debt

Installment purchases: The City has various installment purchase contracts to finance equipment additions throughout the City's departments and funds. These contracts range between 1 year and 29 years in duration, depending upon the assets acquired. Interest rates range between 2.58% and 5.15%. The debt is collateralized by the assets acquired and serviced by the funds holding such debt.

Assets acquired through the installment purchase contracts are as follows:

	Governmental Activities	Business-type Activities
Capital Asset		
Machinery and equipment	$ 6,253,553	$ 12,050,000
Less accumulated depreciation	1,366,861	1,755,000
	$ 4,886,692	$ 10,295,000

Installment purchases payable at June 30, 2014 are comprised of the following individual issues:

Governmental activities:	
$5,400,000, contract for construction of fire station in fiscal year 2008 due in annual installments of $270,000 through November 2027; interest 4.44%, to be paid from General Fund	$ 3,645,000
	$ 3,645,000

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	$ 2,343,750
$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	5,096,250
	$ 7,440,000

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
2015	$ 270,000	$ 158,870	$ 602,500	$ 334,368
2016	270,000	147,139	602,500	306,695
2017	270,000	134,649	602,500	277,961
2018	270,000	122,905	602,500	250,269
2019	270,000	110,917	602,500	222,235
2020-2024	1,350,000	374,858	3,012,500	690,821
2025-2028	945,000	83,944	1,415,000	118,534
	$ 3,645,000	$ 1,133,282	$ 7,440,000	$ 2,200,883

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, 2014 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%.	$ 268,940
$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%.	2,214,782
	$ 2,483,722

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%	$ 24,420,000
$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%.	9,336,060
$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%.	31,090,217
$17,635,000, Utilities Systems Refunding Revenue Bonds Series 2012 due in annual installments of $760,000 to $1,390,000 through December 2028; interest from 2.00% to 5.00%.	16,095,000
	$ 80,941,277

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
2015	$ 295,785	$ 96,731	$ 6,939,215	$ 3,311,038
2016	303,398	86,735	7,136,603	3,067,446
2017	312,130	76,152	7,357,870	2,806,967
2018	320,548	64,656	7,579,453	2,525,400
2019	257,688	52,493	5,332,313	2,249,548
2020-2024	994,173	103,855	23,765,823	7,722,941
2025-2029	-	-	12,155,000	3,927,572
2030-2034	-	-	7,235,000	1,800,375
2035-2036	-	-	3,440,000	174,250
	$ 2,483,722	$ 480,622	$ 80,941,277	$ 27,585,537

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, 2014, is as follows:

Net Income (GAAP Basis)	$ 18,830,736
Add: Depreciation Expense	10,672,412
Interest Expense	3,427,277
Income available for debt service	32,930,425
Debt service, principal and interest paid (Revenue bond only)	$ 10,280,072
Debt service coverage ratio	320%

The City has pledged future electric, water, and wastewater customer revenues, net of specified operating expenses, to repay $106,468,308 in electric, water, and wastewater system revenue bonds issued in 2008 through 2012. Proceeds from the bonds provided financing for various projects related to the electric, water, and wastewater systems. The bonds are payable solely from electric, water, and wastewater customer net revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require less than 9 percent of net revenues. The total principal and interest remaining to be paid on the bonds is $108,526,814. Principal and interest paid for the current year and total customer net revenues were $10,280,072 and $115,658,181, 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, 2014 is $0. This refunding was undertaken to reduce total debt service payments over the following 17 years by $3,696,671 and resulted in an economic gain of $3,068,114. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred ($1,036,663) and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2014 was $911,880.

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, 2014 was $650,150.

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, 2014 was $166,205.

Loan and installment notes: Loan and installment notes payable at June 30, 2014 are comprised of the following individual issues:

Governmental activities:	
$16,105,000 of $17,000,000 issue, 2005 Certificates of Participation due in annual installments of $640,000 to $650,000 through June 1, 2030, plus interest due semiannually at 3% to 5% financed through First Concord Corporation, to be paid from General Fund	$ 10,280,000
$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.	4,863,300
	$ 15,143,300
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	$ 5,815,000
$2,031,700 of $9,235,000 issue, 2010 Limited Obligation Bonds due in annual installments of $11,000 to $218,900 through June 1, 2021, plus interest due semiannually at 2.5% to 4% financed through First Concord Corporation, to be paid from Regional Airport Fund.	1,371,700
	$ 7,186,700

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
2015	$ 1,381,000	$ 640,273	$ 929,000	$ 323,728
2016	1,370,400	596,148	954,600	289,703
2017	1,350,900	651,638	984,100	141,213
2018	1,331,400	495,865	1,023,600	202,860
2019	1,323,600	436,159	1,061,400	153,616
2020-2024	4,546,000	1,387,154	2,234,000	151,896
2025-2029	3,200,000	576,000	-	-
2030	640,000	28,800	-	-
	$ 15,143,300	$ 4,812,037	$ 7,186,700	$ 1,263,016

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, 2014 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, 2014 was $249,226.

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	$ 1,647,000
	$ 1,647,000

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

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2015	$ 109,000	$ 79,076
2016	109,000	74,460
2017	109,000	69,658
2018	109,000	64,732
2019	109,000	59,728
2020-2024	545,000	218,265
2025-2029	557,000	76,115
	$ 1,647,000	$ 642,034

Note 7. Long-Term Debt (Continued)

A summary of changes in long-term debt follows:

	July 1, 2013	Additions	Reductions	June 30, 2014
Governmental activities:				
Installment purchases	$ 3,987,136	$ -	$ 342,136	$ 3,645,000
Less current maturities				270,000
Long-term installment purchases				$ 3,375,000
Bond payables:				
Installment notes	$ 16,544,900	$ -	$ 1,401,600	$ 15,143,300
Plus premium on limited obligation bonds	297,298	-	36,036	261,262
Revenue bonds	2,708,947	-	225,225	2,483,722
Plus premium on revenue bonds	49,935	-	6,394	43,541
Total bond payable	$ 19,601,080	$ -	$ 1,669,255	17,931,825
HUD loan	$ 1,756,000	$ -	$ 109,000	1,647,000
Compensated absences	$ 2,891,370	$ 1,950,805	$ 1,876,870	2,965,305
Separation allowance	$ 1,701,191	$ 169,618	$ -	1,870,809
OPEB liability	$ 7,771,356	$ 1,198,707	$ -	8,970,063
Less current maturities:				
Installment notes				1,381,000
Revenue bonds				295,785
HUD loan				109,000
Compensated absences				2,135,019
Long-term debt				$ 29,464,198

	July 1, 2013	Additions	Reductions	June 30, 2014
Business-type activities:				
Installment purchases	$ 8,042,500	$ -	$ 602,500	$ 7,440,000
Less current maturities				602,500
Long-term installment purchases				$ 6,837,500
Bond payables:				
Installment notes	$ 8,100,100	$ -	$ 913,400	$ 7,186,700
Plus premium on limited obligation bonds	83,853	-	10,164	73,689
Revenue bonds	87,696,053	-	6,754,776	80,941,277
Plus premium on revenue bonds	2,797,051	-	260,283	2,536,768
Total bond payable	$ 98,677,057	$ -	$ 7,938,623	90,738,434
Compensated absences	$ 1,243,765	$ 1,135,070	$ 1,107,836	1,270,999
OPEB liability	$ 3,690,479	$ 721,374	$ -	4,411,853
Less current maturities:				
Installment notes				929,000
Revenue bonds				6,939,215
Compensated absences				915,119
Long-term debt				$ 87,637,952

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, 2014 was $755,076,092.

Note 8. Interfund Receivables, Payables and Transfers

A schedule of interfund receivables and payables at June 30, 2014 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 4,631,388
General Fund	Nonmajor enterprise funds	3,839,162
		$ 8,470,550

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

A schedule of interfund transfers at June 30, 2014 is as follows:

From the Electric Fund to the General Fund for payment in lieu of taxes	$ 542,500
From the General Fund to the Debt Service Fund for debt service principal and interest payments	2,087,132
From the EECBG Stimulus Fund to the General Fund to return unused funds	3,652
From the General Fund to the General Fund Capital Projects Fund for various capital projects	1,060,142
From the General Fund to the General Fund Capital Reserve Fund to set aside funds for future capital projects	5,000,000
From the General Fund to the Fire and Life Safety Capital Projects Fund for fire department capital projects	86,545
From the General Fund to the Transportation Capital Projects Fund for various transportation projects	1,766,565
From the General Fund to the Home Special Revenue Fund to provide required grant matching funds	29,814
From the General Fund to the Parks Capital Project Fund for various park capital projects	76,505
From the General Fund to the Transit Fund for current operating needs	416,262
From the General Fund to the Golf Course Fund for current operating needs	790,299
From the General Fund to the Regional Airport Fund for current operating needs	580,483
From the Housing Department Operating Fund to the Home Special Revenue Fund to pay for properties transferred to the Housing Department	19,669
From the Additional Vehicle Tax Fund to the Transit Fund to move portion of license fee required to be transferred to the Transit Fund	512,378
From the Transportation Capital Projects Fund to the Fire and Life Safety Capital Project Fund for various fire department capital projects	25,000
From the General Fund Capital Reserve Fund to the Fire and Life Safety Capital Project Fund for various fire department capital projects	1,200,000
From the General Fund Capital Reserve Fund to the Parks Capital Project Fund for various park capital projects	440,000
From the Electric Fund to the General Fund Capital Project Fund for various capital projects	6,094
From the Water Fund to the General Fund Capital Project Fund for various capital projects	3,878
From the Wastewater Fund to the General Fund Capital Project Fund for various capital projects	2,078
From the Regional Airport Fund to the General Fund Capital Project Fund for various capital projects	2,493
From the Regional Airport Fund to the Fire and Life Safety Capital Project Fund for various capital projects	7,502
From the Stormwater Fund to the General Fund Capital Project Fund for various capital projects	1,385
	$ 14,660,376

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 7.28% and 7.07%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 7.07% 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, 2014, 2013 and 2012 were $2,979,011, $2,777,205, and $2,945,515, respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2014, 2013, and 2012 were $43,103, $44,064, and $50,813, respectively. The contributions made by the City and the ABC Board equaled the required contributions for each year.

B. Law Enforcement Officers' Special Separation Allowance:

(1) Plan description:

The City of Concord administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowance that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time law enforcement officers to the City are covered by the Separation Allowance. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	13
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	159
Total	172

(2) Summary of significant accounting policies:

Basis of accounting – The City has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on a modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

Note 9. Pension Plan Obligations (Continued)

(3) Contributions:

The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the 2014 year was determined as part of the December 31, 2012 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, 2012 was 18 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	$	438,214
Interest on net pension obligation		85,060
Adjustment to annual required contribution		(138,600)
Annual pension cost		384,674
Employer contributions made during the year		215,056
Increase in net pension obligation		169,618
Net pension obligation beginning of year		1,701,191
Net pension obligation end of year (included in the General Fund's long-term debt)	$	1,870,809

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2012	359,282	41	1,519,972
June 30, 2013	380,728	52	1,701,191
June 30, 2014	384,674	56	1,870,809

(4) Funded Status and Funding Progress:

As of December 31, 2013, 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 $4,163,072. The covered payroll (annual payroll of active employees covered by the plan) was $7,910,941, and the ratio of the UAAL to the covered payroll was 53 percent.

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

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan description – The City contributes to the Supplemental Retirement Income Plan ("Plan"), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement

Note 9. Pension Plan Obligations (Continued)

Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding policy – Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2014 were $567,300, which consisted of $406,925 from the City and $160,375 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, 2014 were $1,823,103, which consisted of $1,189,394 from the City and $633,709 from the employees. Contribution requirements are established and may be amended by the City Council.

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

Plan description – The State of North Carolina contributes, on behalf of the City of Concord, to the Firefighter's and Rescue Squad Workers' Pension Fund (Fund), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation administered by the State of North Carolina. The Fund provides pension benefits for eligible fire and rescue squad workers who have elected to become members of the fund. Article 86 of G.S. Chapter 58 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Firefighter's and Rescue Squad Workers' Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Firefighter's and Rescue Squad Worker's Pension Fund. That report may be obtained by writing to the office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding policy – Plan members are required to contribute $10 per month to the Fund. The State, a non-employer contributor, funds the plan through appropriations. The City does not contribute to the Fund. Contribution requirements of plan members and the State of North Carolina are established and may be amended by the North Carolina General Assembly.

On-Behalf payments – For the fiscal year ended June 30, 2014, the City of Concord has recognized on-behalf payments for pension contributions made by the state as a revenue and an expenditure of $33,269 for the 93 employed firemen who perform firefighting duties for the City's fire department. The employees elected to be members of the Firefighter's and Rescue Squad Worker's Pension Fund.

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, 2012, the date of the latest actuarial valuation:

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

(2) Funding Policy:

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

Employees with a date of hire after or on July 1, 2004: Retirees with at least 25 years of creditable service with the City will be provided with the same level of coverage as active employees. Those with at least 10 years of service but less than 25 years of service shall receive one-half (1/2) of the benefit provided to retiring employees with at least 25 years of service.

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

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

The current ARC rate is 6.41% of annual covered payroll. The City obtains healthcare coverage through private insurers. The City's required contributions, under a City resolution, for employees not engaged in law enforcement and for law enforcement officers represented 1.39% and 0.36% of covered payroll, respectively. For the year ended June 30, 2014, the City made payments for postretirement health benefit premiums of $917,839 of which $198,099 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. Charges are recorded in the appropriate governmental and enterprise funds. 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	$ 2,513,935
Interest on net obligation	687,710
Adjustment to annual required contribution	(561,824)
Annual OPEB cost (expense)	2,639,821
Contributions made	(719,740)
Increase (decrease) in net OPEB obligation	1,920,081
Net OPEB obligation, beginning of year	11,461,835
Net OPEB obligation, end of year	$ 13,381,916

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
2012	2,645,977	24.2%	9,521,164
2013	2,618,506	25.9%	11,461,834
2014	2,639,821	27.3%	13,381,916

(5) Funded Status and Funding Progress:

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(6) Actuarial Methods and Assumptions:

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

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

Note 11. Other Employment Benefits

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

For the fiscal year ended June 30, 2014, the City made contributions to the State for death benefits of $0. The City's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.00% and 0.00% of covered payroll, respectively. Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer has contributed as of December 31, 2010 was established as follows:

No. Years Contributing	Years Relief	FY Contributions Resume
less than 10	1	2014
10-20	2	2015
20 or more	3	2016

The period of reprieve is determined separately for law enforcement officers. The City of Concord will have a three year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

Note 12. Deferred Outflows and Inflows of Resources

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

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

	Unavailable Revenue	Unearned Revenue
Governmental funds:		
Reserve for taxes receivable - General fund	$ 2,306,001	$ -
Reserve for taxes receivable - Other governmental funds	5,537	-
Prepaid taxes, not yet earned - General fund	-	99,860
	$ 2,311,538	$ 99,860

Note 13. On-Behalf Payments for Fringe Benefits and Salaries

For the fiscal year ended June 30, 2014, the City of Concord has recognized on-behalf payments for pension contributions made by the State as a revenue and an expenditure of $33,269 for the 93 employed firefighters who perform firefighting duties for the City's fire department. The employees elected to be members of the Firefighter's and Rescue Squad Workers' Pension Fund, a cost-sharing multiple-employer public employee retirement system established and administered by the State of North Carolina. The Plan is funded by a $10 monthly contribution paid by each member, investment income, and a State appropriation.

Note 14. Fund Balance

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

Total fund balance – General Fund	$	57,879,528
Less:		
Inventories		159,983
Prepaids		18,339
Stabilization by State Statute		17,164,987
Streets – Powell Bill		2,341,033
Public Safety		531,396
Remaining Fund Balance	$	37,663,790

The City of Concord has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the City in such a manner that available fund balance is at least equal to or greater than 35% of current year expenditures.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2014 the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental activites:		
General Fund	$	904,151
Nonmajor Funds		4,147,556
Total governmental activities	$	5,051,707
Business-type activities:		
Electric Fund	$	1,089,226
Water Fund		16,776,318
Wastewater Fund		875,825
Regional Airport Fund		266,507
Stormwater Fund		186,174
Nonmajor Funds		437,772
Total business-type activities	$	19,631,822

Note 15. Commitments and Contingencies

The City had commitments on contracts of approximately $14.7 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, 2014, 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, 2014, 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 16. 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

Note 16. Risk Management (Continued)

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 $199,416,062. Employee health coverage is self-insured through Blue Cross Blue Shield of North Carolina unless specified. The City is exposed to various risks of loss related to injuries to employees. The City has self-insured retention of $750,000 per occurrence on workers' compensation claims. The carrier's attachment point is after the retained $750,000 is exhausted and will provide up to the policy limit of $1 million in coverage per occurrence and in the aggregate.

The City carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The City's property policy provides up to $5 million in flood coverage for locations that are not located within a Federal Emergency Management Agency ("FEMA") flood zone. 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 has liquor legal liability coverage. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of $50,000, secured by a corporate surety. In accordance with G.S. 18B-803(b) and (c), all employees who have access to funds are bonded under a blanket bond for $50,000.

Note 17. 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 $6.7 million for wastewater treatment and raw water charges during the year ended June 30, 2014.

Note 18. 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 and Debt Service Fund had deficit fund balance in the amount of $2,553 and $3,937,817, respectively. The deficit balance in fund balance for the Community Development Special Revenue 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. The deficit balance in fund balance for the Debt Service Fund resulted from an excess of debt service payments over transfers in prior years. This deficit will be reduced in future years as funds in excess of the annual debt service requirement are transferred in.

Excess of Expenditures over Appropriations

For the year ended June 30, 2014, actual expenditures exceeded appropriations in the Golf Course Operating Fund by $52,274. This over-expenditure is the result of actual operating costs being higher than amounts appropriated due to the unexpected increase in the volume of activity at the golf course for the year. Management will review procedures to ensure appropriations are adjusted based on the actual activity observed to ensure compliance in future years.

Note 19. Subsequent Events

Management has evaluated subsequent events through 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, 2008	-	2,460,448	2,460,448	-	6,856,993	36 %
December 31, 2009	-	3,395,640	3,395,640	-	7,439,469	46
December 31, 2010	-	3,313,233	3,313,233	-	7,864,037	42
December 31, 2011	-	3,573,036	3,573,036	-	7,746,401	46
December 31, 2012	-	3,981,099	3,981,099	-	7,943,867	50
December 31, 2013	-	4,163,072	4,163,072	-	7,910,941	53

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

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

Last Six Fiscal Years

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	247,540	54 %
2010	273,092	52
2011	370,643	39
2012	371,915	40
2013	399,319	50
2014	438,214	49

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, 2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	17 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% to 7.85%
*Includes inflation at	3.00%
Cost-of-living adjustments	None

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

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

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

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

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2009	2,470,787	21 %
2010	2,470,787	21
2011	2,563,442	25
2012	2,563,442	24
2013	2,513,935	27
2014	2,513,935	29

Notes to the Required Schedules:

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

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

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.

Capital Project Funds

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

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

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

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

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

Debt Service Fund

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

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

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET
June 30, 2014

ASSETS	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Cash and investments	$ 313,320	$ 19,495,039	$ -	$ 19,808,359
Receivables:				
Ad valorem taxes, net	5,537	-	-	5,537
Due from other governmental agencies	233,473	-	-	233,473
Interest	549	73,054	-	73,603
Other, net	73,517	1,380,656	-	1,454,173
Restricted assets - cash and investments	-	20,004,551	2	20,004,553
Total assets	$ 626,396	$ 40,953,300	$ 2	$ 41,579,698
LIABILITIES				
Accounts payable and accrued liabilities	$ 140,419	$ 829,436	$ 55,325	$ 1,025,180
Due to other funds	18,339	730,555	3,882,494	4,631,388
Total liabilities	158,758	1,559,991	3,937,819	5,656,568
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	5,537	-	-	5,537
Total deferred inflows of resources	5,537	-	-	5,537
FUND BALANCES (DEFICITS)				
Restricted				
Stabilization by State Statute	307,539	1,453,710	-	1,761,249
Committed				
Future capital purchases	-	20,004,545	-	20,004,545
Planning and community development	14,338	-	-	14,338
Housing assistance	170,496	-	-	170,496
Assigned				
Future capital purchases	-	17,935,054	-	17,935,054
Unassigned	(30,272)	-	(3,937,817)	(3,968,089)
Total fund balance (deficit)	462,101	39,393,309	(3,937,817)	35,917,593
Total liabilities, deferred inflows of resources, and fund balances	$ 626,396	$ 40,953,300	$ 2	$ 41,579,698

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET
June 30, 2014

ASSETS	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Cash and investments	$ 229,251	$ -	$ -	$ 82,574
Receivables:				
Ad valorem taxes, net	-	-	-	-
Due from other governmental agencies	-	27,719	-	205,754
Interest	549	-	-	-
Other, net	73,517	-	-	-
Total assets	$ 303,317	$ 27,719	$ -	$ 288,328
LIABILITIES				
Accounts payable and accrued liabilities	$ 58,755	$ 11,933	$ -	$ 68,236
Due to other funds	-	18,339	-	-
Total liabilities	58,755	30,272	-	68,236
DEFERRED INFLOWS OF RESOURCES				
Property taxes receivable	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted				
Stabilization by State Statute	74,066	27,719	-	205,754
Committed				
Planning and community development	-	-	-	14,338
Housing assistance	170,496	-	-	-
Unassigned	-	(30,272)	-	-
Total fund balances (deficit)	244,562	(2,553)	-	220,092
Total liabilities, deferred inflows of resources, and fund balances	$ 303,317	$ 27,719	$ -	$ 288,328

Statement 2

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	Total Special Revenue Funds
$ 1,495	$ -	$ -	$ 313,320
5,537	-	-	5,537
-	-	-	233,473
-	-	-	549
-	-	-	73,517
$ 7,032	$ -	$ -	$ 626,396
$ 1,495	$ -	$ -	$ 140,419
-	-	-	18,339
1,495	-	-	158,758
5,537	-	-	5,537
5,537	-	-	5,537
-	-	-	307,539
-	-	-	14,338
-	-	-	170,496
-	-	-	(30,272)
-	-	-	462,101
$ 7,032	$ -	$ -	$ 626,396

CITY OF CONCORD, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET
June 30, 2014

ASSETS	Parks	Transportation	General Fund Capital Projects	General Fund Capital Reserve
Cash and investments	$ 1,596,554	$ 10,184,226	$ 4,390,812	$ -
Receivables:				
Interest	-	24,443	-	48,611
Other, net	186,678	1,193,978	-	-
Restricted assets - cash and investments	-	-	6	20,004,545
Total assets	$ 1,783,232	$ 11,402,647	$ 4,390,818	$ 20,053,156
LIABILITIES				
Accounts payable and accrued liabilities	$ 212,772	$ 196,602	$ 414,840	$ -
Due to other funds	-	-	730,555	-
Total liabilities	212,772	196,602	1,145,395	-
FUND BALANCES				
Restricted				
Stabilization by State Statute	186,678	1,218,421	-	48,611
Committed				
Future capital purchases	-	-	-	20,004,545
Assigned				
Future capital purchases	1,383,782	9,987,624	3,245,423	-
Unassigned	-	-	-	-
Total fund balances	1,570,460	11,206,045	3,245,423	20,053,156
Total liabilities and fund balances	$ 1,783,232	$ 11,402,647	$ 4,390,818	$ 20,053,156

Statement 3

Fire and Life Safety	Total Capital Projects Funds
$ 3,323,447	$ 19,495,039
-	73,054
-	1,380,656
-	20,004,551
$ 3,323,447	$ 40,953,300
$ 5,222	$ 829,436
-	730,555
5,222	1,559,991
-	1,453,710
-	20,004,545
3,318,225	17,935,054
-	-
3,318,225	39,393,309
$ 3,323,447	$ 40,953,300

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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, 2014

	Total Special Revenue Funds	Total Capital Project Funds	Debt Service Fund	Total Other Governmental Funds
Revenues				
Ad valorem taxes	$ 99,007	$ -	$ -	$ 99,007
Restricted intergovernmental revenues	4,073,906	1,571,204	-	5,645,110
Investment earnings	8,200	383,263	2	391,465
Program income	1,596,364	651,378	-	2,247,742
Other revenues	192,512	-	-	192,512
Total revenues	5,969,989	2,605,845	2	8,575,836
Expenditures				
Current:				
Planning and community development	99,007	-	-	99,007
Administration	458,179	578,293	-	1,036,472
Housing assistance payments	4,279,279	-	-	4,279,279
Rehabilitation	568,412	-	-	568,412
Capital outlay	-	5,667,503	-	5,667,503
Debt service	192,512	-	2,083,001	2,275,513
Total expenditures	5,597,389	6,245,796	2,083,001	13,926,186
Excess (deficiency) of revenues over (under) expenditures	372,600	(3,639,951)	(2,082,999)	(5,350,350)
Other Financing Sources (Uses)				
Transfers from other funds	49,483	9,678,187	2,087,132	11,814,802
Transfers to other funds	(516,030)	(1,665,000)	-	(2,181,030)
Total other financing sources	(466,547)	8,013,187	2,087,132	9,633,772
Net change in fund balances	(93,947)	4,373,236	4,133	4,283,422
Fund Balances (Deficit)				
Beginning	556,048	35,020,073	(3,941,950)	31,634,171
Ending	$ 462,101	$ 39,393,309	$ (3,937,817)	$ 35,917,593

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, 2014

	Housing Assistance	Community Development	Section 108 Loan/BEDI Grant	Home
Revenues				
Ad valorem taxes	$ -	$ -	$ -	$ -
Restricted intergovernmental revenues	3,526,187	378,861	-	168,858
Investment earnings	7,291	-	-	-
Program income	981,520	20,276	-	83,099
Other income (loss)	-	-	192,512	-
Total revenue	4,514,998	399,137	192,512	251,957
Expenditures				
Current:				
Planning & community development	-	-	-	-
Administration	317,045	71,127	-	70,007
Housing assistance payments	4,279,279	-	-	-
Rehabilitation	-	324,762	-	243,650
Capital outlay	-	-	-	-
Debt service	-	-	192,512	-
Total expenditures	4,596,324	395,889	192,512	313,657
Excess (deficiency) of revenues over (under) expenditures	(81,326)	3,248	-	(61,700)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	49,483
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	49,483
Net change in fund balances	(81,326)	3,248	-	(12,217)
Fund Balances (Deficit)				
Beginning	325,888	(5,801)	-	232,309
Ending	$ 244,562	$ (2,553)	$ -	$ 220,092

Statement 5

Municipal Service District	Additional Vehicle Tax	EECBG Stimulus	Total Special Revenue Funds
$ 99,007	$ -	$ -	99,007
-	-	-	4,073,906
-	909	-	8,200
-	511,469	-	1,596,364
-	-	-	192,512
99,007	512,378	-	5,969,989
99,007	-	-	99,007
-	-	-	458,179
-	-	-	4,279,279
-	-	-	568,412
-	-	-	-
-	-		192,512
99,007	-	-	5,597,389
-	512,378	-	372,600
-	-	-	49,483
-	(512,378)	(3,652)	(516,030)
-	(512,378)	(3,652)	(466,547)
-	-	(3,652)	(93,947)
-	-	3,652	556,048
$ -	$ -	$ -	$ 462,101

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, 2014

	Parks	Transportation	General Fund Capital Projects	General Fund Capital Reserve
Revenues				
Restricted intergovernmental revenues	$ 377,225	$ 1,193,979	$ -	$ -
Program income	-	651,378	-	-
Investment earnings	-	140,125	8	243,130
Total revenues	377,225	1,985,482	8	243,130
Expenditures				
Administration	22,192	49,418	506,683	-
Capital outlay	989,985	1,793,708	1,518,455	-
Total expenditures	1,012,177	1,843,126	2,025,138	-
Excess (deficiency) of revenues over expenditures	(634,952)	142,356	(2,025,130)	243,130
Other Financing Sources (Uses)				
Transfers in	516,505	1,766,565	1,076,070	5,000,000
Transfers out	-	(25,000)	-	(1,640,000)
Total other financing sources (uses)	516,505	1,741,565	1,076,070	3,360,000
Net change in fund balances	(118,447)	1,883,921	(949,060)	3,603,130
Fund Balances (Deficit)				
Beginning	1,688,907	9,322,124	4,194,483	16,450,026
Ending	$ 1,570,460	$ 11,206,045	$ 3,245,423	$ 20,053,156

Statement 6

Fire and Life Safety	Total Capital Projects Funds
$ -	$ 1,571,204
-	651,378
-	383,263
-	2,605,845
-	578,293
1,365,355	5,667,503
1,365,355	6,245,796
(1,365,355)	(3,639,951)
1,319,047	9,678,187
-	(1,665,000)
1,319,047	8,013,187
(46,308)	4,373,236
3,364,533	35,020,073
$ 3,318,225	$ 39,393,309

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Nonmajor Enterprise Funds

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

The following funds have been established as Enterprise Funds:

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

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

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

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

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF NET POSITION
June 30, 2014

ASSETS	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Current Assets				
Cash and investments	$ -	$ 633,166	$ -	$ 633,166
Receivables:				
Accounts receivable, net	-	15,136	226,646	241,782
Due from other governments	-	60,072	3,640,936	3,701,008
Interest	-	1,739	-	1,739
Other	471,098	-	-	471,098
Inventories and prepaid expenses	61,585	15,014	-	76,599
Total current assets	532,683	725,127	3,867,582	5,125,392
Noncurrent assets:				
Restricted assets - cash and investments	-	34,845	-	34,845
Capital assets	9,629,001	11,335,220	10,812,666	31,776,887
Less accumulated depreciation	(251,368)	(5,029,937)	(1,537,240)	(6,818,545)
Total noncurrent assets	9,377,633	6,340,128	9,275,426	24,993,187
Total assets	9,910,316	7,065,255	13,143,008	30,118,579
LIABILITIES				
Current Liabilities				
Accounts payable and accrued expenses	104,512	73,152	469,242	646,906
Current portion of long-term debt	720,000	22,290	2,020	744,310
Accrued interest	27,016	-	-	27,016
Due to other funds	346,742	192,500	3,299,920	3,839,162
Total current liabilities	1,198,270	287,942	3,771,182	5,257,394
Noncurrent liabilities				
Long-term debt due after one year	5,095,000	167,133	15,806	5,277,939
Deposits	-	34,845	-	34,845
Total noncurrent liabilities	5,095,000	201,978	15,806	5,312,784
Total liabilities	6,293,270	489,920	3,786,988	10,570,178
NET POSITION				
Net investment in capital assets	3,562,633	6,305,283	9,275,426	19,143,342
Unrestricted	54,413	270,052	80,594	405,059
Total net position	$ 3,617,046	$ 6,575,335	$ 9,356,020	$ 19,548,401

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

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2014

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating Revenues				
Charges for services	$ 1,080,506	$ 292,356	$ 292,168	$ 1,665,030
Other operating revenues	642,926	-	181,534	824,460
Total operating revenue	1,723,432	292,356	473,702	2,489,490
Operating Expenses				
General and administrative	-	787,319	192,249	979,568
Professional services	806,579	-	2,430,283	3,236,862
Utilities	-	260,869	-	260,869
Maintenance and repairs	-	294,012	-	294,012
Operating supplies	-	-	833,531	833,531
Other operating costs	720,356	-	(176)	720,180
Depreciation and amortization	46,071	480,135	688,228	1,214,434
Total operating expenses	1,573,006	1,822,335	4,144,115	7,539,456
Operating income (loss)	150,426	(1,529,979)	(3,670,413)	(5,049,966)
Nonoperating Revenues (Expenses)				
Operating subsidy	-	930,737	6,833,463	7,764,200
Interest earned on investments	-	11,347	-	11,347
Interest expense	(301,047)	(2,600)	-	(303,647)
Gain (loss) on sale of capital assets	1,536	-	60,210	61,746
Other	26,823	40,221	-	67,044
Total nonoperating revenues (expenses)	(272,688)	979,705	6,893,673	7,600,690
Income (loss) before transfers	(122,262)	(550,274)	3,223,260	2,550,724
Transfers In (Out)				
Transfers Out	-	(19,669)	-	(19,669)
Transfers In	790,299	-	928,640	1,718,939
Transfers in (out)	790,299	(19,669)	928,640	1,699,270
Change in net position	668,037	(569,943)	4,151,900	4,249,994
Net Position				
Beginning,	2,949,009	7,145,278	5,204,120	15,298,407
Ending	$ 3,617,046	$ 6,575,335	$ 9,356,020	$ 19,548,401

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities				
Receipts from customers	$ 1,539,248	$ 480,933	$ 334,716	$ 2,354,897
Payments to employees	-	(375,820)	(145,749)	(521,569)
Payments to suppliers	(1,535,606)	(936,918)	(5,537,000)	(8,009,524)
Net cash provided by (used in) operating activities	3,642	(831,805)	(5,348,033)	(6,176,196)
Cash Flows From Noncapital Financing Activities				
Due to (from) other funds	217,273	192,500	2,575,689	2,985,462
Transfers in	790,299	-	928,640	1,718,939
Transfers out	-	(19,669)	-	(19,669)
Operating grants received	-	930,737	6,833,463	7,764,200
Net cash provided by noncapital financing activities	1,007,572	1,103,568	10,337,792	12,448,932
Cash Flows from Capital and Related Financing Activities				
Principal payment on long-term debt	(700,000)	-	-	(700,000)
Interest paid	(302,550)	(2,600)	-	(305,150)
Acquisition and construction of capital assets	(10,200)	(253,270)	(5,126,964)	(5,390,434)
Proceeds from the sale of capital assets	1,536	-	137,205	138,741
Net cash used in capital and related financing activities	(1,011,214)	(255,870)	(4,989,759)	(6,256,843)
Cash Flows Provided by Investing Activities				
Earnings on investments	-	11,643	-	11,643
Net increase in cash and cash equivalents	-	27,536	-	27,536
Cash and cash equivalents:				
Beginning	-	640,475	-	640,475
Ending	$ -	$ 668,011	$ -	$ 668,011

Continued

NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS (Continued)
Year Ended June 30, 2014

	Golf Course Fund	Housing Department Operating Fund	Transit Fund	Total Nonmajor Enterprise Funds
Operating income (loss)	$ 150,426	$ (1,529,979)	$ (3,670,413)	$ (5,049,966)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	46,071	480,135	688,228	1,214,434
Other income	26,823	116,562	-	143,385
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(211,007)	(5,978)	(138,986)	(355,971)
Due from other governmental agencies	-	77,993	(2,536,927)	(2,458,934)
Inventories and prepaid expenses	7,762	832	2,133	10,727
Increase (decrease) in:				
Accounts payable and accrued expenses	(16,433)	12,140	302,111	297,818
Vacation accrual	-	(13,573)	(515)	(14,088)
OPEB liability	-	27,457	6,336	33,793
Deposits	-	2,606	-	2,606
Net cash provided by (used in) operating activities	$ 3,642	$ (831,805)	$ (5,348,033)	$ (6,176,196)

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, 2014

Function/Activity	Land	Buildings	Improvements other than Buildings	Machinery and Equipment
General Government				
Governing body	$ -	$ -	$ -	$ 5,429
Administration	3,341,071	5,821,500	377,386	1,070,454
Finance	-	-	-	392,178
Tax office	-	-	-	79,152
Legal	-	-	-	-
Human resources	-	451,282	-	51,244
Total general government	3,341,071	6,272,782	377,386	1,598,457
Public Safety				
Communications	-	-	-	1,631,434
Police	-	14,586,391	24,000	6,868,790
Fire	1,712,593	14,581,340	202,354	11,263,859
Sign shop	-	-	-	46,837
Total public safety	1,712,593	29,167,731	226,354	19,810,920
Public Works				
Streets	41,020,544	329,086	76,177	3,783,170
Sanitation	-	3,498,290	18,169	2,703,411
Cemeteries	-	-	191,522	161,523
Transportation	50,987	-	-	-
Fleet Services	-	1,024,796	-	467,561
Total public works	41,071,531	4,852,172	285,868	7,115,665
Cultural and Recreational				
Parks and recreation	6,857,028	8,006,847	1,900,154	692,934
Planning and Community Development				
Planning and zoning	437,552	29,450	-	174,577
Section 8, Housing Assistance	-	125,008	-	21,196
Total planning and community development	437,552	154,458	-	195,773
Total capital assets	$ 53,419,775	$ 48,453,990	$ 2,789,762	$ 29,413,749

Infrastructure	Construction in Progress	Total
$ -	$ -	$ 5,429
502,672	1,189,659	12,302,742
-	-	392,178
-	-	79,152
-	-	-
-	-	502,526
502,672	1,189,659	13,282,027
-	-	1,631,434
-	-	21,479,181
-	34,222	27,794,368
-	-	46,837
-	34,222	50,951,820
518,137,435	2,918,528	566,264,940
-	382,665	6,602,535
168,239	-	521,284
6,843,848	-	6,894,835
-	-	1,492,357
525,149,522	3,301,193	581,775,951
-	665,867	18,122,830
673,267	450,901	1,765,747
-	-	146,204
673,267	450,901	1,911,951
$ 526,325,461	$ 5,641,842	$ 666,044,579

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, 2014

Function/Activity	June 30, 2013	Additions	Retirements/ Transfers	June 30, 2014
General Government				
Governing body	$ 5,429	$ -	$ -	$ 5,429
Administration	10,250,125	1,417,313	(635,304)	12,302,742
Finance	492,178	-	100,000	392,178
Tax office	79,152	-	-	79,152
Legal	-	-	-	-
Human resources	522,308	-	19,782	502,526
Total general government	11,349,192	1,417,313	(515,522)	13,282,027
Public Safety				
Communications	1,547,169	84,265	-	1,631,434
Police	21,909,980	610,620	1,041,419	21,479,181
Fire	26,671,808	1,649,840	527,280	27,794,368
Sign shop	46,837	-	-	46,837
Total public safety	50,175,794	2,344,725	1,568,699	50,951,820
Public Works				
Streets	533,732,954	32,728,745	196,759	566,264,940
Sanitation	6,615,376	389,906	402,747	6,602,535
Cemeteries	519,873	7,911	6,500	521,284
Transportation	6,894,835	-	-	6,894,835
Fleet services	1,479,438	715,154	702,235	1,492,357
Total public works	549,242,476	33,841,716	1,308,241	581,775,951
Cultural and Recreational				
Parks and recreation	17,071,105	1,063,765	12,040	18,122,830
Planning and Community Development				
Planning and zoning	1,747,583	297,201	279,037	1,765,747
Section 8, Housing Assistance	146,204	-	-	146,204
Total planning and community development	1,893,787	297,201	279,037	1,911,951
Total capital assets	$ 629,732,354	$ 38,964,720	$ 2,652,495	$ 666,044,579

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Restricted intergovernmental revenues	$ 3,925,364	$ 3,522,337	**$ 3,526,187**	$ 3,850
Investment earnings	100	6,280	**7,291**	1,011
Program income	500	1,045,702	**981,520**	(64,182)
Other income (loss)	500	500	**-**	(500)
Total revenues	3,926,464	4,574,819	**4,514,998**	(59,821)
Expenditures				
Administration	307,240	329,272	**317,045**	12,227
Housing assistance payments	3,619,224	4,270,547	**4,279,279**	(8,732)
Total expenditures	3,926,464	4,599,819	**4,596,324**	3,495
Excess of revenues over expenditures	-	(25,000)	**(81,326)**	(56,326)
Other Financing Sources				
Appropriated fund balance	-	25,000	**-**	(25,000)
Total other financing sources	-	25,000	**-**	(25,000)
Excess of revenues and other financing sources over expenditures	$ -	$ -	**(81,326)**	$ (81,326)
Fund Balance				
Beginning			**325,888**	
Ending			**$ 244,562**	

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

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, 2014

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 389,737	$ 384,538	**$ 5,200**	$ 389,738
Program income	52,721	52,720	-	52,720
Total revenues	442,458	437,258	**5,200**	442,458
Expenditures				
Administration	88,156	88,156	-	88,156
Rehabilitation	355,344	350,144	**5,200**	355,344
Total expenditures	443,500	438,300	**5,200**	443,500
Excess (deficiency) of revenues over expenditures	(1,042)	(1,042)	-	(1,042)
Other Financing Sources (Uses)				
Transfers In	1,042	1,042	-	1,042
Total other financing sources	1,042	1,042	-	1,042
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ -	**$ -**	$ -

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

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, 2014

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 425,304	$ 406,093	**$ 19,211**	$ 425,304
Program income	39,534	39,534	-	39,534
Total revenues	464,838	445,627	**19,211**	464,838
Expenditures				
Administration	92,895	92,895	-	92,895
Rehabilitation	371,943	352,732	**19,211**	371,943
Total expenditures	464,838	445,627	**19,211**	464,838
Excess (deficiency) of revenues over expenditures	$ -	$ -	**$ -**	$ -

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

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, 2014

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 355,477	$ 273,935	**$ 16,175**	$ 290,110
Program income	44,606	44,606	-	44,606
Total revenues	400,083	318,541	**16,175**	334,716
Expenditures				
Administration	75,800	75,799	-	75,799
Rehabilitation	324,283	242,742	**16,175**	258,917
Total expenditures	400,083	318,541	**16,175**	334,716
Excess (deficiency) of revenues over expenditures	$ -	$ -	**$ -**	$ -

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

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

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 420,764	$ 272,099	**$ 69,951**	$ 342,050
Program income	25,498	25,497	**-**	25,497
Total revenues	446,262	297,596	**69,951**	367,547
Expenditures				
Administration	61,038	61,038	**-**	61,038
Rehabilitation	385,224	242,359	**64,150**	306,509
Total expenditures	446,262	303,397	**64,150**	367,547
Excess (deficiency) of revenues over expenditures	$ -	$ (5,801)	**$ 5,801**	$ -

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

COMMUNITY DEVELOPMENT FUND (GRANT NUMBER B13-MC-37-0012)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Revenues				
Restricted intergovernmental revenues, net of reimbursements	$ 481,036	$ -	**$ 268,324**	$ 268,324
Program income	15,000	-	**20,276**	20,276
Total revenues	496,036	-	**288,600**	288,600
Expenditures				
Administration	99,207	-	**71,127**	71,127
Rehabilitation	396,829	-	**220,026**	220,026
Total expenditures	496,036	-	**291,153**	291,153
Excess (deficiency) of revenues over expenditures	$ -	$ -	**$ (2,553)**	$ (2,553)

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

SECTION 108 LOAN/BEDI GRANT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ 16,429	$ 16,429	**$ -**	$ 16,429
Restricted intergovernmental revenues	1,000,000	1,000,000	-	1,000,000
Other income	523,223	287,864	**192,512**	480,376
Total revenues	1,539,652	1,304,293	**192,512**	1,496,805
Expenditures				
Rehabilitation	2,676,880	2,676,879	-	2,676,879
Total expenditures	2,676,880	2,676,879	-	2,676,879
Excess (deficiency) of revenues over expenditures	(1,137,228)	(1,372,586)	**192,512**	(1,180,074)
Other Financing Sources (Uses)				
Debt issued	1,974,000	1,974,000	-	1,974,000
Debt service	(836,772)	(601,414)	**(192,512)**	(793,926)
Transfers In	99,930	99,930	-	99,930
Transfers Out	(99,930)	(99,930)	-	(99,930)
Total other financing sources (uses)	1,137,228	1,372,586	**(192,512)**	1,180,074
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

HOME FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 1,208,525	$ 487,422	**$ 168,858**	$ 656,280
Program income	317,933	269,601	**83,099**	352,700
Total revenues	1,526,458	757,023	**251,957**	1,008,980
Expenditures				
Administration	447,122	288,617	**70,007**	358,624
Rehabilitation	1,369,037	476,315	**243,650**	719,965
Total expenditures	1,816,159	764,932	**313,657**	1,078,589
Excess (deficiency) of revenues over expenditures	(289,701)	(7,909)	**(61,700)**	(69,609)
Other Financing Sources (Uses)				
Transfers In	289,701	240,218	**49,483**	289,701
Total other financing sources	289,701	240,218	**49,483**	289,701
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 232,309	**(12,217)**	$ 220,092
Fund Balance				
Beginning			**232,309**	
Ending			**$ 220,092**	

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

MUNICIPAL SERVICE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Ad valorem taxes	$ 101,775	$ 94,203	**$ 99,007**	$ 4,804
Expenditures				
Community development	101,775	94,203	**99,007**	(4,804)
Excess of revenues over expenditures	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

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

ADDITIONAL VEHICLE TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Program income	$ 310,000	$ 415,000	**$ 511,469**	$ 96,469
Investment earnings	-	-	**909**	909
Total revenues	310,000	415,000	**512,378**	97,378
Other Financing Uses				
Transfers out	(310,000)	(415,000)	**(512,378)**	(97,378)
Total other financing uses	(310,000)	(415,000)	**(512,378)**	(97,378)
Total of revenues and other financing sources	$ -	$ -	-	$ -
Fund Balance				
Beginning			-	
Ending			**$ -**	

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

EECBG STIMULUS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Restricted intergovernmental revenues	$ 638,825	$ 638,824	**$ -**	$ 638,824
Total revenues	638,825	638,824	**-**	638,824
Expenditures				
Rehabilitation	267,861	267,860	**-**	267,860
Capital outlay	492,812	492,812	**-**	492,812
Total expenditures	760,673	760,672	**-**	760,672
Excess (deficiency) of revenues over expenditures	(121,848)	(121,848)	**-**	(121,848)
Other Financing Sources				
Transfers In	125,500	125,500	**-**	125,500
Transfers Out	(3,652)	-	**(3,652)**	(3,652)
Total other financing sources	121,848	125,500	**(3,652)**	121,848
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 3,652	**(3,652)**	$ -
Fund Balance				
Beginning			**3,652**	
Ending			**$ -**	

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

PARKS AND RECREATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Contributions	$ 50,250	$ 50,250	**$ -**	$ 50,250
Restricted intergovernmental revenues	635,000	158,976	**377,225**	536,201
Total operating revenues	685,250	209,226	**377,225**	586,451
Operating Expenditures				
Lake Howell Park	64,031	-	**-**	-
Exit 49 Conn Greenway/Dog Park	355,000	-	**-**	-
Park Light Project	129,000	-	**-**	-
Hartsell Rec Ctr Renov	50,000	-	**23,850**	23,850
Bleachers	93,000	-	**92,281**	92,281
McEachern Greenway	926,330	186,398	**231,836**	418,234
Rocky River Greenway	1,700,503	450,029	**664,210**	1,114,239
Total operating expenditures	3,317,864	636,427	**1,012,177**	1,648,604
Deficiency of revenues over expenditures before transfers	(2,632,614)	(427,201)	**(634,952)**	(1,062,153)
Transfers In				
Transfers in	2,632,614	2,116,108	**516,505**	2,632,613
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 1,688,907	**$ (118,447)**	$ 1,570,460

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

TRANSPORTATION CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 15,398,401	$ 1,185,094	**$ 1,193,979**	$ 2,379,073
Investment earnings	78,389	10,271	**140,125**	150,396
Program income	941,000	636,783	**651,378**	1,288,161
Total operating revenues	16,417,790	1,832,148	**1,985,482**	3,817,630
Operating Expenditures				
George Liles Extension	10,767,000	-	**-**	-
Poplar Tent/Hwy 29 CMAQ	940,973	223,636	**165,951**	389,587
Hwy 601/Hwy 3 CMAQ	1,294,915	203,202	**56,622**	259,824
Future Improvements	3,211,901	-	**8,548**	8,548
Signal & Fiber - Lake Concord Rd	253,497	243,303	**-**	243,303
Signal & Fiber - 29/LC/NCDOT	206,252	206,252	**-**	206,252
Poplar Tent/Hwy 73 Sidewalks & Bike Ln	500,000	-	**-**	-
Cabarrus RR Bridge Railing	250,000	-	**-**	-
Burrage Rd NE Street	1,200,000	-	**-**	-
Terminal Court	110,400	-	**-**	-
G Liles Village Signal	241,000	42,243	**40,871**	83,114
Traffic Mgmt Center	1,250,000	-	**-**	-
NE Subset Sidewalk Extension	525,916	-	**-**	-
Weddington Rd NW Extension	338,609	-	**181,602**	181,602
Virginia St SE Segment Improvements	600,000	-	**-**	-
Brookwood Phase Design	1,075,000	-	**-**	-
Infrastructure	507,795	98,636	**53,704**	152,340
Burrage Rd Bridge Replacement	2,748,900	398,690	**630,499**	1,029,189
Morehead Improvements	1,511,727	1,488,227	**-**	1,488,227
Derita Rd	12,333,813	547,178	**705,329**	1,252,507
Contract services	538	538	**-**	538
Total operating expenditures	39,868,236	3,451,905	**1,843,126**	5,295,031
Deficiency of revenues over expenditures before transfers	(23,450,446)	(1,619,757)	**142,356**	(1,477,401)
Other Financing Sources (Uses)				
Financing Proceeds	10,767,000	-	**-**	-
Transfers In	13,010,672	11,244,107	**1,766,565**	13,010,672
Transfers Out	(327,226)	(302,226)	**(25,000)**	(327,226)
Total other financing sources	23,450,446	10,941,881	**1,741,565**	12,683,446
Excess of revenues and transfers over expenditures	$ -	$ 9,322,124	**$ 1,883,921**	$ 11,206,045

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

GENERAL FUND CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Contract services	$ 582,567	$ 93,088	**$ 506,683**	$ 599,771
Capital outlay	2,545,915	855,748	**656,977**	1,512,725
Total expenditures	3,128,482	948,836	**1,163,660**	2,112,496
Deficiency of revenues over expenditures before transfers	(3,128,482)	(948,836)	**(1,163,660)**	(2,112,496)
Transfer In	3,128,482	2,282,430	**1,076,070**	3,358,500
Excess of revenues and transfers over expenditures	$ -	$ 1,333,594	**$ (87,590)**	$ 1,246,004

Change in net position:	
General Fund Capital Projects Fund	**$ (87,590)**
First Concord Capital Project Fund (Statement 48)	**(861,470)**
	$ (949,060)

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

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, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment Earnings	$ 431,652	$ 416,258	**$ 243,130**	$ 659,388
Expenditures				
Capital outlay	19,825,419	-	**-**	-
Total expenditures	19,825,419	-	**-**	-
Excess (deficiency) of revenues over expenditures	(19,393,767)	416,258	**243,130**	659,388
Other Financing Sources (Uses)				
Transfers In	23,172,110	18,172,110	**5,000,000**	23,172,110
Transfers Out	(3,778,343)	(2,138,342)	**(1,640,000)**	(3,778,342)
Total other financing sources (uses)	19,393,767	16,033,768	**3,360,000**	19,393,768
Excess of revenues and other financing sources (uses) over expenditures	$ -	$ 16,450,026	**3,603,130**	$ 20,053,156
Fund Balance				
Beginning			**16,450,026**	
Ending			**$ 20,053,156**	

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

FIRE AND LIFE SAFETY CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	$ 4,693,611	$ 10,030	**$ 1,365,355**	$ 1,375,385
Total operating expenditures	4,693,611	10,030	**1,365,355**	1,375,385
Deficiency of revenues over expenditures before transfers	(4,693,611)	(10,030)	**(1,365,355)**	(1,375,385)
Transfer In (Out)	4,693,611	3,381,030	**1,312,580**	4,693,610
Excess of revenues and transfers over expenditures	$ -	$ 3,371,000	**$ (52,775)**	$ 3,318,225

Change in net position:	
Fire and Life Safety Capital Project Fund	**$ (52,775)**
2008 Debt Issuance Capital Project Fund (Statement 47)	**6,467**
	$ (46,308)

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

ELECTRIC OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 80,101,825	$ 79,301,825	**$ 79,443,551**	$ 141,726
Other operating revenues	713,750	1,232,738	**1,309,640**	76,902
Total operating revenues	80,815,575	80,534,563	**80,753,191**	218,628
Operating Expenditures				
Administration	2,498,340	2,498,340	**2,098,165**	400,175
Purchased power	61,261,942	59,596,942	**56,631,428**	2,965,514
Power line and plant	11,294,441	12,602,808	**11,022,171**	1,580,637
Total operating expenditures	75,054,723	74,698,090	**69,751,764**	4,946,326
Nonoperating Revenues (Expenditures)				
Capital outlay	(1,543,764)	(1,657,420)	**(1,100,832)**	556,588
Interest earned on investments	190,000	190,000	**729,662**	539,662
Debt service and capital lease payments	(3,058,997)	(3,058,997)	**(3,053,968)**	5,029
Appropriated Fund Balance	1,060,503	1,238,453	**-**	(1,238,453)
Gain on sale of capital assets	-	29,085	**29,085**	-
Total nonoperating expenditures	(3,352,258)	(3,258,879)	**(3,396,053)**	(137,174)
Income before capital contributions and transfers	2,408,594	2,577,594	**7,605,374**	5,027,780
Transfers In (Out)				
Transfers out	(2,408,594)	(2,577,594)	**(2,577,594)**	-
Excess of revenues over expenditures and transfers	$ -	$ -	**5,027,780**	$ 5,027,780
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(4,036,201)**	
Capital outlay			**1,100,832**	
Unfunded OPEB Expense			**(145,350)**	
Debt service			**2,008,750**	
Change in net position			**$ 3,955,811**	
Change in net position:				
Electric Operating Fund			**$ 3,955,811**	
Electric Projects Capital Projects Fund (Statement 29)			**1,890,851**	
Utility Capital Reserve Project Fund (Statement 35)			**-**	
			$ 5,846,662	

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

ELECTRIC PROJECTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
Operating Expenditures				
Contract cost	$ 150,000	$ 2,374	**$ 138,149**	$ 140,523
Capital outlay	4,423,975	506,533	**1,911,291**	2,417,824
Total operating expenditures	4,573,975	508,907	**2,049,440**	2,558,347
Deficiency of revenues over expenditures before transfers	(4,573,975)	(508,907)	**(2,049,440)**	(2,558,347)
Transfer In	4,573,975	2,546,374	**2,029,000**	4,575,374
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 2,037,467	**(20,440)**	$ 2,017,027
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**1,911,291**	
Change in net position			**$ 1,890,851**	

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

WATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 17,900,000	$ 17,900,000	**$ 18,455,260**	$ 555,260
Other operating revenues	1,029,700	1,208,991	**1,374,185**	165,194
Total operating revenues	18,929,700	19,108,991	**19,829,445**	720,454
Operating Expenditures				
Repairs and maintenance	1,286,036	1,241,036	**462,761**	778,275
Water plants and lakes	5,795,787	5,830,257	**4,367,346**	1,462,911
Water line operation and maintenance	5,926,815	6,028,266	**5,374,398**	653,868
Total operating expenditures	13,008,638	13,099,559	**10,204,505**	2,895,054
Nonoperating Revenues (Expenditures)				
Interest earned on investments	180,000	180,000	**547,096**	367,096
Capital outlay	(797,037)	(577,037)	**(199,713)**	377,324
Debt service	(4,826,937)	(4,826,937)	**(4,818,940)**	7,997
Gain on sale of capital assets	-	12,253	**12,253**	-
Appropriated Fund Balance	4,078,898	4,023,275	**-**	(4,023,275)
Total nonoperating expenditures	(1,365,076)	(1,188,446)	**(4,459,304)**	(3,270,858)
Income before capital contributions and transfers	4,555,986	4,820,986	**5,165,636**	344,650
Transfers In (Out)				
To Project Fund	(4,555,986)	(4,820,986)	**(4,820,986)**	-
Capital Contributions	-	-	**521,390**	521,390
Excess of revenues, capital contributions over expenditures	$ -	$ -	**866,040**	$ 866,040
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(3,805,456)**	
Unfunded OPEB Expense			**(136,326)**	
Capital outlay			**199,713**	
Debt service			**3,299,998**	
Change in net position			**$ 423,969**	
Change in net position:				
Water Operating Fund			**$ 423,969**	
2008 Revenue Bonds Capital Project Fund (Statement 31)			**149**	
Water Projects Capital Project Fund (Statement 32)			**4,346,806**	
			$ 4,770,924	

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, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Interest earned on investments	$ 10,364	$ 10,274	**$ 149**	$ 10,423
	10,364	10,274	**149**	10,423
Expenditures				
Capital Outlay:				
Fire Flow Improvements	2,034,389	-	**137,713**	137,713
George Liles waterline	202,761	-	**-**	-
Total expenditures	2,237,150	-	**137,713**	137,713
Deficiency of revenues over expenditures	(2,226,786)	10,274	**(137,564)**	(127,290)
Other Financing Sources				
Bond proceeds	2,226,786	2,226,785	**-**	2,226,785
	2,226,786	2,226,785	**-**	2,226,785
Excess (deficiency) of revenues and other financing sources over expenditures	$ -	$ 2,237,059	**(137,564)**	$ 2,099,495
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**137,713**	
Change in net position			**$ 149**	

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

WATER PROJECTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Contract cost	$ 470,302	$ -	**$ 470,302**	$ 470,302
Capital outlay	13,789,901	971,456	**3,947,475**	4,918,931
Total operating expenditures	14,260,203	971,456	**4,417,777**	5,389,233
Deficiency of revenues over expenditures before transfers	(14,260,203)	(971,456)	**(4,417,777)**	(5,389,233)
Transfer In	14,260,203	9,630,041	**4,817,108**	14,447,149
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 8,658,585	**399,331**	$ 9,057,916
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**3,947,475**	
Change in net position			**$ 4,346,806**	

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

WASTEWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 14,100,000	$ 14,100,000	**$ 14,433,900**	$ 333,900
Other operating revenues	527,000	527,000	**641,645**	114,645
Total operating revenues	14,627,000	14,627,000	**15,075,545**	448,545
Operating Expenditures				
Repairs and maintenance	702,552	612,162	**160,883**	451,279
Wastewater line and plant	10,158,889	10,333,956	**10,264,966**	68,990
Total operating expenditures	10,861,441	10,946,118	**10,425,849**	520,269
Nonoperating Revenues (Expenditures)				
Interest earned on investments	110,000	110,000	**214,790**	104,790
Capital outlay	(1,067,605)	(1,080,794)	**(302,672)**	778,122
Debt service	(2,312,912)	(2,312,912)	**(2,309,145)**	3,767
Miscellaneous Revenues	-	241,815	**241,815**	-
Gain (loss) on sale of capital assets	-	-	**3,710**	3,710
Appropriated Fund Balance	105,036	(38,913)	**-**	38,913
Total nonoperating expenditures	(3,165,481)	(3,080,804)	**(2,151,502)**	929,302
Income before capital contributions and transfers in	600,078	600,078	**2,498,194**	1,898,116
Capital Contributions	-	-	**6,862,260**	6,862,260
Transfers In (Out)				
From General Fund	-	-	**-**	-
Transfers out	(600,078)	(600,078)	**(600,078)**	-
Excess of revenues and operating transfers over expenditures	$ -	$ -	**8,760,376**	$ 8,760,376
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(2,830,755)**	
Capital outlay			**302,672**	
Unfunded OPEB Expense			**(63,171)**	
Debt service			**1,446,028**	
Change in net position			**$ 7,615,150**	
Change in net position:				
Wastewater Operating Fund			**$ 7,615,150**	
Wastewater Projects Capital Project Fund (Statement 34)			**598,000**	
			$ 8,213,150	

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

WASTEWATER PROJECTS CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Contract cost	$ 90,000	$ 24,378	$ -	$ 24,378
Capital outlay	1,301,192	404,913	-	404,913
Total operating expenditures	1,391,192	429,291	-	429,291
Deficiency of revenues over expenditures before transfers	(1,391,192)	(429,291)	-	(429,291)
Transfer In	1,391,192	793,192	**598,000**	1,391,192
Excess of revenues and transfers over expenditures	$ -	$ 363,901	**598,000**	$ 961,901
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			-	
Change in net position			**$ 598,000**	

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

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, 2014

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

The change in net position is allocated as follows:

Electric Operating Fund	$ -

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

REGIONAL AIRPORT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 9,991,266	$ 10,206,621	**$ 10,259,763**	$ 53,142
Other operating revenues	7,500	16,604	**13,041**	(3,563)
Total operating revenues	9,998,766	10,223,225	**10,272,804**	49,579
Operating Expenditures				
Airport operation and maintenance	9,579,458	9,805,869	**9,284,725**	521,144
Total operating expenditures	9,579,458	9,805,869	**9,284,725**	521,144
Nonoperating Revenues (Expenditures)				
Interest earned on investments	40,000	40,000	**69,167**	29,167
Capital outlay	(16,667)	(341,667)	**(99,819)**	241,848
Debt service	(964,907)	(964,907)	**(961,928)**	2,979
Miscellaneous revenues	6,000	7,952	**9,742**	1,790
Appropriated Fund Balance	203,755	203,755	**-**	(203,755)
Total nonoperating expenditures	(731,819)	(1,054,867)	**(982,838)**	72,029
Income (loss) before capital contributions and transfers	(312,511)	(637,511)	**5,241**	642,752
Capital Contributions	-	544,673	**168,384**	(376,289)
Transfers In (Out)				
Transfers in	580,483	580,483	**580,483**	-
Transfers out	(267,972)	(487,645)	**(436,357)**	51,288
Deficiency of revenues and operating transfers over expenditures	$ -	$ -	**317,751**	$ 317,751
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(1,592,393)**	
Capital outlay			**99,819**	
Unfunded OPEB Expense			**(75,843)**	
Debt service			**602,500**	
Change in net position			**$ (648,166)**	
Change in net position:				
Regional Airport Operating Fund			**$ (648,166)**	
Airport Capital Project Fund (Statement 37)			**1,817,784**	
2008 Debt Issuance Capital Project Fund (Statement 47)			**(7,500)**	
First Concord Capital Project Fund (Statement 48)			**(188,477)**	
			$ 973,641	

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

AIRPORT CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 6,304,280	$ 4,475,216	**$ 1,649,400**	$ 6,124,616
Total operating revenues	6,304,280	4,475,216	**1,649,400**	6,124,616
Operating Expenditures				
Capital outlay	7,281,241	5,080,651	**1,788,106**	6,868,757
Total operating expenditures	7,281,241	5,080,651	**1,788,106**	6,868,757
Deficiency of revenues over expenditures before transfers	(976,961)	(605,435)	**(138,706)**	(744,141)
Transfer In	976,961	805,266	**168,384**	973,650
Excess of revenues and transfers over expenditures	$ -	$ 199,831	**29,678**	$ 229,509
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**1,788,106**	
Change in net position			**$ 1,817,784**	

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

STORMWATER OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 3,712,717	$ 3,712,717	**$ 3,776,309**	$ 63,592
Other operating revenues	13,000	13,000	**19,841**	6,841
Total operating revenues	3,725,717	3,725,717	**3,796,150**	70,433
Operating Expenditures				
Stormwater operation and maintenance	2,235,420	2,277,534	**2,044,908**	232,626
Total operating expenditures	2,235,420	2,277,534	**2,044,908**	232,626
Nonoperating Revenues (Expenditures)				
Capital outlay	(305,000)	(305,000)	**(253,700)**	51,300
Interest earned on investments	45,000	45,000	**97,411**	52,411
Gain on sale of capital assets	-	43,011	**43,011**	-
Appropriation to Fund Balance	(54,131)	(55,028)	**-**	55,028
Total nonoperating expenditures	(314,131)	(272,017)	**(113,278)**	158,739
Income before capital contributions and transfers	1,176,166	1,176,166	**1,637,964**	461,798
Transfers Out				
To Project Fund	(1,176,166)	(1,176,166)	**(1,176,166)**	-
Excess of revenues over expenditures and transfers out	$ -	$ -	**461,798**	$ 461,798
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation and amortization			**(1,687,943)**	
Debt service			**-**	
Unfunded OPEB Expense			**(42,626)**	
Capital outlay			**253,700**	
Change in net position			**$ (1,015,071)**	
Change in net position:				
Stormwater Operating Fund			**$ (1,015,071)**	
Stormwater Capital Project Fund (Statement 39)			**1,167,131**	
			$ 152,060	

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

STORMWATER CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Restricted intergovernmental revenues	$ 140,000	$ 140,000	**$ -**	$ 140,000
Total operating revenues	140,000	140,000	**-**	140,000
Operating Expenditures				
Contract cost	7,650	-	**7,650**	7,650
Capital outlay	3,850,254	1,107,761	**290,587**	1,398,348
Total operating expenditures	3,857,904	1,107,761	**298,237**	1,405,998
Deficiency of revenues over expenditures before transfers	(3,717,904)	(967,761)	**(298,237)**	(1,265,998)
Transfer In	3,717,904	2,543,123	**1,174,781**	3,717,904
Excess of revenues and transfers over expenditures	$ -	$ 1,575,362	**876,544**	$ 2,451,906
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**290,587**	
Change in net position			**$ 1,167,131**	

GOLF COURSE OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 937,381	$ 937,381	**$ 1,080,506**	$ 143,125
Other operating revenues	525,479	525,479	**642,926**	117,447
Total operating revenues	1,462,860	1,462,860	**1,723,432**	260,572
Operating Expenditures				
Professional services	782,481	782,481	**806,579**	(24,098)
Other operating costs	692,180	692,180	**720,356**	(28,176)
Total operating expenditures	1,474,661	1,474,661	**1,526,935**	(52,274)
Nonoperating Revenues (Expenditures)				
Capital outlay	-	(10,200)	**(10,200)**	-
Miscellaneous revenue	22,352	22,352	**26,823**	4,471
Total nonoperating revenues	22,352	12,152	**18,159**	6,007
Income before transfers	10,551	351	**214,656**	214,305
Transfers in (out)				
Transfers in	991,999	1,002,199	**787,894**	(214,305)
Among golf course funds	(1,002,550)	(1,002,550)	**(1,002,550)**	-
Excess of revenues over expenditures and transfers in (out)	$ -	$ -	-	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**10,200**	
Depreciation			**(38,182)**	
Change in net position			**$ (27,982)**	
Change in net position:				
Golf Course Operating Fund			**$ (27,982)**	
Golf Capital Project Fund (Statement 41)			**2,405**	
First Concord Capital Project Fund (Statement 48)			**693,614**	
			$ 668,037	

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

GOLF CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Expenditures				
Capital outlay	$ 5,000	$ -	**$ -**	$ -
Total operating expenditures	5,000	-	**-**	-
Deficiency of revenues over expenditures before transfers	(5,000)	-	**-**	-
Transfer In	5,000	2,595	**2,405**	5,000
Excess (deficiency) of revenues and transfers over expenditures	$ -	$ 2,595	**2,405**	$ 5,000
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**-**	
Change in net position			**$ 2,405**	

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

HOUSING DEPARTMENT OPERATING FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Operating Revenues				
Charges for services	$ 330,000	$ 330,000	**$ 292,356**	$ (37,644)
Total operating revenues	330,000	330,000	**292,356**	(37,644)
Operating Expenditures				
Administrative	563,865	813,865	**603,473**	210,392
Utilities	278,999	278,999	**260,869**	18,130
Housing maintenance and repairs	613,014	408,054	**294,012**	114,042
Total operating expenditures	1,455,878	1,500,918	**1,158,354**	342,564
Nonoperating Revenues (Expenditures)				
Operating subsidy	861,523	1,135,807	**713,578**	(422,229)
Interest earned on investments	1,500	1,500	**11,347**	9,847
Miscellaneous	15,000	45,756	**40,221**	(5,535)
Capital outlay	-	-	**(192,500)**	(192,500)
Debt service	-	-	**(2,600)**	(2,600)
Appropriated Fund Balance	7,524	7,524	**-**	(7,524)
Total nonoperating revenues	885,547	1,190,587	**570,046**	(620,541)
Loss before transfers	(240,331)	19,669	**(295,952)**	(315,621)
Transfers in (out)				
Transfer out	(19,669)	(19,669)	**(19,669)**	-
Transfer in	260,000	-	**-**	-
Excess of revenues and transfers over expenditures	$ -	$ -	**(315,621)**	$ (315,621)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Unfunded OPEB Expense			**(27,457)**	
Capital outlay			**192,500**	
Depreciation			**(480,135)**	
Change in net position			**$ (630,713)**	
Change in net position:				
Housing Department Operating Fund			**$ (630,713)**	
Housing Capital Project Fund (Statement 43)			**60,770**	
			$ (569,943)	

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

HOUSING CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Expenditures				
Administrative	$ 678,578	$ 73,394	**$ 156,389**	$ 229,783
Capital outlay	132,339	71,569	**60,770**	132,339
Total expenditures	810,917	144,963	**217,159**	362,122
Other Financing Sources (Uses)				
Federal grants	810,917	144,963	**217,159**	362,122
Excess of other financing sources over expenditures	$ -	$ -	**-**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**60,770**	
Change in net position			**$ 60,770**	

TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Operating Revenues				
Charges for services	$ 496,185	$ 256,185	**$ 292,168**	$ 548,353
Restricted intergovernmental revenues	205,028	6,109	**181,534**	187,643
Total operating revenues	701,213	262,294	**473,702**	735,996
Operating Expenditures				
Administrative	397,245	189,642	**185,913**	375,555
Professional services	4,761,953	2,284,963	**2,430,283**	4,715,246
Operating supplies	2,669,528	612,366	**833,531**	1,445,897
Miscellaneous	-	6,351	**(176)**	6,175
Total operating expenditures	7,828,726	3,093,322	**3,449,551**	6,542,873
Nonoperating Revenues (Expenditures)				
Operating subsidy	12,259,276	3,906,533	**6,833,463**	10,739,996
Gain on sale of capital assets	-	-	**60,210**	60,210
Capital outlay	(7,579,872)	(2,244,359)	**(5,126,964)**	(7,371,323)
Deficiency of revenues over expenditures before transfers	(2,448,109)	(1,168,854)	**(1,209,140)**	(2,377,994)
Transfer In	2,448,109	1,467,467	**928,640**	2,396,107
Transfer Out	-	-	**-**	-
Excess of revenues and transfers over expenditures	$ -	$ 298,613	**(280,500)**	$ 18,113
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Depreciation			**(688,228)**	
Unfunded OPEB Expense			**(6,336)**	
Capital outlay			**5,126,964**	
Change in net position			**$ 4,151,900**	

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
Year Ended June 30, 2014

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Building and Grounds			
Salaries and benefits	$ 1,955,005	**$ 2,016,087**	$ (61,082)
Professional services	34,373	**7,815**	26,558
Other expenses	732,114	**505,378**	226,736
Capital outlay	88,335	**74,617**	13,718
Building and grounds allocation	(2,809,827)	**(2,657,487)**	(152,340)
	-	**(53,590)**	53,590
Data Services			
Salaries and benefits	86,040	**89,810**	(3,770)
Professional services	1,035,007	**1,035,012**	(5)
Other expenses	428,329	**442,059**	(13,730)
Capital outlay	509,241	**142,338**	366,903
Data services allocation	(2,058,617)	**(1,638,218)**	(420,399)
	-	**71,001**	(71,001)
Engineering			
Salaries and benefits	1,637,632	**1,392,390**	245,242
Professional services	15,253	**11,761**	3,492
Other expenses	201,624	**118,460**	83,164
Capital outlay	29,935	**21,696**	8,239
Engineering allocation	(1,884,444)	**(1,589,090)**	(295,354)
	-	**(44,783)**	44,783
Call Center			
Salaries and benefits	460,558	**421,641**	38,917
Professional services	3,022	**2,739**	283
Other expenses	45,802	**34,073**	11,729
Capital outlay	10,500	**-**	10,500
Call center allocation	(519,882)	**(476,727)**	(43,155)
	-	**(18,274)**	18,274
Billing			
Salaries and benefits	548,187	**569,016**	(20,829)
Professional services	80,351	**18,759**	61,592
Other expenses	245,121	**330,292**	(85,171)
Capital outlay	21,000	**33,426**	(12,426)
Billing allocation	(894,659)	**(986,104)**	91,445
	-	**(34,611)**	34,611

(Continued)

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) (Continued)
Year Ended June 30, 2014

	Final Budget	Actual	Variance - Favorable (Unfavorable)
Customer Service			
Salaries and benefits	$ 802,625	**$ 807,046**	$ (4,421)
Professional services	12,027	**13,022**	(995)
Other expenses	142,621	**102,131**	40,490
Capital outlay	42,000	**34,908**	7,092
Customer service allocation	(999,273)	**(968,720)**	(30,553)
	-	**(11,613)**	11,613
Warehouse Operations			
Salaries and benefits	414,558	**424,219**	(9,661)
Other expenses	58,503	**42,518**	15,985
Warehouse allocation	(473,061)	**(498,426)**	25,365
	-	**(31,689)**	31,689
Utilities Collection			
Salaries and benefits	208,709	**202,975**	5,734
Professional services	68,430	**76,990**	(8,560)
Other expenses	29,316	**21,508**	7,808
Utilities collection allocation	(306,455)	**(312,423)**	5,968
	-	**(10,950)**	10,950
Total operating expenditures	-	**(134,509)**	134,509
Nonoperating Revenues (Expenditures)			
Loss on sale of capital assets	-	**-**	-
Deficiency of revenues over expenditures	$ -	**134,509**	$ 134,509
Reconciliation of Modified Accrual Basis to Full Accrual Basis			
Depreciation		**(217,229)**	
Unfunded OPEB Expense		**(224,265)**	
Capital outlay		**306,985**	
Change in net position		**$ -**	

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

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

FIBER PROJECT CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

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

2008 DEBT ISSUANCE CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	Total Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date
Revenues				
Investment earnings	$ 60,630	$ 60,630	**$ -**	$ 60,630
Restricted intergovernmental revenues	40,000	40,000	-	40,000
Total revenue	100,630	100,630	-	100,630
Expenditures				
Capital outlay:				
Fire Station #10	596,598	596,598	-	596,598
Total expenditures	596,598	596,598	-	596,598
Deficiency of revenues over expenditures	(495,968)	(495,968)	-	(495,968)
Other Financing Sources (Uses)				
Transfers in	502,000	502,000	**6,467**	508,467
Transfers out	(53,891)	(52,858)	**(7,500)**	(60,358)
Bond proceeds	47,859	47,859	-	47,859
Total other financing sources (uses)	495,968	497,001	**(1,033)**	495,968
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	$ -	$ 1,033	**(1,033)**	$ -
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay - Business-type activities			-	
Change in net position			**$ (1,033)**	

The change in net position is allocated as follows:	
Fire & Life Safety Capital Project Fund	**$ 6,467**
Regional Airport Fund	**(7,500)**
	$ (1,033)

FIRST CONCORD CAPITAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2014

	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	-	712,476	**10**	712,486
Miscellaneous earnings	-	24,939	**-**	24,939
Total revenue	329,326	1,066,740	**10**	1,066,750
Expenditures				
Debt service	32,782,305	26,489,025	**3,348,986**	29,838,011
Cost of issuance	1,096,201	548,896	**-**	548,896
Administration	-	3,809	**-**	3,809
Capital outlay:				
City Hall	1,860,000	-	**861,478**	861,478
Police Headquarters	14,737,000	14,547,983	**-**	14,547,983
Communication equipment	1,164,326	1,160,722	**-**	1,160,722
Total expenditures	51,639,832	42,750,435	**4,210,464**	46,960,899
Deficiency of revenues over expenditures	(51,310,506)	(41,683,695)	**(4,210,454)**	(45,894,149)
Other Financing Sources				
Transfers in	32,782,305	25,568,381	**3,355,161**	28,923,542
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	17,965,000	16,374,141	**-**	16,374,141
Total other financing sources	51,310,506	42,505,723	**3,355,161**	45,860,884
Deficiency of revenues and other financing sources over expenditures	$ -	$ 822,028	**(855,293)**	$ (33,265)
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital outlay			**861,478**	
Debt service principal payments			**2,315,000**	
Depreciation and amortization			**(2,325,304)**	
Change in net position			**$ (4,119)**	

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

Debt Service Fund	**$ 4,133**
General Fund Capital Projects Fund	**(861,470)**
Governmental activities	**348,081**
Golf Course Fund	**693,614**
Regional Airport Fund	**(188,477)**
	$ (4,119)

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2014

	Balance July 1, 2013	Addition	Deduction	Balance June 30, 2014
Joe Cannon Trust:				
Assets:				
Cash	$ 56,328	$ 235,750	$ 49,878	$ 242,200
Liabilities:				
Agency payable	$ 56,328	$ 235,750	$ 49,878	$ 242,200
Employee's Insurance Fund:				
Assets:				
Cash	$ 1,882,252	$ 7,589,948	$ 7,714,047	$ 1,758,153
Liabilities:				
Agency payable	$ 1,882,252	$ 7,589,948	$ 7,714,047	$ 1,758,153
Total agency funds:				
Assets:				
Cash	$ 1,938,580	$ 7,825,698	$ 7,763,925	$ 2,000,353
Liabilities:				
Agency payable	$ 1,938,580	$ 7,825,698	$ 7,763,925	$ 2,000,353

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SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2014

Fiscal Year	Uncollected Balance June 30, 2013	Additions	Collections, Credits and Adjustments	Uncollected Balance June 30, 2014
2013-2014	$ -	$ 46,328,426	$ 44,906,304	$ 1,422,122
2012-2013	1,163,786	-	628,404	535,382
2011-2012	453,063	-	101,534	351,529
2010-2011	289,892	-	56,338	233,554
2009-2010	219,759	-	73,806	145,953
2008-2009	173,622	-	12,347	161,275
2007-2008	83,740	-	6,101	77,639
2006-2007	78,534	-	3,481	75,053
2005-2006	44,711	-	2,179	42,532
2004-2005	39,115	-	2,103	37,012
2003-2004	109,959	-	109,959	-
	$ 2,656,181	$ 46,328,426	$ 45,902,556	3,082,051
Less allowance for uncollectible ad valorem taxes receivable				770,513
Ad valorem taxes receivable				$ 2,311,538

	General Fund	Municipal Service District Fund	
Reconciliation to revenue:			
Taxes, ad valorem	$ 45,644,033	$ 97,037	
Taxes written off	105,630	-	
Total collections and credits	$ 45,749,663	$ 97,037	$ 45,846,700
Interest billed and collected during the year			363,108
Taxes written off			(105,630)
Total Ad valorem taxes			$ 46,104,178

ANALYSIS OF CURRENT LEVY
Year Ended June 30, 2014

Fiscal Year	Property Valuation	Rate	Total Levy	Total Levy: Property	Total Levy: Registered Motor Vehicles
Original levy:					
City wide	$ 8,702,209,081	**0.48**	**$ 41,770,604**	**$ 41,770,604**	**$ -**
Municipal Service District	40,290,657	**0.23**	**92,669**	**92,669**	**-**
Current year's rate, Motor vehicles	584,160,442	**0.48**	**2,803,852**	**-**	**2,803,852**
Prior year taxes, Motor vehicles	259,908,379	**0.42**	**1,247,046**	**-**	**1,247,046**
Penalties			**269,181**	**269,181**	**-**
Discoveries/additional listings:					
Current year taxes, City wide	162,315,694	**0.48**	**779,115**	**779,115**	**-**
Current year taxes, MSD	1,672,861	**0.23**	**3,848**	**3,848**	**-**
Current year's rate, Motor vehicles	1,976,725	**0.48**	**9,475**	**-**	**9,475**
Prior year taxes, Motor vehicles	2,949,673	**0.42**	**13,840**	**-**	**13,840**
Penalties			**11,722**	**11,722**	**-**
Abatements:					
Current year's rate, City wide	(73,130,017)	**0.48**	**(351,024)**	**(351,024)**	**-**
Current year's rate, MSD	(973,226)	**0.23**	**(2,238)**	**(2,238)**	
Current year's rate, Motor vehicles	(2,626,098)	**0.48**	**(12,605)**	**-**	**(12,605)**
Prior year taxes, Motor vehicles	(5,449,272)	**0.42**	**(26,155)**	**-**	**(26,155)**
Penalties			**(61,115)**	**(61,115)**	**-**
Total for year	**$ 9,673,304,899**		**46,548,215**	**42,512,762**	**4,035,453**
Less uncollected tax at June 30, 2014			**1,422,122**	**1,323,656**	**98,466**
Current year's taxes collected			**$ 45,126,093**	**$ 41,189,106**	**$ 3,936,987**
Current levy collection percentage			**96.94%**	**96.89%**	**97.56%**

Distribution of levy:

General Fund	**$ 46,453,744**
Municipal Service District	**94,471**
	$ 46,548,215

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2014

	Reported Value	Fair Value
Cash		
On hand	$ 16,450	$ 16,450
Demand deposits	38,456,508	38,456,508
Certificates of deposit	2,533,282	2,533,282
Total cash	41,006,240	41,006,240
Investments		
North Carolina Capital Management Trust	10,500,022	10,500,022
Federal Farm Credit	9,987,840	9,987,840
FNMA Discount Notes	48,212,782	48,212,782
Federal Home Loan	73,822,504	73,822,504
Federal Home Loan Mortgage Corporation	12,599,332	12,599,332
US Treasury Obligation	1,493,428	1,493,428
Commercial Paper	16,992,226	16,992,226
Total investments	173,608,134	173,608,134
Total cash and investments	$ 214,614,374	$ 214,614,374
Distribution by Fund		
General Fund:		
Unrestricted	$ 41,928,487	
Restricted	4,736,320	$ 46,664,807
Special Revenue Funds (Unrestricted):		
Housing Assistance Fund		229,251
Section 108 Loan/BEDI Grant Fund		-
Home Fund		82,574
Municipal Service District		1,495
EECBG Stimulus		-
Capital Project Funds:		
Parks (Unrestricted)		1,596,554
Transportation (Unrestricted)		10,184,226
General Fund Capital Project Fund:		
Unrestricted	4,390,812	
Restricted	6	4,390,818
General Fund Capital Reserve Project Fund (Restricted)		20,004,545
Fire and Life Safety (Unrestricted)		3,323,447
Debt Service Fund (Restricted)		2

(Continued)

SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2014

Distribution by Fund (Continued)		
Enterprise Funds:		
Electric Fund:		
Unrestricted	**$ 47,863,868**	
Restricted	**3,055,187**	**$ 50,919,055**
Water Fund:		
Unrestricted	**41,901,755**	
Restricted	**3,135,399**	**45,037,154**
Wastewater Fund:		
Unrestricted	**11,139,717**	
Restricted	**2,025,884**	**13,165,601**
Regional Airport Fund:		
Unrestricted	**4,780,425**	
Restricted	**83,260**	**4,863,685**
Stormwater Fund (Unrestricted)		**9,286,429**
Golf Course Fund (Unrestricted)		**-**
Housing Department Fund:		
Unrestricted	**633,166**	
Restricted	**34,845**	**668,011**
Internal Service Fund (Unrestricted)		**1,368,543**
Other Postemployment Benefit Trust Fund		**827,824**
Agency Fund		**2,000,353**
Total reported value		**$ 214,614,374**

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2014

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	$ 669,150	$ -	$ 16,289	$ -
113	Cash - other restricted	23,086	-	199,087	-
114	Cash - tenant security deposits	34,846	-	-	-
115	Cash - restricted for payment of current liabilities	-	-	14,761	-
100	**Total cash**	727,082	-	230,137	-
	Accounts and notes receivable:				
121	Accounts receivable - PHA projects	-	-	73,449	-
125	Accounts receivable - miscellaneous	5,093	-	68	-
126	Accounts receivable - tenants - dwelling units	16,505	-	-	-
126.1	Allowance for doubtful accounts - dwelling rents	(6,464)	-	-	-
127	Notes, loans, and mortgages receivable - current	-	-	-	-
129	Accrued interest receivable	1,739	-	549	-
120	**Total receivables**	16,873	-	74,066	-
142	Prepaid expenses and other assets	-	-	-	-
143	Inventories	16,682	-	-	-
143.1	Allowance for obsolete inventories	(1,668)	-	-	-
150	**Total current assets**	758,969	-	304,203	-
	Noncurrent Assets:				
161	Land	577,382	-	-	-
162	Buildings	2,783,495	-	-	-
164	Furniture, equipment, machinery - administration	114,326	-	-	-
165	Leasehold improvements	20,120	-	-	-
166	Accumulated depreciation	(1,544,575)	-	-	-
167	Construction in progress	-	-	-	-
180	**Total non-current assets**	1,950,748	-	-	-
190	**Total Assets**	$ 2,709,717	$ -	$ 304,203	$ -
	Liabilities and Equity:				
	Liabilities:				
	Current Liabilities:				
312	Accounts payable (less than or equal to 90 days)	$ 40,418	$ -	$ 14,608	$ -
321	Accrued wage/payroll taxes payable	5,842	-	4,619	-
322	Accrued compensated absences	22,290	-	2,376	-
341	Tenant security deposits	34,846	-	-	-
342	Unearned revenue	-	-	-	-
343	Current portion of long-term debt - capital projects/mortgage rev bonds	47,409	-	-	-
345	Other current liabilities	-	-	14,761	-
310	**Total current liabilities**	150,805	-	36,364	-
	Non-current Liabilities:				
351	Long-term debt, net of current - capital projects/mortgage revenue	145,091	-	-	-
353	Non-current liabilities - other	23,086	-	21,467	-
354	Accrued compensated absensces - non current	8,669	-	924	-
357	Accrued pension and OPEB liabilities	158,464	-	-	-
350	**Total non-current liabilities**	335,310	-	22,391	-
300	**Total liabilities**	486,115	-	58,755	-
	Equity:				
	Contributed Capital:				
508.1	Net investment in capital assets	1,758,248	-	-	-
511.1	Restricted net position	-	-	220,753	-
512.1	Unrestricted net position	465,354	-	24,695	-
513	**Total equity**	2,223,602	-	245,448	-
600	**Total liabilities and equity**	$ 2,709,717	$ -	$ 304,203	$ -

(Continued)

SUPPLEMENTAL FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING PROGRAMS
Year Ended June 30, 2014

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	$ 290,456	$ -	$ -	$ -
70400	Tenant revenue - other	85,806	-	-	-
70600	HUD PHA operating grants	688,876	24,284	3,526,187	156,806
70610	Capital grants	-	-	-	60,770
71100	Investment income - unrestricted	3,865	-	88	-
71400	Fraud recovery	-	-	-	-
71500	Other income	32,656	-	1,039,082	-
71600	Gain or loss on sale of capital assets	-	-	-	-
72000	Investment income - restricted	-	-	361	-
70000	**Total revenues**	1,101,659	24,284	4,565,718	217,576
	Expenses:				
	Administrative:				
91100	Administrative salaries	122,062	-	194,958	-
91200	Auditing fees	342	-	1,136	-
91500	Employee benefit contributions	108,308	-	63,056	-
91600	Office expenses	168,779	-	18,024	-
91800	Travel	4,349	-	3,856	-
91900	Other	74,462	-	1,450	-
92400	Tenant services - other	35,938	24,284	21,603	-
93100	Water	44,647	-	-	-
93200	Electricity	82,413	-	-	-
93300	Gas	81,564	-	-	-
93600	Sewer	42,318	-	-	-
93800	Other utility expense	9,926	-	-	-
94100	Ordinary maintenance and operations - labor	111,146	-	-	-
94200	Ordinary maintenance and operations - materials and other	68,177	-	-	-
94300	Ordinary maintenance and operations - contract costs	268,156	-	-	-
94500	Ordinary maintenance and operations - employee benefit contributions	35,927	-	-	-
96100	Insurance premiums	19,660	-	-	-
96200	Other general expense	-	-	12,225	-
96210	Compensated absences	13,573	-	736	-
96400	Bad debt - tenant rents	15,842	-	-	-
96720	Interest on notes payable (short and long term)	2,600	-	-	-
96900	**Total operating expenses**	1,310,189	24,284	317,044	-
97000	**Excess of operating revenues over expenditures**	(208,530)	-	4,248,674	217,576
97100	Extraordinary maintenance	10,326	-	-	-
97300	Housing assistance payments	-	-	3,295,005	-
97350	HAP portability-in	-	-	984,274	-
97400	Depreciation expense	106,819	-	-	-
90000	**Total expenses**	1,427,334	24,284	4,596,323	-
10010	Operating transfer in	156,806	-	-	-
10020	Operating transfer out	-	-	-	(156,806)
10030	Operating transfers from/to primary government	(19,669)	-	-	-
10000	**Excess of revenue over expenses**	(188,538)	-	(30,605)	60,770
11030	Beginning equity	2,351,370	-	329,088	-
11040	Prior period adjustments, equity transfers & correction of errors	60,770	-	(53,035)	(60,770)
	Ending equity	$ 2,223,602	$ -	$ 245,448	$ -
	Memo information:				
11170	Administrative fee equity	-	-	24,695	-
11180	Housing assistance payments equity	-	-	220,753	-
11190	Unit months available	2,088	-	6,408	-
11210	Number of unit months leased	2,023	-	5,519	-
11270	Excess cash	460,882	-	-	-
11620	Building purchases	-	-	-	50,970
11640	Furniture & equipment - administrative purchases	-	-	-	9,800

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS
June 30, 2014

	July 1, 2013	Increases	Decreases	Transfers	June 30, 2014
Electric Fund					
Capital assets, not being depreciated:					
Land	$ 1,172,514	$ -	$ -	$ -	$ 1,172,514
Construction in progress	2,426,831	2,278,293	1,519,874	-	3,185,250
Total capital assets, not being depreciated	3,599,345	2,278,293	1,519,874	-	4,357,764
Capital assets, being depreciated:					
Buildings	5,608,551	-	-	-	5,608,551
Improvements other than buildings	114,315,319	1,519,875	14,737	-	115,820,457
Machinery and equipment	7,322,979	733,830	71,525	-	7,985,284
Total capital assets, being depreciated	127,246,849	2,253,705	86,262	-	129,414,292
Accumulated depreciation:					
Buildings	1,934,626	157,538	-	-	2,092,164
Improvements other than buildings	56,238,112	3,352,461	14,737	-	59,575,836
Machinery and equipment	6,026,903	519,423	71,525	-	6,474,801
Total accumulated depreciation	64,199,641	4,029,422	86,262	-	68,142,801
Total capital assets, being depreciated, net	63,047,208	(1,775,717)	-	-	61,271,491
Electric Fund capital assets, net	$ 66,646,553	$ 502,576	$ 1,519,874	$ -	$ 65,629,255
Water Fund					
Capital assets, not being depreciated:					
Land	$ 814,060	$ -	$ -	$ -	$ 814,060
Construction in progress	7,292,483	4,062,361	6,629,644	-	4,725,200
Total capital assets, not being depreciated	8,106,543	4,062,361	6,629,644	-	5,539,260
Capital assets, being depreciated:					
Buildings	15,169,384	-	-	-	15,169,384
Improvements other than buildings	112,102,872	7,255,087	5,133	-	119,352,826
Machinery and equipment	2,597,286	118,486	51,078	-	2,664,694
Total capital assets, being depreciated	129,869,542	7,373,573	56,211	-	137,186,904
Accumulated depreciation:					
Buildings	3,332,238	494,285	-	-	3,826,523
Improvements other than buildings	46,363,813	3,182,943	5,133	-	49,541,623
Machinery and equipment	2,115,067	152,020	51,078	-	2,216,009
Total accumulated depreciation	51,811,118	3,829,248	56,211	-	55,584,155
Total capital assets, being depreciated, net	78,058,424	3,544,325	-	-	81,602,749
Water Fund capital assets, net	$ 86,164,967	$ 7,606,686	$ 6,629,644	$ -	$ 87,142,009

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2014

	July 1, 2013	Increases	Decreases	Transfers	June 30, 2014
Wastewater Fund					
Capital assets, not being depreciated:					
Land	$ 1,065,402	$ -	$ -	$ -	$ 1,065,402
Construction in progress	393,795	2,712	396,507	-	-
Total capital assets, not being depreciated	1,459,197	2,712	396,507	-	1,065,402
Capital assets, being depreciated:					
Buildings	1,920,754	-	-	-	1,920,754
Improvements other than buildings	98,664,560	7,490,237	-	-	106,154,797
Machinery and equipment	2,515,457	68,490	10,114	-	2,573,833
Total capital assets, being depreciated	103,100,771	7,558,727	10,114	-	110,649,384
Accumulated depreciation:					
Buildings	570,976	50,278	-	-	621,254
Improvements other than buildings	33,879,053	2,604,518	-	-	36,483,571
Machinery and equipment	1,805,303	175,216	10,114	-	1,970,405
Total accumulated depreciation	36,255,332	2,830,012	10,114	-	39,075,230
Total capital assets, being depreciated, net	66,845,439	4,728,715	-	-	71,574,154
Wastewater Fund capital assets, net	$ 68,304,636	$ 4,731,427	$ 396,507	$ -	$ 72,639,556
Regional Airport Fund					
Capital assets, not being depreciated:					
Land	$ 26,236,458	$ -	$ -	$ -	$ 26,236,458
Construction in progress	5,080,652	1,480,930	288,480	-	6,273,102
Total capital assets, not being depreciated	31,317,110	1,480,930	288,480	-	32,509,560
Capital assets, being depreciated:					
Buildings	23,489,461	358,905	-	-	23,848,366
Improvements other than buildings	36,079,993	236,750	-	-	36,316,743
Machinery and equipment	1,962,122	99,820	24,707	43,330	2,080,565
Total capital assets, being depreciated	61,531,576	695,475	24,707	43,330	62,245,674
Accumulated depreciation:					
Buildings	8,556,168	816,656	-	-	9,372,824
Improvements other than buildings	9,231,952	1,084,851	-	-	10,316,803
Machinery and equipment	1,415,974	95,904	24,707	43,330	1,530,501
Total accumulated depreciation	19,204,094	1,997,411	24,707	43,330	21,220,128
Total capital assets, being depreciated, net	42,327,482	(1,301,936)	-	-	41,025,546
Regional Airport Fund capital assets, net	$ 73,644,592	$ 178,994	$ 288,480	$ -	$ 73,535,106

(Continued)

SCHEDULE OF BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS (Continued)
June 30, 2014

	July 1, 2013	Increases	Decreases	Transfers	June 30, 2014
Stormwater Fund					
Capital assets, not being depreciated:					
Land	$ 114,282	$ -	$ -	$ -	$ 114,282
Construction in progress	1,176,187	290,587	1,361,707	-	105,067
Total capital assets, not being depreciated	1,290,469	290,587	1,361,707	-	219,349
Capital assets, being depreciated:					
Buildings	76,509	-	-	-	76,509
Improvements other than buildings	54,407,350	1,361,707	-	-	55,769,057
Machinery and equipment	1,716,249	253,700	155,598	21,257	1,835,608
Total capital assets, being depreciated	56,200,108	1,615,407	155,598	21,257	57,681,174
Accumulated depreciation:					
Buildings	10,281	2,891	-	-	13,172
Improvements other than buildings	11,032,731	1,520,574	-	-	12,553,305
Machinery and equipment	1,355,395	164,478	155,598	21,257	1,385,532
Total accumulated depreciation	12,398,407	1,687,943	155,598	21,257	13,952,009
Total capital assets, being depreciated, net	43,801,701	(72,536)	-	-	43,729,165
Stormwater Fund capital assets, net	$ 45,092,170	$ 218,051	$ 1,361,707	$ -	$ 43,948,514
Nonmajor Enterprise Funds					
Capital assets, not being depreciated:					
Land	$ 12,204,003	$ -	$ 714,464	$ -	$ 11,489,539
Construction in progress	723,831	69,340	723,831	-	69,340
Total capital assets, not being depreciated	12,927,834	69,340	1,438,295	-	11,558,879
Capital assets, being depreciated:					
Buildings	11,539,441	987,273	213,976	-	12,312,738
Improvements other than buildings	377,982	498,904	3,265	-	873,621
Machinery and equipment	7,909,212	5,591,100	2,693,482	13,021	10,819,851
Total capital assets, being depreciated	19,826,635	7,077,277	2,910,723	13,021	24,006,210
Accumulated depreciation:					
Buildings	4,808,840	481,068	173,796	-	5,116,112
Improvements other than buildings	239,000	37,473	3,265	-	273,208
Machinery and equipment	5,847,268	905,443	2,602,042	13,021	4,163,690
Total accumulated depreciation	10,895,108	1,423,984	2,779,103	13,021	9,553,010
Total capital assets, being depreciated, net	8,931,527	5,653,293	131,620	-	14,453,200
Nonmajor Enterprise Funds capital assets, net	$ 21,859,361	$ 5,722,633	$ 1,569,915	$ -	$ 26,012,079
Business-type activities capital assets, net	$361,712,279	$18,960,367	$11,766,127	$ -	$368,906,519

SCHEDULE OF BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT
June 30, 2014

	July 1, 2013	Increases	Decreases	June 30, 2014	Current Maturities
Electric Fund					
Revenue bonds	$ 25,801,090	$ -	$ 2,008,750	$ 23,792,340	$ 1,985,911
Plus premium on revenue bonds	685,823	-	69,704	616,119	-
Compensated absences	348,523	301,435	293,493	356,465	256,655
OPEB liability	824,878	145,350	-	970,228	-
Electric Fund long-term debt	$ 27,660,314	$ 446,785	$ 2,371,947	$ 25,735,152	$ 2,242,566
Water Fund					
Revenue bonds	$ 40,400,015	$ -	$ 3,299,998	$ 37,100,017	$ 2,953,092
Plus premium on revenue bonds	1,806,887	-	153,041	1,653,846	-
Compensated absences	234,818	240,251	236,408	238,661	171,836
OPEB liability	671,374	136,326	-	807,700	-
Water Fund long-term debt	$ 43,113,094	$ 376,577	$ 3,689,447	$ 39,800,224	$ 3,124,928
Wastewater Fund					
Revenue bonds	$ 21,494,948	$ -	$ 1,446,028	$ 20,048,920	$ 2,000,212
Plus premium on revenue bonds	304,341	-	37,538	266,803	-
Compensated absences	81,920	87,024	86,300	82,644	59,504
OPEB liability	180,992	63,171	-	244,163	-
Wastewater Fund long-term debt	$ 22,062,201	$ 150,195	$ 1,569,866	$ 20,642,530	$ 2,059,716
Regional Airport Fund					
Installment purchase	$ 8,042,500	$ -	$ 602,500	$ 7,440,000	$ 602,500
Installment notes	1,585,100	-	213,400	1,371,700	209,000
Plus premium on LOBs	83,853	-	10,164	73,689	-
Compensated absences	98,310	80,615	61,992	116,933	84,192
OPEB liability	249,537	75,843	-	325,380	-
Regional Airport Fund long-term debt	$ 10,059,300	$ 156,458	$ 888,056	$ 9,327,702	$ 895,692
Stormwater Fund					
Compensated absences	$ 67,328	$ 78,638	$ 74,628	$ 71,338	$ 51,363
OPEB liability	103,841	42,626	-	146,467	-
Stormwater Fund long-term debt	$ 171,169	$ 121,264	$ 74,628	$ 217,805	$ 51,363
Nonmajor Enterprise Funds					
Installment notes	$ 6,515,000	$ -	$ 700,000	$ 5,815,000	$ 720,000
Compensated absences	412,866	347,107	355,015	404,958	291,569
OPEB liability	1,659,857	258,058	-	1,917,915	-
Nonmajor Enterprise Funds long-term debt	$ 8,587,723	$ 605,165	$ 1,055,015	$ 8,137,873	$ 1,011,569
Business-type activities long-term debt	$ 111,653,801	$ 1,856,444	$ 9,648,959	$ 103,861,286	$ 9,385,834

Statistical Section

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

	Page
Financial Trends These tables contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	162
Revenue Capacity These tables contain information to help the reader assess the factors affecting the city's ability to generate its electric revenues and property taxes.	173
Debt Capacity These tables present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	182
Demographic and Economic Information These tables offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.	189
Operating Information These tables contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.	192

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

CITY OF CONCORD, NORTH CAROLINA

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

	2005	2006	2007	2008
Governmental activities				
Net investment in capital assets	$ 309,986,003	$ 284,946,314	$ 269,225,599	$ 299,422,732
Restricted	14,161,024	1,401,030	1,732,787	2,000,450
Unrestricted	33,933,025	27,394,767	47,184,219	52,092,724
Total governmental activities net position	$ 358,080,052	$ 313,742,111	$ 318,142,605	$ 353,515,906
Business-type activities				
Net investment in capital assets	$ 134,962,615	$ 202,771,280	$ 224,285,478	$ 247,374,035
Restricted	8,430,158	-	-	-
Unrestricted	44,878,471	57,039,952	59,665,695	55,299,614
Total business-type activities net position	$ 188,271,244	$ 259,811,232	$ 283,951,173	$ 302,673,649
Primary government				
Net investment in capital assets	$ 444,948,618	$ 487,717,594	$ 493,511,077	$ 546,796,767
Restricted	22,591,182	1,401,030	1,732,787	2,000,450
Unrestricted	78,811,496	84,434,719	106,849,914	107,392,338
Total primary government activities net position	$ 546,351,296	$ 573,553,343	$ 602,093,778	$ 656,189,555

Table 1

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 299,238,599	$ 285,243,071	$ 280,799,254	$ 268,758,293	$ 260,979,309	$ 279,817,761
1,716,091	1,710,932	17,123,716	15,197,259	15,054,357	21,976,987
55,488,182	62,723,954	50,007,074	53,887,440	59,614,980	58,541,972
$ 356,442,872	$ 349,677,957	$ 347,930,044	$ 337,842,992	$ 335,648,646	$ 360,336,720
$ 232,711,487	$ 243,365,138	$ 249,883,977	$ 253,341,005	$ 258,370,354	$ 273,797,482
-	-	-	-	-	-
79,999,678	90,837,386	99,653,376	116,159,507	123,703,593	132,482,896
$ 312,711,165	$ 334,202,524	$ 349,537,353	$ 369,500,512	$ 382,073,947	$ 406,280,378
$ 531,950,086	$ 528,608,209	$ 530,683,231	$ 522,099,298	$ 519,349,663	$ 553,615,243
1,716,091	1,710,932	17,123,716	15,197,259	15,054,357	21,976,987
135,487,860	153,561,340	149,660,450	170,046,947	183,318,573	191,024,868
$ 669,154,037	$ 683,880,481	$ 697,467,397	$ 707,343,504	$ 717,722,593	$ 766,617,098

CITY OF CONCORD, NORTH CAROLINA

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

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General government	$ 4,876,678	$ 4,788,163	$ 4,240,566	$ 3,217,768
Public safety	22,594,274	23,013,748	25,711,447	29,389,987
Public works	27,309,037	26,382,096	28,358,904	30,592,926
Cultural & recreational	3,465,415	3,686,163	4,097,842	4,263,979
Planning & community development	3,459,007	3,504,571	2,214,193	2,612,748
Administration	540,718	513,157	444,287	526,464
Housing assistance Payments	3,231,539	3,177,960	3,081,332	3,251,666
Rehabilitation	897,186	3,027,682	2,529,418	1,586,145
Professional Services	49,974	-	-	-
Interest on long-term debt	1,685,824	2,108,260	1,760,202	1,815,914
Total governmental activities expenses	68,109,652	70,201,800	72,438,191	77,257,597
Business-type activities:				
Electric	45,875,830	49,358,049	54,551,657	57,480,622
Water	12,335,344	13,532,054	14,559,911	16,915,149
Wastewater	12,619,272	12,393,861	12,598,417	13,381,789
Regional airport	8,476,592	9,849,839	9,948,799	13,106,629
Stormwater *	-	3,045,795	3,097,290	3,613,613
Other non major business-type	4,897,152	5,312,094	5,827,627	5,842,740
Total business-type activities expenses	84,204,190	93,491,692	100,583,701	110,340,542
Total primary government expenses	$ 152,313,842	$ 163,693,492	$ 173,021,892	$ 187,598,139
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 1,664,787	$ 1,724,914	$ 1,957,522	$ 1,851,370
Public safety	579,516	615,923	717,881	925,384
Public works	38,964	-	-	-
Cultural and recreational	254,378	261,141	266,775	268,988
Planning and community development	270,777	629,386	890,214	1,247,480
Housing assistance	21,694	32,107	14,085	4,438
Rehabilitation	525,269	629,192	858,730	1,327,157
Operating grants and contributions	6,604,130	6,455,832	6,735,548	7,589,562
Capital grants and contributions	13,276,425	20,750,187	13,875,367	45,810,044
Total government activities program revenues	23,235,940	31,098,682	25,316,122	59,024,423

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 3,603,395	$ 4,354,769	$ 4,439,667	$ 4,996,198	$ 4,494,000	$ 5,195,490
32,327,159	33,333,315	34,818,159	35,378,939	35,643,640	36,879,444
31,815,013	33,362,313	31,612,314	28,875,757	28,865,813	29,664,081
4,356,816	4,287,048	4,233,575	4,299,687	4,771,467	4,685,065
2,516,223	2,840,033	3,096,020	5,373,310	3,854,751	3,186,781
557,556	656,431	784,000	856,103	649,716	1,036,472
3,351,185	3,119,188	3,344,522	3,698,736	4,258,426	4,279,279
680,796	553,868	1,053,446	3,227,906	554,455	568,412
-	-	-	-	-	-
1,847,213	1,773,371	1,508,832	1,005,570	1,032,636	1,002,581
81,055,356	84,280,336	84,890,535	87,712,206	84,124,904	86,497,605
63,073,567	63,797,452	69,740,487	66,381,454	74,356,658	75,116,682
15,692,404	15,550,286	15,618,503	15,377,435	15,211,584	16,135,531
14,205,883	13,507,142	13,802,561	13,905,343	13,668,630	14,182,892
10,668,036	10,023,077	11,432,960	11,908,265	11,477,819	11,766,345
3,879,657	3,946,044	3,729,861	3,731,359	3,744,547	3,783,127
6,403,396	5,856,696	6,349,265	6,477,130	7,052,787	7,843,103
113,922,943	112,680,697	120,673,637	117,780,986	125,512,025	128,827,680
$ 194,978,299	$ 196,961,033	$ 205,564,172	$ 205,493,192	$ 209,636,929	$ 215,325,285
$ 1,752,112	$ 1,593,175	$ 1,527,420	$ 1,710,506	$ 1,724,338	$ 2,047,645
706,749	739,461	622,544	749,902	612,622	834,822
-	-	-	-	335,140	651,378
352,470	251,425	266,110	265,249	290,561	294,687
853,001	1,316,731	2,025,498	2,063,363	1,936,408	1,908,627
3,055	4,046	3,009	-	745,975	981,520
816,778	654,957	660,865	396,514	395,125	614,844
6,772,165	8,039,500	8,361,322	10,099,206	8,667,106	7,707,977
12,178,471	4,399,871	9,750,000	3,307,835	8,533,706	31,991,743
23,434,801	16,999,166	23,216,768	18,592,575	23,240,981	47,033,243

(Continued)

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

	2005	2006	2007	2008
Business-type activities:				
Charges for services				
Electric	$ 50,625,078	$ 55,127,472	$ 57,784,175	$ 61,920,483
Water	15,171,631	17,390,495	19,484,661	18,692,941
Wastewater	11,032,814	12,700,502	13,824,857	13,478,931
Regional airport	7,112,333	8,997,417	9,329,042	11,406,644
Stormwater *	-	1,810,605	3,140,958	3,325,017
Other non major business-type	1,824,525	1,901,989	2,487,179	2,386,692
Operating grants and contributions	2,015,190	2,139,688	2,804,136	2,934,222
Capital grants and contributions	7,937,240	6,605,150	9,735,545	8,199,207
Total business-type activities program revenues	95,718,811	106,673,318	118,590,553	122,344,137
Total primary government program revenue	$ 118,954,751	$ 137,772,000	$ 143,906,675	$ 181,368,560
Net (Expenses)/Revenue				
Governmental activities	$ (44,873,712)	$ (39,103,118)	$ (47,122,069)	$ (18,233,174)
Business-type activities	11,514,621	13,181,626	18,006,852	12,003,595
Total primary government net expense	$ (33,359,091)	$ (25,921,492)	$ (29,115,217)	$ (6,229,579)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Ad Valorem taxes	$ 30,055,475	$ 31,727,866	$ 34,049,377	$ 37,881,901
Other taxes	11,721,923	12,634,031	13,034,399	13,899,527
Operating grants and contributions	2,729,405	2,761,579	2,607,041	2,745,792
Investment earnings	915,247	1,709,502	2,318,298	2,439,936
Miscellaneous gain (loss)	840,042	1,313,009	2,327,114	646,073
Transfers	634,911	(55,380,810)	(2,813,666)	(4,006,754)
Total governmental activities	46,897,003	(5,234,823)	51,522,563	53,606,475
Business-type activities				
Investment earnings	1,381,335	1,966,270	2,630,486	2,648,596
Miscellaneous gain (loss)	366,158	1,011,282	688,937	63,531
Transfers	(634,911)	55,380,810	2,813,666	4,006,754
Total business-type activities	1,112,582	58,358,362	6,133,089	6,718,881
Total primary government	$ 48,009,585	$ 53,123,539	$ 57,655,652	$ 60,325,356
Change in Net Position				
Governmental activities	$ 2,023,291	$ (44,337,941)	$ 4,400,494	$ 35,373,301
Business-type activities	12,627,203	71,539,988	24,139,941	18,722,476
Total primary government	$ 14,650,494	$ 27,202,047	$ 28,540,435	$ 54,095,777

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

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 61,902,700	$ 69,955,857	$ 74,971,026	$ 78,948,101	$ 81,194,498	$ 80,753,191
17,491,941	19,272,961	19,105,584	19,856,057	19,443,009	19,829,445
12,903,815	13,773,878	14,384,621	14,772,364	14,683,027	15,075,545
9,911,053	8,092,461	9,124,603	9,809,448	9,807,609	10,272,804
3,489,201	3,989,017	3,730,742	3,714,155	3,778,496	3,796,150
1,907,614	1,720,911	1,943,291	1,891,193	1,909,781	2,489,490
3,191,973	5,178,504	4,252,712	3,148,598	3,152,858	7,764,200
7,721,792	8,497,858	5,026,770	1,591,427	5,488,658	9,201,434
118,520,089	130,481,447	132,539,349	133,731,343	139,457,936	149,182,259
$ 141,954,890	$ 147,480,613	$ 155,756,117	$ 152,323,918	$ 162,698,917	$ 196,215,502
$ (57,620,555)	$ (67,281,170)	$ (61,673,767)	$ (69,119,631)	$ (60,883,923)	$ (39,464,362)
4,597,146	17,800,750	11,865,712	15,950,357	13,945,911	20,354,579
$ (53,023,409)	$ (49,480,420)	$ (49,808,055)	$ (53,169,274)	$ (46,938,012)	$ (19,109,783)
$ 44,094,142	$ 45,363,018	$ 44,236,917	$ 43,163,621	$ 43,549,135	$ 46,423,570
13,390,448	12,567,428	12,226,782	13,366,521	14,046,489	14,042,681
3,237,013	2,642,020	3,159,222	2,880,377	3,155,697	3,142,852
1,385,206	1,322,057	1,022,184	730,032	(281,947)	1,260,653
1,230,921	761,842	936,229	876,108	926,090	996,503
(2,790,209)	(2,140,110)	(1,655,480)	(1,984,080)	(2,429,308)	(1,713,823)
60,547,521	60,516,255	59,925,854	59,032,579	58,966,156	64,152,436
2,467,828	1,571,516	1,396,578	1,206,493	(245,850)	1,669,623
182,333	(21,017)	417,059	402,869	494,871	468,406
2,790,209	2,140,110	1,655,480	1,984,080	2,429,308	1,713,823
5,440,370	3,690,609	3,469,117	3,593,442	2,678,329	3,851,852
$ 65,987,891	$ 64,206,864	$ 63,394,971	$ 62,626,021	$ 61,644,485	$ 68,004,288
$ 2,926,966	$ (6,764,915)	$ (1,747,913)	$ (10,087,052)	$ (1,917,767)	$ 24,688,074
10,037,516	21,491,359	15,334,829	19,543,799	16,624,240	24,206,431
$ 12,964,482	$ 14,726,444	$ 13,586,916	$ 9,456,747	$ 14,706,473	$ 48,894,505

CITY OF CONCORD, NORTH CAROLINA

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

	2005	2006	2007	2008
General Fund				
Nonspendable	$ 59,593	$ 62,926	$ 77,207	$ 82,097
Restricted	12,102,471	11,254,425	14,173,093	15,500,611
Assigned	1,400,000	1,000,000	2,500,000	-
Unassigned	18,043,420	23,556,065	25,463,521	31,263,025
Total General Fund	$ 31,605,484	$ 35,873,416	$ 42,213,821	$ 46,845,733
All Other Governmental funds				
Restricted	13,809,540	$ 5,356,295	$ 2,451,186	$ 380,095
Committed	4,996,183	3,725,056	2,969,987	9,211,002
Assigned	1,602,900	1,034,851	3,143,818	7,204,539
Unassigned	(2,973,416)	(2,937,456)	(2,877,789)	(4,368,446)
Total all other governmental funds	$ 17,435,207	$ 7,178,746	$ 5,687,202	$ 12,427,190

Table 3

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 128,476	$ 128,127	$ 109,186	$ 91,095	$ 69,260	$ 178,322
13,577,559	13,436,085	15,998,293	14,140,696	14,490,359	20,037,416
1,500,000	-	-	-	-	-
37,301,067	37,504,311	36,921,449	43,248,336	40,600,448	37,663,790
$ 52,507,102	$ 51,068,523	$ 53,028,928	$ 57,480,127	$ 55,160,067	$ 57,879,528
$ 1,166,853	$ 606,815	$ 1,016,237	$ 965,468	$ 494,738	$ 1,761,249
9,129,724	17,321,294	17,156,767	13,452,847	16,733,371	20,189,379
5,556,958	6,964,454	9,839,140	11,925,525	18,389,986	17,935,054
(4,627,540)	(3,978,046)	(4,767,945)	(4,072,385)	(3,983,924)	(3,968,089)
$ 11,225,995	$ 20,914,517	$ 23,244,199	$ 22,271,455	$ 31,634,171	$ 35,917,593

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

	2005	2006	2007	2008
Revenues				
Taxes	$ 29,944,032	$ 31,590,195	$ 34,215,412	$ 37,911,743
Other taxes	11,721,923	12,634,031	13,034,399	13,899,527
Unrestricted intergovernmental revenues	2,216,581	2,370,415	2,563,097	2,745,792
Restricted Intergovernmental revenues	7,543,542	7,294,501	8,301,691	8,416,850
Licenses, fees, and permits	1,810,650	1,860,604	2,124,094	2,055,273
Contributions, net of refunds	-	-	-	147,312
Investment earnings	915,247	1,709,502	2,318,298	2,439,936
Investment earnings restricted	22,562	20,460	71,580	82,799
Program income	546,963	661,299	872,815	1,327,157
Other revenues	1,782,727	2,641,356	3,908,482	2,668,896
Total revenues	56,504,227	60,782,363	67,409,868	71,695,285
Expenditures				
General government	3,557,999	3,536,022	2,854,944	3,021,404
Public safety	21,063,625	21,492,133	24,200,346	25,995,498
Public works	7,721,365	7,704,046	9,271,991	9,804,616
Cultural and recreational	3,252,320	3,489,498	3,900,738	3,870,407
Planning and community development	3,433,787	3,487,888	2,194,719	2,540,302
Administration	540,718	513,157	444,287	526,464
Housing assistance payments	3,231,539	3,177,960	3,081,332	3,251,666
Rehabilitation	897,186	3,027,682	2,529,418	1,586,145
Professional services	49,974	1,662	-	-
Capital outlay	5,469,582	13,545,494	6,313,426	6,955,436
Debt service				
Interest	686,309	1,010,025	560,949	1,815,914
Principal	4,244,702	5,101,402	5,296,127	4,322,779
Total expenditures	54,149,106	66,086,969	60,648,277	63,690,631
Excess of revenues over (under) expenditures	2,355,121	(5,304,606)	6,761,591	8,004,654
Other Financing Sources (Uses)				
Proceeds of installment purchase contracts	-	794,543	900,936	5,400,000
Debt issued	16,105,000	-	-	1,974,000
Loss on refunding	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on refunding bonds	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Redemption of refunded bonds	-	-	-	-
Transfers in	7,492,150	6,526,804	8,118,956	10,983,594
Transfers out	(6,857,239)	(8,005,270)	(10,932,622)	(14,990,348)
Total Other Financing Sources (Uses)	16,739,911	(683,923)	(1,912,730)	3,367,246
Net change in fund balances	$ 19,095,032	$ (5,988,529)	$ 4,848,861	$ 11,371,900
Debt service as a percentage of non capital expenditures	10.13%	11.63%	10.78%	10.82%

Table 4

Fiscal Year 2009	2010	2011	2012	2013	2014
$ 43,689,541	$ 44,974,492	$ 44,213,325	$ 43,091,490	$ 43,345,698	$ 46,104,178
13,390,448	12,567,428	12,226,782	13,366,521	14,046,489	14,042,681
3,237,013	2,642,020	3,159,222	2,880,377	3,155,697	3,142,852
6,870,323	8,161,071	8,534,858	9,713,210	9,005,424	9,373,076
1,912,088	1,755,810	1,650,649	1,873,658	1,885,610	2,210,200
-	-	-	-	-	-
1,385,206	1,322,057	1,022,184	730,032	(281,947)	1,260,653
46,022	36,179	26,044	19,323	25,628	16,234
816,778	654,957	660,865	698,157	1,476,240	2,247,742
2,836,489	2,788,234	3,549,375	3,862,921	3,510,163	3,832,913
74,183,908	74,902,248	75,043,304	76,235,689	76,169,002	82,230,529
3,393,127	4,215,552	4,511,799	4,563,849	4,077,954	4,802,271
28,388,096	29,472,135	30,708,135	31,353,312	31,688,874	32,950,943
11,578,500	11,422,287	12,807,858	10,215,647	10,493,535	11,854,052
3,948,833	3,839,337	3,803,036	3,956,149	4,399,504	4,310,686
2,346,714	2,780,589	3,005,580	5,312,219	3,792,770	3,124,932
557,556	656,431	784,000	856,103	649,716	1,036,472
3,351,185	3,119,188	3,344,522	3,698,736	4,258,426	4,279,279
680,796	553,868	1,053,446	3,227,906	554,455	568,412
-	-	-	-	-	-
6,708,441	3,432,237	3,641,809	3,998,026	3,522,859	7,463,803
1,847,213	1,779,766	1,542,254	1,048,001	1,075,067	1,045,012
4,830,733	3,512,055	4,064,454	2,273,244	2,183,878	2,077,961
67,631,194	64,783,445	69,266,893	70,503,192	66,697,038	73,513,823
6,552,714	10,118,803	5,776,411	5,732,497	9,471,964	8,716,706
-	-	-	-	-	-
704,487	-	-	-	-	-
(6,818)	-	-	-	-	-
-	2,721,512	7,203,300	-	-	-
-	41,493	396,397	-	-	-
-	-	(7,400,939)	-	-	-
-	(2,491,755)	-	-	-	-
8,951,756	17,455,195	14,095,374	8,858,563	16,627,650	12,360,954
(11,741,965)	(19,595,305)	(15,780,456)	(11,112,605)	(19,056,958)	(14,074,777)
(2,092,540)	(1,868,860)	(1,486,324)	(2,254,042)	(2,429,308)	(1,713,823)
$ 4,460,174	$ 8,249,943	$ 4,290,087	$ 3,478,455	$ 7,042,656	$ 7,002,883
10.96%	8.86%	10.04%	4.99%	5.16%	4.73%

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NUMBER OF ELECTRIC CUSTOMERS BY TYPE,
Last Nine Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Total
2006	21,888	3,816	77	25,781
2007	22,874	3,997	72	26,943
2008	23,441	4,002	71	27,514
2009	23,003	3,846	71	26,920
2010	23,343	3,982	43	27,368
2011	23,450	3,957	40	27,447
2012	23,502	4,107	46	27,655
2013	23,847	4,164	51	28,062
2014	24,327	4,197	52	28,576

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 Nine Fiscal Years

	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

Fiscal Year 2010	2011	2012	2013	2014
$ 9.11	$ 9.46	$ 9.46	$ 9.46	$ 9.46
0.880000	0.091331	0.091331	0.091331	0.091331
0.880000	0.091331	0.091331	0.091331	0.091331
0.880000	0.091331	0.091331	0.091331	0.091331
0.795700	0.082582	0.082582	0.082582	0.082582
17.51	18.20	18.20	18.20	18.20
3.63	3.77	3.77	3.77	3.77
0.109884	0.114193	0.114193	0.114193	0.114193
0.065987	0.068575	0.068575	0.068575	0.068575
0.063765	0.066266	0.066266	0.066266	0.066266
0.062986	0.065456	0.065456	0.065456	0.065456
0.055982	0.058177	0.058177	0.058177	0.058177
0.053759	0.055867	0.055867	0.055867	0.055867
0.052647	0.054712	0.054712	0.054712	0.054712
17.86	18.54	18.54	18.54	18.54
3.48	3.62	3.62	3.62	3.62
0.103627	0.107612	0.107612	0.107612	0.107612
0.061557	0.063924	0.063924	0.063924	0.063924
0.059429	0.061714	0.061714	0.061714	0.061714
0.051968	0.053967	0.053967	0.053967	0.053967
0.049838	0.051755	0.051755	0.051755	0.051755
0.048772	0.050648	0.050648	0.050648	0.050648

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TEN LARGEST ELECTRIC CUSTOMERS, June 30, 2014

	2014	
Customer	**Electric Revenue**	**Percentage of Total Electric Revenue**
Concord Mills LLC	$ 1,946,024	2.96 %
Perdue Farms Inc	1,535,326	2.68
Legrand	1,371,689	2.28
S&D Coffee	1,281,662	2.15
Rocky River Water Treatment Plant	1,193,631	2.04
City of Concord	2,124,652	1.84
Cabarrus County Schools	1,471,364	1.69
Celgard LLC	1,291,440	1.68
Cabarrus Plastics Mfg	862,558	1.38
Great Wolf of the Carolinas LLC	734,286	1.13
Total	$ 13,812,632	19.83 %

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)
2005	2,711,722,859	1,316,477,080	1,026,374,420	1,725,103,531	99,477,808	6,879,155,698	0.4291
2006	3,145,193,005	1,335,093,953	1,037,318,170	1,709,254,154	95,850,302	7,322,709,584	0.4291
2007	3,221,672,614	1,412,619,284	1,052,816,970	1,801,060,832	98,426,970	7,586,596,670	0.4465
2008	4,475,275,680	1,484,084,314	1,107,189,190	1,245,849,849	98,227,012	8,410,626,045	0.4464
2009	4,809,375,162	2,196,907,577	1,363,626,910	1,271,731,925	106,578,350	9,748,219,924	0.4190
2010	5,758,517,238	2,273,328,224	1,348,874,420	1,223,590,403	104,295,461	10,708,605,746	0.4190
2011	5,487,235,382	2,815,229,000	1,203,378,000	950,770,388	102,087,173	10,558,699,943	0.4190
2012	5,533,750,240	2,523,536,878	1,212,065,051	871,682,129	117,277,340	10,258,311,638	0.4190
2013	5,034,683,767	2,335,914,165	851,422,138	771,628,872	119,353,563	9,113,002,505	0.4788
2014	5,381,821,598	2,325,550,728	847,644,748	988,004,711	130,283,114	9,673,304,899	0.4788

Source: Cabarrus County Tax Office

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

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

	City of Concord			Overlapping Rates	
Fiscal Year	General Fund Basic Rate	Municipal Service District Basic Rate	Total Weighted Average Rate (1)	Cabarrus County	Combined Tax Rate
2005	0.4300	0.2100	0.4291	0.5300	0.9591
2006	0.4300	0.2100	0.4291	0.6300	1.0591
2007	0.4475	0.2100	0.4465	0.6289	1.0754
2008	0.4475	0.1800	0.4464	0.6300	1.0764
2009	0.4200	0.1800	0.4190	0.6300	1.0490
2010	0.4200	0.1800	0.4190	0.6300	1.0490
2011	0.4200	0.1800	0.4190	0.6300	1.0490
2012	0.4200	0.1800	0.4190	0.6300	1.0490
2013	0.4800	0.2300	0.4788	0.7000	1.1788
2014	0.4800	0.2300	0.4788	0.7000	1.1788

Source: Cabarrus County Tax Office

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

PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

	2014			2005		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Charlotte Motor Speedway LLC	$ 368,903,613	1	4.25 %	$ 150,309,293	3	2.75 %
Celgard LLC	246,648,889	2	2.84	-		-
Mall at Concord Mills Mall LP	224,248,930	3	2.58	185,688,900	2	3.40
Philip Morris USA Inc	93,008,387	4	1.07	1,085,959,054	1	19.90
Great Wolf Lodge	80,289,220	5	0.92	-		-
Hendrick Motorsports Inc	62,175,998	6	0.72	-		-
Windstream Concord Telephone	60,855,720	7	0.70	54,042,719	4	0.99
JQH-Concord Development LLC	48,480,900	8	0.56	-		-
HSREI LLC	38,641,152	9	0.44	-		-
WMCI Charlotte XIII LLC	35,365,711	10	0.41	-		-
Pass & Seymour/LeGrand	-		-	42,578,852	5	0.78
Bell/Sysco Food Services Inc	-		-	29,718,557	6	0.54
Browning Ferris Industries	-		-	28,751,260	7	0.53
S&D Coffee Company	-		-	25,096,331	8	0.46
Concord Mills Residual	-		-	22,641,695	9	0.41
Jack Roush, LLC	-		-	22,346,038	10	0.41
Total	$1,258,618,520		14.49 %	$1,647,132,699		30.17 %

Source: Cabarrus County Tax Office

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

		Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2005	29,739,025	29,143,606	98.0%	558,407	29,702,013	99.9%
2006	31,617,094	31,020,263	98.1%	554,299	31,574,562	99.9%
2007	34,290,995	33,605,746	98.0%	610,196	34,215,942	99.8%
2008	37,819,888	37,086,369	98.1%	655,880	37,742,249	99.8%
2009	44,077,915	42,894,749	97.3%	1,021,891	43,916,640	99.6%
2010	44,956,754	43,881,105	97.6%	929,696	44,810,801	99.7%
2011	44,365,653	43,329,051	97.7%	803,048	44,132,099	99.5%
2012	43,076,823	42,056,886	97.6%	668,408	42,725,294	99.2%
2013	43,608,877	42,445,084	97.3%	628,411	43,073,495	98.8%
2014	46,548,215	45,126,093	96.9%	-	45,126,093	96.9%

CITY OF CONCORD, NORTH CAROLINA

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

	Governmental activities					
Fiscal Year	**Installment Purchase**	**General Obligation Bonds**	**Revenue Bonds**	**Installment Notes**	**HUD Loan**	**Installment Purchase**
2005	895	659	3,811	39,198	-	4,371
2006	1,214	560	3,672	35,856	-	4,144
2007	1,665	463	3,527	32,452	-	3,919
2008	6,577	367	3,376	28,865	1,974	11,055
2009	5,991	235	3,206	25,593	1,974	11,082
2010	5,479	85	3,420	22,827	1,974	10,330
2011	4,958	-	3,205	19,749	1,974	9,573
2012	4,429	-	2,985	18,292	1,865	8,811
2013	3,987	-	2,759	16,842	1,756	8,043
2014	3,645	-	2,527	15,405	1,647	7,440

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

Table 12

Business type activities					
General Obligation Bonds	Revenue Bonds	Installment Notes	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
3,751	102,309	16,925	171,919	3.47%	2,815
2,700	98,561	15,174	161,881	2.98%	2,599
1,677	94,534	14,028	152,265	2.61%	2,401
678	90,359	13,260	156,511	2.55%	2,293
-	112,005	12,217	172,303	2.81%	2,424
-	111,372	10,703	166,190	2.62%	2,086
-	104,994	9,960	154,413	2.34%	1,942
-	97,324	9,081	142,787	2.03%	1,755
-	90,493	8,184	132,064	1.79%	1,621
-	83,478	7,260	121,402	1.57%	1,470

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)
2005	4,410,000	3,750,568	659,432	0.01%	10.80
2006	3,260,000	2,699,527	560,473	0.01%	9.00
2007	2,140,002	1,677,035	462,967	0.01%	7.30
2008	1,044,999	678,089	366,910	0.01%	5.38
2009	235,000	-	235,000	0.01%	3.31
2010	85,000	-	85,000	0.01%	1.07
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-

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, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (3)	Estimated Share of Direct and Overlapping Debt
City of Concord (1)	$ 23,223,825	100%	**$ 23,223,825**
Cabarrus County (2)	423,582,488	50%	**211,528,792**
Total			**$ 234,752,617**

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

CITY OF CONCORD, NORTH CAROLINA

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

	2005	2006	2007	2008
Debt Limit	$ 550,332	$ 585,817	$ 606,928	$ 672,850
Total net debt applicable to limit	62,048	41,775	38,499	35,809
Legal debt margin	$ 488,284	$ 544,042	$ 568,429	$ 637,041
Total net debt applicable to the limit as a percentage of debt limit	11%	7%	6%	5%

Table 15

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
$ 779,858	$ 856,688	$ 779,768	$ 820,665	$ 729,040	$ 773,864
31,819	28,391	24,337	22,387	20,532	18,788
$ 748,039	$ 828,297	$ 755,431	$ 798,278	$ 708,508	$ 755,076
4%	3%	3%	3%	3%	2%

Legal Debt Margin Calculation for Fiscal Years	
Total assessed value	$ 9,673,304,899
Debt limit (8% of assessed value)	773,864,392
Debt applicable to limit:	
General Obligation bonds	-
Installment purchase notes	11,085,000
Installment notes	22,330,000
Less: Amount of bonded debt incurred for Electric, Water and Wastewater purposes	(14,626,700)
Total net debt applicable to limit	18,788,300
Legal Debt Margin	$ 755,076,092
Net debt as a % of assessed values	0.19%

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

	Water Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2005	15,172	10,232	4,940	1,479	2,184	1.35
2006	17,390	13,532	3,858	1,944	2,108	0.95
2007	19,485	14,560	4,925	2,038	2,027	1.21
2008	18,693	16,869	1,824	2,114	1,931	0.45
2009	17,492	15,692	1,800	2,194	2,563	0.38
2010	19,273	15,550	3,723	2,524	2,156	0.80
2011	21,683	10,381	11,302	3,024	1,621	2.43
2012	20,370	14,477	5,893	3,127	1,927	1.17
2013	19,443	10,564	8,879	3,208	1,702	1.81
2014	19,829	9,734	10,095	3,300	1,608	2.06

	Wastewater Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2005	11,033	11,270	(237)	1,171	1,157	(0.10)
2006	12,701	12,394	307	1,223	1,102	0.13
2007	13,825	12,598	1,227	1,363	1,041	0.51
2008	13,479	13,345	134	1,552	855	0.06
2009	12,904	14,206	(1,302)	1,915	1,383	(0.39)
2010	13,774	13,507	267	1,294	949	0.12
2011	16,515	10,260	6,255	1,350	909	2.77
2012	15,219	9,984	5,235	1,374	953	2.25
2013	14,683	8,965	5,718	1,409	910	2.47
2014	15,076	3,169	11,907	1,446	867	5.15

	Electric Revenue Bonds					
				Debt Service		
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2005	50,625	44,719	5,906	663	1,153	3.25
2006	55,127	49,358	5,769	1,064	1,110	2.65
2007	57,784	54,552	3,232	1,109	1,064	1.49
2008	61,920	57,322	4,598	1,158	1,009	2.12
2009	61,903	63,074	(1,171)	1,208	1,527	(0.43)
2010	69,956	63,797	6,159	1,538	1,301	2.17
2011	75,516	65,646	9,870	1,958	893	3.46
2012	79,450	63,939	15,511	1,900	1,203	5.00
2013	81,195	72,348	8,847	1,953	1,110	2.89
2014	80,753	69,825	10,928	2,009	1,050	3.57

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)
2005	61,070	4,949,099	32,820	23,906	4.3%
2006	62,291	5,428,034	34,412	23,684	3.8%
2007	63,429	5,840,656	35,245	25,521	4.0%
2008	68,249	6,144,005	35,935	26,917	5.1%
2009	71,071	6,121,298	34,083	28,093	8.2%
2010	79,673	6,339,808	35,514	27,682	8.3%
2011	79,519	6,604,657	36,478	28,465	7.8%
2012	81,350	7,025,450	38,079	29,023	6.6%
2013 (5)	81,461	7,376,723	39,983	29,721	6.0%
2014 (5)	82,601	7,745,559	41,982	29,952	4.8%

(1) State Demographer's Office. 2014 is an estimate.
(2) Bureau of Economic Analysis. Information only available at the county level.
(3) 2005-2006 Cabarrus County School Board Accountability Office; 2007-2014 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 average percentage increase from prior 3 years.

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PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2014			2005		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Carolina Medical Center-NorthEast	4,500	1	11.73%	3,200	1	10.80%
Cabarrus County Schools	3,800	2	9.90%	2,476	3	8.36%
Cabarrus County Government	950	3	2.48%	1,000	4	3.38%
City of Concord	901	4	2.35%	822	5	2.78%
Connextions	900	5	2.35%	-		-
Shoe Show	800	6	2.09%	-		-
North Carolina Government	770	7	2.01%	-		-
Kannapolis City Schools	750	8	1.95%	649	7	2.19%
S&D Coffee and Tea	625	9	1.63%	-		-
Sysco	510	10	1.33%	520	9	1.76%
Philip Morris	-		-	2,900	2	9.79%
CT Communications	-		-	700	6	2.36%
Pass & Seymour Legrands	-		-	550	8	1.86%
Walmart	-		-	480	10	1.62%
	14,506		37.82%	13,297		44.90%

Source: City of Concord Planning & Neighborhood Services

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

Function/Program	2005	2006	2007	2008
General Fund				
General Government				
Public Service Administration	2.00	2.00	2.00	2.00
City Manager's Office	6.00	6.00	6.00	6.00
Risk Management	-	-	-	-
Human Resources	6.00	7.00	7.00	7.00
Finance	12.00	12.75	13.00	13.00
Tax	4.00	4.00	4.75	5.00
Legal	3.01	4.00	4.00	5.00
Emergency Mangement Coordinator	-	-	-	2.85
Non-Departmental	-	-	-	-
Public Safety				
Police	154.50	160.00	161.50	170.25
Code Enforcement	-	-	7.00	7.00
Communications	20.50	20.94	20.94	22.50
Radio Shop	3.70	4.20	4.70	4.70
Fire & Life Safety (Operations)	154.65	154.65	159.63	160.30
Fire & Life Safety (Prevention)	-	-	-	6.00
Fire & Life Safety (Training)	-	-	-	2.00
Public Works				
Street & Traffic	20.00	23.50	26.00	27.00
Powell Bill	-	-	-	-
Traffic Services	6.00	5.00	5.83	6.00
Traffic Signals	1.75	2.50	3.00	3.00
Solid Waste & Recycling	31.00	32.49	34.00	35.34
Cemeteries	8.00	8.00	8.00	8.00
Fleet Services	13.00	14.00	14.00	14.00
Other Public Works				
Economic Development				
Business & Neighborhood Services	18.50	15.50	8.50	8.50
Transportation (Contract)	-	-	-	-
Economic Development	-	-	-	-
Development Services	6.00	9.00	9.00	10.00
Culture & Recreation				
Parks and recreation	19.37	20.81	21.00	21.75
Parks and recreation Aquatics (seasonal staff)	-	-	-	-
Total FTE General Fund	489.98	506.34	519.85	547.19

(Continued)

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
2.00	2.00	2.00	1.00	1.00	1.00
6.00	6.00	6.00	5.00	6.00	6.00
-	-	2.00	2.00	3.00	3.00
8.00	8.00	6.00	7.00	7.00	7.00
13.00	13.00	13.35	14.00	14.00	14.00
5.00	4.50	4.50	4.50	4.50	4.50
5.00	5.00	5.00	5.00	5.00	6.00
2.80	2.80	2.85	2.85	1.00	1.00
-	-	-	-	-	-
174.25	175.25	177.25	178.25	178.25	180.25
7.00	7.00	7.00	7.00	7.00	7.00
22.50	22.50	22.50	21.50	21.50	22.50
4.70	4.50	4.50	3.50	3.50	2.50
173.30	170.00	182.00	182.00	181.00	181.00
6.00	6.00	6.00	6.00	6.00	6.00
2.00	2.00	2.00	2.00	4.00	4.00
27.00	26.00	27.00	27.00	27.00	27.00
-	-	-	-	-	-
6.00	6.00	5.00	5.00	5.00	5.00
3.00	3.00	4.00	4.00	4.00	5.00
37.00	36.50	33.00	32.00	32.00	32.00
8.00	8.00	8.00	8.00	8.00	8.00
14.00	13.25	13.00	13.00	13.00	13.00
9.00	9.00	8.85	15.00	14.00	14.50
-	-	-	-	-	-
-	-	-	1.00	1.00	1.00
10.00	9.00	9.00	-	-	-
22.75	22.00	22.00	20.00	20.00	21.25
-	-	-	-	-	-
568.30	561.30	572.80	566.60	566.75	572.50

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

	2005	2006	2007	2008
Other Funds				
Municipal Service District Fund	-	-	-	-
Home Consortium Fund	1.00	1.50	1.50	1.50
Transportation Improvement Fund	-	-	-	-
CDBG	1.50	2.00	1.50	2.00
Addl. $5 Vehicle Tax (Transit Fund)	-	-	-	-
Stormwater	15.00	15.00	18.00	20.00
Electric				
Electric Administration	2.00	2.00	2.00	2.75
Purchased Power	-	-	-	-
Powerlines Maintenance	14.00	14.00	14.00	14.00
Tree Trimming	10.00	10.00	10.00	10.00
Electric Construction	36.00	36.00	34.00	34.00
Peak Shaving	1.00	1.00	1.00	1.00
Electric Engineering	6.00	6.00	6.00	6.00
Utility Locate Services	-	-	4.50	5.00
Water Resources				
Hillgrove Water Treatment Plant	14.50	14.50	14.50	14.50
Coddle Creek Water Treatment Plant	15.50	15.50	15.50	15.50
Waterlines Operations & Maintenance	33.00	36.50	37.00	37.00
Public Transit				
Rider Transit System	-	-	-	-
Wastewater Resources	29.00	29.00	29.50	31.00
Golf Course (contract)	-	-	-	-
Internal Services				
Utility Collections	5.00	5.00	5.00	5.00
Data Services	1.00	1.00	1.00	1.00
Billing	16.00	15.00	14.00	13.00
Customer Service	14.00	15.00	15.00	17.00
Engineering	28.00	27.00	27.92	28.00
Purchasing	9.00	9.00	9.00	9.00
Customer Care Center	6.15	6.15	6.90	7.15
Buildings & Grounds	37.75	37.43	38.69	41.27
Aviation	36.33	36.33	37.59	38.00
Public Housing	12.00	13.00	16.00	16.00
Total FTE Other Funds	343.73	347.91	360.10	369.67
Total	833.71	854.25	879.95	916.86

Source: City of Concord Budget Department

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
-	-	-	-	-	-
1.50	1.50	1.30	0.90	0.90	1.00
-	-	-	-	-	-
1.50	1.50	1.50	1.10	1.10	1.00
-	-	-	-	-	-
21.00	20.50	20.25	20.25	20.25	19.77
3.00	2.00	2.00	2.00	2.00	2.00
-	-	-	-	-	-
13.00	13.00	13.00	13.00	13.00	13.00
10.00	9.00	9.00	9.00	9.00	9.00
34.00	34.00	34.00	34.00	34.00	34.00
2.00	2.00	2.00	2.00	2.00	2.00
6.00	5.00	5.00	5.00	5.00	5.00
5.00	5.00	5.00	4.00	4.00	4.00
14.50	14.50	14.50	14.50	14.50	14.50
15.50	15.50	15.50	15.50	15.50	15.50
37.00	35.00	34.75	34.75	34.75	34.24
-	-	2.00	2.75	2.55	2.70
31.00	30.00	30.00	30.00	30.00	30.00
-	-	-	-	-	-
5.00	4.50	4.50	4.50	4.50	4.50
1.00	1.00	1.00	1.00	1.00	1.00
13.00	11.00	11.00	11.00	11.00	10.00
17.00	17.00	16.00	16.00	15.50	15.50
28.00	25.00	25.00	25.00	24.00	24.00
9.00	9.00	8.00	7.00	7.00	7.00
7.95	7.70	7.65	8.15	8.50	9.50
41.50	39.60	38.50	39.50	39.00	39.50
40.50	36.50	35.25	36.00	36.00	33.00
16.00	16.50	16.00	14.00	13.00	12.00
373.95	356.30	352.70	350.90	348.05	343.71
942.25	917.60	925.50	917.50	914.80	916.21

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008
Police				
Physical arrests	7,223	4,914	7,749	10,113
Parking violations	1,393	1,163	2,990	3,879
Traffic violations	9,011	8,461	15,775	16,293
Communications				
Calls received	88,082	89,180	101,130	107,265
Fire				
Emergency responses	6,291	6,304	6,870	7,310
Fires extinguished	325	390	404	378
Inspections	2,857	3,155	3,648	5,137
Education classes conducted	775	918	927	389
Number of people reached by educators	48,183	28,289	15,941	19,301
Customer Care Center				
Calls answered	115,832	127,747	136,958	151,419
Solid Waste & Recycling				
Refuse collected (tons per day)	91	86	93	92
Recyclables collected (tons per day)	9	8	9	11
Other Public Works				
Street resurfacing (miles)	26	8	10	11
Potholes repaired	370	226	199	60
NCDOT signalized street lights	N/A	N/A	92	78
NCDOT road (Non Interstate)	N/A	N/A	87	89
Economic Development				
Single family residential	693	1,007	524	614
Single family attached in units	44	N/A	53	146
Two family residential in units	1	2	1	1
Multi-family residential in units	0	0	0	0
Commercial building permits issued	130	118	27	128
Parks and recreation				
% Cost recovery Adult programs	86	89	87	90
Youth participation	5,488	10,220	10,367	9,127
Rec center attendance	66,700	68,751	71,625	73,227
Stormwater				
Accounts	N/A	25,477	26,639	28,935
Electric				
Accounts	24,933	26,194	26,945	27,514
Average megawatt hours daily use (2)	2,083	2,132	2,132	2,272
Substations	12	12	12	14
Water				
Accounts	28,993	31,130	32,629	33,988
Water Main Breaks	N/A	N/A	73	65
Average daily consumption (mgd)	N/A	N/A	11	10
Peak daily consumption (mgd)	N/A	N/A	13	11

(Continued)

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
6,128	6,275	5,783	5,837	5,072	4,925
2,506	1,576	3,343	2,964	2,696	2,375
13,629	13,004	13,561	9,878	9,422	8,135
105,912	107,585	107,341	100,197	108,843	109,382
7,324	7,287	7,920	8,856	9,077	9,246
327	322	402	315	293	192
5,255	5,166	5,564	5,764	6,343	5,900
492	668	575	446	681	739
23,708	16,841	25,364	37,187	29,774	31,008
159,197	153,503	153,158	206,144	191,689	116,672
94	99	92	89	86	90
11	13	14	22	22	22
11	10	7	8	10	6
80	72	78	74	28	36
75	95	96	101	105	102
89	89	89	90	90	90
212	346	284	403	460	397
49	30	20	4	0	15
13	13	0	66	550	18
0	0	0	0	0	66
36	11	18	52	53	59
90	90	90	90	92	92
11,097	11,285	9,974	9,974	10,848	11,672
73,194	73,947	93,846	93,846	79,014	81,093
28,823	29,007	29,292	29,683	30,168	30,701
26,920	27,368	27,447	27,675	28,062	28,576
2,241	2,221	2,401	2,332	2,318	2,282
14	14	14	15	15	15
33,522	33,688	33,859	34,431	35,843	36,692
27	36	43	33	2	13
9	10	9	9	9	9
10	13	12	13	12	13

CITY OF CONCORD, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM,
Last Ten Fiscal Years

	2005	2006	2007	2008
Transit				
Average daily use	893	1,122	1,202	1,239
Days of operation	260	270	304	307
Wastewater				
Accounts	25,417	27,550	29,050	30,423
Average daily treatment (thousands of gallons)	8,159	8,048	8,071	7,741
Golf Course				
Total Green Fee Rounds (3)	29,920	31,657	35,018	33,663
Cart Fee Rounds	27,226	27,571	29,978	27,760
Tournaments hosted	51	63	73	67
Aviation				
Avgas (annual gallons)	330,900	309,740	277,269	278,882
Jeta (annual gallons)	1,904,926	1,858,589	1,926,918	2,093,295
Operations = take off & landing (1)	67,416	63,084	64,660	70,519
Tax Base listings				
T Hanger	67	65	67	67
HIC	30	29	40	41
Tiedown	38	34	42	51
Corporate	5	5	6	6
Ground	8	7	8	8
Office	18	18	18	23
Public Housing				
Units in use	174	174	174	174
Housing Choice Vouchers	534	534	534	534

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

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

Table 20
Page 2 of 2
(Continued)

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
1,328	1,264	1,252	1,451	1,411	1,345
307	307	307	310	306	346
30,338	30,729	30,972	31,569	31,939	32,745
9,047	8,875	7,821	8,193	8,011	9,150
23,237	30,085	26,256	25,410	26,028	31,341
28,498	27,942	23,488	22,183	20,237	23,553
78	66	63	70	72	76
221,096	222,943	193,419	197,687	173,006	169,452
1,655,052	1,661,764	1,660,208	1,516,123	1,465,484	1,685,731
60,506	56,706	61,553	60,612	59,179	59,010
67	67	67	67	67	67
42	42	41	46	46	45
51	51	32	30	30	25
6	7	6	9	9	3
8	10	11	18	18	9
29	31	34	35	35	27
174	174	174	174	174	174
534	541	541	541	541	534

CITY OF CONCORD, NORTH CAROLINA

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

Function/Program	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Patrol Units	110	116	116	120
Fire				
Stations	8	8	8	8
Fire Units	14	14	14	14
Solid Waste & Recycling				
Refuse collection trucks	N/A	N/A	23	23
Other Public Works				
Paved streets (miles)	300	308	312	321
Signalized Street	13	13	13	13
Control Beacons	N/A	8	6	6
Guardrail	N/A	N/A	3.33	3
Sidewalk	89	99	106	195
School Zond Flashers	N/A	N/A	N/A	N/A
Facilities (City owned):				
Parks (acreage)	83	101	101	101
Playgrounds	14	14	14	14
Gymnasiums	3	3	3	3
Basketball courts	9	9	9	9
Tennis courts	14	14	14	14
Playing fields	28	28	28	28
Swimming pool	1	1	1	1
Green Way	1	2	2	2
Walking Trails	3	3	3	3
Stormwater				
Storm Sewers (miles)	N/A	N/A	N/A	86.18
Electric				
Substations	12	12	12	14
Water				
Water Mains (miles)	N/A	N/A	628	658
Fire hydrants	N/A	N/A	3,910	4,219
Storage capacity (millions of gallons)	14	14	14	14
Transit				
Transit Center	N/A	N/A	N/A	N/A
Buses	8	8	8	8
Wastewater				
Sanitary sewers (miles)	462	475	500	516
Treatment capacity (thousands of gallons)	2,937,536	2,946,068	3,340,866	2,825,589
Golf Course	1	1	1	1
Aviation				
Terminal	1	1	1	1
T Hangars	67	67	67	67
Corporate Hangar	2	2	2	2
Private Hangar	N/A	N/A	N/A	N/A
Hanger in Common	5	5	6	6
Acreage approximately	N/A	N/A	N/A	585
Public Housing				
Units	174	174	174	174

Source: City of Concord Finance Department

Table 21

Fiscal Year					
2009	**2010**	**2011**	**2012**	**2013**	**2014**
1	1	1	1	1	1
120	120	132	134	134	135
9	9	10	10	10	10
14	14	14	14	14	14
27	29	28	28	28	29
323	324	326	329	331	337
14	14	14	15	15	15
6	6	6	6	6	6
4	4	4	4	4	4
199	202	205	206	209	222
N/A	N/A	19	21	22	22
101	101	101	101	101	101
14	14	14	14	14	14
3	3	3	3	3	3
9	9	11	11	11	11
14	14	14	14	14	14
28	28	28	28	28	28
1	1	1	1	1	1
2	4.5	5	5	5	5
3	3	3	3	3	3
161	229	254	256	263	275
14	14	14	15	15	15
663	667	680.2	681	683	691
4,648	3,898	3,898	4,633	4,642	4,697
14	14	14	14	16	16
N/A	N/A	1	1	1	1
10	12	12	12	12	12
516	530	530	530	530	539
3,302,270	3,239,373	2,854,630	2,997,804	2,923,870	3,339,746
1	1	1	1	1	1
1	1	1	1	1	1
67	67	67	67	66	67
2	2	2	3	3	3
N/A	N/A	9	9	9	9
7	7	8	7	7	7
625	688	713	713	713	713
174	174	174	174	174	174

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POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregated remaining fund information of the City of Concord, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprises the City of Concord's basic financial statements, and have issued our report thereon dated October 29, 2013. Our report includes a reference to other auditors who have audited the financial statements of the City of Concord ABC Board, as described in our report on the City of Concord, North Carolina's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the City of Concord ABC Board were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Concord's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Concord's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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

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above. However, we identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2014-1 and 2014-2 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Concord's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-1 and 2014-2.

City of Concord's Response to Findings

The City of Concord's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

October 13, 2014
Monroe, North Carolina

Potter & Company

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the City of Concord, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Concord's major federal programs for the year ended June 30, 2014. The City of Concord's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Concord's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Concord's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the City of Concord complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

October 13, 2014
Monroe, North Carolina

Potter & Company

POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the City of Concord, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City of Concord's major state programs for the year ended June 30, 2014. The City of Concord's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Concord's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Concord's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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Opinion on Each Major State Program

In our opinion, the City of Concord complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

October 13, 2014
Monroe, North Carolina

Potter & Company

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended June 30, 2014

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-09-MC-37-0012	**$ 5,200**	**$ -**	**$ -**
	14.218	B-10-MC-37-0012	**19,211**	**-**	**-**
	14.218	B-11-MC-37-0012	**16,175**	**-**	**-**
	14.218	B-12-MC-37-0012	**64,151**	**-**	**-**
	14.218	B-13-MC-37-0012	**268,324**	**-**	**20,276**
			373,061	**-**	**20,276**
HOME Program - Program Income	14.239	M-09-DC-370209	**67,584**	**-**	**-**
	14.239	M-10-DC-370209	**49,785**	**-**	**-**
	14.239	M-11-DC-370209	**7,519**	**-**	**86,863**
	14.239	M-12-DC-370209	**-**	**-**	**45,639**
	14.239	M-13-DC-370209	**-**	**-**	**80**
			124,888	**-**	**132,582**
Public Housing: Operating subsidy	14.850	A-3249	**688,876**	**-**	**-**
Public Housing Capital Fund	14.872	NC19P00850111	**40,267**	**-**	**-**
	14.872	NC19P00850112	**89,342**	**-**	**-**
	14.872	NC19P00850113	**87,550**	**-**	**-**
	14.872	NC19E00850113	**418**	**-**	**-**
			217,577	**-**	**-**
Section 8, Housing Assistance Payments for Housing Vouchers	14.871	A-3344-V	**3,526,187**	**-**	**-**
Ross Homeownership Grant	14.870	NC008RFS103A008	**24,284**	**-**	**-**
U.S. Department of Justice:					
Justice Assistance Grant	16.738	2012-DJ-BX-0616	**7,401**	**-**	**43,360**
Justice Assistance Grant	16.738	2013-DJ-BX-0407	**12,697**	**-**	**-**
			20,098	**-**	**43,360**
U.S. Department of Homeland Security:					
SAFER Grant	97.083	EMW2008FF00773	**78,793**	**-**	**470,169**

(Continued)

CITY OF CONCORD, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)
Year Ended June 30, 2014

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Grant/ Contract Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Local Expenditures
U.S. Department of Transportation					
Federal Transit:					
Federal Transit Formula Grant	20.507	NC-90-X481-00	**$ 3,776,435**	**$ 446,004**	**$ 1,898,098**
State of Good Repair	20.525	NC-04-0056-00	**2,000,000**	**-**	**-**
			5,776,435	**446,004**	**1,898,098**
Passed through North Carolina Department of Transportation:					
Metropolitan Planning Grant	20.505	36230.7.13.6	**37,440**	**4,680**	**4,680**
Airport Improvement Program:					
Terminal/Parking Imprv - Design	20.106	36237.29.15.2	**133,944**	**-**	**14,883**
Taxiway Strengthening	20.106	36237.29.16.1	**36,190**	**-**	**-**
Pavement Strenghening	20.106	36237.29.16.2	**109,978**	**-**	**-**
Terminal/Parking Imprv - Const	20.106	36237.29.18.1	**1,155,350**	**-**	**-**
			1,472,902	**4,680**	**19,563**
Total federal awards			**12,303,101**	**450,684**	**2,584,048**
State Financial Assistance:					
Department of Transportation:					
Metropolitan Planning Grant	20.505	39225.1.3	**-**	**312,736**	**78,183**
Airport South Apron Expansion	DOT-8	36244.41.5.2	**-**	**140,223**	**-**
Powell Bill	N/A		**-**	**2,387,575**	**-**
			-	**2,840,534**	**78,183**
Department of Environment and Natural Resources					
Community Waste Reduction	N/A	5533	**-**	**13,265**	**13,505**
Parks and Recreation Trust Fund	N/A	4005	**-**	**377,225**	**64,299**
			-	**390,490**	**77,804**
Total state awards			**-**	**3,231,024**	**155,987**
Total federal and state awards			**$ 12,303,101**	**$ 3,681,708**	**$ 2,740,035**

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, 2014

(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	$ 3,526,187	$ -	$ -	$ 3,526,187
Community development	378,861	-	-	378,861
Home	168,858	-	-	168,858
Capital project funds:				
Transportation	1,193,979	-	-	1,193,979
Enterprise funds:				
Regional Airport	-	-	1,817,784	1,817,784
Housing Department	-	930,737	-	930,737
Transit	-	6,833,463	-	6,833,463
Total federal	5,267,885	7,764,200	1,817,784	14,849,869
State assistance:				
General fund	3,727,966	-	-	3,727,966
Capital project funds:				
Parks	377,225	-	-	377,225
Total state	4,105,191	-	-	4,105,191
	$ 9,373,076	$ 7,764,200	$ 1,817,784	$ 18,955,060

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	____	yes	X	no
• Significant Deficiency(s) identified that are not considered to be material weaknesses	X	yes	____	none reported
Noncompliance material to financial statements noted	X	yes	____	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
20.507	Federal Transit Cluster – Federal Transit Formula Grants
20.525	State of Good Repair Grants

Dollar threshold used to distinguish between Type A and Type B Programs $ 369,093

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
Parks and Recreation Trust Fund
Metropolitan Planning Grant

Section II - Financial Statement Findings

Finding 2014-1

MATERIAL NONCOMPLIANCE AND SIGNIFICANT DEFICIENCY

Criteria: G.S. 159-13 requires the governing board to appropriate the full amount of any deficit in each fund.

Condition: The City had deficit net assets of $2,553 and $3,937,817 in the Community Development Special Revenue Fund and Debt Service Fund at year end, respectively.

Effect: Expenditures had been made or accrued in excess of resources in the Community Development Special Revenue Fund and Debt Service Fund .

Cause: Expenditures were incurred or accrued in excess of grant revenues and transfers received during the year.

Recommendation: The adequacy of grant revenues and transfers should be reevaluated and revised to reflect more accurately cost incurred in their respective funds.

Views of responsible officials and planned corrective actions: The City agrees with this finding. The deficit in the Community Development Special Revenue Fund will be reduced in the coming year as more grant money is received. The deficit balance in fund balance for the Debt Service Fund will be reduced in future years as funds in excess of the annual debt service requirement are transferred in.

Finding 2014-2

NONCOMPLIANCE AND SIGNIFICANT DEFICENCY

Criteria: G.S. 159-8(a) states that all moneys received and expended by a local government or public authority should be included in the budget ordinance.

Condition: The City's golf course operating fund expended $52,274 more for operations than appropriated in the annual budget ordinance.

Effect: Moneys were spent that had not been appropriated.

Cause: The City had operating revenues higher than budgeted for the year, which in turn led to higher than anticipated actual expenditures for the year.

Recommendation: Budget amendments should be adopted when revenues are received in excess of estimated revenues in the budget ordinance prior to expending additional funds.

Views of responsible officials and planned corrective actions: The City agrees with this finding. Budget amendments will be adopted prior to making expenditures that exceed budgeted amounts. Please refer to the corrective action plan.

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, 2014

Section II - Financial Statement Findings

Finding 2014-1

Name of contact person: Pam Hinson, Finance Director

Corrective action: The Finance Director will review actual grant fund and transfers received during the year in the Community Development Special Revenue Fund and Debt Service Fund to more accurately cover expenditures incurred by these Funds.

Proposed Completion Date: The Finance Director has implemented this corrective action.

Finding 2014-2

Name of contact person: Pam Hinson, Finance Hinson

Corrective Action: The department head of the golf course will review a budget-to-actual report prepared by the finance officer on a reoccurring basis and budget amendments will be made as necessary.

Proposed Completion Date: The Finance Director has implemented this corrective action.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Awards Findings and Questioned Costs

None reported.

CITY OF CONCORD, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2014

Findings:	**None Reported**
Status:	Corrected