

**BASIC FINANCIAL STATEMENTS**

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## STATEMENT OF NET ASSETS AND STATEMENT OF ACTIVITIES

The Statement of Net Assets and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net assets. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its Business-Type Activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City and the City of Concord Redevelopment Agency, City of Concord Joint Powers Financing Authority, Concord Sanitary Sewer Services, Inc., and the City of Concord Retirement System, which are legally separate but are component units of the City because they are controlled by the City, which are financially accountable for the component units' activities.

**CITY OF CONCORD  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments (Note 3)	\$90,561,121	\$29,142,573	\$119,703,694
Cash with Fiscal Agents (Note 3)	6,856,288	7,190,172	14,046,460
Receivables (Net of Allowances for Uncollectibles):			
Accounts	2,377,192	66,986	2,444,178
Due from Other Governments	7,862,591		7,862,591
Interest	550,555	13,770	564,325
Loans and Notes, Net of Reserves (Note 5)	24,623,699		24,623,699
Employee Computer Loans (Note 6)	31,580		31,580
Special Assessments	349,097		349,097
Inventories	132,263		132,263
Prepaid Items and Other Assets	36,321	48,616	84,937
Internal Balances (Note 4)	221,107	(221,107)	
Land Held for Redevelopment (Note 1)	11,416,332		11,416,332
Investment in Joint Venture (Note 15)	1,404,484		1,404,484
Net OPEB Asset (Note 12)	9,516,723		9,516,723
Capital Assets (Note 7):			
Land and Construction In Progress	18,760,444	13,043,010	31,803,454
Depreciable Capital Assets, Net of Accumulated Depreciation	697,072,392	75,628,558	772,700,950
<b>Total Assets</b>	<b>871,772,189</b>	<b>124,912,578</b>	<b>996,684,767</b>
<b>LIABILITIES</b>			
Accounts, Deposits and Contracts Payable	4,035,039	14,801,255	18,836,294
Accrued Liabilities	5,504,170		5,504,170
Interest Payable	2,191,918	437,410	2,629,328
Refundable Deposits	4,147,248		4,147,248
Unearned Revenue	525,722		525,722
Compensated Absences (Note 1)			
Due in One Year	3,402,736	196,241	3,598,977
Due in More Than One Year	780,767	47,154	827,921
Claims Payable (Note 14):			
Due in One Year	2,180,542		2,180,542
Due in More Than One Year	4,940,468		4,940,468
Long-Term Debt (Note 8):			
Due in One Year	5,780,763	840,000	6,620,763
Due in More Than One Year	88,395,942	23,750,000	112,145,942
<b>Total Liabilities</b>	<b>121,885,315</b>	<b>40,072,060</b>	<b>161,957,375</b>
<b>NET ASSETS (Note 9)</b>			
Invested in Capital Assets, Net of Related Debt	622,560,100	71,320,356	693,880,456
Restricted for:			
Capital Projects	13,026,953		13,026,953
Debt Service	7,361,426		7,361,426
Community Development Projects	68,502,309		68,502,309
<b>Total Restricted Net Assets</b>	<b>88,890,688</b>		<b>88,890,688</b>
Unrestricted Net Assets	38,436,086	13,520,162	51,956,248
<b>Total Net Assets</b>	<b>\$749,886,874</b>	<b>\$84,840,518</b>	<b>\$834,727,392</b>

See accompanying notes to financial statements

**CITY OF CONCORD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities:</b>							
General Government	\$12,738,632	\$866,501		\$380,550	(\$11,391,581)		(\$11,391,581)
Public Safety	45,291,048	1,672,348	\$471,053	40,582	(43,107,065)		(43,107,065)
Public Works	36,454,843	5,847,684	2,035,959	3,518,478	(25,052,722)		(25,052,722)
Building, Engineering & Neighborhood Services	6,571,713	3,363,813	267,196	4,166,741	1,226,037		1,226,037
Planning & Economic Development	10,579,123	2,390,462	811,432		(7,377,229)		(7,377,229)
Community & Recreation Services	9,463,315	3,492,087	1,130,121	2,408,086	(2,435,021)		(2,435,021)
Interest on Long-Term Debt	5,213,438				(5,213,438)		(5,213,438)
<b>Total Governmental Activities</b>	<b>126,312,112</b>	<b>17,732,895</b>	<b>4,715,761</b>	<b>10,512,437</b>	<b>(93,351,019)</b>		<b>(93,351,019)</b>
<b>Business-Type Activities:</b>							
Sewer	18,688,255	18,296,077		117,915		(\$274,263)	(274,263)
Golf Course	1,679,995	1,422,154				(257,841)	(257,841)
<b>Total Business-Type Activities</b>	<b>20,368,250</b>	<b>19,718,231</b>		<b>117,915</b>		<b>(532,104)</b>	<b>(532,104)</b>
<b>Total</b>	<b>\$146,680,362</b>	<b>\$37,451,126</b>	<b>\$4,715,761</b>	<b>\$10,630,352</b>	<b>(93,351,019)</b>	<b>(532,104)</b>	<b>(93,883,123)</b>
<b>General Revenues:</b>							
<b>Taxes</b>							
Property Taxes					29,034,866		29,034,866
Sales Taxes					24,253,987		24,253,987
Motor Vehicle in Lieu, Unrestricted					9,625,835		9,625,835
Transient Occupancy Taxes					1,710,768		1,710,768
Business License Taxes					3,262,762		3,262,762
Other Taxes					4,128,526		4,128,526
Investment Earnings					2,300,008	809,161	3,109,169
Miscellaneous Revenues					247,697	52,450	300,147
Transfers (net), (Note 4)					(16,401)	16,401	
<b>Total General Revenues</b>					<b>74,547,848</b>	<b>878,012</b>	<b>75,425,860</b>
<b>Change in Net Assets</b>					<b>(18,803,171)</b>	<b>345,908</b>	<b>(18,457,263)</b>
<b>Net Assets - Beginning</b>					<b>768,680,045</b>	<b>84,494,610</b>	<b>853,184,655</b>
<b>Net Assets - Ending</b>					<b>\$749,886,874</b>	<b>\$84,840,518</b>	<b>\$834,727,392</b>

See accompanying notes to financial statements

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## FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

### MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal 2009. Individual non-major funds may be found in the Supplemental section.

**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 major revenue sources for this Fund are property taxes, sales taxes, unrestricted revenues from the State, charges for services, and interest income. Expenditures are made for public safety, most street work and other services not required to be accounted for in another fund.

**Housing and Community Services** – The Housing and Community Services Fund accounts for monies received from the Department of Housing and Urban Development and expended for development of jobs and suitable housing for low-income residents.

**Redevelopment Agency** – The Redevelopment Agency Fund accounts for all activities of the Agency, including 1) tax increment allocations set aside for the purpose of increasing or improving housing for low-income residents; 2) the accumulation of property taxes for payment of interest and principal on the Redevelopment Agency tax allocation bonds issued in 1988, 1993 and 2004; 3) capital projects connected with downtown redevelopment funded by property tax increment revenues.

**General Reimbursable Projects Fund** - To account for project costs that are reimbursable from grants and to track job specific projects.

CITY OF CONCORD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2009

	General	Housing and Community Services	Redevelopment Agency	General Reimbursable Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>						
Cash and Investments (Note 3)	\$28,353,262	\$2,262,932	\$29,510,001	\$1,304,664	\$8,727,010	\$70,157,869
Cash with Fiscal Agents (Note 3)			3,528,885		3,315,743	6,844,628
Receivables (Net of Allowances for Uncollectibles):						
Accounts	1,956,215	7,599	62,513	188,157	17,716	2,232,200
Due from Other Governments	3,239,828	204,981		2,121,721	2,296,061	7,862,591
Interest	385,245		144,565			529,810
Due from Other Funds (Note 4)	171,615				1,280,844	1,452,659
Loans and Notes (Note 5)		2,613,395	21,804,980		205,324	24,623,699
Employee Computer Loans (Note 6)	31,580					31,580
Special Assessments					349,097	349,097
Inventories	132,263					132,263
Prepaid Items and Other Assets	4,111		15,257	35		19,403
Advances to Other Funds (Note 4)	1,420,666				477,000	1,897,666
Land Held for Redevelopment (Note 1)			11,416,332			11,416,332
Investment in Partnership (Note 15)			1,404,484			1,404,484
<b>Total Assets</b>	<b>\$35,694,985</b>	<b>\$5,088,907</b>	<b>\$67,887,017</b>	<b>\$3,614,577</b>	<b>\$16,668,795</b>	<b>\$128,954,281</b>
<b>LIABILITIES:</b>						
Accounts, Deposits and Contracts Payable	\$3,647,817	\$13,739	\$52,001	\$19,297	\$253,787	\$3,986,641
Accrued Liabilities	3,092,499	1,361,702	115,329	7,303	18,353	4,595,186
Due to Other Funds (Note 4)				688,993	608,978	1,297,971
Refundable Deposits	4,147,248					4,147,248
Deferred Revenue	455,722	2,333,395	4,823,765	3,631,627	2,252,953	13,497,462
Advances from Other Funds (Note 4)	550,000				1,281,247	1,831,247
<b>Total Liabilities</b>	<b>11,893,286</b>	<b>3,708,836</b>	<b>4,991,095</b>	<b>4,347,220</b>	<b>4,415,318</b>	<b>29,355,755</b>
<b>FUND BALANCES:</b>						
Fund Balances: (Note 9)						
Reserved for:						
Encumbrances	406,809	20,000	1,480,381	450,248	1,270,847	3,628,285
Loans and Notes	31,580	280,000	16,981,215		185,445	17,478,240
Advances to Other Funds	1,420,666				477,000	1,897,666
Inventory, Prepaid Items & Forfeitures	136,348		15,257	268,647		420,252
Land Held for Redevelopment			11,416,332			11,416,332
Investment in Partnership			1,404,484			1,404,484
Low and Moderate Income Housing			6,233,314			6,233,314
Debt Service			3,528,751		3,483,578	7,012,329
Unreserved:						
Designated for:						
Contingencies	17,929,392					17,929,392
Capital Projects						
Reported in:						
General Fund	237,059					237,059
Special Revenue Funds					619,233	619,233
Capital Project Funds		1,080,071	21,836,054		2,415,431	25,331,556
Community Development and Public Safety						
Reported in:						
Special Revenue Funds						
Unrealized Increase in Fair Value of Investments			134			134
Undesignated, Reported in:						
General Fund	3,639,845					3,639,845
Special Revenue Funds					5,099,565	5,099,565
Capital Projects Funds				(1,451,538)	(1,297,622)	(2,749,160)
<b>TOTAL FUND BALANCES</b>	<b>23,801,699</b>	<b>1,380,071</b>	<b>62,895,922</b>	<b>(732,643)</b>	<b>12,253,477</b>	<b>99,598,526</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$35,694,985</b>	<b>\$5,088,907</b>	<b>\$67,887,017</b>	<b>\$3,614,577</b>	<b>\$16,668,795</b>	<b>\$128,954,281</b>

See accompanying notes to financial statements

CITY OF CONCORD  
Reconciliation of the  
GOVERNMENTAL FUNDS - BALANCE SHEET  
with the  
STATEMENT OF NET ASSETS  
JUNE 30, 2009

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$99,598,526

Amounts reported for Governmental Activities in the Statement of  
Net Assets are different from those reported in the Governmental Funds above because of the following:

**CAPITAL ASSETS**

Capital assets used in Governmental Activities are not current assets or financial resources  
and therefore are not reported in the Governmental Funds. 715,832,836

**ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS**

Internal Service Funds are not Governmental Funds. However, they are used by management to  
charge the costs of certain activities, such as insurance and central services and maintenance,  
to individual Governmental Funds.

The net current assets and liabilities of the Internal Service Funds are therefore included in  
Governmental Activities following line items in the Statement of Net Assets.

Cash and investments	20,414,912
Accounts Receivable	144,992
Interest Receivable	20,745
Prepaid Items	16,918
Net OPEB Asset	9,516,723
Accounts Payable	(48,398)
Claims Payable	(7,121,010)

**ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES**

Revenues which are deferred on the Fund Balance Sheets because they are not available  
currently are taken into revenue in the Statement of Activities. 13,093,861

**LONG-TERM ASSETS AND LIABILITIES**

The assets and liabilities below are not due and payable in the current period and therefore are  
not reported in the Funds:

Long-Term Debt	(96,840,944)
Loss on Refunding of Bond Issue	2,664,239
Interest Payable	(2,191,918)
Non-Current Portion of Accrued Liabilities	(5,214,608)

**NET ASSETS OF GOVERNMENTAL ACTIVITIES**

\$749,886,874

See accompanying notes to financial statements

**CITY OF CONCORD  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2009**

	General	Housing and Community Services	Redevelopment Agency	General Reimbursable Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes						
Property	\$12,987,563		\$17,702,809		\$3,557,910	\$34,248,282
Less Tax Increment Pass Through Payment			(1,238,338)			(1,238,338)
Less Tax Increment Rebate			(377,503)			(377,503)
In Lieu Property Tax - VLF	9,201,212					9,201,212
Sales	17,757,981					17,757,981
Sales Tax In Lieu	6,496,005					6,496,005
Transient Occupancy	1,710,767					1,710,767
Franchises	4,128,525					4,128,525
Business License	3,262,763					3,262,763
Licenses and Permits	1,262,916	\$335,588			1,953,499	3,552,003
Intergovernmental	808,849	1,215,863		\$5,316,564	5,025,275	12,366,551
Charges for Services	7,271,613				17,836	7,289,449
Fines, Forfeitures and Penalties	1,044,448			64,229		1,108,677
Parks and Recreation	2,869,639					2,869,639
Use of Money and Property	1,083,367	19,260	1,237,135	572	1,761,831	4,102,165
Special Assessment Collections					67,052	67,052
Other	540,540	80,476	45,547		119,777	786,340
<b>Total Revenues</b>	<b>70,426,188</b>	<b>1,651,187</b>	<b>17,369,650</b>	<b>5,381,365</b>	<b>12,503,180</b>	<b>107,331,570</b>
<b>EXPENDITURES</b>						
Current						
General Government	11,587,366		2,236	415,206		11,984,808
Public Safety	42,592,777			250,745		42,843,522
Public Works	9,050,960		26,331	67,348	6,811,561	15,956,198
Building, Engineering & Neighborhood Services	5,592,315		138,670	567,658		6,298,643
Planning & Economic Development	1,736,656	123,619	5,760,718	496,670	24,865	8,142,528
Community & Recreation Services	7,167,464	537,398	24,173	743,709	333,685	8,806,329
Capital Outlay		641,241	3,464,991	2,673,592	4,809,328	11,589,152
Debt Service:						
Principal			3,530,000		1,494,000	5,024,000
Interest and Fiscal Charges		95,579	2,905,170		1,860,063	4,860,812
<b>Total Expenditures</b>	<b>77,707,538</b>	<b>1,397,837</b>	<b>15,852,289</b>	<b>5,214,926</b>	<b>15,333,402</b>	<b>115,505,992</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,281,350)</b>	<b>253,350</b>	<b>1,517,361</b>	<b>166,439</b>	<b>(2,830,222)</b>	<b>(8,174,422)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from long term debt (Note 8)		95,579				95,579
Transfers in (Note 4)	2,482,510	30,000		985,970	2,059,388	5,557,868
Transfers (Out) (Note 4)	(1,136,854)	(1,161)	(1,968,820)	(487,896)	(476,565)	(4,071,296)
<b>Total Other Financing Sources (Uses)</b>	<b>1,345,656</b>	<b>124,418</b>	<b>(1,968,820)</b>	<b>498,074</b>	<b>1,582,823</b>	<b>1,582,151</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,935,694)</b>	<b>377,768</b>	<b>(451,459)</b>	<b>664,513</b>	<b>(1,247,399)</b>	<b>(6,592,271)</b>
<b>FUND BALANCES (DEFICIT): AT BEGINNING OF YEAR</b>	<b>29,737,393</b>	<b>1,002,303</b>	<b>63,347,381</b>	<b>(1,397,156)</b>	<b>13,500,876</b>	<b>106,190,797</b>
<b>FUND AT END OF PERIOD</b>	<b>\$23,801,699</b>	<b>\$1,380,071</b>	<b>\$62,895,922</b>	<b>(\$732,643)</b>	<b>\$12,253,477</b>	<b>\$99,598,526</b>

See accompanying notes to financial statements

CITY OF CONCORD  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2009

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$6,592,271)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. The capital outlay and other expenditures are therefore added back to fund balance 9,184,710

Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$3,753,916 which has already been allocated to serviced funds.) (20,389,813)

LONG TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the Governmental Funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal is added back to fund balance 5,024,000  
 Amortization of loss on refunding is deducted from fund balance (296,027)  
 Proceeds from long-term debt (95,579)

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in Governmental Funds (net change):

Long-Term Compensated Absences and pension costs (1,153,457)  
 Deferred Revenue 30,108  
 Interest Payable 81,081

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with governmental activities, because they service those activities.

Change in Net Assets - All Internal Service Funds, less contributions from Governmental Funds (4,575,923)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (\$18,803,171)

see accompanying notes to financial statements

**CITY OF CONCORD  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes				
Property	\$14,109,926	\$13,053,288	\$12,987,563	(\$65,725)
In Lieu Property Tax VLF	9,539,712	9,259,712	9,201,212	(58,500)
Sales	22,550,000	17,656,000	17,757,981	101,981
Sales Tax In Lieu	7,500,000	7,500,000	6,496,005	(1,003,995)
Transient Occupancy	2,170,000	2,067,342	1,710,767	(356,575)
Franchises	3,966,426	3,966,426	4,128,525	162,099
Business License	3,300,000	2,870,000	3,262,763	392,763
Licenses and Permits	1,356,086	1,149,754	1,262,916	113,162
Intergovernmental	1,051,839	1,131,839	808,849	(322,990)
Charges for Services	7,124,943	7,124,943	7,271,613	146,670
Fines, Forfeitures and Penalties	909,187	959,187	1,044,448	85,261
Parks and Recreation	2,981,808	2,981,808	2,869,639	(112,169)
Use of Money and Property	1,127,894	825,794	1,083,367	257,573
Other	180,995	180,995	540,540	359,545
<b>Total Revenues</b>	<b>77,868,816</b>	<b>70,727,088</b>	<b>70,426,188</b>	<b>(300,900)</b>
<b>EXPENDITURES:</b>				
Current				
General Government:				
Council	412,854	410,378	309,388	100,990
Manager	3,129,657	3,057,156	3,320,060	(262,904)
Attorney	1,635,490	1,628,785	1,551,835	76,950
Human Resources	1,631,039	1,528,651	1,361,537	167,114
Finance	4,792,091	4,742,692	5,024,546	(281,854)
<b>Total General Government</b>	<b>11,601,131</b>	<b>11,367,662</b>	<b>11,567,366</b>	<b>(199,704)</b>
Public Safety	42,177,592	41,086,650	42,592,777	(1,506,127)
Public Works	9,827,489	9,626,510	9,050,960	575,550
Building, Engineering & Neighborhood Services	6,014,543	5,697,638	5,592,315	105,323
Planning & Economic Development	1,858,886	1,850,100	1,736,656	113,444
Community & Recreation Services	7,494,342	7,332,678	7,167,464	165,214
<b>Total Expenditures</b>	<b>78,973,983</b>	<b>76,961,238</b>	<b>77,707,538</b>	<b>(746,300)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,105,167)</b>	<b>(6,234,150)</b>	<b>(7,281,350)</b>	<b>(1,047,200)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	668,960	2,254,515	2,482,510	227,995
Transfers (Out)	(1,776,799)	(1,776,799)	(1,136,854)	639,945
<b>Total Other Financing Sources (Uses)</b>	<b>(1,107,839)</b>	<b>477,716</b>	<b>1,345,656</b>	<b>867,940</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$2,213,006)</b>	<b>(\$5,756,434)</b>	<b>(5,935,694)</b>	<b>(\$179,260)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<b>29,737,393</b>	
<b>FUND BALANCE AT END OF YEAR</b>			<b>\$23,801,699</b>	

See accompanying notes to financial statements

## PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of *major funds* extends to Proprietary Funds. GASB 34 does not provide for the disclosure of budget vs. actual comparisons regarding proprietary funds. The City reports all Enterprise Funds as major funds:

**Sewer Fund.** To account for activities associated with sewage transmission and treatment.

**Golf Course Fund.** To account for activities associated with the development, operation and maintenance of the Diablo Creek Golf Course.

**CITY OF CONCORD  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer</u>	<u>Golf Course</u>	<u>Totals</u>	
<b>ASSETS:</b>				
Current Assets:				
Cash and Investments (Note 3)	\$29,142,573		\$29,142,573	\$20,403,252
Cash with Fiscal Agents (Note 3)	6,937,233	252,939	7,190,172	11,660
Accounts Receivable	21,054	45,932	66,986	144,992
Interest Receivable	13,770		13,770	20,745
Prepaid Items				16,918
<b>Total Current Assets</b>	<u>36,114,630</u>	<u>298,871</u>	<u>36,413,501</u>	<u>20,597,567</u>
Non-Current Assets:				
Advances to Other Funds (Note 4)	550,000		550,000	
Debt Issue Costs (Net of Amortization)		48,616	48,616	
Net OPEB Asset (Note 12)				9,516,723
Capital Assets (Note 7):				
Land	334,838	60,344	395,182	
Construction In Progress	12,194,285	453,543	12,647,828	13,696
Buildings and Improvements	2,824,944	5,389,313	8,214,257	73,700,490
Machinery and Equipment	237,450	136,177	373,627	16,550,887
Sewer Collection System	196,538,010		196,538,010	
Less: Accumulated Depreciation	(126,910,893)	(2,586,443)	(129,497,336)	(39,160,663)
<b>Net Capital Assets</b>	<u>85,218,634</u>	<u>3,452,934</u>	<u>88,671,568</u>	<u>51,104,410</u>
<b>Total Non-Current Assets</b>	<u>85,768,634</u>	<u>3,501,550</u>	<u>89,270,184</u>	<u>60,621,133</u>
<b>Total Assets</b>	<u>121,883,264</u>	<u>3,800,421</u>	<u>125,683,685</u>	<u>81,218,700</u>
<b>LIABILITIES:</b>				
Current Liabilities (Payable from Current Assets):				
Accounts and Contracts Payable	14,790,365	10,890	14,801,255	48,398
Compensated Absences Payable (Note 1)	196,241		196,241	181,224
Bond Interest Payable (Note 8)	398,637	38,773	437,410	39,282
Due to Other Fund (Note 4)		154,688	154,688	
Capital Lease Payable (Note 8)				327,763
Certificates of Participation (Note 8)	705,000	135,000	840,000	
Judgment Obligation Bonds (Note 8)				330,000
Claims Payable (Note 14)				2,180,542
<b>Total Current Liabilities</b>	<u>16,090,243</u>	<u>339,351</u>	<u>16,429,594</u>	<u>3,107,209</u>
Noncurrent Liabilities:				
Compensated Absences Payable (Note 1)	47,154		47,154	26,510
Advance from Other Funds (Note 4)		616,419	616,419	
Capital Lease Payable (Note 8)				512,538
Claims Payable (Note 14)				4,940,468
Judgment Obligation Bonds (Note 8)				1,900,000
Certificates of Participation (Note 8)	22,230,000	1,520,000	23,750,000	
<b>Total Noncurrent Liabilities</b>	<u>22,277,154</u>	<u>2,136,419</u>	<u>24,413,573</u>	<u>7,379,516</u>
<b>Total Liabilities</b>	<u>38,367,397</u>	<u>2,475,770</u>	<u>40,843,167</u>	<u>10,486,725</u>
<b>NET ASSETS:</b>				
Invested in Capital Assets,				
Net of Related Debt	69,220,867	2,099,489	71,320,356	50,264,109
Unrestricted	14,295,000	(774,838)	13,520,162	20,467,866
<b>Total Net Assets Business-Type Activities</b>	<u>\$83,515,867</u>	<u>\$1,324,651</u>	<u>\$84,840,518</u>	<u>\$70,731,975</u>

See accompanying notes to financial statements

CITY OF CONCORD  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUE, EXPENSES  
 AND CHANGES IN FUND NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Golf Course	Totals	
<b>OPERATING REVENUES</b>				
Service Fees	\$18,296,077		\$18,296,077	
Charges for Services				\$18,651,975
Golf Course Fees and Charges		\$1,422,154	1,422,154	
Claims Settlement				85,802
Other				47,275
<b>Total Operating Revenues</b>	<u>18,296,077</u>	<u>1,422,154</u>	<u>19,718,231</u>	<u>18,785,052</u>
<b>OPERATING EXPENSES</b>				
Operating and Maintenance	13,704,022	1,445,651	15,149,673	10,725,677
Cost of Sales and Services				4,727,000
Depreciation and Amortization	4,014,445	148,455	4,162,900	3,753,916
Claims and Judgments				3,471,993
<b>Total Operating Expenses</b>	<u>17,718,467</u>	<u>1,594,106</u>	<u>19,312,573</u>	<u>22,678,586</u>
<b>Operating Income (Loss)</b>	<u>577,610</u>	<u>(171,952)</u>	<u>405,658</u>	<u>(3,893,534)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment Income	807,111	2,050	809,161	423,235
Interest Expense	(969,788)	(85,889)	(1,055,677)	(162,597)
Gain from Disposition of Capital Assets				35,896
Other		52,450	52,450	
<b>Net Non-Operating Revenues (Expenses)</b>	<u>(162,677)</u>	<u>(31,389)</u>	<u>(194,066)</u>	<u>296,534</u>
<b>Income (Loss) Before Contributions and Transfers</b>	<u>414,933</u>	<u>(203,341)</u>	<u>211,592</u>	<u>(3,597,000)</u>
Contributions	117,915		117,915	524,050
Transfer In (Note 4)		25,645	25,645	610,581
Transfer Out (Note 4)	(9,244)		(9,244)	(2,113,554)
<b>Change in Net Assets</b>	<u>523,604</u>	<u>(177,696)</u>	<u>345,908</u>	<u>(4,575,923)</u>
<b>Total Net Assets - Beginning</b>	<u>82,992,263</u>	<u>1,502,347</u>	<u>84,494,610</u>	<u>75,307,898</u>
<b>Total Net Assets - Ending</b>	<u>\$83,515,867</u>	<u>\$1,324,651</u>	<u>\$84,840,518</u>	<u>\$70,731,975</u>

See accompanying notes to financial statements

CITY OF CONCORD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Sewer</u>	<u>Golf Course</u>	<u>Totals</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$18,275,023	\$1,448,145	\$19,723,168	\$18,744,512
Payments to Suppliers	(13,999,193)	(1,364,320)	(15,363,513)	(12,037,213)
Payments to Employees	(1,269,369)	(78,712)	(1,348,081)	(4,824,251)
Claims paid				(3,451,303)
<b>Net Cash Provided by Operating Activities</b>	<b>3,006,461</b>	<b>5,113</b>	<b>3,011,574</b>	<b>(1,568,255)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Borrowings of Advances From/To Other Funds		154,688	154,688	
Other Non-Operating Revenue		52,450	52,450	
Transfers In		25,645	25,645	
Transfers (Out)	(9,244)		(9,244)	(1,502,973)
<b>Cash Flows from Non-Capital Financing Activities</b>	<b>(9,244)</b>	<b>232,783</b>	<b>223,539</b>	<b>(1,502,973)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(9,562,433)	(109,478)	(9,671,911)	(1,408,484)
Proceeds from sale of Capital Assets				35,896
Principal Paid on Debt, Bond Maturities	(680,000)	(125,000)	(805,000)	(315,000)
Interest and Fiscal Charges Paid	(979,116)	(91,614)	(1,070,730)	(170,458)
<b>Cash Flows from Capital and Related Financing Activities</b>	<b>(11,221,549)</b>	<b>(326,092)</b>	<b>(11,547,641)</b>	<b>(1,858,046)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	820,865	2,050	822,915	534,596
<b>Cash Flows from Investing Activities</b>	<b>820,865</b>	<b>2,050</b>	<b>822,915</b>	<b>534,596</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(7,403,467)</b>	<b>(86,146)</b>	<b>(7,489,613)</b>	<b>(4,394,678)</b>
Cash and investments at Beginning of Period	43,483,273	339,085	43,822,358	24,809,590
Cash and investments at End of Period	<u>\$36,079,806</u>	<u>\$252,939</u>	<u>\$36,332,745</u>	<u>\$20,414,912</u>
<b>NON-CASH TRANSACTIONS:</b>				
Contributions and Transfers of Capital Assets, Net	<u>\$117,915</u>		<u>\$117,915</u>	<u>\$524,050</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>				
Operating Income (Loss)	\$577,610	(\$171,952)	\$405,658	(\$3,893,534)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>				
Depreciation and Amortization	4,014,445	148,455	4,162,900	3,753,916
<b>Change in Assets and Liabilities:</b>				
Receivables, Net	(21,054)	25,991	4,937	(40,540)
Prepaid Expenses	60		60	43,469
Net OPEB Asset				(1,488,720)
Accounts Payable	(1,589,787)	(2,782)	(1,592,569)	32,446
Accrued Liabilities	25,187	5,401	30,588	4,018
Self Insurance Claims Payable				20,690
<b>Net Cash Provided by Operating Activities</b>	<b>\$3,006,461</b>	<b>\$5,113</b>	<b>\$3,011,574</b>	<b>(\$1,568,255)</b>

See accompanying notes to financial statements

## FIDUCIARY FUNDS

Fiduciary Funds – Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

CITY OF CONCORD  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2009

	<u>City of Concord Retirement System Pension Trust</u>
<b>ASSETS:</b>	
Cash and Investments (Note 3)	
Money Market Funds	\$25,713,992
Corporate Debt Instruments	5,366,712
California Local Agency Investment Fund	4,747,851
Federal Agencies	3,051,706
Pooled Investments	2,439,642
Common Stock	3,002,113
Mutual Funds	<u>865,140</u>
Total Cash and Investments	<u>45,187,156</u>
Receivables (Net of Allowances for Uncollectibles):	
Interest	<u>19,867</u>
Total Assets	<u>45,207,023</u>
<b>LIABILITIES:</b>	
Accounts Payable	<u>                    </u>
Total Liabilities	<u>                    </u>
<b>NET ASSETS:</b>	
Employee Retirement System	<u><u>\$45,207,023</u></u>

See accompanying notes to the financial statements

CITY OF CONCORD  
PENSION TRUST FUND  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>City of Concord Retirement System Pension Trust</u>
<b>ADDITIONS</b>	
Contributions	
Employer	<u>\$539,895</u>
Total Contributions	<u>539,895</u>
Investment Income	2,507,470
Less Management Expenses	<u>(96,666)</u>
Net Investment Income	<u>2,410,804</u>
Total Additions	<u>2,950,699</u>
<b>DEDUCTIONS</b>	
Retirement and Other Benefits	<u>7,502,883</u>
Total Deductions	<u>7,502,883</u>
<b>NET DECREASE IN NET ASSETS</b>	(4,552,184)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
Beginning of Year	<u>49,759,207</u>
End of Year	<u><u>\$45,207,023</u></u>

See accompanying notes to the financial statements

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