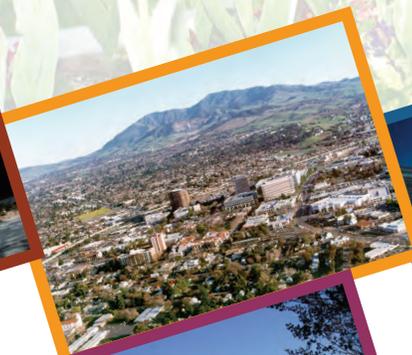


City of Concord, California

Fiscal Year Ended June 30, 2011

# Comprehensive Annual Financial Report



[www.ci.concord.ca.us](http://www.ci.concord.ca.us)

**CITY OF CONCORD, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Prepared by

**Finance Department**

**Margaret Lefebvre**  
Director of Finance

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## **CITY OF CONCORD ORGANIZATIONAL MISSION STATEMENT**

(Adopted January 31, 1996)

Our mission is to join with our community to make Concord a city of the highest quality. We do this by providing responsive, cost effective and innovative local government services.

### **OUR VISION FOR THE FUTURE**

- ⊗ We will be a customer based, performance driven, results oriented organization, focused on finding the answer, solving the problem, and achieving positive outcomes.
- ⊗ We will partner with the Concord community to maximize resources, deliver high quality services, and be recognized as setting the standard for excellence.
- ⊗ We will be trustworthy guardians of the public's resources.
- ⊗ We will make Concord a premier business location.
- ⊗ We will collaborate to provide "seamless" services that benefit both our external and internal customers, streamlining our work processes and removing barriers wherever they arise.
- ⊗ We will accept the challenge of change and be committed to continually enhancing the safety, environment, quality of life, and economic vitality of our community.
- ⊗ We will constantly look for new and better ways to deliver services. We will seek to be innovative, take reasonable risks, learn from our mistakes and always strive for excellence.
- ⊗ We will welcome diversity in our community and our work place.
- ⊗ We will conduct our work in an atmosphere of trust, respect and courtesy with open doors and open communication for our customers and each other.
- ⊗ We will provide ethical, dynamic and effective leadership, establish clear direction and priorities, and model the mission and values in support of our common Vision.
- ⊗ We will be accountable for our performance and our organization's success, and be recognized for our achievements.



## ORGANIZATIONAL VALUES

⌘ ***Integrity and Trust***

We say what we mean and mean what we say. We honor our word and keep our commitments. We are worthy of the public's and each other's trust.

⌘ ***Commitment to Service***

We put our customers first. We respond to our internal customers and treat them with the same courtesy and respect as our external customers. We facilitate, enable, and problem-solve.

⌘ ***Partnerships***

We place a high value on building partnerships with members of our community to assure we understand their needs and continue to deliver the services they desire in the most effective manner possible.

⌘ ***Innovation and Continuous Improvement***

We strive for excellence in the quality and productivity of our work. We create a work environment in which we look for new solutions and experiment with innovative ways to do things - even if they don't always work the first time. We recognize the need to be dynamic in meeting the community's changing needs. Each and every employee is given the opportunity to develop and grow.

⌘ ***Performance Accountability***

We set measurable performance goals which support the priorities of the City and our individual work groups. We are given the necessary authority, training and resources to enable us to achieve these goals. Performance reviews are conducted in a timely and effective manner. Employee advancement and other incentives are based on performance. We are proud of the professionalism, competency and dedication that exist throughout the organization.

⌘ ***Long Range Planning***

We conduct long range strategic and financial planning to maximize service delivery and build the economic stability of the City. We practice sound fiscal management to protect the public's resources.

⌘ ***Team Work***

We respect each other as individuals, and we take the time and effort to show it. Although certain positions have more decision-making authority, we treat all members of the organization with the same consideration for their ideas and concerns. We really listen to, and give each other honest feedback. We recognize partnerships among work groups and employees as essential to effectively maximizing resources and delivering high quality services.

⌘ ***Individual Worth and Diversity***

We recognize and appreciate the uniqueness of each individual. We value the contribution made and the synergy created by different experiences and perspectives. We are committed to treating each and every person within the organization and the larger community with respect and dignity.



## CORPORATE GOALS

Adopted June 23, 1998

- Goal 1** Continue to make Concord a desirable place to live, work, and raise a family.
- Goal 2** Be responsive to the needs of Concord citizens, maintain a high level of customer satisfaction, and provide quality public information and outreach.
- Goal 3** Promote and improve Concord as a premier location for existing, expanding, and new businesses.
- Goal 4** Ensure a balanced budget for a ten-year planning period with adequate replacement funds for buildings and equipment.
- Goal 5** Preserve and enhance the livability of Concord's residential neighborhoods with opportunities for a broad range of housing options.
- Goal 6** Offer an array of recreation, leisure, and cultural events and programs to meet the needs of citizens of all ages, with an emphasis on the well-being of youth.
- Goal 7** Maintain a safe and efficient traffic circulation system.
- Goal 8** Have Concord be among the safest cities of comparable size in California and have citizens feel safe in their homes, places of work, and throughout the City.
- Goal 9** Maintain City parks, recreation facilities, streets, buildings, and other infrastructure to meet high standards of condition and appearance.
- Goal 10** Guide Concord's development according to the General Plan and manage physical resources based on sound environmental principles.

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December 1, 2011

Honorable Mayor and City Council  
City of Concord

In accordance with the Municipal Code, Chapter 2, Article IV, Section 2-223 of the City of Concord, we are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Concord for the fiscal year ended June 30, 2011. The City's independent auditor, Maze & Associates, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Concord's financial statements. However, the Auditor's have included a special emphasis paragraph discussing the uncertain future of the Redevelopment Agency due to the State measures passed in June 2011. The measures affect all redevelopment agencies in California and the issue is not unique to Concord. The independent auditor's report is located on page 1 of the financial section of this report.

The CAFR was prepared by the City's Finance Department in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standard Board (GASB). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the data is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activity of its various funds; and that disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. Further discussion of the accounting policies used by the City is found in the notes to the financial statements.

The City of Concord is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Information related to this single audit, including a schedule of federal expenditures of federal awards, the independent auditor's report on internal control and compliance with applicable laws and regulations are included in a separately issued single audit report.

City of Concord

## **Reporting Entity**

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The agencies included in the reporting entity are: the City of Concord, the Redevelopment Agency of the City of Concord; the Concord Sanitary Sewer Services, Inc.; the City of Concord Retirement System and the City of Concord Joint Powers Financing Authority.

The financial statements for the California Public Entity Insurance Authority, the Concord Senior Citizens Club, the Friends of Camp Concord, Concord Plaza Tower, Inc., and the Concord Pleasant Hill Aquatic Foundation are not included as they are administered by boards separate from and independent of the City.

## **Internal Controls**

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In developing and enhancing the City's accounting system, significant consideration is given to the adequacy of the City's system of internal accounting controls. Internal controls are designed to provide reasonable assurance regarding the safeguarding of assets against the loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and that the evaluation of costs and benefits requires estimates and judgments by management.

## **Concord's History**

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The first inhabitants of the valley were a small tribe of the Chupcan Indians. In the 1700's early Spanish explorers became the first outsiders to cross the area, upon receipt of the "Monte Del Diablo" land grant in 1834. The 17,921 acre land grant covered the majority of the valley and was used for cattle operations. Don Salvio's grand adobe, which is still located in downtown Concord, became the business, social and cultural center of the region. In 1868, Don Salvio Pacheco, his son, Don Fernando Pacheco, and his son-in-law, Don Francisco Galindo, created a new town at the center of their Rancho. They called their new town Todos Santos (All Saints) and in 1869 offered lots free of charge to merchants and residents. Within months after Todos Santos had been recorded as the official town name, "Concord" was heralded by the Contra Costa Gazette as the actual name. By 1879 a population of 300 was reported. It would double by February 1905, when incorporation of the "Town of Concord" was approved by a two-vote margin.

It would take 35 years for the population to double again. Concord began World War II with a high school, a modern hospital, five churches, two railroads, a fine library, a nationally recognized central plaza, two cinemas, a full-service downtown commercial area, tree lined streets, comfortable homes and a population of 1,400. The war years brought expansion to the area because of the proximity of naval operations. The postwar years began a population boom. By 1948, the population had grown to 6,500.

Located 29 miles east of San Francisco, Concord now is the largest city in the Contra Costa County with a population of 122,676. The City covers 31.13 square miles and provides a full range of services including police protection, recreational activities, community development, street improvements and maintenance services. Over the last 20 years, Concord has become a major job center in Contra Costa County and it is the County's strongest retail location. Concord offers the amenities that many businesses require for success. Here, business-friendly government policies, outstanding Class A office space values, numerous industrial parks and excellent transportation combine with favorable home prices, an educated workforce and a dynamic retail environment to create ideal conditions for business to expand and make Concord a premier business location.

The City's commitment to families and to the community fosters a high quality of life with attractive residential neighborhoods, abundant recreation and entertainment for all ages. Concord, the city where "Families Come First," is a community of friendly neighborhoods with an excellent park system, convenient shopping, large preserves of open space, and an exciting downtown. Concord's housing mix offers affordable home and rental prices that are among the most favorable in the Bay area, allowing residents to live where they work and play. An extensive transportation system, including easy freeway access, two BART stations, bus services and a local private aviation airport, makes Concord's location convenient to the Bay area.

## **Profile of the Government**

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Concord is a General Law city, formed under the State legislative process and structured under provisions of the California Constitution. Its governing body, the City Council, is comprised of five elected members, who serve "at-large" rather than by district, each for four-year terms. City voters also elect a City Treasurer who serves a four-year term.

Municipal elections are held in November of the even-numbered years. Council terms overlap, with three Council members elected one year and the other two elected two years later. Each year, the Council selects one of its members to serve as Mayor and another as Vice Mayor. The City Council also serves as the Redevelopment Agency Board.

Concord is operated under the Council-Manager form of government. The Council hires the City Manager, who is then responsible for all management functions of the City, including the development of the budget, delivery of services, hiring of personnel and implementation of capital projects. The City Council also directly hires the City Attorney who serves as the City's primary legal advisor.

## **Budgetary Control**

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The Concord Municipal Code requires the City Manager to present the Annual Operating Budget to the City Council for approval. The City Council has adopted a number of Policy & Procedures, including Budget and Fiscal Policies; Budget Preparation; Budget Appropriation and Transfer Controls, which provide direction in the development of the Annual Operating Budget. The City Manager has also authorized several Administrative Directives which further clarify budget policies, processes and related controls.

The annual budget kickoff meeting is conducted in November. City Departments prepare their budgets in November and December for review by the Budget Committee in January and February. The Budget Committee is comprised by the City Manager, Assistant City Manager, Director of Finance and the Budget Officer. All budget changes and recommendations are finalized in March. The proposed budget document is prepared in April and provided to the City Council. A budget workshop is conducted with the City Council in May and the City Council conducts two public hearings on the budget in June. Budget adoption occurs at the final public hearing in June.

Ultimate budgetary control resides at the fund level; however, the City has adopted a number of budgetary appropriation and transfer procedures to provide strong internal controls while encouraging improved accountability and administrative responsiveness. All budgetary transfers require Director of Finance review and approval. All transfers of appropriations affecting Personnel Services (wages & benefits) require Director of Human Resources and City Manager review and approval. Additionally, all transfers between funds and between departments require City Manager or City Council review and approval.

All project appropriation transfers require City Manager approval. Transfers in excess of \$20,000 require City Council approval. The City Council must approve all new appropriations with the exception of money received for specific purposes (e.g. Developer Contributions) where the appropriation and revenue received are of equal value. Special revenue budget appropriations based on funds provided by grants, donations or contributions require City Manager and City Council approval.

## **Long Range Financial Planning**

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In 1995 the City of Concord implemented Ten-Year Financial Planning to realize its vision as “trustworthy guardians of the public’s resources” and its mission to be “a cost effective government”. Most importantly, it has been effectively used to attain financial stability for the City. Ten-Year Financial Planning requires that the City Manager annually present balanced Ten-Year financial plans for all major funds including the General Fund, Special Revenue Funds, Capital Improvement Funds, Proprietary Funds and also for the Redevelopment Agency. Twenty-Year financial information is presented for both the Sewer Fund and the Redevelopment Agency. Twenty-Five Year financial information is presented for Post Retirement Healthcare Benefits. The Ten-Year Plan also requires adequate replacement funds for buildings, vehicles, and equipment. The Ten-Year Plan projections include all projected sources of revenue and all projected expenditures including salaries, benefits, materials, services and capital improvement projects. Each year all plans are revisited, and assumptions are evaluated and updated.

The Ten-Year Financial Planning Program has many benefits over typical single year budgeting. It enables the City to foresee potential problems early, giving the organization time to respond and take action before a problem develops. It enables the City to determine whether today’s decisions can be supported tomorrow. The long term financial impact and affordability of labor proposals can be more easily analyzed. Ten-Year Planning also increases the accountability to stakeholders by explicitly communicating the anticipated financial status of the City over a 10 year period.

## Major Initiatives and Events

The Community Development Department preserved 48 affordable housing units by providing \$300,000 for rehabilitation of the Riley Court Apartments.

The Community Emergency Response Team (CERT) created a Neighborhood Team Captain class and organized eleven neighborhoods to be disaster ready.

The City entered into an agreement with Chevron Energy Solutions Company (ESCO) to conduct a comprehensive energy audit and to identify improvements that will save energy, water and operational expenses at several facilities. As a result of this audit a plan was developed for several projections including street lighting retrofits and a solar photovoltaic system at Concord Community Park.

The Public Works and Engineering Department was successful in attaining over \$3.8 million in grants for various projects.

In an effort to conserve water without losing beauty, the grass in the street medians was replaced with new flowering shrubs and plants which thrive with low-water use and are better able to withstand drought. The irrigation system was also upgraded. This project was a winner of the California Park & Recreation Society's 2010 Award of Excellence for Maintenance, Management and Operations.

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For the thirtieth year in a row, Concord was recognized as a "Tree City U.S.A." by the National Arbor Day Foundation. This national award honors Concord's commitment to its community forest. The Park Services maintain 1,080 acres of open space and 379 acres of developed parkland.

## Economic Condition and Outlook

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The National and State economies reflect unprecedented challenges in a time of major changes in the traditional ways in which money and credit are used. The financial markets have been struggling to overcome problems related to collapse in the global financial system and the subprime mortgage market, high unemployment rate and the economic recession. Virtually every sector of the economy has experienced negative trends. As these downward trends have rippled throughout the world economy, the City of Concord is not exempt. The declining real estate values, property and sales tax revenues over the past few years have placed fiscal constraints on the City that are expected to last several years. Fortunately, though, the trend seems to be leveling out, albeit at a new, lower level. General Fund revenues increase 3% or \$1.9 million from the prior year because of the use tax approved and enacted by the citizens of Concord (discussed below). The City's assessed valued decreased 1.5% from the prior year.

During Fiscal Year 2010-11, the City continued its plan to bring the City's budget back into balance with additional cost reductions made up of employee concessions, reduction of programs, continued mandatory furloughs. Key City services, including public safety and maintenance of public facilities and infrastructure, still continue to receive high priority, but reductions have affected these programs also.

In an effort to forestall additional budget reductions in the near future, the City Council authorized a measure to be placed on the November 2, 2010 ballot for a temporary use tax of 0.5% for five years, beginning April 1, 2011. The voters of the City of Concord approved Measure Q which allows the City time both for the economy to begin to recover and for staff to resolve the remaining structural deficit of approximately \$4 million. One of the provisions of the ballot measure is for the establishment of an oversight committee to review the City's plans and use for the funds. The Measure Q Committee reviewed the Preliminary Operating Budget for FY 2011-12 and will review the Comprehensive Annual Financial Report (this document) for the Fiscal Year ended June 30, 2011.

Despite financial market volatility, the City of Concord has fared comparatively well, though we anticipate that revenues will reflect little or no growth. Our diversified economy, strong job base, diverse sales tax base, successful efforts to retain and attract new businesses and the City's ten-year financial planning policy, have contributed to the City's financial stability and leave the City comparatively well positioned to face the challenges ahead. While development has slowed, Concord's reductions are more moderate than the decline experienced by cities which have been in a more aggressive pattern of expansion.

The City's ability to sustain a vibrant local economy to insure future fiscal strength will continue to depend on the City's ability to attract the business community and to balance business and residential needs to the benefit of both. The City's past success in attracting and retaining successful businesses has not been coincidental. Concord devotes considerable energy to providing a variety of services and programs to attract new quality businesses as well as help existing companies to achieve sustained growth. The City's Economic Vitality Strategy promotes partnerships among businesses, merchants, residents, community groups and City Departments to anticipate needs and solve problems when they occur. The Strategy guides City policy to enable Concord to provide efficient and timely local services to maximize a new company's success. Concord's award winning One-Stop Permit Center at City Hall provides expedient permit processing, cuts red tape, cuts construction costs and enables developers to open earlier and produce revenue sooner. Concord's Business Retention Program offers a variety of services to assist the retention and expansion of Concord businesses. The program enhances Concord's relationship with businesses by strengthening communication, providing education workshops and assisting with site selection and permit facilitation.

While the projected success in the development area eventually points to a positive outlook, the City is facing the same uncertainties as other agencies in the State, including the rise in cost for salaries and benefits including retirement, health insurance, workers compensation, as well as the continuing State budget crisis. For over 20 years, the State legislature has been taking local tax dollars that local governments use to provide vital services like fire protection, law enforcement, healthcare, parks and libraries. The State has taken more than \$40 billion from cities, counties and special districts in the last 15 years. The State justified these diversions as "temporary" that would lapse when the economy improved, however, as the economy has improved the State has continued to increase spending and the revenues have not been returned to local agencies.

Although the passage of Proposition 1A in 2004 has restored some predictability to our budget, it was not a guarantee that cities will not experience cash flow impacts due to future loans to the State. The State suspended Proposition 1A with regard to Redevelopment in Fiscal Year 2010-11, taking approximately \$1.2 million from the Redevelopment Agency.

In the November, 2010, election, the voters of California overwhelmingly passed Proposition 22 which further protected local revenues both of the City and of the Redevelopment Agency. Unfortunately, the State continues to face structural budget shortfalls, and for FY 2011-12 has virtually ignored the wishes of the population and has again taken local funds to deal with their shortfall. The State has not yet dealt with its structural financial issues and continues to rely on a number of one-time solutions and gimmicks rather than focusing on aligning ongoing revenue with ongoing program expenditure to fix their structural deficit.

The November, 2010, election also included a local, City of Concord, temporary ½ cent use tax measure. Fortunately the citizens of the City have realized the measures taken on behalf of the City to reign in costs and to preserve resources. Measure Q passed with a 56% approval. The use tax became effective April 1, 2011, thus providing three months of revenue to Fiscal Year 2010-2011. The collection and use of these funds are subject to an oversight committee, tasked by the City Council to ensure that the funds are used for the stated purpose of preventing further reductions to services and replenishing the City's reserves. The tax sunsets in five years.

On June 28, 2011, the State of California adopted ABx1 26 and ABx1 27 which dissolve all Redevelopment Agencies in the State and replaces them with an alternative voluntary redevelopment program. A lawsuit was filed to challenge these new laws with a decision expected in mid-January, 2012. Should the state prevail in this lawsuit, the impact of these changes will be significant upon the City of Concord as a whole and on the Redevelopment Agency in particular. This activity on the part of the State is further evidence that it is unable to resolve its structural deficit by making the hard decisions to align ongoing revenue with ongoing expenditure.

## **Reserves**

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To address the financial uncertainties discussed above, the City maintains General Fund Reserves and contingencies to total not less than 15% of operating expenditures. Given the effects of the recession which have affected all entities, both governmental and private, reserves have been used significantly in the past three years. In accordance with the foresight of the City Council, the original requirement of 30% reserves and contingencies has been temporarily reduced to 15% with the admonition that a return to 30% as soon as possible is desired.

As of June 30, 2011, the available liquid General Fund Reserves totaled approximately \$8 million, approximately 11% of actual General Fund Operating Expenditures. This balance compares favorably with the original 4.9% balance projected at the adoption of the FY 2010-2011 budget and has benefited from one quarter's receipts of the Measure Q use tax.

## **Cash Management**

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Cash temporarily idle during the year was invested, in accordance with the City of Concord's adopted Investment Policy, in U.S. Government and Agency Securities, Corporate Notes, Commercial Paper, Money Market and Mutual Funds, and the California State Local Agency Investment Fund. As of June 30, 2011, maturity of the investments ranged from 0 days to 4 years with an average maturity of 455 days. The effective yield on investments was 1.38%. Interest rates on new investments continued to fall during the past year. Investment income also included gains in the fair market value of investments. Increases in fair market value during the current year, however, do not mean that these gains will be realized unless the investments are sold before maturity. The City of Concord holds investments to maturity, thus gains due to changes in the fair market value should not be realized unless the investment is sold. The City of Concord's Investment Policy is certified by the Association of Public Treasurers, U.S. & Canada.

## **Risk Management**

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The City is a member of California State Association of Counties - Excess Insurance Authority (CSAC-EIA). The coverage has a self-insured limit of \$500,000 for Workers' Compensation; and \$500,000 to a maximum of \$35 million for general liability.

The City provides fully-insured health plans through the Public Employees Retirement System, a fully-insured dental and life insurance program, an Employee Assistant Program (EAP), and a self-insured short term and long term disability program through Reliance Standard Life Insurance Company.

## **Pension Plan and Other Post-Employment Benefits**

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The City participates in two distinct retirement funds. The City entered the California Public Employee Retirement System (PERS) beginning with Fiscal Year 1993-94. On June 28, 1999, Concord funded prior service credit in PERS for all the current employees. PERS is a multiple-employer public employees defined benefit pension plan for safety and non-safety personnel. PERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries.

The City of Concord Retirement System (CCRS) is a closed plan and is a single employer defined benefit pension plan covering all full time employees of the City who retired or left service prior to June 28, 1999. Participants are divided into two primary groups for coverage: general employees and safety employees. Funding for the CCRS is administered by Public Agency Retirement Services (PARS).

The City of Concord also provides post-retirement health benefits for its retired employees and their eligible dependents. At the end of the fiscal year, there were 346 retired employees and their dependents receiving these benefits which are currently financed on a pay as you go basis. A funding plan has been developed and incorporated into the City's Ten-Year Plan to fund the City's obligation for Other Post Employment Benefits (OPEB) as identified in the Governmental Accounting Standards Board (GASB) Statement 45.

## Awards

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This is the nineteenth consecutive year that the City of Concord has been recognized for excellence in financial reporting. This year's Comprehensive Annual Financial Report (CAFR) has again been submitted to the Government Finance Officers Association (GFOA) for evaluation. I believe the June 30, 2011 CAFR exceeds the high standards set by the previous year's report. Suggestions by the GFOA for further improvement of the CAFR have been included in this report. The fact that GFOA continues to present the Finance Department with this award is especially gratifying.

## Acknowledgments

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I wish to express my appreciation to the entire staff of the Finance Department whose dedication and efficiency are responsible for the preparation of this report in a timely and accurate manner. Without their hard work, the prompt submission of this report would not have been possible. Credit also must be given to the Mayor, City Council and the City Manager for their support in maintaining the highest standards of professionalism in the management of the City of Concord's finances.

Respectfully submitted,



Margaret Lefebvre  
Director of Finance



## PRINCIPAL OFFICERS (June 30, 2011)

### Elected Officials



**Mary Rae Lehman**  
City Clerk



Left to right: **William Shinn** (Council Member), **Ron Leone** (Vice Mayor), **Laura M. Hoffmeister** (Mayor), **Tim Grayson** (Council Member) and **Dan Helix** (Council Member)



**Thomas J. Wentling**  
City Treasurer

### Executive Team



**Daniel E. Keen**  
City Manager



**Valerie Barone**  
Assistant City Manager



**Guy Swanger**  
Chief of Police



**Joan Carrico**  
Director of  
Parks & Recreation



**Kathy Ito**  
Director of  
Human Resources



**Craig Labadie**  
City Attorney



**Margaret Lefebvre**  
Director of  
Finance



**Ron Puccinelli**  
Director of  
Information Technology



**Michael Wright**  
Concord Reuse  
Project Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Concord  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



*Linda C. Davison*

President

*Jeffrey R. Emer*

Executive Director

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## Independent Auditors' Report

The Honorable Mayor and Members of the City Council  
City of Concord, California

**ACCOUNTANCY CORPORATION**  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord as of and for the year ended June 30, 2011, as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for 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 as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord at June 30, 2011 and the respective changes in the financial position and cash flows where applicable thereof and the respective budgetary comparisons for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

As disclosed in Note 19, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by opting into an "alternative voluntary redevelopment program" requiring specified substantial annual contributions to local schools and special districts. These conditions raise substantial doubt about the Agency's ability to continue as a going concern. However, on August 11, 2011, the California Supreme Court issued an Order in *CRA v. Matosantos*, which, as modified by the Court on August 17, partially stays implementation of ABx1 26 and ABx1 27, although the partial stay leaves in effect the section of ABx1 26 that suspends all new redevelopment activities. As a result, the accompanying financial statements have been prepared assuming that the Agency will continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with Government Auditing Standards, we have also issued our report dated October 28, 2011 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As of July 1, 2010, the City adopted the provision of Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*. As discussed in Note 9 to the financial statements, the provisions of this statement affect the classification of fund balances reported in the financial statements.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and we express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Concord. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information listed in the Table of Contents was not audited by us and we do not express an opinion on this information.

*Moze + Associates*

October 28, 2011



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Concord issues its financial statements in the format prescribed by the provisions of Government Accounting Standards Board Statement 34 "*Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*" (GASB 34). GASB 34 requires the City to provide this overview of its financial activities for the fiscal year, which should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

### FISCAL 2011 FINANCIAL HIGHLIGHTS

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Financial highlights of the year include the following:

#### Government-Wide

- The City's total net assets were \$796 million at June 30, 2011, down \$16 million from the prior year. Of this total, \$716 million were governmental assets and \$80 million were business-type assets.
- Government-Wide governmental revenues include program revenues of \$36 million and general revenues of \$70 million for a total of \$106 million, up \$3 million from the prior year's total.
- Total Government-Wide governmental expenses were \$119 million, a decrease of \$5 million from the prior year.
- Government-Wide business-type revenues were \$20 million while expenses were \$23 million.

#### Fund Level

- Governmental Fund balances increased \$8 million in fiscal 2011.
- Governmental Fund revenues increased to \$107 million in fiscal 2011, up \$4 million from the prior year.
- Governmental Fund expenditures decreased to \$107 million in fiscal 2011, down \$19 million from the prior year.
- General Fund revenues of \$67 million reflected an increase of \$2 million in fiscal 2011.
- General Fund expenditures of \$69 million reflected a decrease of \$5 million when compared to the prior year.
- The net transfers in reflected in the General Fund totaled \$13 million for fiscal 2011 compared with net transfers of \$9 million out for fiscal 2010.
- General Fund balance of \$17 million at June 30, 2011 increased \$11 million from fiscal 2010.

### OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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This Comprehensive Annual Financial Report is in five parts:

1. Introductory section, which includes the Transmittal Letter and general information;
2. Management's Discussion and Analysis (this part);
3. The Basic Financial Statements, which include the Government-Wide and the Fund financial statements, along with the Notes to these financial statements;
4. Supplemental Information for Non-Major Governmental Funds and Internal Service Funds; and
5. Statistical information and other schedules.

## THE BASIC FINANCIAL STATEMENTS

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The Basic Financial Statements comprise the Government-Wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

The Government-Wide Financial Statements provide a longer-term view of the City's activities as a whole, and comprise the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net Assets for the year.

All of the City's activities are grouped into Governmental Activities and Business-Type Activities, as explained below. All the amounts in the Statement of Net Assets and the Statement of Activities are separated into Governmental Activities and Business-Type Activities in order to provide a summary of these two activities of the City as a whole.

The Fund Financial Statements report the City's operations in more detail than the Government-Wide Statements and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-Major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The fiduciary statements provide financial information about the activities of the Concord Retirement System Pension Trust Fund, for which the City acts solely as agent.

### The Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities present information about the following:

- **Governmental Activities** - All of the City's basic services are considered to be Governmental Activities, including General Government; Public Safety; Public Works; Planning and Economic Development; Building, Engineering and Neighborhood Services; and Community and Recreation Services. These services are supported by general City revenues such as taxes, and by specific program revenues such as developer fees.
- The City's Governmental Activities include the activities of two separate legal entities: the Redevelopment Agency of the City of Concord and the City of Concord Joint Powers Financing Authority. The City is financially accountable for these entities.
- **Business-Type Activities** - The City's two enterprise activities, the sewer and the golf course, are reported here. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use. The City's Business-Type Activities include the activities of an additional separate legal entity, the Concord Sanitary Sewer Services Inc., which is inactive as of 2002.

Government-Wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

## Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of major funds and the determination of which funds are major funds were established by GASB 34 and replace the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-Major Funds summarized and presented in a single column. Subordinate schedules present the detail of these Non-Major Funds. Major Funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of City's activities.

In the City's case, the Redevelopment Agency Fund and the General Reimbursable Projects Fund are the only Major Governmental Funds in addition to the General Fund.

Fund Financial Statements include Governmental, Enterprise, and Internal Service Funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Enterprise and Internal Service Fund Financial Statements are prepared on the full accrual basis, as in the past, and include all their assets and liabilities, current and long-term.

Since the City's Internal Service Funds provide goods and services only to the City's Governmental and Business-Type Activities, their activities are reported only in total at the Fund level. Internal Service Funds may not be Major Funds because their revenues are derived from other City Funds. These revenues are eliminated in the Government-Wide Financial Statements and any related profits or losses are returned to the Activities that created them, along with any residual net assets of the Internal Service Funds.

Comparisons of Budget and Actual financial information are presented only for the General Fund, as required by GASB 34.

## Fiduciary Statements

The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Assets and the Pension Trust Fund Statement of Changes in Plan Net Assets. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations. The Pension Trust Fund consists of the City of Concord Retirement System, a separate legal entity.

## FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

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The analyses reflected below focus on the net assets (Table 1) and changes in net assets (Table 2) of the City as a whole. The information summarizes the Citywide Statement of Net Assets and Statements of Activities stated more fully in the Financial Section of this report.

**Table 1: Primary Government Net Assets  
As of June 30, 2011 and 2010 (Dollars in Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Cash and Investments	\$86.6	\$83.2	\$32.1	\$32.2	\$118.7	\$115.4
Other Assets	57.4	55.0	3.1	2.9	60.5	57.9
Capital Assets	686.1	700.4	81.1	85.0	767.2	785.4
<b>Total Assets</b>	<b>830.1</b>	<b>838.6</b>	<b>116.3</b>	<b>120.1</b>	<b>946.4</b>	<b>958.7</b>
Long-Term Debt Outstanding	83.5	80.2	22.9	23.8	106.4	104.0
Other Liabilities	30.7	29.4	13.6	13.4	44.3	42.8
<b>Total Liabilities</b>	<b>114.2</b>	<b>109.6</b>	<b>36.5</b>	<b>37.2</b>	<b>150.7</b>	<b>146.8</b>
Net Assets:						
Invested in Capital Assets, Net of Debt	622.7	619.0	59.4	62.5	682.1	681.5
Restricted	81.6	86.5			81.6	86.5
Unrestricted	11.6	23.5	20.4	20.4	32.0	43.9
<b>Total Net Assets</b>	<b>\$715.9</b>	<b>\$729.0</b>	<b>\$79.8</b>	<b>\$82.9</b>	<b>\$795.7</b>	<b>\$811.9</b>

**Table 2: Primary Government Changes in Governmental Net Assets  
For the Years Ended June 30, 2011 and 2010 (Dollars in Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b>EXPENSES</b>						
General Government	\$11.4	\$12.5			\$11.4	\$12.5
Public Safety	43.1	43.0			43.1	43.0
Public Works & Engineering	37.6	32.8			37.6	32.8
Community Development	15.8	20.6			15.8	20.6
Community & Recreation Services	7.2	9.8			7.2	9.8
Interest on Long-Term Debt	3.9	5.3			3.9	5.3
Sewer			\$21.7	\$21.3	21.7	21.3
Golf Course			1.3	1.3	1.3	1.3
<b>Total Expenses</b>	<b>119.0</b>	<b>124.0</b>	<b>23.0</b>	<b>22.6</b>	<b>142.0</b>	<b>146.6</b>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	20.8	17.1	19.5	19.7	40.3	36.8
Operating Contributions and Grants	6.1	5.5			6.1	5.5
Capital Grants	8.6	10.6	0.0	0.0	8.6	10.6
<b>Total Program Revenues</b>	<b>35.5</b>	<b>33.2</b>	<b>19.5</b>	<b>19.7</b>	<b>55.0</b>	<b>52.9</b>
General Revenues:						
Taxes:						
Property Taxes	27.1	27.9			27.1	27.9
Sales Taxes	24.6	23.4			24.6	23.4
Other Taxes	9.2	8.9			9.2	8.9
Motor Vehicle in Lieu	8.8	8.8			8.8	8.8
Investment Earnings	0.6	0.8	0.4	0.9	1.0	1.7
Miscellaneous Revenues and Transfers	0.1	0.1	0.0	0.1	0.1	0.2
<b>Total General Revenues</b>	<b>70.4</b>	<b>69.9</b>	<b>0.4</b>	<b>1.0</b>	<b>70.8</b>	<b>70.9</b>
<b>Total Revenues</b>	<b>105.9</b>	<b>103.1</b>	<b>19.9</b>	<b>20.7</b>	<b>125.8</b>	<b>123.8</b>
Change in Net Assets before Transfers	(13.1)	(20.9)	(3.1)	(1.9)	(16.2)	(22.8)
Transfers	0.0	0.0	0.0	0.0	0.0	0.0
<b>Change in Net Assets</b>	<b>(13.1)</b>	<b>(20.9)</b>	<b>(3.1)</b>	<b>(1.9)</b>	<b>(16.2)</b>	<b>(22.8)</b>
<b>Beginning Net Assets</b>	<b>729.0</b>	<b>749.9</b>	<b>82.9</b>	<b>84.8</b>	<b>811.9</b>	<b>834.7</b>
<b>Ending Net Assets</b>	<b>\$715.9</b>	<b>\$729.0</b>	<b>\$79.8</b>	<b>\$82.9</b>	<b>\$795.7</b>	<b>\$811.9</b>

The analyses below focus on the net assets and changes in net assets of the City's Governmental Activities (Table 3, 4 and 5) and Business-Type Activities (Table 6 and 7) presented in the Citywide Statement of Net Assets and Statement of Activities that follow.

## Governmental Activities

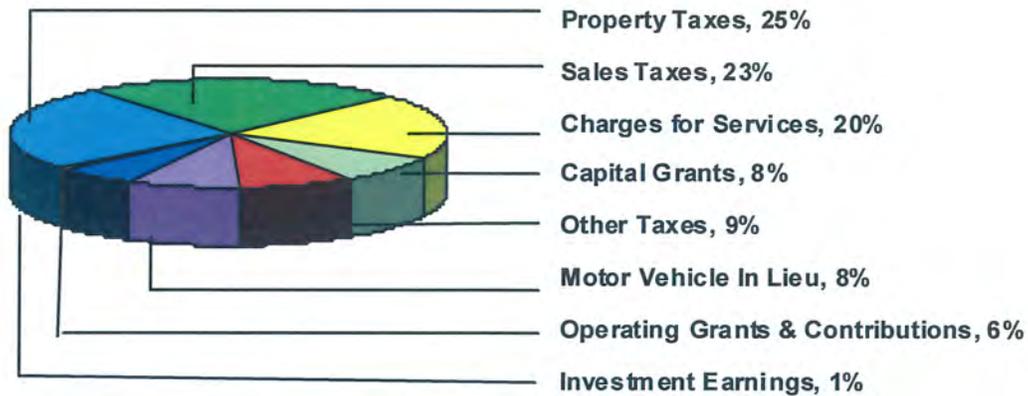
**Table 3: Governmental Net Assets**  
As of June 30, 2011 and 2010 (Dollars in Millions)

	Governmental Activities	
	2011	2010
Cash and Investments	\$86.6	\$83.2
Other Assets	57.4	55.0
Capital Assets	686.1	700.4
<b>Total Assets</b>	<b>830.1</b>	<b>838.6</b>
Long-Term Debt Outstanding	83.5	80.2
Other Liabilities	30.7	29.4
<b>Total Liabilities</b>	<b>114.2</b>	<b>109.6</b>
Net Assets:		
Invested in Capital Assets, Net of Debt	622.7	619.0
Restricted	81.6	86.5
Unrestricted	11.6	23.5
<b>Total Net Assets</b>	<b>\$715.9</b>	<b>\$729.0</b>

The City's net assets from Governmental Activities decreased \$15.4 million to \$713.6 million in 2011. This decrease in the Changes in Net Assets reflected in the Statement of Activities, as shown in Table 3, is discussed below:

- Cash and investments increased \$3.4 million due to an increase in cash flow from major revenue sources.
- Capital assets, net of depreciation charges, decreased \$14.3 million. Improvements and additions to infrastructure and equipment were more than offset by the normal annual depreciation charges.
- Long-term debt increased \$3.3 million as the city entered into a lease purchase agreement with Chevron Energy Services Company in the amount of \$8,384,040 while making scheduled payments on existing debt.
- Other assets, net of other liabilities, increased \$1.3 million due primarily to the timing of short term receivables and payables and an increase in the Net OPEB asset.
- Net assets invested in capital assets, net of related debt, increased \$3.7 million.
- Restricted net assets decreased \$4.9 million as net assets restricted for Capital Projects increased \$9.7 million and net assets restricted for Community Development Projects and Debt Service decreased \$14.5 million.
- Unrestricted net assets reflect the resources that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements. Unrestricted net assets decreased \$11.9 million.

### Governmental Activities - Sources of Revenues For the Year Ended June 30, 2011 (see Table 4)



As the Sources of Revenues Chart above shows, 25% or \$27.1 million of the City's fiscal 2011 governmental activities revenue came from property taxes, and approximately 23% or \$24.6 million came from sales taxes. The remaining 51% came primarily from four sources - charges for services, capital grants, motor vehicle in lieu, and other taxes.

### Governmental Activities - Functional Expenses For the Year Ended June 30, 2011 (see Table 4)



The Functional Expenses Chart above includes only current year expenses, which are discussed in detail below. Public Safety accounted for \$44.5 million or 37% of expenses, while Public Works & Engineering accounted for \$38.0 million or 31% of expenses, followed by Community Development which accounted for \$15.9 million or 13% of expenses. The remaining 19% were spread fairly evenly among General Government; Community and Recreation Services; and interest expense.

The expenses reflected above do not include capital outlay, which is now added to the City's capital assets on the Government-Wide Financial Statements. In 2011, the City's capital assets declined a net of \$14.3 million, as discussed above, due to annual depreciation, which offset the additions made. The details of the changes in capital assets are discussed on page 14.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All these are elements in the Changes in Governmental Net Assets summarized below:

**Table 4: Changes in Governmental Net Assets**  
For the Years Ended June 30, 2011 and 2010 (Dollars in Millions)

	Governmental Activities	
	2011	2010
<b>EXPENSES</b>		
General Government	\$11.4	\$12.5
Public Safety	43.1	43.0
Public Works & Engineering	37.6	32.8
Community Development	15.8	20.6
Community and Recreation Services	7.2	9.8
Interest on Long-Term Debt	3.9	5.3
<b>Total Expenses</b>	<b>119.0</b>	<b>124.0</b>
<b>REVENUES</b>		
Program Revenues:		
Charges for Services	20.8	17.1
Operating Contributions and Grants	6.1	5.5
Capital Grants	8.6	10.6
<b>Total Program Revenues</b>	<b>35.5</b>	<b>33.2</b>
General Revenues:		
Taxes:		
Property Taxes	27.1	27.9
Sales Taxes	24.6	23.4
Other Taxes	9.2	8.9
Motor Vehicle in Lieu	8.8	8.8
Investment Earnings	0.6	0.8
Miscellaneous Revenues	0.1	0.1
<b>Total General Revenues</b>	<b>70.4</b>	<b>69.9</b>
<b>Total Revenues</b>	<b>105.9</b>	<b>103.1</b>
Change in Net Assets before Transfers	(13.1)	(20.9)
Transfers	0.0	0.0
<b>Change in Net Assets</b>	<b>(\$13.1)</b>	<b>(\$20.9)</b>

The expense of Governmental Activities totaled \$119.00 million in fiscal 2011, reflecting a \$5.00 million decrease from the prior year. Increases in Public Works & Engineering and Public Safety were offset by decreases in Community Development, Community and Recreation Services and General Government.

Total Governmental Activities revenues increased \$2.8 million in fiscal 2011. The increase in revenue reflects a \$3.7 million increase in Charges for Services which offset a decrease of \$2.0 million in Capital Grants and Contributions.

## Governmental Activities

Table 5 presents the net expense of each of the City's programs. Net expense is defined as total program cost offset by revenues generated by those specific activities. In the City's case, the net expenses of several programs varied significantly from the total expense above. Overall, program revenues reduced program expenses by an average of 29% of total expenses. The City's program revenues include developer fees, plan check fees, building inspection fees, traffic fines, recreation fees, police fees, grants, assessment revenues and other charges for services.

**Table 5: Governmental Activities**  
As of June 30, 2011 and 2010 (Dollars in Millions)

	Net (Expense) Revenue from Services	
	2011	2010
General Government	(\$10.4)	(\$11.6)
Public Safety	(41.3)	(40.9)
Public Works & Engineering	(20.0)	(13.1)
Community Development	(7.6)	(16.8)
Community & Recreation Services	(0.3)	(3.1)
Interest on Long-Term Debt	(3.9)	(5.3)
<b>Total</b>	<b>(\$83.5)</b>	<b>(\$90.8)</b>

## Business-Type Activities

The net assets of Business-Type Activities decreased to \$79.8 million in fiscal 2011, down \$3.1 million from the prior year. Of this total, \$78.5 million were reflected in the Sewer Fund and \$1.4 million were reflected in the Golf Course Fund.

**Table 6: Business-Type Activities Net Assets**  
As of June 30, 2011 and 2010 (Dollars in Millions)

	Business-Type Activities	
	2011	2010
Cash and Investments	\$32.1	\$32.2
Other Assets	3.1	2.9
Capital Assets	81.1	85.0
<b>Total Assets</b>	<b>116.3</b>	<b>120.1</b>
Long-Term Debt Outstanding	22.9	23.8
Other Liabilities	13.6	13.4
<b>Total Liabilities</b>	<b>36.5</b>	<b>37.2</b>
Net Assets:		
Invested in Capital Assets, Net of Debt	59.4	62.5
Unrestricted	20.4	20.4
<b>Total Net Assets</b>	<b>\$79.8</b>	<b>\$82.9</b>

**Table 7: Changes in Business-Type Activities Net Assets  
As of June 30, 2011 and 2010 (Dollars in Millions)**

	Business-Type Activities	
	2011	2010
Net Revenues from Business-Type Activities:		
Sewer Fund	(\$3.4)	(\$2.9)
Golf Course Fund	(0.1)	0.0
General Revenues:		
Investment Earnings	0.4	0.9
Others	0.0	0.1
Transfers	0.0	0.0
<b>Total</b>	<b>(\$3.1)</b>	<b>(\$1.9)</b>

The sewer fund generated \$18.2 million of revenues in fiscal 2011, reflecting a \$0.2 million decrease in service fees over the prior year. Operating expenses increased by \$0.4 million to \$20.8 million. As a result, the Sewer fund experienced a \$2.5 million operating loss for the year attributable to the City's support of capital project for treatment at the Central Contra Costa Sanitary District. The Golf Course Enterprise reflected a nominal gain in fiscal year 2011.

## THE CITY'S FUND FINANCIAL STATEMENTS

### Governmental Funds

At June 30, 2011, the City's governmental funds reported combined fund balances of \$87.4 million, an \$8.1 million increase when compared with last year's combined fund balance of \$79.3 million. The Redevelopment Agency fund balance decreased \$13.6 million, but was made up by an increase in the general fund of \$10.9 million and the general reimbursable projects fund of 9.1.

Governmental fund revenues increased \$4.2 million this year to total \$106.6 million. General Fund revenues increased \$1.9 million. Redevelopment Agency revenues decreased \$0.7 million. General Reimbursable Project revenues increased \$6.4 million. Other Governmental fund revenues decreased \$3.4 million.

Governmental expenditures decreased \$19.0 million this year to total \$106.7 million. General Fund expenditures decreased \$4.5 million. Redevelopment Agency expenditures decreased \$5.1 million. General Reimbursable Project expenditures increased \$4.8 million. Other Governmental fund expenditures decreased \$14.2 million.

Other Financing Sources (Uses) reflect transfers among the various funds in the City. During fiscal 2011, the General Fund received transfers in of approximately \$13.8 million primarily from the Redevelopment Agency to fund operating cost and debt service.

### Proprietary Funds

Enterprise Fund net assets totaled \$79.8 million at the end of the fiscal year, a decrease of \$3.1 million. Enterprise operating revenues were \$19.5 million this year, down 0.3 from last year. Enterprise Fund operating expenses were \$22.0 million this year, up \$0.4 million from the prior year.

## ANALYSES OF MAJOR GOVERNMENTAL FUNDS

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### General Fund

General Fund revenues totaled \$66.7 million, reflecting an increase of \$1.9 million over the prior fiscal year, due primarily to revenue from the voter-approved Measure Q sales tax. Actual revenues were \$1.9 million above the budgeted amounts because of the new Measure Q sales tax.

Property taxes stayed relatively flat from prior year, with a \$0.1 million decrease. Sales tax, excluding Measure Q funds, had a nominal increase of \$0.1 million. The City received one quarter's worth of Measure Q sales tax for fiscal year 2011. \$2.1 million was received from this new revenue sources.

General Fund expenditures decreased \$4.5 million due to continuing efforts to balance expenditures with reduced revenues. Public Works expenditures decreased \$1.3 million to a total of \$8.5 million in fiscal 2011.

At June 30, 2011 the General Fund fund balance totaled \$17.0 million, reflecting an increase of \$10.9 million. The ending fund balance consisted of \$2.1 million categorized as nonspendable; \$11.4 million in restricted funds; \$0.4 of the total fund balance was assigned; and \$3.1 million was unassigned.

### Redevelopment Agency

This fund accounts for all activities of the Redevelopment Agency, including property tax increment and other Redevelopment Agency revenues; the portion of property tax increment required under California law to be set aside to fund low and moderate income housing expenditures; the accumulation of funds to pay debt service on the Agency's 2004 tax allocation bonds and the refunding lease agreement; and capital projects in the Redevelopment Agency's project areas.

The fund's revenues were \$16.2 million in fiscal 2011, a decrease of \$0.7 million. Property tax increment revenues decreased to \$16.9 million which were offset by pass-through payments totaling \$1.2 million.

Fund expenditures were \$15.1 million in fiscal 2011, a decrease of \$5.1 million from prior year, and consisted of \$8.3 million in development and \$6.5 million in debt.

The Redevelopment Agency fund balance decreased \$13.6 million primarily as a result of transfers to the general fund to fund operating costs and debt services.

The fund's fiscal year end fund balance of \$44.4 million may be used only for redevelopment purposes. This full amount is restricted primarily for future capital projects. As such this fund balance is not available for unrestricted expenditure.

The State of California Legislature has enacted two laws, AB1X 26 and AB1X 27, which dissolve Redevelopment Agencies as of October 1, 2011, and allow entities to participate in a "Voluntary" Redevelopment Agency plan which provides a greater share of property tax increment to the State and to other agencies within each County. A lawsuit was filed with the California Supreme Court on July 18, 2011, by the California Redevelopment Association challenging the validity of these actions. The Court has issued a partial stay of ABX1 26 and a full stay of AB1X 27, with a decision expected no later than January 15, 2012. As a result, it is possible that the Redevelopment Agency or its successor will be reconfigured. This issue is more fully discussed in Note 19 below.

## **General Reimbursable Projects Fund**

This fund tracks capital project costs that are reimbursable from grants and charges to job specific projects.

The fund's revenues were \$10.5 million in fiscal 2011, an increase of \$6.4 million, primarily due to an increase in capital projects activity and reimbursement from grantors.

Fund expenditures were \$9.5 million in fiscal 2011, an increase of \$4.8 million.

The fund balances at fiscal year end increased \$9.1 million to \$7.5 million.

## **Other Governmental Funds**

These funds are not presented separately in the Basic Financial Statements, but are individually presented as Supplemental Information.

## **Proprietary Funds**

### **Sewer Fund**

Net assets of the Sewer Fund decreased by \$3.1 million in fiscal 2011. At June 30, 2011, the Fund's Net Assets were \$78.5 million, of which \$57.3 million was invested in capital assets. \$21.2 million of the Fund's Net Assets were unrestricted at June 30, 2011.

### **Golf Course Fund**

Golf Course revenues decreased slightly but remained at \$1.3 million in fiscal 2011 while operating expenses remained flat. Net assets stayed at \$1.4 million.

## CAPITAL ASSETS

GASB 34 requires the City to record all its capital assets, including infrastructure, in its financial statements. Infrastructure includes roads, bridges, signals and similar assets used by the entire population.

In accordance with GASB 34, in fiscal 2002, the City recorded the cost of all its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal 2011 the cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 8 below:

**Table 8: Capital Assets**  
For the Years Ended June 30, 2011 and 2010 (Dollars in Millions)

	Balance at June 30, 2011	Balance at June 30, 2010
<b>Governmental Activities</b>		
Land	\$16.0	\$16.3
Construction in Progress	4.0	3.3
Ground Improvements	15.7	14.3
Buildings and Improvements	77.3	78.0
Machinery and Equipment	10.9	8.6
Vehicles	8.1	8.2
Streets	425.0	421.7
Sidewalks	47.0	45.5
Storm Drains/Catch Basins	443.3	443.3
Street Lights	2.5	1.2
Traffic Signals	25.7	25.5
Less: Accumulated Depreciation	(389.5)	(365.5)
<b>Governmental Activity Capital Assets, Net</b>	<b>\$686.0</b>	<b>\$700.4</b>
<b>Business-Type Activities</b>		
Land	\$0.4	\$0.4
Construction in Progress	0.3	13.1
Buildings and Improvements	8.7	8.2
Machinery and Equipment	0.3	0.4
Sewer Lines	209.3	196.5
Less: Accumulated Depreciation	(137.9)	(133.6)
<b>Business-Type Activity Capital Assets, Net</b>	<b>\$81.1</b>	<b>\$85.0</b>

The principal additions to governmental capital assets in fiscal 2011 were focused on infrastructure, including streets, sidewalks and street lights. Business-Type Activities experienced an increase in sewer lines but net capital assets decreased due to increased accumulated depreciation. Further detail on capital assets, current year additions and construction in progress can be found in Note 7.

The City depreciates all its capital assets over their estimated useful lives, as required by GASB 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Additional information on depreciable lives may be found in Note 7.

## DEBT ADMINISTRATION

The City made all scheduled repayments of existing debt. Each of the City's debt issues is discussed in detail in Note 8 to the Financial Statements. In addition, during the year ended June 30, 2011, the City entered into a lease purchase agreement with Chevron Energy Services Company in the amount of \$8.4 million. At June 30, 2011, the City's debt was comprised of the following issues:

**Table 9: Outstanding Debt**  
As of June 30, 2011 and 2010 (Dollars in Millions)

	June 30, 2011	June 30, 2010	Net Change
<b>Governmental Activity Debt:</b>			
<b>Revenue Bonds:</b>			
1993 Lease Revenue Bonds, 2.70 - 5.25%, due 8/1/19	\$1.4	\$1.8	(\$0.4)
1995 Lease Revenue Bonds, 6.33 - 8.24%, due 8/1/20	4.0	4.6	(0.6)
2001 Lease Revenue Bonds, 4.00 - 5.13%, due 3/1/23	6.5	6.9	(0.4)
<b>Tax Allocation Bonds:</b>			
Tax Allocation Refunding Bonds, Series 2004			
3.90 - 5.05%, due 7/1/25	57.2	60.9	(3.7)
Less deferred amount on refunding	(2.0)	(2.4)	0.4
<b>Certificates of Participation:</b>			
ABAG 41 - Centre Concord, 4.00 - 5.00%, due 8/1/18	0.1	0.2	(0.1)
<b>Refunding Lease Agreement</b>			
3.60%, due 9/2/13	4.6	5.1	(0.5)
<b>Lease Purchase Agreement</b>			
4.75%, due 6/30/27	8.4	0.0	8.4
<b>Notes Payable:</b>			
3.00%, due 9/2/13	1.3	2.4	(1.1)
<b>Special Assessment with City Commitment:</b>			
Assessment District #80	0.0	0.1	(0.1)
Assessment District #81	0.0	0.1	(0.1)
<b>Capital Lease:</b>			
Key Government Finance, 4.65%, due 10/15/11	0.2	0.5	(0.3)
Motorola Safety Radio, 3.03%, due 12/1/16	1.1	0.0	
Cisco VOIP Equipment, 3.95%, due 7/9/14	0.3	0.0	
Hubb Systems Mobile Digital Computers, 4.75%, due 7/9/14	0.3	0.0	
Color Hybrid Multi-Function Printer Equipment, 5.5%, due 11/1/18	0.1	0.0	0.1
<b>Total Governmental Activity Debt</b>	<b>\$83.5</b>	<b>\$80.2</b>	<b>\$1.6</b>
<b>Business-Type Activity Debt:</b>			
<b>Enterprise Long Term Debt:</b>			
2004 Certificates of Participation, Wastewater System Improvements, 2.00 - 4.63%, due 2/1/29	\$10.1	\$10.5	(\$0.4)
2007 Certificates of Participation, Wastewater System Improvements, 3.75 - 4.50%, due 2/1/32	11.4	\$11.8	(\$0.4)
ABAG 41 Certificates of Participation, Diablo Creek Golf Course, 4.00 - 5.00%, due 8/1/18	1.4	1.5	(0.1)
<b>Total Business-Type Activity Debt</b>	<b>\$22.9</b>	<b>\$23.8</b>	<b>(\$0.9)</b>

## **ECONOMIC OUTLOOK AND MAJOR INITIATIVES**

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The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Department, at 1950 Parkside Drive, Concord, CA 94519-2578.

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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, 2011

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments (Note 3)	\$67,880,054	\$31,011,601	\$98,891,655
Cash with Fiscal Agents (Note 3)	18,755,174	1,087,355	19,842,529
Receivables (Net of Allowances for Uncollectibles):			
Accounts	3,598,390	52,125	3,650,515
Due from Other Governments	8,686,694		8,686,694
Interest	303,304	4,409	307,713
Loans and Notes, Net of Reserves (Note 5)	25,752,665		25,752,665
Employee Computer Loans (Note 6)	5,611		5,611
Inventories	69,085		69,085
Prepaid Items and Other Assets	199,429	46,314	245,743
Internal Balances (Note 4)	(2,966,687)	2,966,687	
Land Held for Redevelopment (Note 1)	11,416,332		11,416,332
Investment in Joint Venture (Note 16)	1,729,715		1,729,715
Net OPEB Asset (Note 13)	8,598,003		8,598,003
Capital Assets (Note 7):			
Land and Construction In Progress	20,059,790	723,405	20,783,195
Depreciable Capital Assets, Net of Accumulated Depreciation	666,011,289	80,439,316	746,450,605
Total Assets	<u>830,098,848</u>	<u>116,331,212</u>	<u>946,430,060</u>
<b>LIABILITIES</b>			
Accounts, Deposits and Contracts Payable	4,531,577	13,069,357	17,600,934
Accrued Liabilities	3,585,505	44,772	3,630,277
Interest Payable	1,635,422	405,288	2,040,710
Refundable Deposits	3,969,061		3,969,061
Unearned Revenue	678,205		678,205
Net Pension Obligation (Note 10):			
Due in More Than One Year	3,564,816		3,564,816
Compensated Absences (Note 1)			
Due in One Year	2,169,337	21,880	2,191,217
Due in More Than One Year	1,597,726	70,261	1,667,987
Claims Payable (Note 15):			
Due in One Year	2,700,450		2,700,450
Due in More Than One Year	6,253,475		6,253,475
Long-Term Debt (Note 8):			
Due in One Year	6,421,502	805,000	7,226,502
Due in More Than One Year	77,128,423	22,070,000	99,198,423
Total Liabilities	<u>114,235,499</u>	<u>36,486,558</u>	<u>150,722,057</u>
<b>NET ASSETS (Note 9)</b>			
Invested in Capital Assets, Net of Related Debt	622,638,976	59,412,890	682,051,866
Restricted for:			
Capital Projects	24,849,948		24,849,948
Debt Service	6,251,014		6,251,014
Community Development Projects	50,537,982		50,537,982
Total Restricted Net Assets	<u>81,638,944</u>		<u>81,638,944</u>
Unrestricted Net Assets	11,585,429	20,431,764	32,017,193
Total Net Assets	<u>\$715,863,349</u>	<u>\$79,844,654</u>	<u>\$795,708,003</u>

See accompanying notes to financial statements

CITY OF CONCORD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

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	
<b>Governmental Activities:</b>						
General Government	\$11,349,674	\$911,046			(\$10,438,628)	(\$10,438,628)
Public Safety	43,122,959	1,589,312	\$248,303		(41,285,344)	(41,285,344)
Public Works & Engineering	37,629,109	8,491,639	2,725,656	\$6,438,144	(19,973,670)	(19,973,670)
Community Development	15,777,443	6,786,730	1,414,438		(7,576,275)	(7,576,275)
Community & Recreation Services	7,207,017	3,068,375	1,682,742	2,131,875	(324,025)	(324,025)
Interest on Long-Term Debt	3,936,497				(3,936,497)	(3,936,497)
<b>Total Governmental Activities</b>	<b>119,022,699</b>	<b>20,847,102</b>	<b>6,071,139</b>	<b>8,570,019</b>	<b>(83,534,439)</b>	<b>(83,534,439)</b>
<b>Business-Type Activities:</b>						
Sewer	21,695,293	18,238,338			(\$3,456,955)	(3,456,955)
Golf Course	1,305,929	1,250,804			(55,125)	(55,125)
<b>Total Business-Type Activities</b>	<b>23,001,222</b>	<b>19,489,142</b>			<b>(3,512,080)</b>	<b>(3,512,080)</b>
<b>Total</b>	<b>\$142,023,921</b>	<b>\$40,336,244</b>	<b>\$6,071,139</b>	<b>\$8,570,019</b>	<b>(83,534,439)</b>	<b>(3,512,080)</b>
<b>General Revenues:</b>						
<b>Taxes</b>						
Property Taxes					27,138,018	27,138,018
Sales Taxes					24,585,811	24,585,811
Motor Vehicle In Lieu, Unrestricted					8,843,361	8,843,361
Transient Occupancy Taxes					1,391,107	1,391,107
Business License Taxes					3,347,429	3,347,429
Other Taxes					4,438,806	4,438,806
Investment Earnings					635,145	397,390
Miscellaneous Revenues					33,834	38,161
Transfers (net)					19,296	(19,296)
<b>Total General Revenues</b>					<b>70,432,807</b>	<b>416,255</b>
<b>Change in Net Assets</b>					<b>(13,101,632)</b>	<b>(3,095,825)</b>
<b>Net Assets - Beginning</b>					<b>728,964,981</b>	<b>82,940,479</b>
<b>Net Assets - Ending</b>					<b>\$715,863,349</b>	<b>\$79,844,654</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 2011. 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.

**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 Projects Fund** - This fund accounts for all general capital improvement projects not funded from proprietary funds.

CITY OF CONCORD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2011

	General	Redevelopment Agency	General Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Investments (Note 3)	\$14,768,630	\$14,043,003	\$682,447	\$16,420,962	\$45,915,042
Cash with Fiscal Agents (Note 3)		8,423,610	8,063,574	2,267,990	18,755,174
Receivables (Net of Allowances for Uncollectibles):					
Accounts	2,284,501	55,198	367,025	880,987	3,587,711
Due from Other Governments	5,249,698		2,214,825	1,222,171	8,686,694
Interest	260,632	35,943			296,575
Due from Other Funds (Note 4)	1,406,366				1,406,366
Loans and Notes (Note 5)		22,945,224		2,807,441	25,752,665
Employee Computer Loans (Note 6)	5,611				5,611
Inventories	69,085				69,085
Prepaid Items and Other Assets	22,577	4,950	149		27,676
Advances to Other Funds (Note 4)	1,703,233	3,000,000		477,000	5,180,233
Land Held for Redevelopment (Note 1)	11,416,332				11,416,332
Investment in Partnership (Note 16)		1,729,715			1,729,715
<b>Total Assets</b>	<b>\$37,186,665</b>	<b>\$50,237,643</b>	<b>\$11,328,020</b>	<b>\$24,076,551</b>	<b>\$122,828,879</b>
<b>LIABILITIES:</b>					
Accounts, Deposits and Contracts Payable	\$4,142,910		\$273,351	\$115,316	\$4,531,577
Accrued Liabilities	2,942,802	101,928	118,645	440,738	3,604,113
Due to Other Funds (Note 4)				214,689	214,689
Refundable Deposits	3,969,061				3,969,061
Deferred Revenue	541,481	5,705,034	3,474,586	3,356,915	13,078,016
Advances from Other Funds (Note 4)	8,550,000			1,450,133	10,000,133
<b>Total Liabilities</b>	<b>20,146,254</b>	<b>5,806,962</b>	<b>3,866,582</b>	<b>5,577,791</b>	<b>35,397,589</b>
<b>FUND BALANCES:</b>					
Fund Balances: (Note 9)					
Nonspendable	13,466,838	4,950	149		13,471,937
Restricted		44,425,731	7,461,289	17,118,722	69,005,742
Assigned	443,832			1,546,816	1,990,648
Unassigned	3,129,741			(166,778)	2,962,963
<b>TOTAL FUND BALANCES</b>	<b>17,040,411</b>	<b>44,430,681</b>	<b>7,461,438</b>	<b>18,498,760</b>	<b>87,431,290</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$37,186,665</b>	<b>\$50,237,643</b>	<b>\$11,328,020</b>	<b>\$24,076,551</b>	<b>\$122,828,879</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, 2011

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$87,431,290

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. 686,071,079

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	21,965,012
Accounts Receivable	10,679
Interest Receivable	6,729
Prepaid Items	171,753
Advance to Other Funds	2,000,000
Net OPEB Asset	8,598,003
Due to Other Funds	(1,338,464)
Claims Payable	(8,953,925)

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. 12,580,055

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	(85,622,110)
Loss on Refunding of Bond Issue	2,072,185
Interest Payable	(1,635,422)
Non-Current Portion of Accrued Liabilities	(7,493,515)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$715,863,349

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, 2011

	General	Redevelopment Agency	General Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes					
Property	\$11,393,346	\$16,897,662		\$3,562,370	\$31,853,378
Less Tax Increment Pass Through Payment		(851,108)			(851,108)
Less Tax Increment Rebate		(346,800)			(346,800)
In Lieu Property Tax - VLF	8,268,752				8,268,752
Sales	17,650,864				17,650,864
Measure Q	2,143,513				2,143,513
Sales Tax In Lieu	4,791,434				4,791,434
Transient Occupancy	1,391,107				1,391,107
Franchises	4,438,806				4,438,806
Business License	3,347,429				3,347,429
Licenses and Permits	1,194,147			34,209	1,228,356
Intergovernmental	939,964		\$10,320,009	8,380,559	19,640,532
Charges for Services	6,782,831			22,771	6,805,602
Fines, Forfeitures and Penalties	775,197		171,250		946,447
Parks and Recreation	2,692,712				2,692,712
Use of Money and Property	211,982	305,048	3,090	1,080,863	1,600,983
Special Assessment Collections				1,851	1,851
Other	684,553	173,492	5,074	151,351	1,014,470
<b>Total Revenues</b>	<b>66,706,637</b>	<b>16,178,294</b>	<b>10,499,423</b>	<b>13,233,974</b>	<b>106,618,328</b>
<b>EXPENDITURES</b>					
Current					
General Government	10,500,718		27,420		10,528,138
Public Safety	40,106,984		308,179		40,415,163
Public Works & Engineering	8,510,769	1,643,981	3,108,339	7,245,812	20,508,901
Community Development	3,799,918	6,695,671	5,048,803	83,317	15,627,709
Community & Recreation Services	5,580,991		781,151	1,002,248	7,364,390
Capital Outlay		269,400	275,613	2,005,612	2,550,625
Debt Service:					
Principal		3,739,000		2,006,000	5,745,000
Interest and Fiscal Charges	59,449	2,744,454		845,554	3,649,457
Refund to Property Owners				248,938	248,938
Bond Issuance Costs				50,600	50,600
<b>Total Expenditures</b>	<b>68,558,829</b>	<b>15,092,506</b>	<b>9,549,505</b>	<b>13,488,081</b>	<b>106,688,921</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,852,192)</b>	<b>1,085,788</b>	<b>949,918</b>	<b>(254,107)</b>	<b>(70,593)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Debt (Note 8)			8,384,040		8,384,040
Transfers In (Note 4)	13,816,643		231,260	2,299,499	16,347,402
Transfers (Out) (Note 4)	(1,022,893)	(14,666,609)	(456,726)	(338,001)	(16,484,229)
<b>Total Other Financing Sources (Uses)</b>	<b>12,793,750</b>	<b>(14,666,609)</b>	<b>8,158,574</b>	<b>1,961,498</b>	<b>8,247,213</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>10,941,558</b>	<b>(13,580,821)</b>	<b>9,108,492</b>	<b>1,707,391</b>	<b>8,176,620</b>
<b>FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR</b>	<b>6,098,853</b>	<b>58,011,502</b>	<b>(1,647,054)</b>	<b>16,791,369</b>	<b>79,254,670</b>
<b>FUND AT END OF PERIOD</b>	<b>\$17,040,411</b>	<b>\$44,430,681</b>	<b>\$7,461,438</b>	<b>\$18,498,760</b>	<b>\$87,431,290</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, 2011

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 \$8,176,620

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. Retirements of capital assets are deducted from the fund balance. Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$3,702,663 which has already been allocated to serviced funds.)

The capital outlay and other expenditures are therefore added back to fund balance	7,803,593
Retirements of capital assets are deducted from the fund balance	(285,600)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$3,702,663 which has already been allocated to serviced funds.)	(20,879,703)

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	5,745,000
Repayment of loan payable is added back to fund balance	1,125,579
Amortization of loss on refunding is deducted from fund balance	(296,027)
Proceeds from long-term debt are deducted from fund balance	(8,384,040)
Interest accrued to principal is deducted from fund balance	(17,827)

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	(1,385,087)
Deferred Revenue	(782,237)
Interest Payable	77,414

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	(3,999,317)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (\$13,101,632)

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes				
Property	\$10,842,000	\$10,842,000	\$11,393,346	\$551,346
In Lieu Property Tax VLF	7,938,000	7,938,000	8,268,752	330,752
Sales	16,168,000	16,168,000	17,650,864	1,482,864
Measure Q			2,143,513	2,143,513
Sales Tax In Lieu	6,676,000	6,676,000	4,791,434	(1,884,566)
Transient Occupancy	1,800,000	1,800,000	1,391,107	(408,893)
Franchises	4,445,000	4,445,000	4,438,806	(6,194)
Business License	3,158,000	3,158,000	3,347,429	189,429
Licenses and Permits	1,214,799	1,214,799	1,194,147	(20,652)
Intergovernmental	687,500	687,500	939,964	252,464
Charges for Services	6,823,055	6,823,055	6,782,831	(40,224)
Fines, Forfeitures and Penalties	1,096,392	1,096,392	775,197	(321,195)
Parks and Recreation	2,899,059	2,899,059	2,692,712	(206,347)
Use of Money and Property	646,100	646,100	211,982	(434,118)
Other	374,562	374,562	684,553	309,991
<b>Total Revenues</b>	<b>64,768,467</b>	<b>64,768,467</b>	<b>66,706,637</b>	<b>1,938,170</b>
<b>EXPENDITURES:</b>				
Current				
General Government:				
Council	355,136	355,136	365,283	(10,147)
Manager	2,584,939	2,654,216	2,408,895	245,321
Attorney	1,181,458	1,181,469	1,107,130	74,339
Human Resources	1,341,260	1,379,711	1,072,952	306,759
Finance	5,848,685	6,087,347	5,546,458	540,889
Total General Government	11,311,478	11,657,879	10,500,718	1,157,161
Public Safety	41,588,399	41,773,740	40,106,984	1,666,756
Public Works & Engineering	8,895,731	8,971,542	8,510,769	460,773
Community Development	3,837,980	3,849,660	3,799,918	49,742
Community & Recreation Services	5,488,278	5,516,951	5,580,991	(64,040)
Interest and Fiscal Charges			59,449	(59,449)
<b>Total Expenditures</b>	<b>71,121,866</b>	<b>71,769,772</b>	<b>68,558,829</b>	<b>3,210,943</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(6,353,399)</b>	<b>(7,001,305)</b>	<b>(1,852,192)</b>	<b>5,149,113</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	171,581	295,047	13,816,643	13,521,596
Transfers (Out)	50,910	(658,456)	(1,022,893)	(364,437)
<b>Total Other Financing Sources (Uses)</b>	<b>222,491</b>	<b>(363,409)</b>	<b>12,793,750</b>	<b>13,157,159</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$6,130,908)</b>	<b>(\$7,364,714)</b>	<b>10,941,558</b>	<b>\$18,306,272</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<b>6,098,853</b>	
<b>FUND BALANCE AT END OF YEAR</b>			<b>\$17,040,411</b>	

See accompanying notes to financial statements

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## 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, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Golf Course	Totals	
<b>ASSETS:</b>				
Current Assets:				
Cash and Investments (Note 3)	\$31,011,601		\$31,011,601	\$21,965,012
Cash with Fiscal Agents (Note 3)	835,007	\$252,348	1,087,355	
Accounts Receivable	4,667	47,458	52,125	10,679
Interest Receivable	4,409		4,409	6,729
Due From Other Funds (Note 4)	177,972		177,972	
Prepaid Items		8,500	8,500	171,753
Total Current Assets	<u>32,033,656</u>	<u>308,306</u>	<u>32,341,962</u>	<u>22,154,173</u>
Non-Current Assets:				
Advances to Other Funds (Note 4)	3,550,000		3,550,000	2,000,000
Debt Issue Costs (Net of Amortization)		37,814	37,814	
Net OPEB Asset (Note 13)				8,598,003
Capital Assets (Note 7):				
Land	334,839	60,343	395,182	
Construction In Progress	328,223		328,223	673,155
Buildings and Improvements	2,824,944	5,876,042	8,700,986	73,131,749
Machinery and Equipment	143,984	136,177	280,161	19,087,526
Sewer Collection System	209,310,464		209,310,464	
Less: Accumulated Depreciation	(134,974,188)	(2,878,107)	(137,852,295)	(45,769,544)
Net Capital Assets	<u>77,968,266</u>	<u>3,194,455</u>	<u>81,162,721</u>	<u>47,122,886</u>
Total Non-Current Assets	<u>81,518,266</u>	<u>3,232,269</u>	<u>84,750,535</u>	<u>57,720,889</u>
Total Assets	<u>113,551,922</u>	<u>3,540,575</u>	<u>117,092,497</u>	<u>79,875,062</u>
<b>LIABILITIES:</b>				
Current Liabilities-(Payable from Current Assets):				
Accounts and Contracts Payable	13,066,339	3,018	13,069,357	
Accrued Liabilities	42,310	2,462	44,772	161,636
Due To Other Funds (Note 4)		31,185	31,185	1,338,464
Compensated Absences Payable (Note 1)	21,880		21,880	116,393
Bond Interest Payable (Note 8)	378,329	26,959	405,288	5,185
Capital Lease Payable (Note 8)				579,312
Certificates of Participation (Note 8)	750,000	55,000	805,000	
Claims Payable (Note 15)				2,700,450
Total Current Liabilities	<u>14,258,858</u>	<u>118,624</u>	<u>14,377,482</u>	<u>4,901,440</u>
Noncurrent Liabilities:				
Compensated Absences Payable (Note 1)	70,261		70,261	147,491
Advance from Other Funds (Note 4)		730,100	730,100	
Capital Lease Payable (Note 8)				1,456,491
Claims Payable (Note 15)				6,253,475
Certificates of Participation (Note 8)	20,750,000	1,320,000	22,070,000	
Total Noncurrent Liabilities	<u>20,820,261</u>	<u>2,050,100</u>	<u>22,870,361</u>	<u>7,857,457</u>
Total Liabilities	<u>35,079,119</u>	<u>2,168,724</u>	<u>37,247,843</u>	<u>12,758,897</u>
<b>NET ASSETS: (Note 9):</b>				
Invested in Capital Assets, Net of Related Debt	57,303,273	2,109,617	59,412,890	45,087,083
Unrestricted	21,169,530	(737,766)	20,431,764	22,029,082
Total Net Assets Business-Type Activities	<u>\$78,472,803</u>	<u>\$1,371,851</u>	<u>\$79,844,654</u>	<u>\$67,116,165</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, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Golf Course	Totals	
<b>OPERATING REVENUES</b>				
Service Fees	\$18,236,674		\$18,236,674	
Charges for Services				\$16,401,700
Golf Course Fees and Charges		\$1,220,494	1,220,494	
Claims Settlement				750,000
Other	1,664	30,310	31,974	112,669
Total Operating Revenues	<u>18,238,338</u>	<u>1,250,804</u>	<u>19,489,142</u>	<u>17,264,369</u>
<b>OPERATING EXPENSES</b>				
Operating and Maintenance	16,633,905	1,083,790	17,717,695	8,869,494
Cost of Sales and Services				2,391,499
Depreciation and Amortization	4,141,797	154,617	4,296,414	3,702,663
Retirement and Other Benefits				1,500,000
Claims and Judgments				4,743,234
Total Operating Expenses	<u>20,775,702</u>	<u>1,238,407</u>	<u>22,014,109</u>	<u>21,206,890</u>
Operating Income (Loss)	<u>(2,537,364)</u>	<u>12,397</u>	<u>(2,524,967)</u>	<u>(3,942,521)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Investment Income	393,620	3,770	397,390	282,377
Interest Expense	(922,552)	(67,522)	(990,074)	(24,548)
Gain (Loss) from Disposition of Capital Assets	2,961		2,961	(504,585)
Other		38,161	38,161	
Net Non-Operating Revenues (Expenses)	<u>(525,971)</u>	<u>(25,591)</u>	<u>(551,562)</u>	<u>(246,756)</u>
Income (Loss) Before Contributions and Transfers	<u>(3,063,335)</u>	<u>(13,194)</u>	<u>(3,076,529)</u>	<u>(4,189,277)</u>
Contributions				69,633
Transfer In (Note 4)				686,196
Transfer Out (Note 4)	(19,296)		(19,296)	(530,073)
Change in Net Assets	<u>(3,082,631)</u>	<u>(13,194)</u>	<u>(3,095,825)</u>	<u>(3,963,521)</u>
Total Net Assets - Beginning	<u>81,555,434</u>	<u>1,385,045</u>	<u>82,940,479</u>	<u>71,079,686</u>
Total Net Assets - Ending	<u>\$78,472,803</u>	<u>\$1,371,851</u>	<u>\$79,844,654</u>	<u>\$67,116,165</u>

See accompanying notes to financial statements

CITY OF CONCORD  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Golf Course	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$18,235,654	\$1,279,507	\$19,515,161	\$17,345,709
Payments to Suppliers	(15,203,399)	(1,023,702)	(16,227,101)	(8,392,106)
Payments to Employees	(1,197,880)	(61,295)	(1,259,175)	(5,039,182)
Claims paid				(4,726,094)
Net Cash Provided by (Used for) Operating Activities	<u>1,834,375</u>	<u>194,510</u>	<u>2,028,885</u>	<u>(811,673)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Borrowings of Advances From/To Other Funds	(177,972)	31,185	(146,787)	1,338,464
Transfers In				686,196
Transfers (Out)	(19,296)		(19,296)	(530,073)
Cash Flows from Non-Capital Financing Activities	<u>(197,268)</u>	<u>31,185</u>	<u>(166,083)</u>	<u>1,494,587</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(449,373)	(7,852)	(457,225)	(3,211,608)
Proceeds From the Issuance of Debt				2,351,261
Principal Paid on Debt, Bond Maturities	(730,000)	(145,000)	(875,000)	(827,996)
Interest and Fiscal Charges Paid	(932,954)	(73,492)	(1,006,446)	(20,837)
Cash Flows from Capital and Related Financing Activities	<u>(2,112,327)</u>	<u>(226,344)</u>	<u>(2,338,671)</u>	<u>(1,709,180)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	394,336	3,770	398,106	286,851
Cash Flows from Investing Activities	<u>394,336</u>	<u>3,770</u>	<u>398,106</u>	<u>286,851</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(80,884)	3,121	(77,763)	(739,415)
Cash and Investments at Beginning of Period	<u>31,927,492</u>	<u>249,227</u>	<u>32,176,719</u>	<u>22,704,427</u>
Cash and Investments at End of Period	<u>\$31,846,608</u>	<u>\$252,348</u>	<u>\$32,098,956</u>	<u>\$21,965,012</u>
<b>NON-CASH TRANSACTIONS:</b>				
Contributions and Transfers of Capital Assets, Net				<u>\$69,633</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	(\$2,537,364)	\$12,397	(\$2,524,967)	(\$3,942,521)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Other Non-Operating Revenue		38,161	38,161	
Depreciation and Amortization	4,141,797	154,617	4,296,414	3,702,663
Change in Assets and Liabilities:				
Receivables, Net	(2,684)	(9,458)	(12,142)	81,340
Prepaid Expenses		(8,500)	(8,500)	(102,144)
Net OPEB Asset				(753,615)
Accounts Payable	198,804		198,804	(2,509)
Accrued Liabilities	33,822	7,293	41,115	180,475
Self Insurance Claims Payable				24,638
Net Cash Provided by (Used for) Operating Activities	<u>\$1,834,375</u>	<u>\$194,510</u>	<u>\$2,028,885</u>	<u>(\$811,673)</u>

See accompanying notes to financial statements

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## 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, 2011

	City of Concord Retirement System Pension Trust
<b>ASSETS:</b>	
Cash and Investments (Note 3)	
Money Market Funds	\$685,788
Corporate Debt Instruments	10,090,971
California Local Agency Investment Fund	1,315,374
Federal Agencies	4,346,241
Municipal Bonds	726,763
Pooled Investments	2,718,586
U.S. Treasury Notes	2,750,815
Common Stock	11,453,199
Mutual Funds	8,610,154
	42,697,891
Total Cash and Investments	
Receivables (Net of Allowances for Uncollectibles):	
Interest	1,561
	42,699,452
Total Assets	
	\$42,699,452
<b>NET ASSETS:</b>	
Employee Retirement System	\$42,699,452

See accompanying notes to the financial statements

CITY OF CONCORD  
PENSION TRUST FUNDS  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	City of Concord Retirement System Pension Trust
<b>ADDITIONS</b>	
Contributions	
Employer	<u>\$287,623</u>
Total Contributions	<u>287,623</u>
Investment Income	4,524,997
Less Management Expenses	<u>(201,775)</u>
Net Investment Income	<u>4,323,222</u>
Total Additions	<u>4,610,845</u>
<b>DEDUCTIONS</b>	
Retirement and Other Benefits	<u>5,507,066</u>
Total Deductions	<u>5,507,066</u>
<b>NET DECREASE IN NET ASSETS</b>	(896,221)
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
Beginning of Year	<u>43,595,673</u>
End of Year	<u><u>\$42,699,452</u></u>

See accompanying notes to the financial statements

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Concord was incorporated in 1905 and operates under the Council-Manager form of government. The City provides the following services: public safety (police services and building inspection), highways and streets, sewer collection, recreation services, public improvements, planning and zoning, redevelopment and general administration services.

The financial statements and accounting policies of the City of Concord conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

**Reporting Entity**

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements.

The City's component units which are described below are all blended.

The **Redevelopment Agency of the City of Concord** was formed in March 1973 for the purpose of renovating designated areas within the City limits. The City Council sits as the Governing Board of the Agency, which is a component unit of the City and is accounted for in the fund established by the City. The Agency adopted the Redevelopment Plan in November 1974. The Plan established the Central Concord Redevelopment Project, which includes approximately 670 acres in the City's Central Business District. Subsequent annexations have increased the Redevelopment Project Areas to 1,072 acres. Most recently, during FY 2010-2011, the Concord Community Reuse Redevelopment Project was added. This area includes all land within the boundaries of the inland portion of the former Concord Naval Weapons Station base area and certain parcels adjacent to the Base Area commonly known as the City-owned portion of the Diablo Creek Golf Course, the Coast Guard Property and the North Concord BART station property.

The **City of Concord Joint Powers Financing Authority** is a nonprofit corporation organized by the City of Concord and the Concord Redevelopment Agency under the laws of the State of California. The Authority was organized to provide financial assistance to the City by financing real and personal properties and improvements for the benefit of the residents of the City and surrounding areas. Administrative and related normal business expenses incurred in the day-to-day operations of the Authority are provided by the City. Such expenses are insignificant to the Authority's operations. The Authority obtains financing for City and Agency sponsored projects using leases signed by the City or Agency as collateral. The amounts of the leases are calculated to provide sufficient resources to repay the debt incurred to finance the projects.

**Concord Sanitary Sewer Services, Inc.** was formed to finance the acquisition, construction and improvement of sewer facilities in the City of Concord. The facilities were constructed in accordance with the City's specifications on City property leased back to the City for a rental sufficient to meet the debt service obligations of the underlying bonds. The lease agreement expired in fiscal year 2001-2002 and all bonds were fully paid and retired, at which time title to the sewer facilities transferred to the City and remaining surplus funds were distributed to the City. Concord Sanitary Sewer Services, Inc. is currently inactive.

The **City of Concord Retirement System** is governed by the City's Retirement System Ordinance, Article II, Chapter 8 of the City of Concord Municipal Code, and is used to account for contributions and investment income restricted to pay retirement and death benefits of general and police employees. The Plan's benefit provisions are frozen and retirement and death benefit payments are restricted to eligible employees who retired or left the City of Concord eligible for a pension prior to June 28, 1999. Contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Retirement Board established by the above ordinance. Financial statements for the above component units can be obtained from the City of Concord, 1950 Parkside Drive, Concord, CA 94519.

The financial statements exclude the California Public Entity Insurance Authority, the Concord Plaza Tower Inc., the Concord Pleasant Hill Aquatic Foundation, the Concord Senior Citizens Club, and the Friends of Camp Concord, as they are administered by boards separate from and independent of the City.

### **Basis of Presentation**

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

**Government-wide Statements:** The Statement of Net Assets and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations **have been made to minimize the double counting of internal activities.** These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category-*governmental*, *proprietary*, and *fiduciary*-are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Operating* expenses result from the cost of providing those services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as *nonoperating* revenues and expenses. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**Major Funds**

The City's major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

**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, public works and other services not required to be accounted for in another fund.

**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; and 3) capital projects connected with downtown redevelopment funded by property tax increment revenues.

**General Projects Fund** – This fund accounts for all general capital improvement projects not funded from proprietary funds.

The City reported all its Enterprise Funds as major funds in the accompanying financial statements:

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

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

The City also reports the following fund types:

**Internal Service Funds** – These funds account for workers' compensation costs, non-reimbursable portion of insurance claims, post-retirement health care benefits, City facilities' maintenance expenses, maintenance and replacement costs of City licensed vehicles, motorized equipment, and technology equipment; all of which are provided to other departments on a cost-reimbursement basis.

**Fiduciary Funds** - Fiduciary Funds account for assets held by the City as trustee agent for other governmental units, private organizations or individuals. The City of Concord Retirement System Pension Trust Fund, the only Fiduciary Fund of the City, accounts for accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future.

**Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick pay and other employee amounts which are recognized as expenditures to the extent they have matured, and principal and interest on general long-term debt which is recognized when due. Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts thus are not current liabilities of the debt service fund, as their settlement will not require expenditure of existing fund assets.

The City follows Statements and interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

### **Land Held for Redevelopment**

In March 2011, the Agency, acting in accordance with Health and Safety Code Sections 33220 and 33430, entered into a Real Property Transfer and Cooperative Agreement with the City whereby the Agency conveyed all of its real property to the City. Under the Agreement, the City will use the property for redevelopment purposes consistent with the California Redevelopment Law and to implement and carry out the Redevelopment Plan for the Central Concord Project Area. The conveyance has been recorded as a transfer to the City during fiscal 2010-11.

As a result of the transaction discussed above, as of June 30, 2011 the City held the following properties for resale or redevelopment:

- a) During fiscal year 2009 the Agency purchased six parcels of land located in the downtown area to assist in implementing the Agency's Strategic Plan.
- b) A parcel of land held by the Agency was purchased in fiscal year 2007 which will be held for resale for future development projects.
- c) A parcel of land held by the Agency was purchased in fiscal year 2004 which is to be sold in the future for redevelopment projects.

- d) A parcel of land was purchased in fiscal year 2002 which is to be sold in the future for the Town Center Project.
- e) One property purchased in fiscal year 2001 which is to be sold for the purpose of constructing a new hotel in downtown Concord.
- f) Two parcels consisting of land and buildings purchased for redevelopment into an auto sales center in fiscal year 1989. In fiscal year 2006, the Agency sold 3.8 acres of one of the parcels to a developer. During fiscal year 2009, the Agency sold the other parcel for \$170,000.
- g) During the year ended June 30, 1999, the Agency purchased a parcel which is to be sold in the future for development projects.
- h) Five properties purchased between 1982-1987 which are being held for resale for future development projects.

### **Inventory and Prepaid Items**

Inventories are valued at cost (on the first-in, first-out basis). Inventories of the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time individual inventory items are consumed. Reported General Fund inventories are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items in governmental funds are equally offset by a fund balance reserve which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

### **Property Taxes and Special Assessment Revenue**

The County of Contra Costa levies, bills and collects property taxes for the City; the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

### **Compensated Absences**

In governmental funds, Compensated Absences (unpaid vacation and sick leave) are recorded as expenditures in the year paid, as it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources rather than currently available expendable resources. The City's liability for Compensated Absences is determined annually. For all governmental funds, amounts expected to be paid out for permanent liquidation are recorded as fund liabilities; the long term portion is recorded in the Statement of Net Assets.

Compensated Absences are included in accrued liabilities. Compensated Absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund. Compensated Absences are accounted for by Proprietary funds as expenditures in the year earned. The changes in Compensated Absences of governmental and business-type activities were as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Beginning Balance	\$3,820,921	\$91,475	\$3,912,396
Additions	2,896,853	39,829	2,936,682
Payments	(2,950,711)	(39,163)	(2,989,874)
Ending Balance	<u>\$3,767,063</u>	<u>\$92,141</u>	<u>\$3,859,204</u>
Due in One Year	<u>\$2,169,337</u>	<u>\$21,880</u>	<u>\$2,191,217</u>

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 expenses during the reporting period. Actual results could differ from those estimates.

### NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of separate resolutions for the City and for the Redevelopment Agency.
4. The City Manager is authorized to transfer budgeted amounts from one program, department or account to another within the same fund. All transfers of appropriations affecting Personnel Service type accounts require the Director of Human Resources and City Manager approval. Expenditures may not legally exceed budgeted appropriations at the fund level without City Council approval.
5. The City is required to adopt an annual operating budget on or before June 30 for all funds. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various funds. The City Council may amend the budget during the fiscal year.
6. All governmental fund type annual operating budgets are adopted on a basis consistent with generally accepted accounting principles except for capital outlay expenditures for Special Revenue Funds, which are budgeted on a project time frame rather than an annual basis.

7. All governmental fund type annual operating budgets are adopted on a basis consistent with generally accepted accounting principles except for capital outlay expenditures for Special Revenue Funds which are budgeted on a project time frame rather than on an annual basis, in conjunction with #6 above.

### Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

### Appropriation Lapses

Unexpended appropriations lapse at year end unless budgeted on a project basis.

### NOTE 3 - CASH AND INVESTMENTS

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash with Fiscal Agents so that it can be safely invested at maximum yields. Individual funds are able to make expenditures at any time during the year.

### Policies

All investments are carried at fair value and as a general rule investment income is allocated among funds on the basis of average monthly cash and investment balances in these funds. Interest income on certain investments is allocated based on the source of the investment and legal requirements which apply.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

Cash and investments are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

### Classification

Cash and investments are classified in the financial statements as shown below at June 30, 2011:

<i>City:</i>	Governmental Funds	Enterprise Funds	Internal Service Funds	Total
Cash and investments available for City operations	\$45,915,042	\$31,011,601	\$21,965,012	\$98,891,655
Cash and investments with fiscal agents	18,755,174	1,087,355		19,842,529
Total cash and investments	<u>\$64,670,216</u>	<u>\$32,098,956</u>	<u>\$21,965,012</u>	<u>\$118,734,184</u>

### *Retirement Trust Funds:*

Cash and investments	<u>\$42,697,891</u>
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### Investments Authorized by the California Government Code and the City's Investment Policy

The City of Concord operates its investment activities under the prudent man rule. This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current statutes of the State of California. The City is authorized to invest in the following types of instruments, and the table also identifies certain provisions of the California Government Code, or the City's investment policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Bills, Bonds and Notes	5 years		None	None
Obligations issued by United States Government Agencies	5 years		None	None
Bankers Acceptances	180 days		30%	30%
Commercial Paper	270 days	A1/P1/F1	25% (A)	10%
Negotiable Certificates of Deposit	5 years	A	30%	None
Medium Term Corporate Notes	5 years	A	30% (A)	None
Money Market Mutual Funds	N/A	Top rating category	5%	10%
California Local Agency Investment Fund (LAIF)	N/A		None	\$50 Mil/account
Time Certificates of Deposit	5 years		30%	10%
Derivative Securities (B)	5 years		None	None

- (A) Total combined corporate debt (Commercial Paper and Medium Term Notes) may not exceed 30% of the cost value of the portfolio.
- (B) Investments in derivative securities will be made using the Prudent Investor Rule and will be limited to federal agency callable issues.

Under the City's Investment Policy, investments not described above are ineligible investments. In addition, the City may not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages in accordance with the California Government Code. With the exception of callable federal agency securities, any security that derives its value from another asset or index is prohibited. In addition, the City may not invest any funds in any security that could result in zero interest accrual if held to maturity.

### Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Federal Agency Securities(a)	5 years	AAA
State of California Local Agency Investment Fund		
Commercial Paper	270 days	A1/P1/F1
Negotiable Certificate of Deposits	180 days	
Bank Deposits		FDIC insured
US Government Treasury Obligations		
State/ Local Obligations		AAA
Federal Securities		
Corporate Notes		AAA
Repurchase Agreements		AAA
Money Market Mutual Funds		AAA
Investment Agreements		AAA

(a) For the ABAG 41 Certificates of Participation, the investments in federal agency securities may not exceed 10% of the investment amount.

## Retirement System Authorized Investments

The System's investment policy authorizes the System to invest in financial instruments in three broad investment categories: equity, fixed income, and real estate. These financial instruments can include, but are not limited to, corporate bonds, commercial paper, U.S. government securities, common and preferred stock, real estate investment trusts, and mutual funds. Fixed income investments may include bonds and commercial paper in order to provide added flexibility in managing the fixed income portfolio.

The asset allocation ranges for the plan are as follows:

	Target Mix	Allocation Ranges	
		Minimum	Maximum
Large/Medium Cap Domestic Equity	30%	20%	45%
International Equity	7.5	2	15
Small Cap Equity	7.5	2	15
Domestic Real Estate	0	0	10
Domestic Fixed Income	50	40	60
Cash	5	0	20

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's and Retirement System's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

### City and Fiscal Agents:

Investment Type:	Remaining Maturity (in Months)				Total
	12 months or Less	13 to 24 Months	25 to 36 Months	Over 36 Months	
U.S. Government Agencies	\$25,140,090	\$2,054,600	\$5,082,260	\$5,036,150	\$37,313,100
Medium Term Corporate Notes	2,041,590		1,942,108	2,117,510	6,101,208
LAIF	52,935,372				52,935,372
Held by bond trustee:					
Money Market Funds					
(U.S. Securities)	17,813,039				17,813,039
U.S. Treasury Notes	1,239,549	492,009			1,731,558
LAIF	297,932				297,932
<b>Total</b>	<b>\$99,467,572</b>	<b>\$2,546,609</b>	<b>\$7,024,368</b>	<b>\$7,153,660</b>	<b>116,192,209</b>
Cash deposits with banks and on hand					2,541,975
<b>Total Cash and Investments</b>					<b>\$118,734,184</b>

**Retirement Trust Funds:**

	Remaining Maturity (in Months)				Total
	12 months or Less	13 to 24 Months	25 to 60 Months	Over 60 Months	
<b>Investment Type:</b>					
Money Market Mutual Funds	\$822,883				\$822,883
Corporate Debt Instruments		\$749,730	\$3,263,980	\$6,077,261	10,090,971
LAIF	1,315,374				1,315,374
Federal Agency Securities		254,260	566,020	3,525,961	4,346,241
Municipal Bonds				726,763	726,763
Pooled Investments	2,718,586				2,718,586
U S Treasury Notes			662,347	2,088,468	2,750,815
<b>Total</b>	<b>\$4,856,843</b>	<b>\$1,003,990</b>	<b>\$4,492,347</b>	<b>\$12,418,453</b>	<b>22,771,633</b>
<b>Non-Maturing Investments:</b>					
Common Stock					11,453,199
Mutual Funds					8,473,059
<b>Total Cash and Investments</b>					<b>\$42,697,891</b>

The City and the Retirement System are participants in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2011, these investments have an average maturity of 237 days.

Money market funds and mutual funds are available for withdrawal on demand and at June 30, 2011, have an average maturity of 20 to 49 days.

**Fair value of Investments**

GASB Statement 31 requires governments to present investments at fair value. The City adjusts the carrying value of its investment to reflect the fair value at each fiscal year-end, and it includes the effect of this adjustment in income for that fiscal year. At June 30, 2011, the cost of investments was \$396,095 less than the City's fair market value. The City has included the following net increases in the fair value of investments in income as follows: \$40,607 in General Fund, \$191,862 in the Sewer Enterprise Fund, and \$177,669 in all other funds. The Redevelopment Agency had a \$31,308 decrease. The City holds investments to maturity.

At June 30, 2011, the cost of the Retirement System's investments was \$17,371 less than the City's fair market value.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2011 for each investment type as provided by Standard & Poor's for the City's investments and Moody's for the Retirement System.

**City and Fiscal Agents:**

Investment Type	AAA / AAAM	AA+ / AA / AA-	Total
U.S. Government Agencies	\$37,313,100		\$37,313,100
Medium Term Corporate Notes	4,059,618	\$2,041,590	6,101,208
Money Market Funds - (U.S. Securities)	17,813,039		17,813,039
<b>Totals</b>	<b>\$59,185,757</b>	<b>\$2,041,590</b>	<b>61,227,347</b>
<i>Exempt from rating:</i>			
U.S. Treasury Notes			1,731,558
<i>Not rated:</i>			
LAIF			53,233,304
<b>Total Investments</b>			<b>\$116,192,209</b>

**Retirement Trust Funds:**

Investment Type	Aaa / Aaam	Aa1 / Aa2 / Aa3	A1 / A2 / A3	Baa1 / Baa2 / Baa3	Ba1 / Ba2 / Ba3	Total
Money Market Mutual Funds	\$822,883					\$822,883
Medium Term Corporate Notes	2,309,233	\$1,256,305	\$3,139,731	\$3,249,813	\$135,889 *	10,090,971
U.S. Government Agencies	4,346,241					4,346,241
Municipal Bonds		\$529,805	\$196,958			726,763
<b>Totals</b>	<b>\$7,478,357</b>	<b>\$1,786,110</b>	<b>\$3,336,689</b>	<b>\$3,249,813</b>	<b>\$135,889</b>	<b>15,986,858</b>
<i>Exempt from rating:</i>						
U S Treasury Notes						2,750,815
<i>Not rated:</i>						
LAIF						1,315,374
Common Stock						11,453,199
Mutual Funds						8,473,059
Pooled Investments						2,718,586
<b>Total Investments</b>						<b>\$42,697,891</b>

\* Investment had a Moody's rating of Ba3 and an S&P rating of AAA as of June 30, 2011.

On August 5, 2011, Standard & Poor's Ratings Services (S&P) lowered its long-term credit rating on the United States of America from AAA to AA+. At the same time, S&P affirmed its A-1+ short-term rating on the United States of America.

On August 8, 2011, S&P lowered its issuer credit ratings and related issue ratings on ten of twelve Federal Home Loan Banks (FHLBs) and the senior debt issued by the FHLB System from AAA to AA+. S&P also lowered the ratings on the senior debt issued by the Federal Farm Credit Banks (FFCB) from AAA to AA+, and lowered the senior issue ratings on Fannie Mae (FNMA) and Freddie Mac (FHLMC) from AAA to AA+. The A subordinated debt rating and the C rating on the preferred stock of these entities remained unchanged. Finally, S&P affirmed the short-term issue ratings for these entities at A-1+. As of June 30, 2011, the City's investments in these agencies that were subject to the downgrade were as follows: FHLB \$15,154,447, FFCB \$11,086,420, FNMA \$6,049,682 and FHLMC \$5,022,551. Also as of June 30, 2011, the City's Retirement System's investments in these agencies that were subject to the downgrade were as follows: FHLB \$254,260, FNMA \$2,032,202 and FHLMC \$2,059,778.

### Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment fund that represent 5% or more of total Entity-wide investments are as follows at June 30, 2011:

### City and Fiscal Agents:

Fund	Issuer	Type of Investments	Amount
Entity Wide:			
	Federal Home Loan Bank	Federal Agency Securities	\$15,154,447
	Federal Farm Credit Bank	Federal Agency Securities	11,086,420
	Federal National Mortgage Association	Federal Agency Securities	6,049,682

### NOTE 4 - INTERFUND TRANSACTIONS

#### Current Interfund Balances

Current Interfund balances arise out of short term cash flow needs and are due from one fund to another, all of which are expected to be repaid in the normal course of business. At June 30, 2011 the interfund balances are as follows:

DUE TO OTHER FUNDS	DUE FROM OTHER FUNDS	AMOUNT
Assessment District		
Debt Service Fund	Sewer Enterprise Fund	\$177,972
Monument Community Partnership		
Special Revenue Fund	General Fund	36,717
Golf Course Enterprise Fund	General Fund	31,185
Post-Retirement Health Care Benefits Funds		
Internal Service Fund	General Fund	1,338,464
		<u>\$1,584,338</u>

## Long-Term Interfund Advances

At June 30, 2011 the funds below had made the following advances:

Fund Receiving Advance	Fund Making Advance	Amount of Advance
General Fund	Redevelopment Agency Fund	\$3,000,000 (a)
	Sewer Enterprise Fund	3,000,000 (a)
	Sewer Enterprise Fund	550,000 (b)
	Worker's Compensation Fund	2,000,000 (a)
Golf Course Enterprise Fund	General Fund	730,100 (c)
Special Developers		
Capital Projects Fund	General Fund	973,133 (d)
Maintenance District		
Special Revenue Fund	Traffic Systems Management Special Revenue Fund	477,000 (e)
		<u>\$10,730,233</u>

- (a) This **General Fund** advance was made during fiscal year 2009-2010 to fund the retirement of \$8.2 million of the 1995 Lease Revenue Bonds. The advance bears interest at the LAIF rate plus 0.5% to be paid on a quarterly basis. As a result of this nonrecurring long-term advance, the City is no longer obligated to pay 8.24% interest on the retired bonds. The General Fund will repay these advances annually starting no later than fiscal year 2014-2015, with a final payment expected in fiscal year 2030 and will pay approximately \$1.9 million in interest over the life of the repayment.
- (b) This **General Fund** advance will be repaid in installments starting in fiscal year 2021 and bears no interest.
- (c) The **Golf Enterprise Fund** advance was made during fiscal years 2007 and 2008 and will be factored into the next 10 year budget plan and repaid as business improves within the regional golf market.
- (d) The **Special Developers Fund** advance will be repaid in installments starting in fiscal year 2013 and bears interest of 3% as described in the City's Capital Improvement Program 10 year plan.
- (e) The **Maintenance Districts Fund** advance will be repaid in 6 annual payments beginning in fiscal year 2012 and bears interest from 3.5 - 5%.

**Transfers between funds**

With Council approval, resources may be transferred from one City fund to another without a requirement for repayment. Transfers between funds during the fiscal year ended June 30, 2011 were as follows:

<u>Fund Receiving Transfers</u>	<u>Fund Making Transfers</u>	<u>Purpose</u>	<u>Amount Transferred</u>
General Fund	Redevelopment Agency Fund	To Fund Operating Costs and Debt Service To Transfer Land held for Redevelopment	\$1,985,369 11,416,332
General Fund	Redevelopment Agency Fund	To Fund Anticipated Costs Per Budget	24,119
General Fund	General Reimbursable Projects Capital Projects Fund	To Fund Capital Projects	123,466
General Fund	Maintenance Districts Special Revenue Fund	To Fund Administrative and General Services	215,780
General Fund	Traffic System Management Special Revenue Fund	To Fund Operating Costs	573
General Fund	Housing & Community Service Special Revenue Fund	To Fund Operating Costs	26,884
General Fund	Special Developers Capital Projects Fund	To Fund Anticipated Costs Per Budget	4,824
General Fund	Sewer Enterprise Fund	To Fund Anticipated Costs Per Budget	19,296
General Reimbursable Projects	General Fund	To Fund Capital Projects	140,000
General Reimbursable Projects	State Gas Tax Special Revenue Fund	To Fund Capital Projects	22,830
General Reimbursable Projects	Intergovernmental Capital Projects Fund	To Fund Capital Projects	57,146
General Reimbursable Projects	Building Maintenance Internal Service Fund	To Fund Capital Projects	11,284
Special Revenue Funds:			
Maintenance Districts	General Fund	To Fund Administrative and General Services	215,780
Debt Service Funds:			
Police Facilities Revenue Bonds	Redevelopment Agency Fund	To Fund Debt Service	507,397
Parking Structure Revenue Bonds	Redevelopment Agency Fund	To Fund Debt Service	733,392
ABAG	General Fund	To Fund Debt Service	97,747
Refunding Lease Agreement	Liability Claims Internal Service Fund	To Fund Debt Service	418,789
Energy Lease Bank of America	General Reimbursable Projects Capital Projects Fund	To Fund Costs of Debt Issuance	316,430
Capital Projects Fund:			
Special Developers	Intergovernmental Capital Projects Fund	To Fund Capital Projects	9,964
Internal Service Funds:			
Risk Management/Liability	Workers' Compensation Internal Service Fund	To Fund Anticipated Costs Per Budget	100,000
Equipment Replacement Fund	General Fund	To Fund Anticipated Costs Per Budget	569,366
Equipment Replacement Fund	General Reimbursable Projects Capital Projects Fund	To Fund Capital Projects	11,756
Building Maintenance	General Reimbursable Projects Capital Projects Fund	To Fund Capital Projects	5,074
		Total Transfers	<u>\$17,033,598</u>

## Transfers Between the City and the Agency

With Board and Council approval, transfers are made between the City and the Agency to reimburse the entity which has made an expenditure on behalf of another entity. In fiscal 2011, the General Capital Projects Fund transferred \$3,182,730 to the City to fund capital projects and operations. The Low and Moderate Income Housing Special Revenue Fund transferred \$67,547 to the City to pay for operational costs associated with the Agency's affordable housing activities.

As discussed in note 1f and 7, the Agency conveyed all of its Land Held for Redevelopment in the amount of \$11,416,332 and capital assets in the amount of \$21,798,811 to the City.

## Redevelopment Reimbursement Agreements

In February 2011, under the provisions of Health and Safety Code section 33220, the City agreed to aid and cooperate with the Agency by implementing the planning, undertaking, construction or operation of redevelopment projects and the Agency agreed to reimburse it for costs incurred. During fiscal 2010-11, the Agency reimbursed the City \$539,662 and \$3,960,645, for low/mod and other activities, respectively.

## Internal Balances

Internal balances represent the net interfund receivables and payable remaining after the elimination of all such balances within governmental and business-type activities.

### Note 5 – Loans, Notes Receivable and Development Agreement

The City and Agency engage in programs designed to encourage business enterprises or construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to businesses, home-owners or developers who agree to spend these funds in accordance with the City's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset by deferred revenue. They are not expected to be collected during fiscal year 2012. These loans and notes were comprised of the following at June 30, 2011:

Housing Assistance	\$374,050
Housing Conservation	3,437,605
Downtown Revitalization and Low and Moderate Income Housing Rehabilitation	14,928,338
Lakeside Apartments	2,910,684
Detroit Avenue Apartments	615,000
Virginia Lane	3,135,282
Lehmer's Investment Company	143,373
California Automotive Retailing Group	208,333
Total loans and notes receivable	<u>\$25,752,665</u>

## Housing Assistance

This program provides housing assistance to Concord residents through a variety of housing programs.

## Housing Conservation

This program involves loans made to rehabilitate housing within the City of Concord which are funded by Community Development Block Grant and Redevelopment Agency monies.

**Downtown Revitalization and Low and Moderate Income Housing Rehabilitation**

Low and no interest loans are made by the Redevelopment Agency to provide businesses assistance for rehabilitating buildings in the downtown area and to businesses or individuals for the rehabilitation of housing within the City of Concord owned and/or occupied by persons of low and moderate income. Included in these loans, is one loan amounting to \$17,163 which was made to a current employee loan to a former employee was fully repaid during the fiscal year.

**Lakeside Apartments**

The City and the Agency entered into a \$3,433,945 loan agreement with Lakeside Apartments, L.P. for the acquisition and rehabilitation of Lakeside apartments. An additional loan of \$283,000 was made in fiscal year 2007 which brings the loan to \$3,716,945. Of the \$283,000, \$110,000 is funded by Community Development Block Grants, \$93,000 is funded by Redevelopment Agency, and \$80,000 is funded by California State EAGR funds. The outstanding balance of the loan bears interest at a rate of 1% per annum. The Agency expects the loan to be repaid on November 5, 2058.

**Detroit Avenue Apartments**

The City entered into a \$600,000 loan agreement with Standard Housing Company for the acquisition and rehabilitation of a ten-unit apartment complex. The outstanding balance of the loan bears interest at a rate of 3% per annum. The payment of interest commenced on July 1, 2005 and is due monthly in the amount of \$1,500. The Agency expects the loan to be repaid on April 30, 2014.

**Virginia Lane**

In June 1999, the City and the Agency entered into a \$1,984,200 loan agreement with Virginia Lane Limited Partnership for the rehabilitation of Golden Glen and Maplewood Apartments. An additional loan of \$450,000 was made in fiscal year 2007 which brings the loan to \$2,434,200. Of the \$450,000, \$100,000 is funded by Community Development Block Grant funds and \$350,000 is funded by Cal FHA funds. The outstanding balance of the loan bears interest at a rate of 3% per annum. The repayments on the loan shall be made from residual receipts. The Agency expects the loan to be repaid on March 2, 2061.

**Lehmer Investment Company Development Agreement**

In August 2008, the City and the Agency entered into a \$170,000 loan agreement with Lehmer Investment Company for the purchase of the Agency's parking lot at 1925 Market Street. The outstanding balance of the loan bears interest at a rate of 3% per annum. Subsequently, the loan agreement was amended in July 2009 to extend the payment terms. The monthly interest payments began August 2010. The Agency expects the loan to be repaid on August 28, 2012.

**Fry's Electronics Development Agreement**

The Agency entered into a \$3,900,000 loan agreement with Fry's Electronics to provide assistance with rehabilitation of the building and surrounding site improvements. The substance of the agreement is that Fry's will be paid a portion of future sales tax revenues produced by the development. These payments are conditioned on the generation of annual sales tax revenues by the development of at least \$500,000 per year, adjusted annually for inflation, and the Agency is not required to use any other resources to pay these amounts. Beginning with the year that the sales tax collections first exceed the threshold, the Agency has agreed to pay Fry's compound interest of 7% on the loan principal balance not yet disbursed to Fry's, however the calculation of this annual interest due is limited to the lesser of the actual calculation or the principal amount of the loan disbursed to Fry's in that year. The loan will be forgiven after ten calendar years as long as the building remains operated by Fry's Electronics. In addition, the Agency has entered into an agreement with the City under which the City has agreed to annually reimburse the Agency for any amounts that it has paid to Fry's, but that reimbursement is subordinated to the City's other obligations.

During fiscal year 2011, sales tax collections exceeded the threshold, therefore the Agency disbursed \$57,134 to Fry's in accordance with the terms of the agreement. At June 30, 2011, the remaining portion of sales tax revenues subject to reimbursement was \$3.9 million plus interest at 7%. The agreement terminates in 2019, regardless of whether the entire loan amount has been disbursed.

#### **California Automotive Retailing Group Development Agreement**

In July 2009 the Agency entered into a \$250,000 interest free loan agreement with California Automotive Retailing Group to rehabilitate and improve an existing automotive dealership site at 1330 Concord Avenue. Monthly payments of \$2,083 for 120 months started on October 1, 2009. The Agency expects the loan to be repaid on September 1, 2019.

#### **NOTE 6 – EMPLOYEE COMPUTER LOANS**

All full-time City employees who have completed their probationary period are eligible to obtain a loan up to \$3,000 with a 4% interest rate to purchase a computer. All requests for loans are subject to review and approval by the Information Technology Department. Equipment purchased must be compatible with the City's computer equipment. Repayment of these loans is handled through payroll deductions which are spread over the life of the loan, not to exceed three years. Employees must pay off any outstanding balance of their loans upon ending employment with the City. As of June 30, 2011, 14 employees had \$5,611 in loans due to the City. The program was discontinued effective August 15, 2009, with no new loans being issued.

#### **NOTE 7 - CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The City's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems in the government-wide financial statements.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of capital fixed assets in service is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives and capitalization thresholds listed below to capital fixed assets.

	<u>Useful Lives</u>	<u>Capitalization Threshold</u>
Ground improvements	25-33 Years	\$100,000
Buildings and improvements	25-33 Years	100,000
Machinery and equipment	5-10 Years	7,500
Vehicles	5-10 Years	7,500
Streets	30 Years	100,000
Sidewalks	50 Years	100,000
Storm drains/catch basins	100 Years	100,000
Traffic signals	30 Years	100,000
Sewer lines	40-50 Years	100,000

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**Capital Asset Additions and Retirements**

Capital asset transactions and balances comprise the following at June 30, 2011:

	Balance at June 30, 2010	Additions	Retirements	Transfers	Balance at June 30, 2011
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$16,311,196		(\$285,600)		\$16,025,596
Construction in progress	3,310,126	\$2,169,495		(\$1,445,427)	4,034,194
Total capital assets not being depreciated	19,621,322	2,169,495	(285,600)	(1,445,427)	20,059,790
Capital assets being depreciated:					
Ground improvements	14,326,592			1,393,631	15,720,223
Buildings and improvements	78,033,719		(702,348)		77,331,371
Machinery and equipment	8,573,227	2,377,361	(63,868)	51,796	10,938,516
Vehicles	8,238,019	309,621	(398,631)		8,149,009
Streets	421,645,465	3,375,305			425,020,770
Sidewalks	45,502,576	1,466,899			46,969,475
Storm drains/catch basins	443,300,205	7,864			443,308,069
Street Lights	1,196,000	1,274,193			2,470,193
Traffic Signals	25,529,304	122,808			25,652,112
Total capital assets being depreciated	1,046,345,107	8,934,051	(1,164,847)	1,445,427	1,055,559,738
Less accumulated depreciation for:					
Ground improvements	(7,900,086)	(383,192)			(8,283,278)
Buildings and improvements	(30,172,382)	(2,256,872)	143,255		(32,285,999)
Machinery and equipment	(6,731,476)	(1,080,538)	63,868		(7,748,146)
Vehicles	(7,254,674)	(478,772)	398,631		(7,334,815)
Streets	(196,820,212)	(14,111,104)			(210,931,316)
Sidewalks	(18,673,621)	(924,720)			(19,598,341)
Storm drains/catch basins	(82,877,775)	(4,433,041)			(87,310,816)
Traffic Signals	(14,925,877)	(853,024)			(15,778,901)
Street Lights	(215,734)	(61,103)			(276,837)
Total accumulated depreciation	(365,571,837)	(24,582,366)	605,754		(389,548,449)
Governmental activity capital assets, net	\$700,394,592	(\$13,478,820)	(\$844,693)		\$686,071,079
<b>Business-Type Activities</b>					
Capital assets not being depreciated:					
Land	\$395,182				\$395,182
Construction in progress	13,132,621	\$454,785		(\$13,259,183)	328,223
Total capital assets not being depreciated	13,527,803	454,785		(13,259,183)	723,405
Capital assets being depreciated:					
Buildings and improvements	8,214,257			486,729	8,700,986
Machinery and equipment	373,627		(\$93,466)		280,161
Sewer lines	196,538,010			12,772,454	209,310,464
Total capital assets being depreciated	205,125,894		(93,466)	13,259,183	218,291,611
Less accumulated depreciation for:					
Buildings and improvements	(4,630,459)	(230,692)			(4,861,151)
Machinery and equipment	(364,632)	(1,845)	93,466		(273,011)
Sewer lines	(128,659,657)	(4,058,476)			(132,718,133)
Total accumulated depreciation	(133,654,748)	(4,291,013)	93,466		(137,852,295)
Business-type activity capital assets, net	\$84,998,949	(\$3,836,228)			\$81,162,721

In March 2011, the Agency, acting in accordance with Health and Safety Code Sections 33220 and 33430, entered into a Real Property Transfer and Cooperative Agreement with the City whereby the Agency conveyed all of its real property to the City. Under the Agreement, the City will use the property for redevelopment purposes consistent with the California Redevelopment Law and to implement and carry out the Redevelopment Plan for the Central Concord Project Area. The conveyance has been recorded as a transfer to the City during fiscal 2010-11.

Construction in progress comprised the following at June 30, 2011:

	<u>TOTAL PROJECT AUTHORIZATION</u>	<u>EXPENDED TO DATE June 30, 2011</u>
<b>Governmental Activities:</b>		
Meadow Homes Pool	\$1,749,134	\$557,312
Replace HVAC various buildings	2,318,000	233,105
Downtown Streetscape & Lighting	945,000	150,121
Citywide Entry Signage	1,219,629	
Back up Pump Concord Community Pool	1,176,054	242,135
Miscellaneous Projects	4,925,199	2,851,521
<b>Total Governmental Activities</b>	<u>12,333,016</u>	<u>4,034,194</u>
<b>Business-Type Activities:</b>		
Sanitary Sewer Upgrade - Downtown	2,000,000	151,682
Holbrook Creek	100,000	54,318
Citywide Entry Signage	1,000,000	114,223
Replace HVAC various buildings	8,000	8,000
<b>Total Business-Type Activities</b>	<u>3,108,000</u>	<u>328,223</u>
Total	<u>\$15,441,016</u>	<u>\$4,362,417</u>

Substantially all the project authorization amounts above are represented by signed contracts and have been recorded as encumbrances.

#### Depreciation Allocation – Governmental Activities

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program were as follows:

<b>Governmental Activities</b>	
Public Works	\$20,879,703
Internal Service Funds	3,702,663
<b>Total</b>	<u>\$24,582,366</u>

#### NOTE 8 - LONG-TERM DEBT

##### Description and Activity

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

The City's governmental activities long-term debt is recorded only in the government-wide financial statements. This debt will be repaid only out of governmental funds but is not accounted for in these funds because this debt does not require an appropriation or expenditure in this accounting period.

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred by proprietary fund types are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

## Current Year Transactions and Balances

	Repayment Source	June 30, 2010	Additions	Retirements	June 30, 2011	Current Portion
<b>Governmental Activity Debt:</b>						
<b>Revenue Bonds:</b>						
1993 Lease Revenue Bonds, 2.70- 5.25%, due 08/01/13	a	\$1,810,000		\$420,000	\$1,390,000	\$440,000
1995 Performing Arts Lease Revenue Bonds, 6.33- 8.24%, due 08/01/20	b	4,610,000		610,000	4,000,000	560,000
2001 Lease Revenue Bonds, 4.0-5.13% due 03/01/23	a	6,925,000		395,000	6,530,000	415,000
<b>Tax Allocation Bonds:</b>						
Tax Allocation Refunding Bonds, Series 2004 3.9-5.05%, due 07/01/25	c	60,895,000		3,690,000	57,205,000	3,835,000
Less deferred amount on refunding	c	(2,368,212)		(296,027)	(2,072,185)	
<b>Certificates of Participation:</b>						
ABAG 41 - Centre Concord 4.0-5.0%, due 8/01/18	d	185,000		90,000	95,000	95,000
<b>Refunding Lease Agreement</b>						
3.6%, due 09/01/19	e	5,073,500		428,000	4,645,500	373,500
<b>Lease Purchase Agreement</b>						
4.75% due 6/30/27	f		\$8,384,040		8,384,040	123,690
<b>Notes Payable:</b>						
3%, due 09/02/13	g	2,444,519	17,827	1,125,579	1,336,767	
<b>Assessment Districts, with City obligation:</b>						
#80, 6.00%, due 09/02/10	h	50,000		50,000		
#81, 6.00%, due 09/01/10	h	62,000		62,000		
<b>Capital Lease:</b>						
Key Government Finance, 4.65% due 9/15/12	i	512,538		342,822	169,716	147,545
Motorola Safety Radio, 3.03% due 12/01/16	i		1,279,294	199,522	1,079,772	166,804
Cisco VOIP Equipment, 3.95% due 7/09/14	i		441,698	95,523	346,175	81,437
Hubb Systems Mobile Digital Computers, 4.75% due 4/1/13	i		502,703	175,219	327,484	160,031
Color Hybrid Multi-Function Printer Equipment, 5.5% due 11/01/16	i		127,566	14,910	112,656	23,495
<b>Total Government Activity Debt</b>		<u>\$80,199,345</u>	<u>\$10,753,128</u>	<u>\$7,402,548</u>	<u>\$83,549,925</u>	<u>\$6,421,502</u>
<b>Business-Type Activity Debt:</b>						
2004 Certificates of Participation - Wastewater System Improvement, 2.0-4.63%, due 2/01/29	j	\$10,475,000		\$385,000	\$10,090,000	\$395,000
2007 Certificates of Participation - Wastewater System Improvement, 3.75-4.50%, due 2/01/32	j	11,755,000		345,000	11,410,000	355,000
ABAG 41 Certificates of Participation - Diablo Creek Golf Course, 4.0-5.0%, due 8/01/18	d	1,520,000		145,000	1,375,000	55,000
<b>Total Business Type Activity Debt</b>		<u>\$23,750,000</u>		<u>\$875,000</u>	<u>\$22,875,000</u>	<u>\$805,000</u>

Repayments on the above debt are made from the following sources:

- Lease revenue received by the Redevelopment Agency Capital Projects Fund.
- Lease revenues received by Live Nation and from general & operating revenues.
- Incremental property taxes received by the Redevelopment Agency Capital Projects Fund.
- General and operating revenues available for lease payment in the ABAG Debt Service Fund and Golf Course Enterprise Fund.
- Redevelopment Agency and General Fund revenues.
- Savings from the energy efficiency improvements.
- Notes payable received by the Housing and Community Services Special Revenue Fund. Included is \$950,000 in principal and the remaining balance is interest.
- Special assessments received in the Assessment District Debt Service Fund.
- Operating revenues available for lease payment in the Information Technology Replacement Internal Service Fund.
- Operating revenues received by the Sewer Enterprise Fund.

## Debt Service Requirements

Debt service and capitalized lease requirements are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	\$6,421,502	\$3,935,930	\$805,000	\$972,786
2013	6,530,721	3,579,366	940,000	942,243
2014	7,884,789	3,285,555	975,000	906,086
2015	6,750,498	2,964,924	1,015,000	867,076
2016	6,445,817	2,667,572	1,055,000	825,604
2017 - 2021	31,758,363	8,604,647	5,515,000	5,040,870
2022 - 2026	19,327,990	2,593,132	6,005,000	2,297,375
2027 - 2031	502,430	11,933	5,765,000	879,544
2032			800,000	36,000
<b>Total</b>	<b>85,622,110</b>	<b>\$27,643,059</b>	<b>\$22,875,000</b>	<b>\$12,767,584</b>
<b>Reconciliation of long-term debt:</b>				
Less unamortized deferred amount on refunding		(2,072,185)		
<b>Total</b>		<b>\$83,549,925</b>		

The City's bond indentures contain significant limitations and restrictions regarding annual debt service requirements, maintenance of and flow of monies through various restricted accounts and minimum revenue bond coverages. City management believes the City is in compliance with all such indenture requirements.

### Revenue Bonds

On September 9, 1993 the City of Concord Joint Powers Financing Authority issued the 1993 Lease Revenue Bonds in the principal amount of \$9,700,000, bearing interest at rates ranging from 2.7% to 5.25%, due August 1, 2013. The Bonds are collateralized by revenue received from the City by the Authority under the lease agreement and by the Authority's interest in the site and facilities lease. Proceeds from the Bonds were used to finance a portion of the Police Facilities Project leased by the City from the Redevelopment Agency. The Redevelopment Agency has agreed to reimburse the City for these lease payments. On June 24, 2010 the City entered into a Refunding Lease Agreement and the proceeds were used to retire \$3,520,000 of the bonds.

On August 1, 1995 the City of Concord Joint Powers Financing Authority issued Lease Revenue Bonds in the principal amount of \$18,700,000, bearing interest at rates ranging from 6.33% to 8.24% due August 1, 2020. The Bonds are collateralized by revenue received from the City by the Authority under the Concord Pavilion lease agreement and by the Authority's interest in the site and facilities lease. Proceeds from the Bonds were used to repay the Concord Performing Arts Center Authority's 1973 Revenue Bonds, due in 1999, and partially finance the renovation and expansion of Concord Pavilion which is leased by the City from the Authority.

On September 21, 2009 the City issued a tender offer for the 1995 Performing Arts Lease Revenue Bonds for up to \$8.5 million. As a result the City purchased \$8.235 million of the bonds at an 8% premium and made a payment to retire that portion of the bonds. As a result of this transaction, the City has lowered its interest liability from 8.24% to bondholders to LAIF plus 0.5% interest to other funds in the City.

On April 4, 2001 the City of Concord Joint Powers Financing Authority issued Lease Revenue Bonds in the principal amount of \$9,580,000, bearing interest at rates ranging from 4.0% to 5.13% due March 1, 2023. The Bonds are collateralized by revenue received from the City by the Authority under the Civic Center and Corporation Yard lease agreement and by the Authority's interest in the site and facilities lease. Proceeds from the Bonds were used to finance the design and construction, and to equip and landscape a new three-level, 432-space parking structure which is leased by the City from the Authority. The Redevelopment Agency has agreed to reimburse the City for these lease payments.

#### **Tax Allocation Bonds (TABs) Outstanding**

Tax Allocation Bonds were issued in 2004 by the Redevelopment Agency to defease and retire the 1988 Current Interest Term Bonds, 1993 Senior Current Interest Term Bonds, and the 1993 Subordinate Term Bonds. Interest payments on the 2004 TABs are payable semi-annually on January 1 and July 1. The 2004 TABs are special obligations of the Agency and are secured by the Agency's tax increment revenues. The TABs are secured by a surety bond issued by AMBAC Assurance which declared bankruptcy in November 2010. The Agency has not obtained a replacement surety as of June 30, 2011.

The pledge of future tax increment revenues ends upon repayment of the \$75,842,223 in remaining debt service on the Redevelopment Agency's Tax Allocation Bonds which is scheduled to occur in 2026. As disclosed in the originating offering documents, pledged future tax increment revenues are expected to provide coverage over debt service of 1.63 over the life of the long term debt. For fiscal year 2011 tax increment revenues amounted to \$16,897,662 which represented coverage of 2.66 over the \$6,354,172 in debt service.

#### **Certificates of Participation**

On July 1, 1998, the City issued \$3,560,000 of Certificates of Participation (COPs) to fund Diablo Creek Golf Course improvements and to defease \$810,000 of outstanding ABAG XXIII Certificates of Participation. Proceeds from the COPs were placed in an irrevocable trust to provide for the future debt service payments on the defeased COPs. The defeased COPs were called December 1, 1998. The COPs bear interest at 4.0% - 5.0% and are due August 1, 2018. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1.

On February 1, 2004 the City of Concord Joint Powers Financing Authority issued Certificates of Participation (COPs) in the principal amount of \$12,605,000, bearing interest at rates ranging from 2.0% to 4.625% due February 1, 2029. Proceeds from the COPs were used to finance the first phase of wastewater system capital improvement projects.

On October 18, 2007, the City Concord Joint Powers Financing Authority issued Certificates of Participation (COPs) in the principal amount of \$12,820,000, bearing interest rates ranging from 3.75% to 4.50%. Proceeds from the COPs were used to fund the next phase of the wastewater system improvement project to install pipelines from the Concord pump station to the intersection of Meridian Park Boulevard and Galaxy Way. Principal is payable annually on February 1 and interest is payable semi-annually February 1 and August 1 through 2032.

Under related installment agreements, the City remits installments to the Authority which are used to repay debt service on the 2004 and 2007 COPS. The City has pledged Wastewater System Net Revenues defined as gross revenues less operating and maintenance expenses, to be used to make required installments. The pledge of future Net Revenues ends upon repayment of the \$33,959,593 million in remaining debt service on the COPS which is scheduled to occur in 2033. As disclosed in the originating offering documents, projected net revenues are expected to provide coverage over debt service of 3.40 over the life of the bonds. For fiscal year 2011, Wastewater System Revenues including operating revenues and non-operating interest earnings amounted to \$18,631,958 and maintenance and operating costs amounted to \$16,633,905 Net Revenues available for debt service amounted to \$1,998,053 which represented coverage of 1.2 over the \$1,662,954 in debt service.

#### **Refunding Lease Agreement**

On June 24, 2010 the City entered into a Refunding Lease Agreement in the amount of \$5,075,000. The proceeds from the Agreement were used to retire a portion of the outstanding 1993 Lease Revenue Bonds and to fully repay the 1999 Judgment Obligation Bonds. The Agreement bears interest at 3.6% and is due semi-annually on March 1 and September 1. Principal payments are due annually on September 1 until September 1, 2019.

#### **Lease Purchase Agreement**

On January 25, 2011 the City entered into a lease purchase agreement with Chevron Energy Service Company in the amount of \$8,384,040. The proceeds from the agreement are used reduce citywide utility costs by making energy efficiency improvements. The agreement bears interest at 4.75% and is due semi-annually on June 1 and December 1. Principal payments are due semi-annually on June 1 and December 1 until December 1, 2026.

#### **Notes Payable**

The City entered into two loan agreements with California Housing Finance Agency (CHFA); \$1,000,000 was used for a loan to Lakeside apartments (see Note 5), and \$1,600,000 is to be used for the Detroit Avenue Apartments loan (see Note 5) and a Multifamily Acquisition and Rehabilitation Loan Program. As of June 30, 2007, the City had drawn down \$1,950,000 from the loans, and the remaining \$650,000 will not be drawn down. The CHFA funds bear interest at a 3.0% simple rate and all payments of principal and interest are deferred for a ten year period. During the fiscal year ending June 30, 2011, the City paid off the Lakeside portion of the note.

#### **Capital Leases**

On September 15, 2007, and October 15, 2007 the City entered into lease agreements in the amount of \$1,250,352 and \$126,870, respectively with Key Government Finance, Incorporated, to acquire equipment for network upgrades. The City agreed to pay the leases in monthly payments for \$27,013 and \$2,893, respectively, for 48 months. Since the leases are in essence a financing agreement, the cost of the equipment and the amount of the lease have been included in the City's financial statements.

On November 30, 2010, the City entered into a lease agreement in the amount of \$1,279,294 for the purchase of radio subscriber units for the Police Department. The City agreed to pay the lease in annual payments for \$250,609 for seven years. Since the lease is in essence a financing agreement, the cost of the equipment and the amount of the lease has been included in the City's financial statements.

On July 13, 2010, the City entered into a lease agreement in the amount of \$441,698 for the purchase of Voice over internet protocol (VOIP) equipment. The lease bears interest at 3.95% and is due annually on July 9 annually. The principal payment is due annually on July 9 until July 9, 2014.

On May 27, 2011, the City entered into a lease agreement in the amount of \$502,703 for the purchase of mobile digital computers. The lease bears interest at 4.55% and is due annually on April 1. The principal payment is due annually on April 1 until April 1, 2013.

On September 30, 2010, the City entered into a lease agreement in the amount of \$127,566 for hybrid color multi-function printer equipment. The lease bears interest at 5.5% monthly and the City agreed to pay the leases in monthly payments for \$2,462 for 5 years.

### **Special Assessment District Debt with City Obligation**

Special assessment districts within the City have issued debt repayable out of special assessments levied on property in each respective district. Under the terms of the special assessment bond indentures, the City is obligated to be the purchaser of last resort of property on which any delinquent special assessments have been levied and it therefore has reflected this debt as a liability in the accompanying financial statements. At June 30, 2011 all these districts were in compliance with the requirements of their respective debt covenants. Both of the outstanding special assessment bonds were fully repaid during the fiscal year ended June 30, 2011.

The City has an arrangement with Contra Costa County under which the County collects and remits all special assessments levied by the Districts. The County remits the entire amount levied and is responsible for collecting delinquent amounts; it retains any interest and penalties it collects. Taxes collected during the fiscal year ended June 30, 2011 were sufficient to meet all debt service obligations of the Special Assessment Districts.

### **NOTE 9 – NET ASSETS AND FUND BALANCES**

Net Assets are measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

#### **Net Assets**

Net Assets are the excess of all the City's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions. These captions apply only to Net Assets, which are determined only at the Government-wide level, and are described below:

*Invested in Capital Assets, net of related debt* describes the portion of Net Assets which are represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Assets which are restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements; redevelopment funds restricted to low and moderate income housing purposes.

*Unrestricted* describes the portion of Net Assets which are not restricted as to use.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendables* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Detailed classifications of the City's Fund Balances, as of June 30, 2011, are below:

Fund Balance Classifications	General Fund	Capital Projects		Other Governmental Funds	Total
		Redevelopment Agency	General Projects		
<b>Nonspendables:</b>					
Items not in spendable form:					
Prepaid Expenses	\$22,577	\$4,950	\$149		\$27,676
Notes Receivable	5,611				5,611
Advance	1,953,233				1,953,233
Inventories	69,085				69,085
Land Held for Redevelopment	11,416,332				11,416,332
<b>Total Nonspendable Fund Balances</b>	<b>13,466,838</b>	<b>4,950</b>	<b>149</b>		<b>13,471,937</b>
<b>Restricted for:</b>					
Debt Service				\$5,528,671	5,528,671
Redevelopment		44,425,731		687,390	45,113,121
Transportation				3,733,334	3,733,334
Development Services				7,169,327	7,169,327
Capital Projects			7,461,289		7,461,289
<b>Total Restricted Fund Balances</b>		<b>44,425,731</b>	<b>7,461,289</b>	<b>17,118,722</b>	<b>69,005,742</b>
<b>Assigned to:</b>					
Capital Projects	443,832			1,546,816	1,990,648
<b>Total Assigned Fund Balances</b>	<b>443,832</b>			<b>1,546,816</b>	<b>1,990,648</b>
<b>Unassigned:</b>					
General fund	3,129,741				3,129,741
Other governmental fund deficit residuals				(166,778)	(166,778)
<b>Total Unassigned Fund Balances</b>	<b>3,129,741</b>			<b>(166,778)</b>	<b>2,962,963</b>
<b>Total Fund Balances</b>	<b>\$17,040,411</b>	<b>\$44,430,681</b>	<b>\$7,461,438</b>	<b>\$18,498,760</b>	<b>\$87,431,290</b>

The Assessment Districts Debt Service Fund had deficit fund balance of \$166,778 which is expected to be eliminated by future revenue.

### Minimum Fund Balance Policy

To address financial uncertainties, the City's policy is to maintain General Fund reserves and contingencies to total not less than 15% of operating expenditures. Given the effects of the recession which have affected all entities, both governmental and private, reserves have been used significantly in the past three years. In accordance with the foresight of the City Council, the original requirement of 30% reserves and contingencies has been temporarily reduced to 15% with the admonition that a return to 30% as soon as possible is desired.

As of June 30, 2011, the General Fund Fund Balance, excluding non-spendable assets, totaled \$3.6 million, representing 5% of actual General Fund Operating Expenditures, which compares favorably with the original 4.9% balance projected at the adoption of the FY 2010-2011 budget and has benefited from one quarter's receipts of the Measure Q use tax.

### Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2011 were as listed below:

	<u>Amount</u>
Governmental Funds:	
General Fund	\$394,856
State Gas Tax Special Revenue Fund	188,039
Storm Water Management Special Revenue Fund	8,932
Special Developers Capital Projects Fund	39,146
General Reimbursable Capital Projects Fund	7,452,091
Inter Governmental Capital Projects Fund	<u>354,863</u>
Total	<u>\$8,437,927</u>

### Note 10 - CITY OF CONCORD RETIREMENT SYSTEM PLAN

#### Plan Description and Provisions

The Retirement System is a closed plan and is a single employer defined benefit pension plan covering all full-time employees of the City retired prior to June 28, 1999 or who left the employment of the City eligible for a pension. Participants are divided into two primary groups for coverage: general employees and police employees. Membership in the Retirement System comprised the following at June 30, 2011:

Retirees and beneficiaries currently receiving benefits	223
Vested terminated employees	<u>73</u>
Total participants	<u>296</u>

On July 1, 1994 the City converted to the Public Employees Retirement System (PERS) as described in Note 11.

Eligibility, administration, actuarial interest rates and certain other tasks are the responsibility of the Retirement Board. The Retirement Board consists of ten members, selected as follows: the Mayor, City Manager, City Attorney, Director of Human Resources, Director of Finance and one representative from each of the five employee organizations.

During the year ended June 30, 1999 \$56,300,000 was transferred from the Retirement System to PERS to purchase prior years' service credit for its active vested employees.

The Retirement System provides retirement and death benefits for general and police employees as well as disability benefits for police employees. General employees are eligible for retirement benefits at age 50, provided the employee has completed 20 years of service or has accumulated contributions in excess of \$500 and was employed before June 30, 1990 or has completed 5 years of service and was terminated after July 1, 1991. Sworn police employees are eligible for retirement at age 50, provided the employee has completed 20 years of service or has accumulated contributions exceeding \$500. Retirement benefits are determined based on the employee's length of service, highest one-year compensation upon retirement, and age at retirement.

### **Funding Status and Progress**

The actuarial accrued liability was determined as part of an actuarial valuation at June 30, 2011. Significant actuarial assumptions used in determining the actuarial accrued liability include: (a) a rate of return on the investment of present and future assets of 6.50% per year compounded annually, (b) inflation rate of 3.5% (c) annual post-retirement increases at 2% per year. Required contributions are determined using the entry age normal actuarial cost method and are made on a level dollar basis. The plan is amortized using the CalPERS Mortality Table on a 25 year closed basis.

For actuarial purposes, the value of the Plan's assets was determined to be fair value.

Audited annual financial statements and ten-year trend information are available from City of Concord, 1950 Parkside Drive, Concord, CA 94519.

### Contribution Requirements and Contributions Made

Prior to June 21, 1993 (see Note 11) contributions were made to the Retirement System by both the City and the employee participants. City contributions were actuarially determined annually to provide the Retirement System with assets sufficient to pay basic benefits not provided for by employees' contributions. All general employees were required to contribute 6%, and all police employees were required to contribute 8% of their base salary (decreased by a Social Security allowance) to the Retirement System. The City is funding the Unfunded Actuarial Accrued Liability with an additional 1% contribution of eligible employee salaries.

The City contributed 4% to 8% of this percentage on behalf of general employees, depending upon job classification, and all of the contribution for sworn police employees.

The City maintains a program of death and disability benefits financed wholly by employer premium payments under a group term life insurance policy and group long-term disability insurance policy.

Generally accepted accounting principles permit contributions to be treated as Pension assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2011, the City has calculated and recorded the Net Pension Obligation, representing the difference between the ARC and contributions, as presented below:

Fiscal Year	Annual Pension Cost	Actual Employer Contribution	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2009	\$2,416,000	\$539,895	22%	\$1,031,105
6/30/2010	2,385,555	1,312,385	55%	2,104,275
6/30/2011	1,748,164	287,623	16%	3,564,816

The City's Net Pension Obligation (NPO) is recorded in the Statement of Net Assets and is calculated as follows:

Annual required contribution (ARC)	\$1,810,295
Interest on Net Pension Obligation	94,692
Adjustment to annual required contribution	(156,823)
Annual Pension Cost	<u>1,748,164</u>
Contributions made:	
City portions of current year premiums paid	(287,623)
Total contributions	<u>(287,623)</u>
Change in Net Pension Obligation	1,460,541
Net Pension Obligation at June 30, 2010	<u>2,104,275</u>
<b>Net Pension Obligation at June 30, 2011</b>	<u><u>\$3,564,816</u></u>

### Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due and an indication of whether all required contributions have been made. Assumptions used to compile data presented below are the same as those described above. The actuarial value of the Plan's assets was determined to be its fair value.

Schedule of funding status is as follows (in thousands):

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage AAL Funded	Unfunded (Overfunded) AAL	Annual Covered Payroll	Unfunded (Overfunded) AAL Covered Payroll
2005	\$51,593	\$69,185	74.57%	\$17,211	*N/A	*N/A
2007	51,199	83,912	61.02%	32,713	*N/A	*N/A
2011	43,596	65,271	66.79%	21,675	*N/A	*N/A

\*Plan was closed in 1999, therefore there is no covered payroll

### Note 11 - CITY OF CONCORD EARLY RETIREMENT PLANS

#### Plan Description and Provisions

On September 1, 2009 the City adopted a sole employer defined benefit plan to provide supplemental retirement benefit payments to eligible employees in addition to the benefit payments the employees will receive from the California Public Employees Retirement System (CalPERS).

The City joined Public Agency Retirement Services (PARS) and participates in two plans, the **Supplementary Retirement Plan** and the **Excess Benefit Plan**. The **Excess Benefit Plan** consists of the highly compensated members and the Supplementary Plan includes all other eligible employees. To be eligible to participate in the plan the employee must have been classified as a Miscellaneous or Safety employee of the City as of June 1, 2009, be at least 50 years of age as of September 1, 2009, have completed at least 5 years of employment with the City as of September 1, 2009, have terminated employment with the City on or before August 31, 2009, have applied for benefits under this plan and must have concurrently retired under CalPERS on or before September 1, 2009 and remains in retired status under CalPERS. A member is considered fully vested upon meeting the eligibility requirements listed above. Benefits payments are based on seven percent of an employee's annual base pay as of June 1, 2009.

As of June 30, 2011, there were 65 members participating in these plans.

Audited annual financial statements and ten-year trend information are available from City of Concord, 1950 Parkside Drive, Concord, CA 94519.

#### Contribution Requirements

The City established a plan within the PARS Trust. The cost of funding the Plan including management fees is roughly equivalent to one year of an employee's salary for each participating employee. The City has been funding the Plan over a period of 5 years, choosing to buy annuities to fund the Plan, self fund, or use some combination of both. The City is using general fund salary savings to fund the Plan. At this time, staff proposes to assume a 5-year funding schedule with the first year being self-funded.

## NOTE 12 - PENSION PLAN

**CalPERS Safety and Miscellaneous Employees Pension Plans**

On June 21, 1993 the City joined the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee retirement system which acts as a common investment and administrative agent for participating member employers.

The City joined PERS on a prospective basis and participates in two plans, the Safety (Police) Employees Plan and the Miscellaneous Employees Plan. All qualified permanent and probationary employees are eligible to participate. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS; the City must contribute these amounts.

The Plans' provisions and benefits in effect at June 30, 2011, are summarized as follows:

	<u>SAFETY</u>	<u>MISCELLANEOUS</u>
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50
Monthly benefits, as a % of annual salary	3%	2-2.5%
Required employee contribution rates	9%	8%
Required employer contribution rates	24.501%	15.305%
Actuarially required contributions	\$5,689,172	\$3,863,366

The City's policy and labor contracts require the City to pay all PERS contributions for sworn safety employees (Police) and 4%-8% for miscellaneous employees.

CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City does not have a net pension obligation since it pays these actuarially required contributions monthly. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the last three fiscal years were as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<b><i>Safety Plan</i></b>			
June 30, 2009	\$5,718,435	100%	\$0
June 30, 2010	5,610,292	100%	0
June 30, 2011	5,689,172	100%	0
<b><i>Miscellaneous Plan</i></b>			
June 30, 2009	\$5,498,759	100%	\$0
June 30, 2010	4,280,938	100%	0
June 30, 2011	3,863,366	100%	0

CalPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a rolling thirty year basis. Investment gains and losses are accumulated as they are realized and approximately seven percent of the net balance is amortized annually.

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Plans' actuarial value (which differs from market value) and funding progress over the most recently available past three years, are set forth below at their actuarial valuation date of June 30:

**Safety Plan:**

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2007	\$110,144,025	\$89,655,672	\$20,488,353	81.4%	\$14,869,004	137.8%
2008	122,529,175	98,582,205	23,946,970	80.5%	16,275,513	147.1%
2009	138,664,961	106,195,024	32,469,937	76.6%	17,453,149	186.0%

**Miscellaneous Plan:**

Actuarial						
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2007	\$116,003,479	\$97,759,057	\$18,244,422	84.3%	\$22,182,982	82.2%
2008	125,880,536	106,792,527	19,088,009	84.8%	23,538,205	81.1%
2009	142,753,938	113,571,126	29,182,812	79.6%	23,623,292	123.5%

Audited annual financial statements and ten-year trend information are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

PERS has reported that the value of the net assets in the plans held for pension benefits changed as follows during the year ended June 30, 2009, the most recent available:

	2009	
	Safety	Miscellaneous
Beginning Balance	\$99,845,583	\$108,239,601
Receivables for Service Buybacks	(14,827)	(75,763)
Contributions Received	5,762,205	5,859,812
Benefits and Refunds Paid	(3,802,795)	(5,075,027)
Transfers and Miscellaneous Adjustments	968	(14,037)
Investment Return	(24,233,551)	(26,283,169)
Expected Actuarial Value of Assets	<u>\$77,557,583</u>	<u>\$82,651,417</u>
Market Value of Assets	<u>\$77,557,583</u>	<u>\$82,651,417</u>
Actuarial Value of Assets	<u>\$106,195,024</u>	<u>\$113,571,126</u>

During the fiscal year ended June 30, 1999 the City transferred \$56,300,000 from the Concord Retirement System to PERS to purchase prior years' service credit for its active vested employees.

**Social Security**

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing system as of January 1, 1992 be covered by either Social Security or an alternative plan.

All of the City's employees are covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2011 amounted to \$3,880,265 of which the City paid half.

**NOTE 13 – OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS**

Substantially all full-time City employees and their eligible dependents are eligible for post-retirement health care benefits under the CalPERS sponsored health plans currently funded during the employees active service. During fiscal year 2008, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). Required disclosures are presented below.

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans. A summary of eligibility and retiree contribution requirements are shown below by bargaining unit:

The City pays health insurance premiums up to \$551, \$1,106, \$1,432 for a retiree, couple, and family, respectively.

As of June 30, 2011, approximately 346 participants were eligible to receive benefits.

**Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a June 30, 2008 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.75% investment rate of return including 3% inflation, (b) 3.25% projected annual salary increase, and (c) 4.5% health care costs inflation increases. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year closed amortization period.

In accordance with the City's budget, the annual required contribution (ARC) is to be funded throughout the year as a percentage of payroll. Concurrent with implementing Statement No. 45, the City Council passed a resolution to participate the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of City Council. This Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

### Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2011, the City contributed \$4,671,001 to the Plan which represented 15% of \$30,830,000 million of covered payroll, including additional funds to CERBT. As a result, the City has recorded the Net OPEB Asset, representing the difference between the ARC, the amortization of the Net OPEB Asset and actual contributions, as presented below:

Annual required contribution (ARC)	\$4,099,000
Interest on Net OPEB asset	593,988
Adjustment to annual required contribution	<u>(775,602)</u>
Annual OPEB cost	<u>3,917,386</u>
Contributions made:	
City portions of current year premiums paid	3,171,001
Contributions to CERBT	<u>1,500,000</u>
Total contributions	<u>4,671,001</u>
Change in Net OPEB Asset	753,615
Net OPEB Asset at June 30, 2010	<u>7,844,388</u>
<b>Net OPEB Asset at June 30, 2011</b>	<u><u>\$8,598,003</u></u>

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2010, amounted to \$49,254,000 million and was unfunded since no assets had been transferred into CERBT as of that date. However, as of June 30, 2011, the City's investment with CERBT along with investment income totaled \$19,093,352 and reduced the unfunded actuarial accrued liability.

The Plan's annual OPEB cost and actual contributions for fiscal years ended June 30, 2009, 2010 and 2011 are set forth below:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/2009	\$4,748,440	\$6,237,160	131%	\$9,516,723
6/30/2010	4,513,591	2,841,256	63%	7,844,388
6/30/2011	3,917,386	4,671,001	119%	8,598,003

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial studies is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentage of Covered Payroll [(B - A)/C]
6/30/2006		\$48,085,000	\$48,085,000		\$36,741,000	131%
6/30/2008	\$11,964,000	53,927,000	41,963,000	22.19%	34,281,000	122%
6/30/2010	15,418,000	49,254,000	33,836,000	31.30%	30,830,000	110%

#### NOTE 14 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457 and 401K. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distribution may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of Plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to city control, they have been excluded from these financial statements.

#### NOTE 15 – RISK MANAGEMENT AND INSURANCE

##### Insurance Risk Pool

In July 2003, the City joined the California State Association of Counties - Excess Insurance Authority (CSAC-EIA), a joint powers authority. CSAC-EIA provides coverage against the following types of loss risks, including commercial insurance coverage, under the terms of a joint-powers agreement with the City and several other cities and governmental agencies as follows:

Type of Coverage (Deductible)	Coverage Limits
General Liability (\$500,000)	\$35,000,000
Workers' Compensation (\$500,000)	Statutory
All Risk Property Including Flood (\$10,000 per occurrence all risk and \$25,000 flood)	\$602,500,000
Earthquake (5% with a \$100,000 minimum)	\$50,000,000

CSAC-EIA was established for the purpose of creating a risk management pool for all California public entities. CSAC-EIA is governed by a Board of Directors consisting of representatives of its member public entities.

The City's deposits with CSAC-EIA are in accordance with formulas established by CSAC-EIA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for CSAC-EIA are available from CSAC-EIA at 75 Iron Point Circle, Folsom, CA 95630.

The City is self-insured for auto physical damage claims.

For the year ended June 30, 2010, 2009 and 2008, the amount of settlements did not exceed insurance coverage.

### Uninsured Claims Payable

The City provides for the uninsured portion of claims and judgments in its Risk Management (general liability and auto physical damage) and Workers' Compensation Internal Service Funds. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

The City's liability for uninsured claims is limited to worker's compensation, general liability and auto physical damage claims, as discussed above, which are reported at their present value using expected future investment yield assumptions ranging from 3 percent. In addition, the general liability claims are based on an eighty percent confidence level. The undiscounted worker's compensation claims totaled \$8,944,000 and undiscounted general liability claims totaled \$1,356,183 at June 30, 2011.

The change in the claims liabilities, including claims incurred but not reported are based on independent actuarial studies and were computed as follows for the years ended June 30:

	WORKERS COMPENSATION INTERNAL SERVICE FUND	RISK MANAGEMENT/ LIABILITY INTERNAL SERVICE FUND	TOTAL 2011	TOTAL 2010
Beginning balance	\$7,253,000	\$1,676,287	\$8,929,287	\$7,121,010
Liability for current fiscal year claims	734,238		734,238	484,684
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	1,540,687	2,492,947	4,033,634	5,493,469
Claims paid	(2,274,925)	(2,468,309)	(4,743,234)	(4,169,876)
Ending balance	\$7,253,000	\$1,700,925	\$8,953,925	\$8,929,287
Current portion	\$1,883,922	\$816,528	\$2,700,450	\$2,852,977

### Health Care

The City provides its employees with a choice of five different medical insurance plans through CalPERS. The City pays the premium up to \$1,479 per month per employee. The City also provides its employees with Dental Insurance paying premiums up to \$195 per month per employee. The City also provides long-term disability and life insurance to its employees.

**NOTE 16 – JOINT VENTURE****Salvio Grant Land Joint Venture**

The Salvio Grant Land Joint Venture was formed in 1985 as an equal partnership by the Redevelopment Agency and a local non-profit corporation to lease certain land for low-income/elderly housing. The Heritage Building was constructed on that land by Plaza Towers Associates, which leases the land from the Partnership under a lease which terminates in 2040.

The Joint Venture had no debt at the end of its fiscal year, December 31, 2010 the Redevelopment Agency's equity in the Partnership's assets was \$1,729,715 at that date and its share of the Partnership's net income for the year then ended was \$154,211. The City made no monetary contributions to the partnership during the year. Financial statements for the Partnership can be obtained from the Concord Redevelopment Agency, 1950 Parkside Drive, Concord, CA 94519.

**NOTE 17 – SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF)**

The State of California adopted AB26 4X in July 2009 which directs that a portion of the incremental property taxes received by redevelopment agencies, based on the property taxes received in fiscal year 2006-07, be paid instead to the County supplemental educational revenue augmentation fund (SERAF) in fiscal years 2009-10 and 2010-11. The State Department of Finance determines each agency's SERAF payment by November 15 of each year, and payments are due by May 10 of the applicable year.

The Agency made its first SERAF payment in fiscal year 2009-10. The Agency's obligation due May 10, 2011 was \$1,239,872. The Agency can use any legally available funds to make the SERAF payment. The obligation to make the SERAF payment is subordinate to obligations to repay bonds. However, if the Agency fails to make the full SERAF payment, the Agency may not encumber or expend future funds other than to pay pre-existing indebtedness, contractual obligations and 75% of the amount expended on Agency administration for the preceding fiscal year until the SERAF is paid in full.

**NOTE 18 – COMMITMENTS AND CONTINGENCY**

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no additional pending litigation, which is likely to have material adverse effect on the financial position of the City.

The City participates in several Federal and State grant programs. These programs have been audited through the fiscal year ended June 30, 2011 by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act Amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**NOTE 19 – PROPOSED DISSOLUTION OF REDEVELOPMENT AGENCIES**

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, which suspends all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies effective October 1, 2011. The State simultaneously adopted ABx1 27 which allows redevelopment agencies to avoid dissolution by the City opting into an “alternative voluntary redevelopment program” requiring specified substantial annual contributions to local schools and special districts. Concurrently with these two measures, the State passed various budget and trailer bills that are related and collectively constitute the Redevelopment Restructuring Acts. If all sponsoring communities were to opt-in to the voluntary program, these contributions amount to an estimated \$1.7 billion for fiscal year 2012 and an estimated \$400 million in each succeeding year. If the City fails to make the voluntary program payment, the Agency would become subject to the dissolution provisions of ABx1 26.

On July 18, 2011, the California Redevelopment Association, the League of California Cities and others challenged the validity and constitutionality of ABx1 26 and 27 to the California Supreme Court on numerous grounds, including that the acts violate certain provisions of the California Constitution. On August 11, 2011 the California Supreme Court issued an Order, under which, as modified on August 17, 2011, the California Supreme Court agreed to hear the case and issued a partial stay of ABx1 26 and ABx1 27. The stay did not include the section of ABx1 26 that suspends new redevelopment activities. It is anticipated that the Court will render its decision before January 15, 2012, the date the first voluntary program payment is due.

The suspension provisions of ABx1 26 prohibit all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26. During the suspension period, an agency is required to prepare an Enforceable Obligation Payment Schedule no later than August 29, 2011, that allows it to continue to pay existing obligations. The Agency adopted its Enforceable Obligation Payment Schedule on August 23, 2011.

In addition, ABx1 26 directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller’s Office has not yet provided any information about the timing or the process for this statewide asset transfer review.

The Agency’s redevelopment activities are currently subject to the Supreme Court Order described above. These facts indicate that, depending on the outcome of the California Redevelopment Association’s challenge to ABx1 26 and 27 before the Supreme Court, there is a possibility the Agency may not continue as a going concern through 2012. The continuation of the Agency will initially depend upon whether the Supreme Court rules in favor of the petitioners in *CRA v. Matosantos*. There are three possible consequences to the Agency from a decision of the Supreme Court, when it is rendered:

1. If the Supreme Court determines that both ABx1 26 and ABx1 27 are valid, then the City, which has already acted to opt-in to the alternative voluntary redevelopment program, will likely ratify that action. Going forward, the City would be required to make annual payments to the County Auditor-Controller and the Agency would no longer be subject to the suspension provisions. It is anticipated that the City's annual remittances would be reimbursed by the Agency from tax increment revenues of Central Concord Project Area. The State Department of Finance calculated the City's Voluntary Program payment for fiscal year 2012 to be \$6,184,135. The City filed an appeal of that amount in accordance with the provisions of Health and Safety Code Section 34194(b)(2)(L). On October 14, 2011, the City received a response from the State Department of Finance with a partial approval of the appeal. The City's payment was reduced to \$5,849,170. The City will likely continue to seek additional reduction in the amount of the payment.
2. If the Supreme Court determines that both ABx1 26 and ABx1 27 are valid and the City decides not to make the required payments under ABx1 27, or if the Supreme Court determines that ABx1 26 is valid, but ABx1 27 is not valid, the Agency would be subject to the suspension provisions of ABx1 26 and would be dissolved in accordance with such provisions. Any transfers of Agency assets subsequent to January 1, 2011 to the City, including those discussed in Notes 1F, 6 and 7, that were not obligated to third parties or encumbered may be subject to the State Controller's review discussed above. Upon dissolution, all assets and obligations of the Agency would be transferred to a successor agency.
3. If the Supreme Court determines that both ABx1 26 and ABx1 27 are invalid, the Agency would no longer be subject to the suspension provisions and would continue in existence under California Redevelopment Law as it existed prior to the enactment of ABx1 26 and ABx1 27.

As of October 28, 2011, the Supreme Court has not ruled on the case and the Agency is subject to the suspension provisions as discussed above.

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## NON-MAJOR FUNDS

**State Gas Tax Fund.** To account for revenue apportioned to the City from State-collected gasoline taxes and expended for construction and maintenance of City streets.

**Maintenance Districts Fund.** To account for revenue from property tax and annual assessments against property owners and expended for their share of the City's cost for maintenance in the areas of the service provided.

**Art in Public Places Fund.** To account for fees applied to new construction and expended for the purchase and installation of art objects in the City.

**Traffic System Management Fund.** To account for monies from in-lieu parking fees, to be expended for traffic management facilities.

**Housing Assistance Program Fund.** To account for monies from the Concord Redevelopment Agency and developers' contributions to be expended for low-income housing loans.

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

**Storm Water Management Fund.** To account for activities necessary to comply with the Federal Clean Water Act.

**Monument Community Partnership Fund.** To account for capital projects resulting from the partnership between the Contra Costa First 5 children and Monument community partnership.

**Police Facilities Revenue Bonds Fund.** To account for accumulation of property taxes for payment of interest and principal on the Police Facility lease revenue bonds.

**Parking Structure Revenue Bonds Fund.** To account for accumulation of property taxes for payment of interest and principal on the Parking Structure lease revenue bonds.

**ABAG Fund.** To account for transfers of revenue from the General Fund for payment of interest and principal on Association of Bay Area Governments (ABAG) certificates of participation.

**Performing Arts Revenue Bonds Fund.** To account for the accumulation of revenue provided by Bill Graham Presents for payment of interest and principal on the Pavilion lease revenue bonds issued in 1995.

**Assessment Districts Fund.** To account for accumulation of special assessment taxes for payment of special assessment bond interest and principal.

**Refunding Lease Agreement Fund.** To account for a lease agreement issued to refinance and retire the Police Facilities Revenue Bonds and the Judgment Obligation Bonds.

**Energy Lease Fund.** To account for a lease agreement issued to finance several energy conservation projects throughout the City.

**Special Developers Fund.** To account for capital projects within the City funded by various fees collected from developers.

**Inter-Governmental Capital Projects Fund.** To account for approved capital projects funded from other governmental agencies.

CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2011

SPECIAL REVENUE FUNDS

	State Gas Tax	Maintenance Districts	Art in Public Places	Traffic System Management	Housing Assistance Program	Housing and Community Services
<b>ASSETS:</b>						
Cash and Investments	\$2,910,068	\$3,552,595	\$124,651	\$21,243	\$501,945	\$1,969,802
Cash with Fiscal Agents						
Receivables, Net						
Accounts Receivable						5,539
Due from Other Governments	370,076					377,959
Loans and Notes					202,179	2,605,262
Advances to Other Funds				477,000		
Total Assets	<u>\$3,280,144</u>	<u>\$3,552,595</u>	<u>\$124,651</u>	<u>\$498,243</u>	<u>\$704,124</u>	<u>\$4,958,562</u>
<b>LIABILITIES AND FUND BALANCE:</b>						
Liabilities:						
Accounts, Deposits and Contracts Payable	\$2,140					\$39,114
Accrued Liabilities	42,913	\$10,219				359,342
Due to Other Funds						
Deferred Revenue					\$16,734	2,461,986
Advance from Other Funds		477,000				
Total Liabilities	<u>45,053</u>	<u>487,219</u>			<u>16,734</u>	<u>2,860,442</u>
Fund Balance						
Nonspendable						
Restricted	3,235,091	3,065,376	\$124,651	\$498,243	687,390	2,098,120
Assigned						
Unassigned						
Total Fund Balances (Deficit)	<u>3,235,091</u>	<u>3,065,376</u>	<u>124,651</u>	<u>498,243</u>	<u>687,390</u>	<u>2,098,120</u>
Total Liabilities and Fund Balances	<u>\$3,280,144</u>	<u>\$3,552,595</u>	<u>\$124,651</u>	<u>\$498,243</u>	<u>\$704,124</u>	<u>\$4,958,562</u>

DEBT SERVICE FUNDS

<u>Storm Water Management</u>	<u>Monument Community Partnership</u>	<u>Police Facilities Revenue Bonds</u>	<u>Parking Structure Revenue Bonds</u>	<u>ABAG</u>	<u>Performing Arts Revenue Bonds</u>	<u>Assessment Districts</u>	<u>Refunding Lease Agreement</u>	<u>Energy Lease</u>
\$2,516,944		\$197,342	\$752,907	\$65,537	\$755,826 986,373	\$11,194		\$139 265,831
	\$37,305							
<u>\$2,516,944</u>	<u>\$37,305</u>	<u>\$197,342</u>	<u>\$752,907</u>	<u>\$65,537</u>	<u>\$1,742,199</u>	<u>\$11,194</u>		<u>\$265,970</u>
\$12,816								
	\$36,717					\$177,972		
<u>12,816</u>	<u>36,717</u>					<u>177,972</u>		
2,504,128	588	\$197,342	\$752,907	\$65,537	\$1,742,199			\$265,970
						(166,778)		
<u>2,504,128</u>	<u>588</u>	<u>197,342</u>	<u>752,907</u>	<u>65,537</u>	<u>1,742,199</u>	<u>(166,778)</u>		<u>265,970</u>
<u>\$2,516,944</u>	<u>\$37,305</u>	<u>\$197,342</u>	<u>\$752,907</u>	<u>\$65,537</u>	<u>\$1,742,199</u>	<u>\$11,194</u>		<u>\$265,970</u>

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CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2011

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Special Developers</u>	<u>Inter- Governmental</u>	<u>Total Non-Major Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Investments	\$2,526,741	\$1,529,814	\$16,420,962
Cash with Fiscal Agents			2,267,990
Receivables, Net			
Accounts Receivable		838,143	880,987
Due from Other Governments		474,136	1,222,171
Loans and Notes			2,807,441
Advances to Other Funds			477,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$2,526,741</u>	<u>\$2,842,093</u>	<u>\$24,076,551</u>
<b>LIABILITIES AND FUND BALANCE:</b>			
Liabilities:			
Accounts, Deposits and Contracts Payable	\$1,787	\$72,275	\$115,316
Accrued Liabilities	5,005	10,443	440,738
Due to Other Funds			214,689
Deferred Revenue		878,195	3,356,915
Advance from Other Funds	973,133		1,450,133
	<u>979,925</u>	<u>960,913</u>	<u>5,577,791</u>
Fund Balance			
Nonspendable			
Restricted		1,881,180	17,118,722
Assigned	1,546,816		1,546,816
Unassigned			(166,778)
	<u>1,546,816</u>	<u>1,881,180</u>	<u>18,498,760</u>
Total Fund Balances (Deficit)	<u>1,546,816</u>	<u>1,881,180</u>	<u>18,498,760</u>
Total Liabilities and Fund Balances	<u>\$2,526,741</u>	<u>\$2,842,093</u>	<u>\$24,076,551</u>

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CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011

	SPECIAL REVENUE FUNDS					
	State Gas Tax	Maintenance Districts	Art in Public Places	Traffic System Management	Housing Assistance Program	Housing and Community Services
<b>REVENUES:</b>						
Taxes		\$1,492,770				
Licenses and Permits						
Intergovernmental	\$3,130,762					\$1,902,053
Charges for Services					\$22,771	
Use of Money and Property	42,360	60,153	\$2,211	\$450	(13,957)	34,974
Special Assessment Collections						
Other	27,641				4,500	36,362
<b>Total Revenues</b>	<u>3,200,763</u>	<u>1,552,923</u>	<u>2,211</u>	<u>450</u>	<u>13,314</u>	<u>1,973,389</u>
<b>EXPENDITURES:</b>						
Current:						
Public Works & Engineering	1,204,397	1,026,314		6,429		
Community Development					19,578	63,739
Community & Recreation Services						581,240
Capital Outlay		224,000	5,999			848,044
Debt Service						
Principal Repayment						
Interest and Fiscal Charges						
Refund to Property Owners						
Bond Issuance Costs						
<b>Total Expenditures</b>	<u>1,204,397</u>	<u>1,250,314</u>	<u>\$5,999</u>	<u>6,429</u>	<u>19,578</u>	<u>1,493,023</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>1,996,366</u>	<u>302,609</u>	<u>(3,788)</u>	<u>(5,979)</u>	<u>(6,264)</u>	<u>480,366</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In		215,780				
Transfers (Out)	(22,830)	(215,780)		(573)		(26,884)
<b>Total Other Financing Sources (Uses)</b>	<u>(22,830)</u>			<u>(573)</u>		<u>(26,884)</u>
<b>Net Change in Fund Balances</b>	1,973,536	302,609	(3,788)	(6,552)	(6,264)	453,482
<b>Fund Balances at the Beginning of Period</b>	1,261,555	2,762,767	128,439	504,795	693,654	1,644,638
<b>FUND BALANCES (DEFICIT) AT END OF PERIOD</b>	<u>\$3,235,091</u>	<u>\$3,065,376</u>	<u>\$124,651</u>	<u>\$498,243</u>	<u>\$687,390</u>	<u>\$2,098,120</u>

DEBT SERVICE FUNDS

Storm Water Management	Monument Community Partnership	Police Facilities Revenue Bonds	Parking Structure Revenue Bonds	ABAG	Performing Arts Revenue Bonds	Assessment Districts	Refunding Lease Agreement	Energy Lease
\$2,069,600								
	\$369,107							
28,588		\$27	\$7,428	(\$593)	\$814,208	(\$2,890) 1,851	\$498	\$140
67								
<u>2,098,255</u>	<u>369,107</u>	<u>27</u>	<u>7,428</u>	<u>(593)</u>	<u>814,208</u>	<u>(1,039)</u>	<u>498</u>	<u>140</u>
1,616,285								
	369,107							
1,531								
		420,000	395,000	90,000	610,000	112,000	379,000	
		88,531	346,521	6,149	357,700	5,125 248,938	41,528	
								50,600
<u>1,617,816</u>	<u>369,107</u>	<u>508,531</u>	<u>741,521</u>	<u>96,149</u>	<u>967,700</u>	<u>366,063</u>	<u>420,528</u>	<u>50,600</u>
480,439		(508,504)	(734,093)	(96,742)	(153,492)	(367,102)	(420,030)	(50,460)
		507,397	733,392	97,747			418,789	316,430
		507,397	733,392	97,747			418,789	316,430
480,439		(1,107)	(701)	1,005	(153,492)	(367,102)	(1,241)	265,970
<u>2,023,689</u>	<u>588</u>	<u>198,449</u>	<u>753,608</u>	<u>64,532</u>	<u>1,895,691</u>	<u>200,324</u>	<u>1,241</u>	
<u>\$2,504,128</u>	<u>\$588</u>	<u>\$197,342</u>	<u>\$752,907</u>	<u>\$65,537</u>	<u>\$1,742,199</u>	<u>(\$166,778)</u>		<u>\$265,970</u>

(Continued)

CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2011

	<u>CAPITAL PROJECTS FUNDS</u>		Total Non-Major Governmental Funds
	Special Developers	Inter - Governmental	
<b>REVENUES:</b>			
Taxes			\$3,562,370
Licenses and Permits	\$34,209		34,209
Intergovernmental		\$2,978,637	8,380,559
Charges for Services			22,771
Use of Money and Property	50,435	56,831	1,080,863
Special Assessment Collections			1,851
Other	82,781		151,351
	<u>167,425</u>	<u>3,035,468</u>	<u>13,233,974</u>
<b>EXPENDITURES:</b>			
Current:			
Public Works & Engineering	276,007	3,116,380	7,245,812
Community Development			83,317
Community & Recreation Services	51,901		1,002,248
Capital Outlay	119,581	806,457	2,005,612
Debt Service			
Principal Repayment			2,006,000
Interest and Fiscal Charges			845,554
Refund to Property Owners			248,938
Bond Issuance Costs			50,600
	<u>447,489</u>	<u>3,922,837</u>	<u>13,488,081</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(280,064)</u>	<u>(887,369)</u>	<u>(254,107)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	9,964		2,299,499
Transfers (Out)	(4,824)	(67,110)	(338,001)
	<u>5,140</u>	<u>(67,110)</u>	<u>1,961,498</u>
<b>Net Change in Fund Balances</b>	<u>(274,924)</u>	<u>(954,479)</u>	<u>1,707,391</u>
Fund Balances at the Beginning of Period	1,821,740	2,835,659	16,791,369
<b>FUND BALANCES (DEFICIT) AT END OF PERIOD</b>	<u>\$1,546,816</u>	<u>\$1,881,180</u>	<u>\$18,498,760</u>

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CITY OF CONCORD  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	STATE GAS TAX			MAINTENANCE DISTRICTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Property Taxes				\$1,507,404	\$1,492,770	(\$14,634)
Licenses and Permits						
Intergovernmental	\$1,996,000	\$3,130,762	\$1,134,762			
Charges for Current Services						
Use of Money and Property	27,000	42,360	15,360	43,403	60,153	16,750
Other		27,641	27,641			
<b>Total Revenues</b>	<u>2,023,000</u>	<u>3,200,763</u>	<u>1,177,763</u>	<u>1,550,807</u>	<u>1,552,923</u>	<u>2,116</u>
<b>EXPENDITURES:</b>						
Current:						
Public Works & Engineering	1,591,243	1,204,397	386,846	1,427,000	1,026,314	400,686
Community Development						
Community & Recreation Services						
Debt Service						
Principal Repayment						
Interest and Fiscal Charges						
<b>Total Expenditures</b>	<u>1,591,243</u>	<u>1,204,397</u>	<u>386,846</u>	<u>1,427,000</u>	<u>1,026,314</u>	<u>400,686</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>431,757</u>	<u>1,996,366</u>	<u>1,564,609</u>	<u>123,807</u>	<u>526,609</u>	<u>402,802</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In				216,436	215,780	(656)
Transfers (Out)		(22,830)	(22,830)	(215,780)	(215,780)	
<b>Total Other Financing Sources (Uses)</b>		<u>(22,830)</u>	<u>(22,830)</u>	<u>656</u>		<u>(656)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<u>431,757</u>	<u>1,973,536</u>	<u>1,541,779</u>	<u>124,463</u>	<u>526,609</u>	<u>402,146</u>
Adjustment to Budgetary Basis:						
Capital Outlay					(224,000)	
<b>Fund Balances at Beginning of Year</b>	<u>1,261,555</u>	<u>1,261,555</u>		<u>2,762,767</u>	<u>2,762,767</u>	
<b>Fund Balances at End of Year</b>	<u>\$1,693,312</u>	<u>\$3,235,091</u>	<u>\$1,541,779</u>	<u>\$2,887,230</u>	<u>\$3,065,376</u>	<u>\$402,146</u>

ART IN PUBLIC PLACES			TRAFFIC SYSTEM MANAGEMENT			HOUSING ASSISTANCE PROGRAM		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$2,000	\$2,211	\$211	\$4,000	\$450	(\$3,550)	\$2,750	\$22,771	\$20,021
						7,500	(13,957)	(21,457)
							4,500	\$4,500
<u>2,000</u>	<u>2,211</u>	<u>211</u>	<u>4,000</u>	<u>450</u>	<u>(3,550)</u>	<u>10,250</u>	<u>13,314</u>	<u>3,064</u>
			44,646	6,429	38,217	41,201	19,578	21,623
			<u>44,646</u>	<u>6,429</u>	<u>38,217</u>	<u>41,201</u>	<u>19,578</u>	<u>21,623</u>
<u>2,000</u>	<u>2,211</u>	<u>211</u>	<u>(40,646)</u>	<u>(5,979)</u>	<u>34,667</u>	<u>(30,951)</u>	<u>(6,264)</u>	<u>24,687</u>
			<u>(4,000)</u>	<u>(573)</u>	<u>3,427</u>			
			<u>(4,000)</u>	<u>(573)</u>	<u>3,427</u>			
2,000	2,211	211	(44,646)	(6,552)	38,094	(30,951)	(6,264)	24,687
	(5,999)							
<u>128,439</u>	<u>128,439</u>		<u>504,795</u>	<u>504,795</u>		<u>693,654</u>	<u>693,654</u>	
<u>\$130,439</u>	<u>\$124,651</u>	<u>\$211</u>	<u>\$460,149</u>	<u>\$498,243</u>	<u>\$38,094</u>	<u>\$662,703</u>	<u>\$687,390</u>	<u>\$24,687</u>

(Continued)

CITY OF CONCORD  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	HOUSING AND COMMUNITY SERVICES			STORM WATER MANAGEMENT		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>						
Property Taxes				\$1,957,330	\$2,069,600	\$112,270
Licenses and Permits	\$5,000		(\$5,000)			
Intergovernmental	1,103,867	\$1,902,053	798,186			
Charges for Current Services	75,000		(75,000)			
Use of Money and Property		34,974	34,974	29,000	28,588	(412)
Other	5,685	36,362	\$30,677		67	67
<b>Total Revenues</b>	<b>1,189,552</b>	<b>1,973,389</b>	<b>783,837</b>	<b>1,986,330</b>	<b>2,098,255</b>	<b>111,925</b>
<b>EXPENDITURES:</b>						
Current:						
Public Works & Engineering				1,807,327	1,616,285	191,042
Community Development	91,003	63,739	27,264			
Community & Recreation Services	565,047	581,240	(16,193)			
Debt Service						
Principal Repayment						
Interest and Fiscal Charges						
<b>Total Expenditures</b>	<b>656,050</b>	<b>644,979</b>	<b>11,071</b>	<b>1,807,327</b>	<b>1,616,285</b>	<b>191,042</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>533,502</b>	<b>1,328,410</b>	<b>794,908</b>	<b>179,003</b>	<b>481,970</b>	<b>302,967</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers In	43,346		(43,346)			
Transfers (Out)	(31,645)	(26,884)	4,761			
<b>Total Other Financing Sources (Uses)</b>	<b>11,701</b>	<b>(26,884)</b>	<b>(38,585)</b>			
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>545,203</b>	<b>1,301,526</b>	<b>756,323</b>	<b>179,003</b>	<b>481,970</b>	<b>302,967</b>
<b>Adjustment to Budgetary Basis:</b>						
Capital Outlay		(848,044)			(1,531)	
<b>Fund Balances at Beginning of Year</b>	<b>1,644,638</b>	<b>1,644,638</b>		<b>2,023,689</b>	<b>2,023,689</b>	
<b>Fund Balances at End of Year</b>	<b>\$2,189,841</b>	<b>\$2,098,120</b>	<b>\$756,323</b>	<b>\$2,202,692</b>	<b>\$2,504,128</b>	<b>\$302,967</b>

MONUMENT COMMUNITY PARTNERSHIP			POLICE FACILITIES REVENUE BONDS			ABAG		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$369,107	\$369,107						
\$2,000		(2,000)		\$27	\$27		(\$593)	(\$593)
2,000	369,107	367,107		27	27		(593)	(593)
373,065	369,107	3,958						
			\$469,000	420,000	49,000	\$90,000	90,000	
			168,083	88,531	79,552	6,484	6,149	335
373,065	369,107	3,958	637,083	508,531	128,552	96,484	96,149	335
(371,065)		371,065	(637,083)	(508,504)	128,579	(96,484)	(96,742)	(258)
				507,397	507,397		97,747	97,747
				507,397	507,397		97,747	97,747
(371,065)		371,065	(637,083)	(1,107)	635,976	(96,484)	1,005	97,489
588	588		198,449	198,449		64,532	64,532	
(\$370,477)	\$588	\$371,065	(\$438,634)	\$197,342	\$635,976	(\$31,952)	\$65,537	\$97,489

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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds does not extend to internal service funds because they do not do business with outside parties. GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Assets.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

**Worker's Compensation Fund.** To account for workers' compensation expenses. This fund is financed by fees charged to the City departments.

**Risk Management/Liability Fund.** To account for the non-reimbursable portion of insurance claims.

**Post-Retirement HealthCare Benefit Fund.** To account for the contributions and benefits paid in relation to the Post-Retirement Health Care Program.

**Fleet Maintenance/Replacement Fund.** To accumulate resources to fund the replacement of City licensed vehicles and motorized equipment.

**Information Technology Replacement Fund.** To accumulate resources to fund the replacement of computers and software for City staff.

**Building Maintenance Fund.** To accumulate resources required to maintain City facilities.

CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF NET ASSETS  
JUNE 30, 2011

	Workers' Compensation	Risk Management/ Liability	Post-Retirement Healthcare Benefit	Fleet Maintenance/ Replacement	Information Technology Replacement
<b>ASSETS</b>					
Current Assets:					
Cash and Investments	\$6,006,844	\$1,955,665	\$180,399	\$3,578,200	\$7,251,547
Accounts Receivable	2,854			7,825	
Interest Receivable			137		4,904
Prepaid Items					171,753
<b>Total Current Assets</b>	<b>6,009,698</b>	<b>1,955,665</b>	<b>180,536</b>	<b>3,586,025</b>	<b>7,428,204</b>
Advances to Other Funds	2,000,000				
Net OPEB Asset			8,598,003		
Capital Assets:					
Buildings and Improvements					
Equipment				8,149,010	10,938,516
Construction In Progress				45,588	362,379
				8,194,598	11,300,895
Less: Accumulated Depreciation				(7,334,814)	(7,748,146)
<b>Net Capital Assets</b>				<b>859,784</b>	<b>3,552,749</b>
<b>Total Assets</b>	<b>8,009,698</b>	<b>1,955,665</b>	<b>8,778,539</b>	<b>4,445,809</b>	<b>10,980,953</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accrued Liabilities	3,609			25,298	79,456
Due to Other Funds			1,338,464		
Compensated Absences Payable				30,009	45,066
Capital Lease Payable					579,312
Bond Interest Payable					5,185
Claims Payable	1,883,922	816,528			
<b>Total Current Liabilities</b>	<b>1,887,531</b>	<b>816,528</b>	<b>1,338,464</b>	<b>55,307</b>	<b>709,019</b>
Non-Current Liabilities					
Compensated Absences Payable				14,411	71,232
Capital Lease Payable					1,456,491
Claims Payable	5,369,078	884,397			
<b>Total Liabilities</b>	<b>7,256,609</b>	<b>1,700,925</b>	<b>1,338,464</b>	<b>69,718</b>	<b>2,236,742</b>
<b>NET ASSETS</b>					
Invested in Capital Assets, net of related debt				859,784	1,516,946
Unrestricted	753,089	254,740	7,440,075	3,516,307	7,227,265
<b>Total Net Assets</b>	<b>\$753,089</b>	<b>\$254,740</b>	<b>\$7,440,075</b>	<b>\$4,376,091</b>	<b>\$8,744,211</b>

<u>Building Maintenance</u>	<u>Total</u>
\$2,992,357	\$21,965,012
	10,679
1,688	6,729
	<u>171,753</u>
<u>2,994,045</u>	<u>22,154,173</u>
	2,000,000
	<u>8,598,003</u>
73,131,749	73,131,749
	19,087,526
265,188	673,155
<u>73,396,937</u>	<u>92,892,430</u>
<u>(30,686,584)</u>	<u>(45,769,544)</u>
<u>42,710,353</u>	<u>47,122,886</u>
<u>45,704,398</u>	<u>79,875,062</u>
53,273	161,636
	1,338,464
41,318	116,393
	579,312
	5,185
	<u>2,700,450</u>
<u>94,591</u>	<u>4,901,440</u>
61,848	147,491
	1,456,491
	<u>6,253,475</u>
<u>156,439</u>	<u>12,758,897</u>
42,710,353	45,087,083
<u>2,837,606</u>	<u>22,029,082</u>
<u>\$45,547,959</u>	<u>\$67,116,165</u>

CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011

	Workers' Compensation	Risk Management/ Liability	Post-Retirement Healthcare Benefit	Fleet Maintenance/ Replacement	Information Technology Replacement
<b>OPERATING REVENUES</b>					
Charges for Services	\$2,836,188	\$1,032,631	\$1,592,667	\$2,619,471	\$5,216,733
Claims Settlement		750,000			
Other			68,482	44,187	
Total Operating Revenues	<u>2,836,188</u>	<u>1,782,631</u>	<u>1,661,149</u>	<u>2,663,658</u>	<u>5,216,733</u>
<b>OPERATING EXPENSES</b>					
Operations and Maintenance	92,830		62,558	1,816,768	4,250,103
Cost of Sales and Services			2,391,499		
Depreciation				478,772	1,080,539
Retirement and Other Benefits			1,500,000		
Claims and Judgments	2,274,925	2,468,309			
Total Operating Expenses	<u>2,367,755</u>	<u>2,468,309</u>	<u>3,954,057</u>	<u>2,295,540</u>	<u>5,330,642</u>
Operating Income (Loss)	<u>468,433</u>	<u>(685,678)</u>	<u>(2,292,908)</u>	<u>368,118</u>	<u>(113,909)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>					
Interest Income	88,747	(7,417)	3,609	67,030	88,660
Interest Expense					(24,548)
Gain (Loss) from Sale of Capital Assets				28,447	42,064
Total Non-Operating Revenue	<u>88,747</u>	<u>(7,417)</u>	<u>3,609</u>	<u>95,477</u>	<u>106,176</u>
Income (Loss) Before Contributions	557,180	(693,095)	(2,289,299)	463,595	(7,733)
Contributions				15,841	53,792
Transfers In		100,000			581,122
Transfers Out	(100,000)	(418,789)			
Change in Net Assets	457,180	(1,011,884)	(2,289,299)	479,436	627,181
Net Assets Beginning	<u>295,909</u>	<u>1,266,624</u>	<u>9,729,374</u>	<u>3,896,655</u>	<u>8,117,030</u>
Net Assets Ending	<u>\$753,089</u>	<u>\$254,740</u>	<u>\$7,440,075</u>	<u>\$4,376,091</u>	<u>\$8,744,211</u>

<u>Building Maintenance</u>	<u>Total</u>
\$3,104,010	\$16,401,700
	750,000
	112,669
<u>3,104,010</u>	<u>17,264,369</u>
2,647,235	8,869,494
	2,391,499
2,143,352	3,702,663
	1,500,000
	4,743,234
<u>4,790,587</u>	<u>21,206,890</u>
<u>(1,686,577)</u>	<u>(3,942,521)</u>
41,748	282,377
	(24,548)
<u>(575,096)</u>	<u>(504,585)</u>
<u>(533,348)</u>	<u>(246,756)</u>
(2,219,925)	(4,189,277)
	69,633
5,074	686,196
<u>(11,284)</u>	<u>(530,073)</u>
(2,226,135)	(3,963,521)
<u>47,774,094</u>	<u>71,079,686</u>
<u>\$45,547,959</u>	<u>\$67,116,165</u>

CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011

	Workers' Compensation	Risk Management/ Liability	Post-Retirement Healthcare Benefit	Fleet Maintenance/ Replacement	Information Technology Replacement
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers	\$2,840,570	\$1,851,588	\$1,661,149	\$2,671,196	\$5,216,733
Payments to Suppliers			(3,207,672)	(1,239,123)	(2,630,982)
Payments to Employees	(82,539)		(1,500,000)	(560,989)	(1,630,625)
Claims Paid	(2,282,423)	(2,443,671)			
Net Cash Provided by (Used for) Operating Activities	<u>475,608</u>	<u>(592,083)</u>	<u>(3,046,523)</u>	<u>871,084</u>	<u>955,126</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Borrowings of Advances From/To Other Funds			1,338,464		
Transfer In/ (Out)		100,000			581,122
Transfer In/ (Out)	(100,000)	(418,789)			
Cash Flows from Non-Capital Financing Activities	<u>(100,000)</u>	<u>(318,789)</u>	<u>1,338,464</u>		<u>581,122</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and Construction of Capital Assets				(310,921)	(2,635,497)
Proceeds From the Issuance of Debt					2,351,261
Principal Paid on Debt, Bond Maturities					(827,996)
Interest and Fiscal Charges Paid					(20,837)
Cash Flows from Capital and Related Financing Activities				<u>(310,921)</u>	<u>(1,133,069)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Received	88,747	(7,417)	3,525	67,030	91,664
Cash Flows from Investing Activities	<u>88,747</u>	<u>(7,417)</u>	<u>3,525</u>	<u>67,030</u>	<u>91,664</u>
Net Increase (Decrease) in Cash and Cash Equivalents	464,355	(918,289)	(1,704,534)	627,193	494,843
Cash and Investments at Beginning of Period	5,542,489	2,873,954	1,884,933	2,951,007	6,756,704
Cash and Investments at End of Period	<u>\$6,006,844</u>	<u>\$1,955,665</u>	<u>\$180,399</u>	<u>\$3,578,200</u>	<u>\$7,251,547</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>					
Operating Income (Loss)	\$468,433	(\$685,678)	(\$2,292,908)	\$368,118	(\$113,909)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation				478,772	1,080,539
Change in Assets and Liabilities:					
Receivables, Net	4,382	68,957		7,538	
Prepaid Expenses					(102,144)
Net OPEB Asset			(753,615)		
Accounts Payable				(937)	
Accrued Liabilities	2,793			17,593	90,640
Self Insurance Claims Payable		24,638			
Net Cash Provided by (Used for) Operating Activities	<u>\$475,608</u>	<u>(592,083)</u>	<u>(3,046,523)</u>	<u>\$871,084</u>	<u>\$955,126</u>
Non-cash Contributions and Transfers of Fixed Assets, Net				<u>\$15,841</u>	<u>\$53,792</u>

<u>Building Maintenance</u>	<u>Total</u>
\$3,104,473	\$17,345,709
(1,314,329)	(8,392,106)
(1,265,029)	(5,039,182)
	(4,726,094)
<u>525,115</u>	<u>(811,673)</u>
	1,338,464
5,074	686,196
<u>(11,284)</u>	<u>(530,073)</u>
<u>(6,210)</u>	<u>1,494,587</u>
(265,190)	(3,211,608)
	2,351,261
	(827,996)
	<u>(20,837)</u>
<u>(265,190)</u>	<u>(1,709,180)</u>
<u>43,302</u>	<u>286,851</u>
<u>43,302</u>	<u>286,851</u>
297,017	(739,415)
<u>2,695,340</u>	<u>22,704,427</u>
<u>\$2,992,357</u>	<u>\$21,965,012</u>
(\$1,686,577)	(\$3,942,521)
2,143,352	3,702,663
463	81,340
	(102,144)
	(753,615)
(1,572)	(2,509)
69,449	180,475
	24,638
<u>\$525,115</u>	<u>(\$811,673)</u>
	<u>\$69,633</u>

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## STATISTICAL TABLES AND OTHER SCHEDULES (UNAUDITED)

This part of the City'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 discusses about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

- Net Assets by Component
- Changes in Net Assets
- Fund Balance of Governmental Funds
- Changes in Fund Balance of Governmental Funds

### Revenue Capacity

The schedules contain information to help the reader assess the City's significant local revenue source, the property tax:

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates, All Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections

### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City of Concord's ability to issue additional debt in the future:

- Ratio of Outstanding Debt by Debt
- Computation of Direct and Overlapping Debt
- Computation of Legal Bonded Debt Margin
- Sewer Revenue Bonds Coverage
- Bond Debt Pledged Revenue Coverage - Tax Allocation Bonds

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

- Demographic and Economic Statistics
- Principal Employers

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

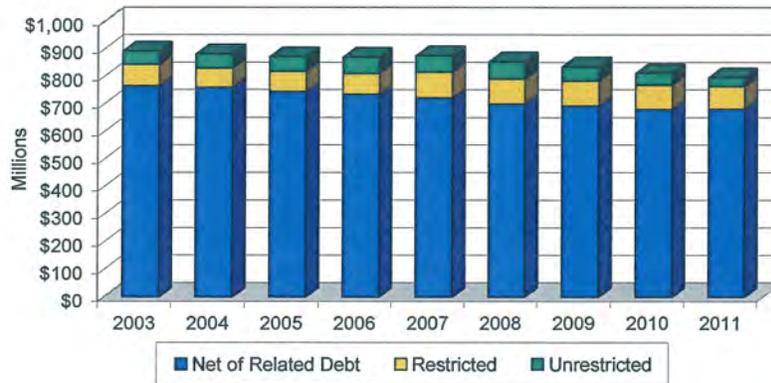
- Full-Time Equivalent (FTE) City Government Employees by Function
- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program

### Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in 2002; Schedules presenting government-wide information include information beginning in that year.

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**Table 1: Net Assets by Component  
Last Nine Fiscal Years (Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>									
Invested in Capital Assets,									
Net of Related Debt	\$679,488,292	\$677,663,295	\$664,630,378	\$656,737,995	\$649,269,154	\$630,495,335	\$622,560,100	\$618,923,952	\$622,638,976
Restricted	78,093,485	69,730,092	73,086,978	75,036,355	93,999,338	89,429,887	88,890,688	86,518,109	81,638,944
Unrestricted	35,920,211	37,373,061	39,968,088	44,689,818	42,186,355	48,764,823	38,436,086	23,522,920	11,585,429
<b>Total Governmental Activities Net Assets</b>	<b>\$793,501,988</b>	<b>\$784,766,448</b>	<b>\$777,685,444</b>	<b>\$776,464,168</b>	<b>\$785,454,847</b>	<b>\$768,690,045</b>	<b>\$749,886,874</b>	<b>\$728,964,981</b>	<b>\$715,863,349</b>
<b>Business-Type Activities</b>									
Invested in Capital Assets,									
Net of Related Debt	\$86,301,125	\$81,904,364	\$79,789,175	\$77,720,525	\$72,124,314	\$70,374,727	\$71,320,355	\$62,496,479	\$59,412,890
Restricted									
Unrestricted	11,600,088	14,317,386	13,760,715	15,757,201	17,775,509	14,119,883	13,520,168	20,444,000	20,431,764
<b>Total Business-Type Activities Net Assets</b>	<b>\$97,901,213</b>	<b>\$96,221,750</b>	<b>\$93,549,890</b>	<b>\$93,477,726</b>	<b>\$89,899,823</b>	<b>\$84,494,610</b>	<b>\$84,840,523</b>	<b>\$82,940,479</b>	<b>\$79,844,654</b>
<b>Primary Government</b>									
Invested in Capital Assets,									
Net of Related Debt	\$765,789,417	\$759,567,659	\$744,419,553	\$734,458,520	\$721,393,468	\$700,870,062	\$693,880,456	\$681,420,431	\$682,051,866
Restricted	78,093,485	69,730,092	73,086,978	75,036,355	93,999,338	89,429,887	88,890,688	86,518,109	81,638,944
Unrestricted	47,520,299	51,690,447	53,728,803	60,447,019	59,961,864	62,884,706	51,956,248	43,966,920	32,017,193
<b>Total Primary Government Net Assets</b>	<b>\$891,403,201</b>	<b>\$880,988,198</b>	<b>\$871,235,334</b>	<b>\$869,941,894</b>	<b>\$875,354,670</b>	<b>\$853,184,655</b>	<b>\$834,727,392</b>	<b>\$811,905,460</b>	<b>\$795,708,003</b>

**Table 2: Changes in Net Assets  
Last Nine Fiscal Years (Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
<b>Governmental Activities:</b>					
General Government	\$10,820,036	\$11,500,179	\$9,622,634	\$11,142,712	\$13,090,236
Public Safety	30,129,478	32,490,241	36,466,365	37,585,077	39,002,036
Public Works & Engineering	28,573,938	29,048,534	34,904,128	34,976,572	35,491,488
Community Development	3,884,615	5,710,011	5,087,871	4,836,179	5,065,830
Building, Engineering & Neighborhood Services	5,281,208	5,563,100	5,690,760	7,239,616	9,313,264
Community & Recreation Services	13,473,690	14,439,500	6,771,302	7,820,034	8,230,319
Interest on Long Term Debt	7,700,863	5,214,110	6,340,280	5,919,742	5,700,631
<b>Total Governmental Activities Expenses</b>	<b>99,863,828</b>	<b>103,965,675</b>	<b>104,883,340</b>	<b>109,519,932</b>	<b>115,893,804</b>
<b>Business-Type Activities:</b>					
Sewer	15,756,172	16,536,922	17,880,681	18,850,426	20,803,448
Golf Course	1,856,460	1,831,742	1,774,805	1,635,069	1,769,623
<b>Total Business-Type Activities Expenses</b>	<b>17,612,632</b>	<b>18,368,664</b>	<b>19,655,486</b>	<b>20,485,495</b>	<b>22,573,071</b>
<b>Total Primary Government Expenses</b>	<b>\$117,476,460</b>	<b>\$122,334,339</b>	<b>\$124,538,826</b>	<b>\$130,005,427</b>	<b>\$138,466,875</b>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
<b>Charges for Services:</b>					
General Government	\$499,199	\$151,645	\$237,121	\$1,025,938	\$883,778
Public Safety	1,620,643	1,612,896	1,484,683	1,371,870	1,642,445
Public Works & Engineering	3,467,007	3,669,880	6,712,375	4,814,755	4,964,185
Community Development	323,332	1,628,316	1,567,764	4,903,145	4,492,293
Building, Engineering & Neighborhood Services	2,787,941	2,427,260	2,703,914	2,957,954	2,694,836
Community & Recreation Services	2,992,000	2,999,927	3,390,454	2,706,210	3,015,576
Operating Grants and Contributions	7,255,523	7,311,503	6,458,722	6,825,581	8,100,031
Capital Grants and Contributions	6,417,819	9,659,289	4,392,944	14,452,119	7,755,804
<b>Total Governmental Activities Program Revenues</b>	<b>25,363,464</b>	<b>29,460,716</b>	<b>26,947,977</b>	<b>39,057,572</b>	<b>33,549,048</b>
<b>Business-Type Activities:</b>					
<b>Charges for Services:</b>					
Sewer Wastewater	14,130,952	14,518,522	14,735,514	17,130,440	15,968,289
Golf Course	1,863,948	1,814,642	1,672,696	1,556,405	1,602,581
Capital Grants and Contributions		311,843		689,253	233,662
<b>Total Business-Type Activities Program Revenue</b>	<b>15,994,900</b>	<b>16,645,007</b>	<b>16,408,210</b>	<b>19,376,098</b>	<b>17,804,532</b>
<b>Total Primary Government Program Revenues</b>	<b>\$41,358,364</b>	<b>\$46,105,723</b>	<b>\$43,356,187</b>	<b>\$58,433,670</b>	<b>\$51,353,580</b>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(\$74,500,364)	(\$74,504,959)	(\$77,935,363)	(\$70,462,360)	(\$82,344,756)
Business-Type Activities	(1,617,732)	(1,723,657)	(3,247,276)	(1,109,397)	(4,768,539)
<b>Total Primary Government Net Expense</b>	<b>(\$76,118,096)</b>	<b>(\$76,228,616)</b>	<b>(\$81,182,639)</b>	<b>(\$71,571,757)</b>	<b>(\$87,113,295)</b>
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental Activities:</b>					
<b>Taxes:</b>					
Property Taxes	\$21,865,693	\$22,436,555	\$21,710,942	\$23,202,025	\$28,151,765
Sales Taxes	27,564,127	27,817,974	28,313,462	27,219,549	28,574,582
Motor Vehicle In-Lieu	7,177,764	5,689,008	9,496,201	9,064,920	9,266,868
Transient Occupancy Taxes	1,630,746	1,528,836	1,629,388	1,836,002	2,057,241
Business License Taxes	2,836,339	2,815,574	3,153,959	3,107,600	3,218,553
Other Taxes	2,950,503	3,256,347	3,368,778	3,347,905	3,853,558
Grants & Contributions Not Restricted to Specific Programs					
Investment Earnings	3,830,034	2,160,336	3,147,879	2,962,518	4,218,014
Miscellaneous Revenues	88,938	55,193	74,071	59,733	
Transfers	(5,203)	9,596	(40,321)		
Gain (Loss) on Sale of Land	819,435			(1,559,168)	11,994,854
<b>Total Governmental Activities</b>	<b>68,758,376</b>	<b>65,769,419</b>	<b>70,854,359</b>	<b>69,241,084</b>	<b>91,335,435</b>
<b>Business-Type Activities:</b>					
Investment Earnings	445,058	53,790	535,095	1,037,233	1,190,636
Miscellaneous Revenues					
Transfers	5,203	(9,596)	40,321		
<b>Total Business-Type Activities</b>	<b>450,261</b>	<b>44,194</b>	<b>575,416</b>	<b>1,037,233</b>	<b>1,190,636</b>
<b>Total Primary Government</b>	<b>\$69,208,637</b>	<b>\$65,813,613</b>	<b>\$71,429,775</b>	<b>\$70,278,317</b>	<b>\$92,526,071</b>
<b>Change in Net Assets</b>					
Governmental Activities	(\$5,741,988)	(\$8,735,540)	(\$7,081,004)	(\$1,221,276)	\$8,990,679
Business-Type Activities	(1,167,471)	(1,679,463)	(2,671,860)	(72,164)	(3,577,903)
<b>Total Primary Government</b>	<b>(\$6,909,459)</b>	<b>(\$10,415,003)</b>	<b>(\$9,752,864)</b>	<b>(\$1,293,440)</b>	<b>\$5,412,776</b>

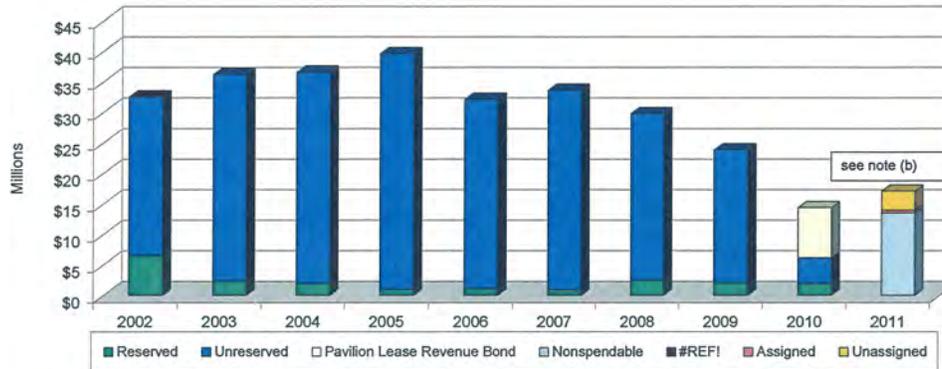
**Note:**

(a) In Fiscal Year 2010, Building, Engineering & Neighborhood Services was reorganized into Public Works & Engineering Department, and Planning & Economic Department was reorganized into Community Development Department.

## Fiscal Year Ended June 30,

2008	2009	2010 (a)	2011
\$13,275,497	\$12,738,632	\$12,443,084	\$11,349,674
42,367,364	45,291,048	43,000,455	43,122,959
36,554,748	36,454,843	32,833,186	37,629,109
6,530,424	10,579,123	20,627,408	15,777,443
12,291,176	6,571,713		
9,484,383	9,463,315	9,810,082	7,207,017
5,521,049	5,213,438	5,266,740	3,936,497
126,024,641	126,312,112	123,980,955	119,022,699
24,868,475	18,688,255	21,303,268	21,695,293
1,601,983	1,679,995	1,323,074	1,305,929
26,470,458	20,368,250	22,626,342	23,001,222
\$152,495,099	\$146,680,362	\$146,607,297	\$142,023,921
\$782,744	\$966,501	\$594,633	\$911,046
1,499,727	1,672,348	1,805,170	1,589,312
2,575,986	5,847,684	8,425,897	8,491,639
3,281,902	2,390,462	2,917,141	6,786,730
777,091	3,363,813		
3,287,962	3,492,087	3,332,979	3,068,375
6,188,496	4,715,761	5,519,453	6,071,139
8,768,985	10,512,437	10,573,237	8,570,019
27,162,893	32,961,093	33,168,510	35,488,260
17,915,613	18,296,077	18,423,702	18,238,338
1,535,148	1,422,154	1,326,167	1,250,804
79,419	117,915		
19,530,180	19,836,146	19,749,869	19,489,142
\$46,693,073	\$52,797,239	\$52,918,379	\$54,977,402
(\$98,861,748)	(\$93,351,019)	(\$90,812,445)	(\$83,534,439)
(6,940,278)	(532,104)	(2,876,473)	(3,512,080)
(\$105,802,026)	(\$93,883,123)	(\$93,688,918)	(\$87,046,519)
\$30,269,864	\$29,034,866	\$27,916,258	\$27,138,018
27,325,370	24,253,987	23,370,649	24,585,811
9,759,831	9,625,635	8,797,365	8,843,361
2,193,085	1,710,768	1,427,813	1,391,107
3,157,176	3,262,762	3,324,011	3,347,429
3,991,357	4,128,526	4,097,706	4,438,806
5,346,348	2,300,008	842,470	635,145
53,915	247,697	114,280	33,834
	(16,401)		19,296
82,096,946	74,547,848	69,890,552	70,432,807
1,485,065	809,161	913,934	397,390
50,000	52,450	62,500	38,161
	16,401		(19,296)
1,535,065	878,012	976,434	416,255
\$83,632,011	\$75,425,860	\$70,866,986	\$70,849,062
(\$16,764,802)	(\$18,803,171)	(\$20,921,893)	(\$13,101,632)
(5,405,213)	345,908	(1,900,039)	(3,095,825)
(\$22,170,015)	(\$18,457,263)	(\$22,821,932)	(\$16,197,457)

**Table 3: Fund Balance of Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**



	Fiscal Year Ended June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Reserved	\$6,462,821	\$2,202,408	\$1,864,192	\$947,419	\$1,032,824	\$865,652	\$2,410,869	\$1,995,403	\$1,856,472	\$13,466,838 (c)
Unreserved	25,989,185	33,917,725	34,649,045	38,634,501	31,015,852	32,675,265	27,326,524	21,806,296	4,242,381	443,832 (c)
Nonspendable										3,129,741 (c)
Assigned										
Unassigned										
<b>Total General Fund</b>	<b>\$32,452,006</b>	<b>\$36,120,133</b>	<b>\$36,513,237</b>	<b>\$39,581,920</b>	<b>\$32,048,676</b>	<b>\$33,540,917</b>	<b>\$29,737,393</b>	<b>\$23,801,699</b>	<b>\$6,098,853</b>	<b>\$17,040,411 (a)</b>
<b>All Other Governmental Funds</b>										
Reserved	\$50,368,878	\$51,894,833	\$43,743,972	\$42,087,866	\$38,193,568	\$43,184,063	\$39,242,159	\$47,495,499	\$50,668,540	3,099 (c)
Unreserved	25,139,797	19,814,981	19,254,338	24,195,977	28,085,810	39,569,440	37,211,245	28,301,328	22,487,277	69,005,742 (c)
Nonspendable										1,546,816 (c)
Restricted										(166,778) (c)
Assigned										
Unassigned										
<b>Total All Other Governmental Funds</b>	<b>\$75,508,675</b>	<b>\$71,709,814</b>	<b>\$62,998,310</b>	<b>\$66,283,843</b>	<b>\$66,279,378</b>	<b>\$82,753,503</b>	<b>\$76,453,404</b>	<b>\$75,796,827</b>	<b>\$73,155,817</b>	<b>\$70,388,879</b>

Notes:

- (a) The change in total fund balance for the General Fund and Other Governmental Funds is explained in Management's Discussion and Analysis.
- (b) The fund balance attributable to the interfund payable created by the purchase and retirement of \$8.24 million of Lease Revenue Bonds for the Pavilion has been included above for reporting purposes. It does not affect General Fund assets available for operations.
- (c) Fund balances are classified in accordance with GASB 54 effective in 2011.

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**Table 4: Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)**

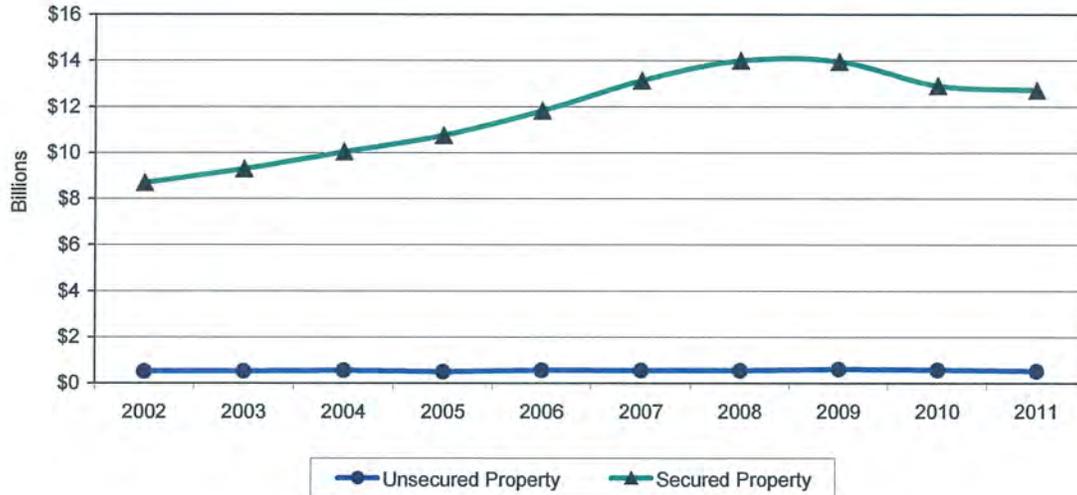
	Fiscal Year Ended June 30,				
	2002	2003	2004	2005(a)	2006(a)
<b>Revenues</b>					
Taxes	\$57,826,527	\$60,693,494	\$61,735,974	\$62,108,412	\$70,913,489
Licenses and Permits	3,468,079	2,539,529	3,291,112	3,138,724	4,877,758
Intergovernmental	13,965,410	16,115,511	16,209,022	18,659,169	10,647,688
Charges for Services	6,234,680	5,502,226	6,088,123	6,399,020	7,130,622
Fines, Forfeitures and Penalties	719,477	645,723	738,476	717,015	897,435
Parks and Recreation	2,079,835	2,143,019	2,117,718	2,420,106	2,585,962
Use of Money and Property	7,303,139	5,457,259	3,749,005	4,740,989	5,371,381
Special Assessment Collections	648,564	628,420	587,663	99,623	75,021
Other	545,261	687,006	855,196	758,718	713,853
<b>Total Revenues</b>	<b>92,790,972</b>	<b>94,412,187</b>	<b>95,372,289</b>	<b>99,041,776</b>	<b>103,213,209</b>
<b>Expenditures</b>					
Current:					
General Government	10,062,672	10,935,855	11,719,382	9,422,828	11,056,922
Public Safety	26,920,521	28,889,785	30,197,506	35,687,725	37,384,952
Public Works & Engineering	10,347,913	9,327,836	9,400,460	15,292,558	14,830,313
Building, Engineering & Neighborhood Serv	4,871,229	5,349,636	5,441,037	5,716,968	5,009,679
Community Development	5,129,842	3,740,770	7,081,755	4,749,351	7,357,162
Community & Recreation Services	10,065,069	12,196,418	12,936,943	6,682,215	7,428,161
Non-Departmental					
Capital Outlay	18,496,739	14,917,505	8,515,838	6,555,700	5,602,918
Debt Service:					
Principal Repayment	4,818,000	5,117,000	5,293,000	4,554,000	4,655,000
Interest and Fiscal Charges	6,905,805	6,837,478	8,356,499	3,950,417	5,326,328
Refund to Property Owners		156,691	55,955	41,453	326,836
<b>Total Expenditures</b>	<b>97,617,790</b>	<b>97,468,974</b>	<b>98,998,375</b>	<b>92,653,215</b>	<b>98,978,271</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,826,818)</b>	<b>(3,056,787)</b>	<b>(3,626,086)</b>	<b>6,388,561</b>	<b>4,234,938</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	2,787,097	7,244,083	2,014,711	5,461,790	4,204,776
Transfers (Out)	(6,757,401)	(5,204,465)	(1,952,059)	(5,526,805)	(14,418,255)
Refunding Bonds Issued			72,310,000		
Proceeds from Debt Issuance			1,569,330	30,670	
Proceeds from Sale of Property		886,435			
Bond Issuance Premium			407,090		
Payments to Refunded Bond Escrow			(79,041,386)		
<b>Total Other Financing Sources (Uses)</b>	<b>(3,970,304)</b>	<b>2,926,053</b>	<b>(4,692,314)</b>	<b>(34,345)</b>	<b>(10,213,479)</b>
<b>Special Item</b>					
Loss on Sale of Property					(1,559,168)
<b>Total Special Item</b>					<b>(1,559,168)</b>
<b>Net Change in Fund Balances</b>	<b>(\$8,797,122)</b>	<b>(\$130,734)</b>	<b>(\$8,318,400)</b>	<b>\$6,354,216</b>	<b>(\$7,537,709)</b>
Debt Service as a Percentage of Non-Capital Expenditures	14.8%	14.5%	15.1%	9.9%	10.7%

Note:

(a) The City underwent reorganization during 2005, 2006 and 2010.

	Fiscal Year Ended June 30,				
	2007	2008	2009	2010 (a)	2011
<b>Revenues</b>					
Taxes	\$78,285,780	\$78,204,323	\$75,189,694	\$72,007,902	\$72,687,375
Licenses and Permits	3,073,607	1,599,886	3,552,003	1,964,480	1,228,356
Intergovernmental	10,335,065	8,265,305	12,366,551	15,089,721	19,640,532
Charges for Services	7,182,525	6,343,372	7,289,449	6,632,428	6,805,602
Fines, Forfeitures and Penalties	989,426	1,055,807	1,108,677	1,021,931	946,447
Parks and Recreation	2,678,282	3,006,184	2,869,639	2,895,408	2,692,712
Use of Money and Property	5,943,217	5,968,313	4,102,165	1,908,565	1,600,983
Special Assessment Collections	72,524	65,610	67,052	65,201	1,851
Other	701,526	613,023	786,340	805,294	1,014,470
<b>Total Revenues</b>	<b>109,261,952</b>	<b>105,121,823</b>	<b>107,331,570</b>	<b>102,390,930</b>	<b>106,618,328</b>
<b>Expenditures</b>					
Current:					
General Government	12,633,576	12,678,872	11,984,808	11,997,158	10,528,138
Public Safety	38,587,496	40,285,037	42,843,522	41,359,307	40,415,163
Public Works & Engineering	15,508,044	17,060,398	15,956,198	15,237,733	20,508,901
Building, Engineering & Neighborhood Serv	5,028,829	6,408,585	6,298,643		
Community Development	10,046,844	11,385,205	8,142,528	18,282,245	15,627,709
Community & Recreation Services	7,828,837	8,745,778	8,806,329	8,721,242	7,364,390
Non-Departmental					
Capital Outlay	5,947,842	7,822,286	11,589,152	7,997,002	2,550,625
Debt Service:					
Principal Repayment	4,586,000	4,852,000	5,024,000	16,878,000	5,745,000
Interest and Fiscal Charges	5,133,210	4,952,854	4,860,812	5,226,724	3,700,057
Refund to Property Owners		34,431			248,938
<b>Total Expenditures</b>	<b>105,300,678</b>	<b>114,225,446</b>	<b>115,505,992</b>	<b>125,699,411</b>	<b>106,688,921</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,961,274</b>	<b>(9,103,623)</b>	<b>(8,174,422)</b>	<b>(23,308,481)</b>	<b>(70,593)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	2,608,732	3,733,972	5,557,868	16,335,469	16,347,402
Transfers (Out)	(6,248,494)	(4,733,972)	(4,071,296)	(18,444,344)	(16,484,229)
Refunding Bonds Issued					
Proceeds from Debt Issuance	350,000		95,579	5,073,500	8,384,040
Proceeds from Sale of Property	17,294,854				
Bond Issuance Premium					
Payments to Refunded Bond Escrow					
<b>Total Other Financing Sources (Uses)</b>	<b>14,005,092</b>	<b>(1,000,000)</b>	<b>1,582,151</b>	<b>2,964,625</b>	<b>8,247,213</b>
<b>Special Item</b>					
Loss on Sale of Property					
<b>Total Special Item</b>					
<b>Net Change in Fund Balances</b>	<b>\$17,966,366</b>	<b>(\$10,103,623)</b>	<b>(\$6,592,271)</b>	<b>(\$20,343,856)</b>	<b>\$8,176,620</b>
Debt Service as a Percentage of Non-Capital Expenditures	9.8%	9.2%	9.3%	18.8%	9.6%

**Table 5: Assessed and Estimated Actual Value of Taxable Property Last Ten Fiscal Years**



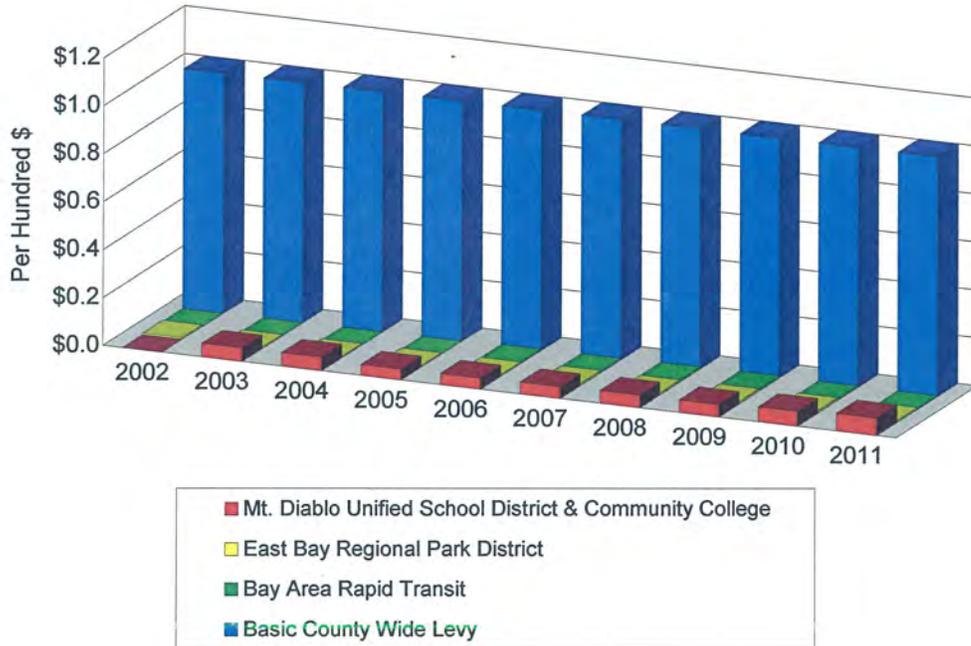
Fiscal Year	City Property	Redevelopment Agency Property	Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
2002	\$7,142,630,996	\$1,035,491,209	\$8,178,122,205	\$520,828,043	\$8,698,950,248	\$8,698,950,248	1%
2003	7,671,737,081	1,094,128,597	8,765,865,678	537,720,228	9,303,585,906	9,303,585,906	1%
2004	8,341,081,601	1,144,591,474	9,485,673,075	560,749,296	10,046,422,371	10,046,422,371	1%
2005	9,069,533,622	1,180,661,137	10,250,194,759	508,157,337	10,758,352,096	10,758,352,096	1%
2006	10,026,955,409	1,222,314,892	11,249,270,301	576,005,523	11,825,275,824	11,825,275,824	1%
2007	11,205,538,297	1,365,259,358	12,570,797,655	567,282,828	13,138,080,483	13,138,080,483	1%
2008	11,966,162,328	1,479,908,386	13,446,070,714	556,719,852	14,002,790,566	14,002,790,566	1%
2009	11,759,802,414	1,589,385,967	13,349,188,381	615,317,575	13,964,505,956	13,964,505,956	1%
2010	10,676,324,483	1,654,064,090	12,330,388,573	580,130,554	12,910,519,127	12,910,519,127	1%
2011	10,609,494,213	1,579,978,885	12,189,473,098	524,036,274	12,713,509,372	12,713,509,372	1%

Notes:

- (a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.
- (b) California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. The City of Concord encompasses more than 15 tax rate areas.

Source: Contra Costa County Auditor-Controller's Office, Certificate of Assessed Valuations

**Table 6: Property Tax Rates, All Overlapping Governments Last Ten Fiscal Years**



<u>Fiscal Year</u>	<u>Basic County Wide Levy</u>	<u>Bay Area Rapid Transit</u>	<u>East Bay Regional Park District</u>	<u>Mt. Diablo Unified School District &amp; Community College</u>	<u>Total</u>
2002	1.0000		0.0065		1.0065
2003	1.0000		0.0057	0.0563	1.0620
2004	1.0000		0.0057	0.0563	1.0620
2005	1.0000		0.0057	0.0453	1.0510
2006	1.0000	0.0048	0.0057	0.0465	1.0570
2007	1.0000	0.0050	0.0085	0.0489	1.0624
2008	1.0000	0.0076	0.0080	0.0532	1.0688
2009	1.0000	0.0090	0.0100	0.0521	1.0711
2010	1.0000	0.0057	0.0108	0.0619	1.0784
2011	1.0000	0.0031	0.0084	0.0733	1.0848

Note: The above ratios are expressed as dollars assessed per \$100 of assessed valuations.

Source: Contra Costa County Auditor-Controller's Office

**Table 7: Principal Property Taxpayers  
Current Year and Nine Years Ago**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2010-11 Assessed Value</u>	<u>2010-11 Projected Revenue (a)</u>
1.	Bank of America*	Office Building	\$178,036,451	\$1,780,365
2.	Taubman Land Associates LLC	Regional Mall	161,456,531	1,614,565
3.	Chevron USA*	Office Building	122,625,457	1,226,255
4.	Sierra Pacific Properties, Inc.*	Office Building	101,099,302	1,010,993
5.	Transwestern Concord Corp. Center	Office Building	100,740,675	1,007,407
6.	Rreef America REIT II Corp.	Office Building	98,889,937	988,899
7.	Seecon Financial & Construction Co.	Office Building	81,269,752	812,698
8.	Concord Airport Plaza Associates*	Office Building	66,697,646	666,976
9.	Clayton Valley Shopping Center	Shopping Center	63,016,952	630,170
10.	EQR & Legacy Partners LLC	Apartments	52,214,258	522,143
	<b>Total</b>		<b><u>\$1,026,046,961</u></b>	<b><u>\$10,260,470</u></b>

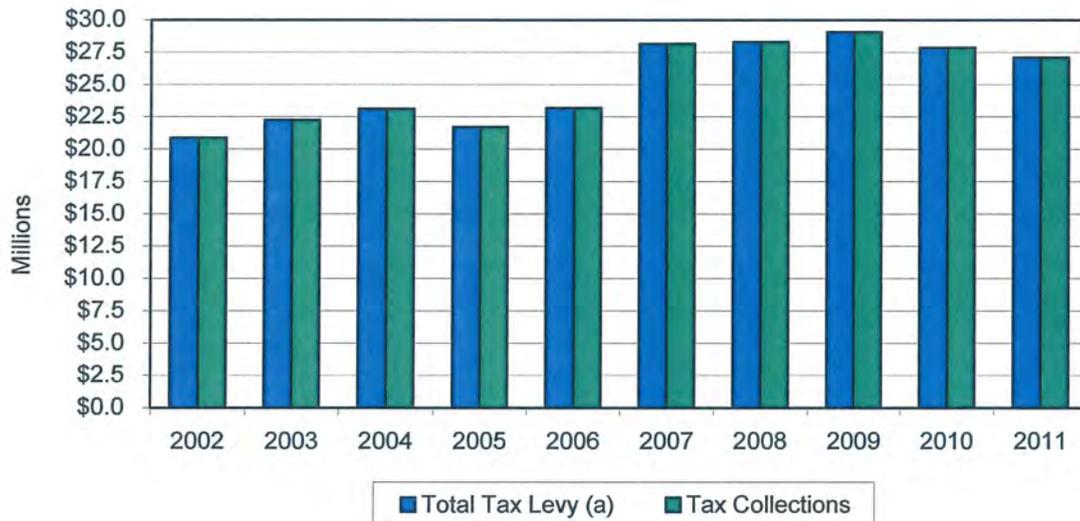
Notes:

(a) Projected Revenue is calculated using 1% Basic County Wide Levy Rate.

\* In the Top 10 for 2001-2002.

Source: California Municipal Statistics, Inc.

**Table 8: Property Tax Levies and Collections  
Last Ten Fiscal Years**



<b>Fiscal Year</b>	<b>Total Tax Levy (a)</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Tax Levy</b>
2002	\$20,874,360	\$20,874,360	100.0000%		\$20,874,360	100.0000%
2003	22,268,670	22,268,670	100.0000%		22,268,670	100.0000%
2004	23,117,284	23,117,284	100.0000%		23,117,284	100.0000%
2005	21,710,945	21,710,945 (b)	100.0000%		21,710,945	100.0000%
2006	23,202,024	23,202,024 (b)	100.0000%		23,202,024	100.0000%
2007	28,151,765	28,151,765 (b)	100.0000%		28,151,765	100.0000%
2008	28,304,789	28,304,789 (b)	100.0000%		28,304,789	100.0000%
2009	29,074,531	29,074,531 (b)	100.0000%		29,074,531	100.0000%
2010	27,872,031	27,872,031 (b)	100.0000%		27,872,031	100.0000%
2011	27,093,100	27,093,100 (b)	100.0000%		27,093,100	100.0000%

**Notes:**

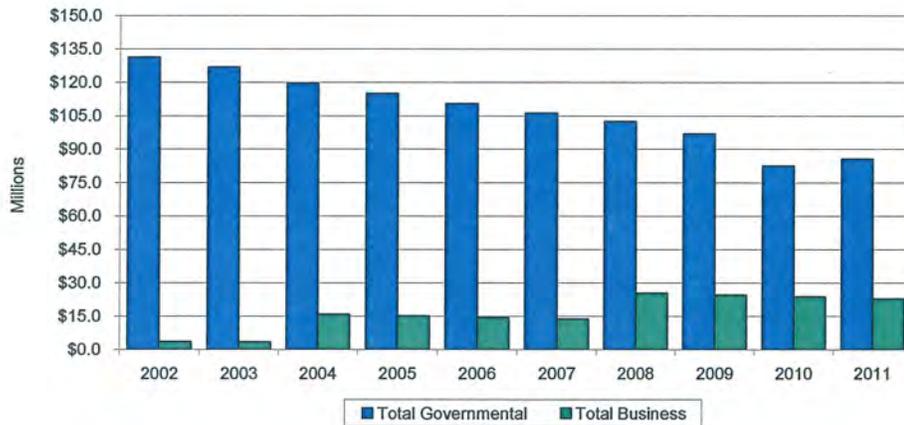
Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California.

(a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

(b) Tax collections in fiscal year 2005 to 2011 are net of pass-thru payment and Educational Revenue Augmentation Fund withholding.

Source: City of Concord Finance Department

**Table 9: Ratio of Outstanding Debt by Type Last Ten Fiscal Years (Dollars in Millions)**



Fiscal Year	Governmental Activities									Total
	Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Judgment Obligation Bonds	Refunding Lease Agreement	Special Assessment Debt	Notes Payable	Capital Lease	Lease Purchase Agreement	
2002	\$34.7	\$89.6	\$0.7	\$4.2		\$2.0				\$131.2
2003	33.7	87.1	0.7	3.9		1.4				126.8
2004	32.7	80.0	0.6	3.7		0.9	\$1.6			119.5
2005	31.6	77.4	0.6	3.4		0.5	1.6			115.1
2006	30.4	74.3	0.5	3.2		0.3	1.7			110.4
2007	29.2	71.2	0.5	2.9		0.3	2.1			106.2
2008	27.9	68.0	0.4	2.5		0.2	2.3	\$1.2		102.5
2009	26.6	64.4	0.3	2.2		0.1	2.4	0.8		96.8
2010	13.3	60.9	0.2		\$5.1	0.1	2.4	0.5		82.5
2011	11.9	57.2	0.1		4.7		1.3	2.0	\$8.4	85.6

Fiscal Year	Business-Type Activities							Per Capita (a)
	Certificates of Participation	Golf Equipment Lease Obligation	Notes Payable	Total	Total Primary Government	Percentage of Personal Income (a)		
2002	\$2.5	\$0.2	\$0.9	\$3.6	\$134.8	4.05%	\$1,087.67	
2003	2.4	0.1	0.9	3.4	130.2	3.89%	1,044.48	
2004	14.9		1.0	15.9	135.4	4.04%	1,084.45	
2005	14.4		0.7	15.1	130.2	3.74%	1,043.29	
2006	13.9		0.5	14.4	124.8	3.67%	1,002.93	
2007	13.5		0.2	13.7	119.9	3.37%	957.64	
2008	25.4			25.4	127.9	3.46%	1,033.32	
2009	24.6			24.6	121.4	3.29%	974.33	
2010	23.8			23.8	106.3	2.89%	844.56	
2011	22.9			22.9	108.5	2.89%	884.44	

Notes:

Debt amounts exclude any premiums, discounts, or other amortization amounts.

(a) See Demographic and Economic Statistics for personal income and population data.

Sources City of Concord Finance Department

State of California, Department of Finance (population)

U.S. Department of Commerce, Bureau of the Census (income)

**Table 10: Computation of Direct and Overlapping Debt  
As of June 30, 2011**

<b>2010-11 Assessed Valuation</b>			<u>\$12,179,871,230</u>
<b>Adjusted Assessed Valuation</b>			<u>\$10,597,431,628</u>
	<b>Net Debt</b>	<b>Percentage Applicable to City of Concord</b>	<b>Amount Applicable to City of Concord</b>
<b>Overlapping Tax and Assessment Debt</b>	<b>Outstanding</b>	<b>Concord</b>	<b>Concord</b>
Bay Area Rapid Transit District	\$413,865,000	2.435%	\$10,077,613
Contra Costa Community College District	237,095,000	8.491%	20,131,736
Mt. Diablo Unified School District	319,325,057	40.382%	128,949,845
Mt. Diablo Unified School District Community Facilities District No. 1	56,445,000	40.382%	22,793,620
East Bay Regional Park District	153,990,000	3.774%	5,811,583
Contra Costa County Reassessment District	2,495,000	7.513%	187,449
<b>Total Overlapping Tax and Assessment Debt</b>	<u>\$1,183,215,057</u>		<u>\$187,951,846</u>
<b>Direct and Overlapping General Fund Obligation Debt</b>			
City of Concord General Fund Obligations	13,390,000	100.000%	13,390,000
Contra Costa County General Fund Obligations	319,867,903	8.456%	27,048,030
Contra Costa County Pension Obligations	399,840,000	8.456%	33,810,470
Contra Costa County Fire Protection District Pension Obligations	116,240,000	18.866%	21,929,838
Contra Costa Community College District Certificates of Participation	925,000	8.491%	78,542
<b>Total Gross Direct and Overlapping General Fund Obligation Debt</b>	<u>\$850,262,903</u>		<u>\$96,256,881</u>
Less: Contra Costa County self supporting obligations			<u>10,252,908</u>
<b>Total Net Direct and Overlapping General Fund Obligation Debt</b>			<u>\$86,003,973</u>
<b>Gross Combined Total Debt</b>			<u>\$284,208,726</u>
<b>Net Combined Total Debt</b>			<u>\$273,955,818 (a)</u>
<b>Ratio to 2010-11 Assessed Valuation</b>			
Total Overlapping Tax and Assessment Debt	1.54%		
<b>Ratios to 2010-11 Adjusted Assessed Valuation</b>			
Total Direct Debt	0.13%		
Gross Combined Total Debt	2.68%		
Net Combined Total Debt	2.59%		

Note:

(a) Excludes Tax and Revenue Anticipation Notes, Enterprise Revenue, Mortgage Revenue and Tax Allocation Bonds and Non-Bonded Capital Lease Obligations.

Source: California Municipal Statistics, Inc.

**Table 11: Computation of Legal Bonded Debt Margin  
As of June 30, 2011 (Dollars in Thousands)**

**Assessed Valuation:**

Secured Property Assessed Value, Net of  
Exempt Real Property

\$12,713,509

Bonded Debt Limit (15% of Assessed Value) (a)

\$1,907,026

**Amount of Debt Subject to Limit:**

Total Bonded Debt

\$0

Less Tax Allocation Bonds and Sales Tax Revenue

Bonds, Certificate of Participation Not Subject to Limit

0

Amount of Debt Subject to Limit

0

**Legal Bonded Debt Margin**

\$1,907,026

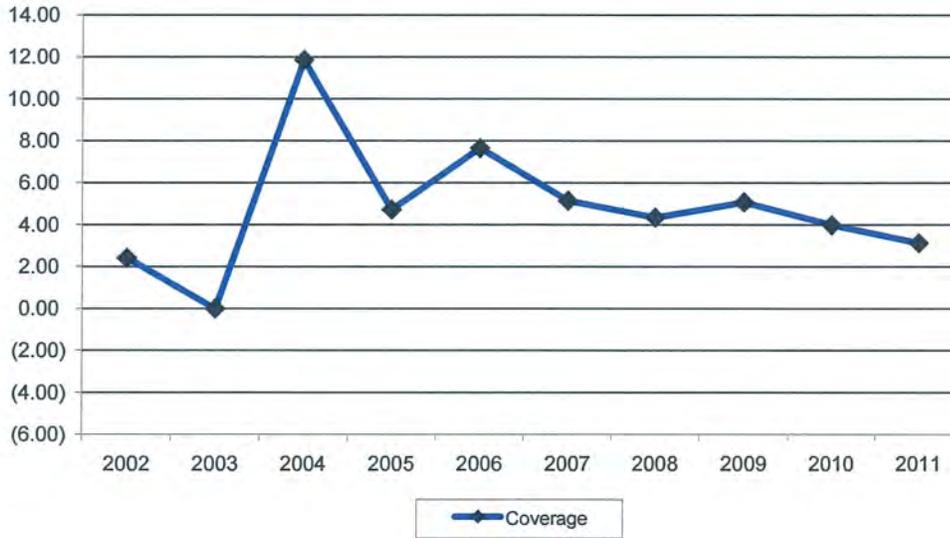
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2002	\$1,304,843	0	\$1,304,843	0.00%
2003	1,395,530	0	1,395,530	0.00%
2004	1,506,963	0	1,506,963	0.00%
2005	1,613,753	0	1,613,753	0.00%
2006	1,690,397	0	1,690,397	0.00%
2007	1,887,236	0	1,887,236	0.00%
2008	2,100,419	0	2,100,419	0.00%
2009	2,094,676	0	2,094,676	0.00%
2010	1,936,578	0	1,936,578	0.00%
2011	1,907,026	0	1,907,026	0.00%

Note:

- (a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value.

Source: City of Concord Finance Department

**Table 12: Sewer Revenue Bonds Coverage Last Ten Fiscal Years**

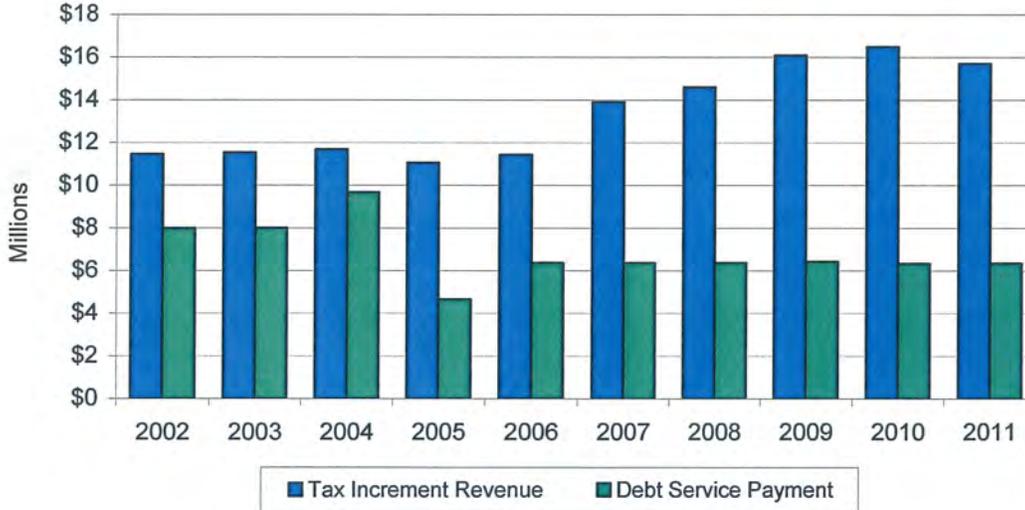


Fiscal Year	Gross Revenue (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2002	\$12,559,526	\$11,470,818	\$1,088,708	\$450,000	-	\$450,000	2.42
2003	14,581,213	11,719,429	2,861,784	-	-	-	-
2004	14,572,312	12,309,611	2,262,701	-	190,709	190,709	11.86
2005	15,270,609	11,448,079	3,822,530	330,000	479,632	809,632	4.72
2006	18,157,899	11,901,646	6,256,253	345,000	472,193	817,193	7.66
2007	17,104,858	12,843,396	4,261,462	355,000	471,126	826,126	5.16
2008	19,392,829	13,384,062	6,008,767	780,000	600,827	1,380,827	4.35
2009	19,103,188	10,684,653	8,418,535	680,000	979,116	1,659,116	5.07
2010	19,342,835	12,712,533	6,630,302	705,000	956,729	1,661,729	3.99
2011	18,634,919	13,417,715	5,217,204	730,000	932,954	1,662,954	3.14

Notes: (a) Includes all Wastewater Operating Revenues, Non-Operating Interest Revenue, Connection Fees and Other Non-Operating Revenue.  
 (b) Includes all Wastewater Operating Expenses less Capital Improvement Expense, Depreciation and Interest.

Source: City of Concord Annual Financial Statements

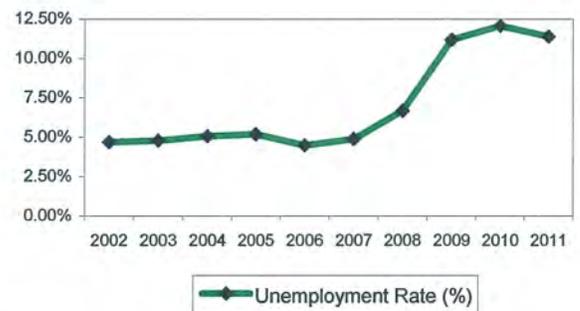
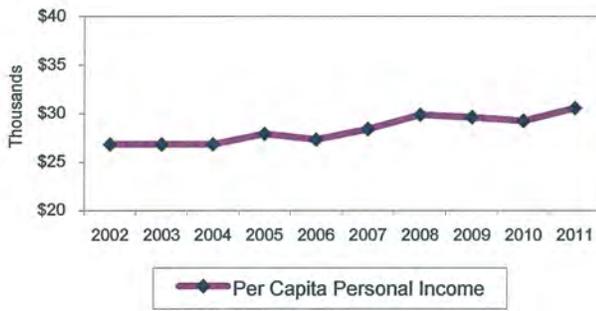
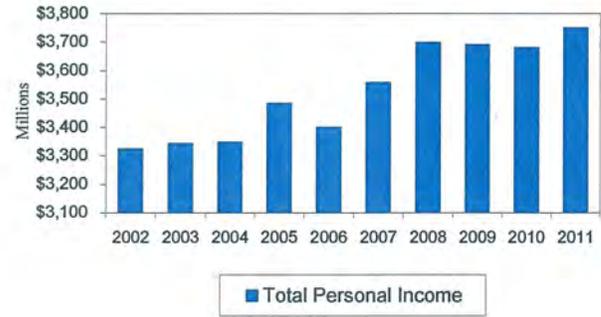
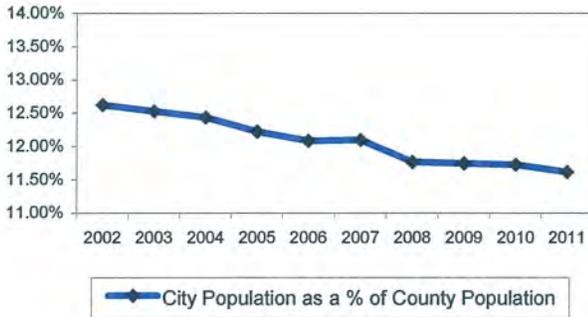
**Table 13: Bonded Debt Pledged Revenue Coverage, 1988, 1993 & 2004 Tax Allocation Bonds Last Ten Fiscal Years**



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2002	\$11,458,517	\$3,580,000	\$4,421,029	\$8,001,029	1.43
2003	11,545,583	3,620,000	4,396,812	8,016,812	1.44
2004	11,693,425	3,665,000	6,013,235	9,678,235	1.21
2005	11,058,396	2,950,000	1,716,712	4,666,712	2.37
2006	11,428,431	3,220,000	3,155,171	6,375,171	1.79
2007	13,904,384	3,265,000	3,102,146	6,367,146	2.18
2008	14,598,613	3,390,000	2,986,571	6,376,571	2.29
2009	16,086,969	3,530,000	2,899,771	6,429,771	2.50
2010	16,492,512	3,540,000	2,808,771	6,348,771	2.60
2011	15,699,754	3,690,000	2,664,171	6,354,171	2.47

Source: City of Concord Annual Financial Statements

**Table 14: Demographic and Economic Statistics Last Ten Fiscal Years**



Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate	Contra Costa County Population	City Population % of County
2002	123,935	\$3,324,533,759	\$26,825	4.7%	981,600	12.63%
2003	124,655	3,343,847,628	26,825	4.8%	994,900	12.53%
2004	124,856	3,349,239,416	26,825	5.1%	1,003,800	12.44%
2005	124,798	3,484,323,723	27,920	5.2%	1,020,898	12.22%
2006	124,436	3,400,903,754	27,331	4.5%	1,029,377	12.09%
2007	125,203	3,559,134,392	28,427	4.9%	1,034,874	12.10%
2008	123,776	3,699,669,661	29,890	6.7%	1,051,674	11.77%
2009	124,599	3,692,159,331	29,632	11.2%	1,060,435	11.75%
2010	125,864	3,681,648,000	29,251	12.1%	1,073,055	11.73%
2011	122,676	3,750,984,044	30,576	11.4%	1,056,064	11.62%

Sources: State of California, Department of Finance  
The HdL Companies

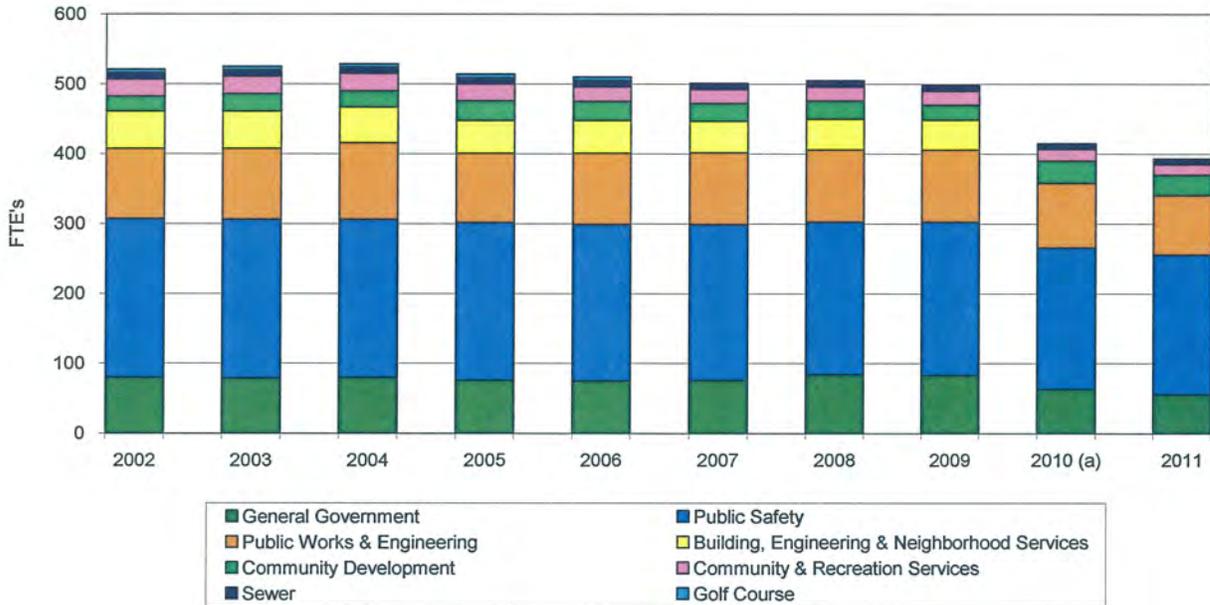
**Table 15: Principal Employers  
Calendar Year 2011**

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Mt. Diablo Unified School District	4,320	1	7.0%
Bank of America Technology Center	2,500	2	4.1%
Wells Fargo Credit Center	1,500	3	2.4%
John Muir Medical Center	1,100	4	1.8%
Chevron Corporation	950	5	1.5%
PG & E	950	6	1.5%
Conco Cement	549	7	0.9%
Safeway	460	8	0.8%
Adecco Employment Services	400	9	0.7%
Macy's Concord	400	10	0.7%
Subtotal	<u>13,129</u>		<u>21.4%</u>
Total City Day Population	<u>61,300</u>		

Note: Information about Principal Employers was not available prior to 2005-06.

Source: City of Concord Planning and Economic Development Department

**Table 16: Full-Time Equivalent (FTE) City Government Employees by Function Last Ten Fiscal Years**



Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010 (a)	2011
General Government	80	79	80	76	75	76	84	83	63	56
Public Safety	227	227	226	226	224	223	219	220	203	200
Public Works & Engineering	101	102	110	99	102	103	103	103	92	85
Building, Engineering & Neighborhood Services	53	53	51	47	47	45	44	43		
Community Development	21	25	23	28	27	25	26	21	32	29
Community & Recreation Services	25	25	25	24	21	20	20	20	17	15
Sewer	9	9	9	9	9	9	9	9	8	8
Golf Course	5	5	5	5	5					
<b>Total</b>	<b>521</b>	<b>525</b>	<b>529</b>	<b>514</b>	<b>510</b>	<b>501</b>	<b>505</b>	<b>499</b>	<b>415</b>	<b>393</b>

Source: City of Concord Adopted Budget

Note:

(a) In Fiscal Year 2010, Building, Engineering & Neighborhood Services was reorganized into Public Works & Engineering Department; and Planning & Economic Department was reorganized into Community Development Department.

**Table 17: Operating Indicators by Function/Program  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public Safety</b>										
Police:										
Number of Public Contacts	31,504	23,638	21,053	21,198	19,522	18,304	17,693	17,845	23,657	25,740
Police Calls for Service (a)	54,490	55,148	57,341	59,404	55,808	53,793	49,309	54,480	53,780	93,201
Law Violations:										
Part I Crimes	N/A	641	634	650	772	1,237	6,223	5,817	4,992	4,210
Physical Arrests (Adult and Juvenile)	N/A	3,368	3,803	3,550	3,331	4,081	3,758	4,504	3,903	3,642
Parking Violations	4,919	5,237	5,042	7,745	11,741	10,042	10,400	17,132	13,299	8,670
<b>Public Works</b>										
Street Resurfacing (millions of square feet)	4	11	6	7	8	6	6	7	2	1
Potholes Repaired	381	231	30	86	513	115	162	437	496	410
<b>Culture and Recreation</b>										
Community Services:										
Recreation Class Participants	N/A	3,143	2,970	2,977	4,089	5,030	5,299	4,826	3,935	3,534
Senior Center Activity/Event Participants	N/A	N/A	8,544	10,835	11,930	11,935	17,039	19,486	10,033	14,974
Human Services/Club Activity Participants	N/A	N/A	66,456	66,557	92,519	83,322	90,332	93,192	59,028	50,111
Library:										
Volumes in Collection (thousands)	79,503	79,880	79,240	80,653	80,155	87,089	92,413	96,462	92,703	91,984
Total Volumes Borrowed (thousands)	252,395	260,252	280,906	275,550	294,227	285,227	308,978	339,671	356,034	341,719
<b>Wastewater</b>										
Storm Drain Inlets	N/A	N/A	N/A	N/A	5,581	5,600	5,678	5,712	5,712	5,712
Sewer Overflows	N/A	47	24	21	26	16	12	19	17	16
Average Daily Pumping (millions of gallons)	12.24	12.26	12.24	11.28	14.01	12.36	13.53	10.75	9.00	(b)

Notes: N/A denotes information not available.

(a) Due to downsizing and closure of field offices, data was tracked differently in 2011 and includes more types of calls resulting in higher numbers than previous years.

(b) Pump station eliminated in 2011.

Source: City of Concord

**Table 18: Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Public Safety</b>										
Police Stations	4	4	4	4	4	4	4	4	2	1
Police Patrol Units (black and whites)	58	58	58	58	58	58	58	57	57	57
<b>Public Works</b>										
Miles of Streets	301	301	301	305	305	305	305	305	308	308
Street Lights	1,441	1,493	1,657	7,978	8,124	8,125	8,179	8,216	8,216	8,216
Traffic Signals	130	130	141	141	141	142	153	154	155	155
<b>Culture and Recreation</b>										
Community Services:										
City Parks	18	18	18	18	18	18	18	18	18	18
City Parks Acreage	379	379	379	379	379	379	379	379	379	379
Playgrounds	14	14	14	14	14	15	15	18	18	18
City Trails	7	7	7	7	7	7	8	8	8	8
Miles of City Trails	18	18	18	18	18	18	19	19	19	19
Roadway Landscaping Acreage	41	41	48	48	48	48	52	52	52	52
Regional Park Acreage	94,740	95,509	96,141	97,134	97,565	97,912	98,880	98,895	103,862	109,969
Regional Park Facilities:										
Golf Courses (18 holes)	1	1	1	1	1	1	1	1	1	1
Banquet Facility	4	4	4	4	4	4	4	4	4	4
Historic House	3	3	3	3	3	3	3	3	3	3
Community Gardens	3	3	3	3	3	3	3	3	3	3
Community Centers	2	2	2	2	2	2	2	2	2	2
Senior Centers	1	1	1	1	1	1	1	1	1	1
Sports Centers	1	1	1	1	1	1	1	1	1	1
Performing Arts Centers	1	1	1	1	1	1	1	1	1	1
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	15	15	15	15	15	15	15	15	15	15
Baseball/Softball Diamonds	9	9	9	9	9	9	9	9	9	9
Soccer/Football Fields	8	8	8	8	8	8	8	8	8	8
Library:										
City Libraries	1	1	1	1	1	1	1	1	1	1
<b>Wastewater</b>										
Sewer Lines (miles)	405	383	405	384	384	384	383	383	383	383

Note: N/A denotes information is not available.

Source: City of Concord

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## MUNICIPAL DEBT CONTINUING DISCLOSURE

### City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Pavilion) Series 1995

- |  |                 |
|--|-----------------|
| a. Summary of Revenues & Expenditures and Changes in Fund Balances | (Table 1)       |
| b. Principal Amount of Bonds Outstanding                           | (CAFR, page 56) |

### City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001

- |  |                  |
|--|------------------|
| a. Balance in the Parking Structure Revenue Fund                           | (Table 2)        |
| b. Balance in the Other Funds and Accounts Held by the City or the Trustee | (Table 3)        |
| c. Principal Amount of Bonds Outstanding                                   | (Table 4)        |
| d. Taxable Sales Transactions  | (Table 5)        |
| e. Taxable Sales Transactions by Type of Business                          | (Table 6)        |
| f. Adopted and Final Budgets for Unrestricted General Fund                 | (Table 7)        |
| g. Summary of Revenues, Expenditures and Changes in Fund Balances          | (Table 8)        |
| h. City's Pooled Investment Portfolio                                      | (Table 9)        |
| i. General Fund - Tax Revenues by Source                                   | (CAFR, page 26)  |
| j. Assessed Value of Taxable Property                                      | (CAFR, page 108) |
| k. Largest Local Secured Property Taxpayers                                | (CAFR, page 110) |
| l. Tax Levies and Collections  | (CAFR, page 111) |

### City of Concord Certificates of Participation (ABAG 41)

- |   |                  |
|---|------------------|
| a. Adopted and Final Budgets for Unrestricted General Fund        | (Table 7)        |
| b. Summary of Revenues, Expenditures and Changes in Fund Balances | (Table 8)        |
| c. City's Pooled Investment Portfolio                             | (Table 9)        |
| d. General Fund – Tax Revenue by Source                           | (CAFR, page 26)  |
| e. Assessed Value of Taxable Property                             | (CAFR, page 108) |
| f. Summary of Investments   | (CAFR, page 42)  |
| g. Principal Amount of Bonds Outstanding                          | (CAFR, page 56)  |
| h. Outstanding Debt and Lease Obligations                         | (CAFR, page 56)  |
| i. Annual Contribution to Public Employees Retirement System      | (CAFR, page 67)  |

### City of Concord Joint Powers Financing Authority Certificates of Participation (2004 Wastewater System Improvement Project) Certificates of Participation (2007 Wastewater System Improvement Project)

- |   |                  |
|---|------------------|
| a. Ten Largest Users of the Wastewater System | (Table 10)       |
| b. Sewer Rates                                | (Table 11)       |
| c. Debt Service Coverage Ratio                | (CAFR, page 115) |
| d. Principal Amount of Bonds Outstanding      | (CAFR, page 56)  |

**Redevelopment Agency of the City of Concord**  
**(Central Concord Redevelopment Project) Tax Allocation Refunding Bonds Series 2004**

- |    |  |                  |
|----|--|------------------|
| a. | Historical Taxable Values and Tax Increment Revenues     | (Table 12)       |
| b. | Largest Property Taxpayers by Assessed Value and Revenue | (Table 13)       |
| c. | Annual Assessed Value Appeals                            | (Table 14)       |
| d. | Tax Revenue Collection                                   | (CAFR, page 116) |
| e. | Principal Amount of Bonds Outstanding                    | (CAFR, page 56)  |

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Pavilion) Series 1995**

**Table 1: Summary of Revenues & Expenditures and Changes in Fund Balances  
Last Five Fiscal Years**

	Fiscal Year Ended June 30,				
	2007	2008	2009	2010	2011
<b>REVENUES:</b>					
Debt Contribution	\$1,698,279	\$1,382,810	\$1,402,201	\$1,100,507	\$800,507
Operating Revenues					
Nonoperating Income	149,580	179,478	141,768	196,179	309,013
Total Revenues	<u>1,847,859</u>	<u>1,562,288</u>	<u>1,543,969</u>	<u>1,296,686</u>	<u>1,109,520</u>
<b>EXPENDITURES:</b>					
Debt Service	1,786,642	1,784,418	1,782,514	10,474,620	967,702
Operating Expenditures					
Nonoperating Expenditures	104,703	125,008	61,126	269,516	104,657
Total Expenditures	<u>1,891,345</u>	<u>1,909,426</u>	<u>1,843,640</u>	<u>10,744,136</u>	<u>1,072,359</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(43,486)</u>	<u>(347,138)</u>	<u>(299,671)</u>	<u>(9,447,450)</u>	<u>37,161</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In		577,067	335,133	1,482,788	
Transfers (Out)					
Total Other Financing Sources (Uses)	<u>0</u>	<u>577,067</u>	<u>335,133</u>	<u>1,482,788</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>(\$43,486)</u>	<u>\$229,929</u>	<u>\$35,462</u>	<u>(\$7,964,662)</u>	<u>\$37,161</u>
Fund Balance at Beginning of Year	1,080,064	1,036,578	1,266,507	1,301,969	(6,662,693)
Fund Balance at End of Year	<u>1,036,578</u>	<u>1,266,507</u>	<u>1,301,969</u>	<u>(6,662,693)</u>	<u>(6,625,532)</u>

Note: In fiscal year 2010, the City purchased \$8.24 million of lease revenue bonds to lower the annual debt service costs.

Source: City of Concord Financial Statements

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001**

**Table 2: Balance in the Parking Structure Revenue Fund  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Use of Money and Property</u>	<u>Principal Retirement</u>	<u>Interest, Fiscal Charges and Cost of Issuance</u>	<u>Proceeds from Debt Issuance</u>	<u>Transfers, Net</u>	<u>Ending Fund Balance</u>
2002	\$14,126	\$0	(\$428,808)	\$0	\$331,110	\$745,725
2003	10,038	(290,000)	(459,112)	0	734,971	741,622
2004	3,988	(300,000)	(447,751)	0	745,337	743,196
2005	14,516	(310,000)	(434,325)	0	735,620	749,007
2006	26,822	(325,000)	(420,539)	0	721,679	751,969
2007	30,488	(335,000)	(405,554)	0	709,568	751,471
2008	15,340	(350,000)	(394,341)	0	714,418	736,888
2009	34,883	(365,000)	(378,224)	0	723,041	751,588
2010	10,399	(380,000)	(362,862)	0	734,483	753,608
2011	7,428	(395,000)	(346,521)	0	733,392	752,907

Source: City of Concord Financial Statements

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001**

**Table 3: Balance in the Other Funds and Accounts Held by the City or the Trustee  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Use of Money and Property</u>	<u>Proceeds from Debt Issuance</u>	<u>Transfers, Net</u>	<u>Capital Outlay</u>	<u>Ending Fund Balance</u>
2002	\$145,118	\$0	\$47,120	\$5,618,783	\$686,320
2003	11,393	0	31	518,057	179,687
2004	0	0	0	0	179,687
2005	67,646	0	(247,333)	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0

Source: City of Concord Financial Statements

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001**

**Table 4: Principal Amount of Bonds Outstanding  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Principal Retired</u>	<u>Principal Outstanding</u>
2002		\$9,580,000
2003	\$290,000	9,290,000
2004	300,000	8,990,000
2005	310,000	8,680,000
2006	325,000	8,355,000
2007	335,000	8,020,000
2008	350,000	7,670,000
2009	365,000	7,305,000
2010	380,000	6,925,000
2011	395,000	6,530,000

Source: City of Concord Financial Statements

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001**

**Table 5: Taxable Sales Transactions  
Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Number of Permits</u>	<u>Taxable Sales Transactions</u>
2001	3,281	\$2,230,072,000
2002	3,354	2,426,439,000
2003	3,388	2,575,981,000
2004	3,400	2,566,498,000
2005	3,651	2,641,740,100
2006	3,559	2,566,273,900
2007	3,530	2,516,666,300
2008	3,460	2,356,818,900
2009	3,399	2,089,936,000
2010	3,388	2,050,987,900

Sources: California State Board of Equalization  
The HdL Companies

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001**

**Table 6: Taxable Sales Transactions by Type of Business  
Calendar Year 2010 (Dollars in Thousands)**

<u>Type of Business</u>	<u>Number of Permits</u>	<u>Taxable Sales Transactions</u>
Autos and Transportation	376	\$483,598
Building and Construction	200	258,437
Business and Industry	850	204,681
Food and Drugs	138	109,567
Fuel and Service Stations	52	143,265
General Consumer Goods	1,427	686,232
Restaurants and Hotels	343	165,592
Transfers & Unidentified	2	(385)
<b>Total Outlets</b>	<b><u>3,388</u></b>	<b><u>\$2,050,988</u></b>

Sources: California State Board of Equalization  
The HdL Companies

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001  
Certificates of Participation (ABAG 41)**

**Table 7: Adopted and Final Budgets for Unrestricted General Fund  
Fiscal Years 2010-11 and 2011-12**

	<b>2010-11 Adopted General Fund Budget</b>	<b>2010-11 Final General Fund Budget</b>	<b>2011-12 Adopted General Fund Budget</b>
<b>REVENUES:</b>			
Taxes	\$51,027,000	\$51,027,000	\$60,749,759
Licenses and Permits	1,214,799	1,214,799	1,291,005
Intergovernmental	687,500	687,500	650,500
Charges for Current Services	9,722,114	9,722,114	9,578,982
Fines and Forfeitures	1,096,392	1,096,392	1,037,238
Use of Money and Property	646,100	646,100	649,080
Other	374,562	374,562	772,619
<b>Total Revenues</b>	<b>64,768,467</b>	<b>64,768,467</b>	<b>74,729,183</b>
<b>EXPENDITURES:</b>			
Current:			
Salaries and Benefits	50,784,190	50,979,190	51,973,472
Operating Expenditures	10,163,057	10,615,962	9,173,770
Fixed Charges	10,174,619	10,174,619	9,006,215
<b>Total Expenditures</b>	<b>71,121,866</b>	<b>71,769,771</b>	<b>70,153,457</b>
Excess (Deficiency) of Revenues Over Expenditures	(6,353,399)	(7,001,304)	4,575,726
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	171,581	295,047	1,951,103
Transfers (Out)	50,910	(658,456)	(1,263,797)
<b>Total Other Financing Sources (Uses)</b>	<b>222,491</b>	<b>(363,409)</b>	<b>687,306</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(6,130,908)	(7,364,713)	5,263,032
Fund Balance at Beginning of Year	10,360,001	6,098,853	6,235,001
Fund Balance at End of Year	<u>\$4,229,093</u>	<u>(\$1,265,860)</u>	<u>\$11,498,033</u>

Sources: City of Concord Financial Statements and Adopted Budget

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001  
Certificates of Participation (ABAG 41)**

**Table 8: Summary of Revenues, Expenditures and Changes in Fund Balances  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,				
	2002	2003	2004	2005	2006
<b>REVENUES:</b>					
Taxes	\$43,116,810 (1)	\$45,827,687	\$46,721,417	\$47,698,542	\$56,102,956
Licenses and Permits	1,772,720	1,728,767	1,540,358	1,538,066	1,671,153
Intergovernmental	9,502,433	9,576,061	9,123,025	9,742,965	1,403,045
Charges for Current Services	5,495,808	5,396,382	6,057,346	6,112,694	7,016,914
Fines and Forfeitures	514,190	454,200	583,533	671,137	787,598
Parks and Recreation	2,079,835	2,143,019	2,117,718	2,420,106	2,585,962
Use of Money and Property	2,446,186	1,228,700	618,363	1,166,428	1,465,897
Other	200,872	156,503	335,466	198,408	332,986
<b>Total Revenues</b>	<b>65,128,854</b>	<b>66,511,319</b>	<b>67,097,226</b>	<b>69,548,346</b>	<b>71,366,511</b>
<b>EXPENDITURES:</b>					
Current:					
General Government	10,006,177	10,876,499	11,659,213	8,791,670	10,331,725
Public Safety	26,736,545	28,687,140	29,977,656	35,442,623	36,860,686
Public Works & Engineering	3,170,375	2,678,363	2,744,650	7,889,828	8,315,970
Building, Engineering & Neighborhood Services	2,092,787	1,665,332	1,307,734	1,303,665	4,691,323
Community Development	3,717,847	3,907,888	4,457,583	4,946,941	1,513,787
Community & Recreation Services	9,664,763	11,556,586	12,615,468	5,669,750	5,767,138
Non-Departmental					
Capital Outlay	5,743,841	7,973,788	4,403,253	0	0
<b>Total Expenditures</b>	<b>61,132,335</b>	<b>67,345,596</b>	<b>67,165,557</b>	<b>64,044,477</b>	<b>67,480,629</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,996,519</b>	<b>(834,277)</b>	<b>(68,331)</b>	<b>5,503,869</b>	<b>3,885,882</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In		5,713,804	560,018	837,530	694,061
Transfers (Out)	1,556,452	(2,097,835)	(98,583)	(3,272,716)	(12,113,187)
Sale of Fixed Assets	(4,108,346)	886,435	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(2,551,894)</b>	<b>4,502,404</b>	<b>461,435</b>	<b>(2,435,186)</b>	<b>(11,419,126)</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>1,444,625</b>	<b>3,668,127</b>	<b>393,104</b>	<b>3,068,683</b>	<b>(7,533,244)</b>
Fund Balance at Beginning of Year	31,007,381 (1)	32,452,006	36,120,133	36,513,237	39,581,920
<b>Fund Balance at End of Year</b>	<b>\$32,452,006</b>	<b>\$36,120,133</b>	<b>\$36,513,237</b>	<b>\$39,581,920</b>	<b>\$32,048,676</b>

## Notes:

(1) In Fiscal Year 2003, the City restated sales tax revenues in accordance with GASB 33. The effect of this restatement was not carried back to years prior to Fiscal Year 2001.

(2) The City underwent reorganization in 2005, 2006 and 2010.

Source: City of Concord Financial Statements

## Fiscal Year Ended June 30,

2007	2008	2009	2010	2011
\$61,059,439	\$60,165,471	\$55,544,816	\$52,029,984	\$53,425,251
1,661,706	1,149,753	1,262,916	1,127,710	1,194,147
1,105,917	959,923	808,849	647,814	939,964
6,989,030	6,312,313	7,271,613	6,615,092	6,782,831
920,845	993,105	1,044,448	826,815	775,197
2,678,282	3,006,184	2,869,639	2,895,408	2,692,712
1,577,463	1,571,499	1,083,367	235,178	211,982
203,118	315,337	540,540	411,299	684,553
<u>76,195,800</u>	<u>74,473,585</u>	<u>70,426,188</u>	<u>64,789,300</u>	<u>66,706,637</u>
12,370,595	12,258,475	11,567,366	11,481,742	10,500,718
38,056,048	39,945,559	42,592,777	41,133,055	40,106,984
8,228,093	8,798,826	9,050,960	9,881,512	8,510,769
4,649,666	6,255,946	5,592,315	0	0
1,744,610	1,838,002	1,736,656	4,150,460	3,799,918
6,138,323	7,382,172	7,167,464	6,404,528	5,580,991
			48,811	59,449
0	0	0	0	0
<u>71,187,335</u>	<u>76,478,980</u>	<u>77,707,538</u>	<u>73,100,108</u>	<u>68,558,829</u>
5,008,465	(2,005,395)	(7,281,350)	(8,310,808)	(1,852,192)
166,562	541,298	2,482,510	680,927	13,816,643
(3,682,786)	(2,339,427)	(1,136,854)	(10,072,965)	(1,022,893)
0				
<u>(3,516,224)</u>	<u>(1,798,129)</u>	<u>1,345,656</u>	<u>(9,392,038)</u>	<u>12,793,750</u>
1,492,241	(3,803,524)	(5,935,694)	(17,702,846)	10,941,558
32,048,676	33,540,917	29,737,393	23,801,699	6,098,853
<u>\$33,540,917</u>	<u>\$29,737,393</u>	<u>\$23,801,699</u>	<u>\$6,098,853</u>	<u>\$17,040,411</u>

**City of Concord Joint Powers Financing Authority  
Lease Revenue Bonds (Concord Avenue Parking Structure) Series 2001  
Certificates of Participation (ABAG 41)**

**Table 9: City's Pooled Investment Portfolio  
Fiscal Year Ended June 30, 2011**

<u>Investment</u>	<u>Carrying Value</u>	<u>Percent of Portfolio</u>	<u>Yield/360-Day Year Equivalent</u>
Local Agency Investment Fund	\$37,227,539	46.34%	0.442%
Money Market Fund			
- Checking Account	25,000	0.03%	0.010%
Federal Agency Issues - Coupon	37,026,350	46.08%	1.762%
Miscellaneous Securities - Coupon	6,075,134	7.56%	2.117%
<b>Total Investments</b>	<b>\$80,354,023</b>	<b>100.00%</b>	<b>1.177%</b>

Note: Excludes Redevelopment Agency investments and cash and investment with fiscal agent.

Source: City of Concord Finance Department

**City of Concord Joint Powers Financing Authority  
Certificates of Participation (2004 and 2007 Wastewater System Improvement Projects)**

**Table 10: Ten Largest Users of the Wastewater System  
12 Months through June 30, 2011**

	<u>Customers</u>	<u>Type of Use</u>	<u>Percent</u>
1.	Killarney Properties	300 Apartments	0.51%
2.	Mt. Diablo Unified School District	30 School Sites	0.51%
3.	John Muir Medical Center	Hospital & Medical Campus	0.50%
4.	Concord Family Apartments, LP	291 Apartments	0.49%
5.	U.S. Coast Guard	289 Dwelling Units	0.49%
6.	Concord Gardens Mobile Home Park	260 Mobile Homes & Rec. Bldg.	0.44%
7.	Evilsizor, John L & Mary A	218 Apartments	0.37%
8.	Clayton Creek Partnership	208 Apartments	0.35%
9.	Concord Homes, Inc.	196 Senior Apartments	0.33%
10.	Concord Mobile Home Park	194 Mobile Homes	0.33%

Source: City of Concord Public Works Department

**City of Concord Joint Powers Financing Authority  
Certificates of Participation (2004 and 2007 Wastewater System Improvement Projects)**

**Table 11: Sewer Rates for Fiscal Year 2010-11**

<b>RESIDENTIAL OWNERS</b>		
1.	Minimum rate for any premises	\$306.00
2.	Each single-family dwelling unit	306.00
3.	Each dwelling unit in a multiple dwelling structure	306.00 per unit
4.	Mobile Home Park	306.00 per space
<b>COMMERCIAL OWNERS - Charge based upon quantity of water used in cubic feet</b>		
1.	Minimum rate for any premises	\$306.00
2.	Bowling Alleys	2.70/100 cu. ft.
3.	Car Washes	2.70/100 cu. ft.
4.	Health Studios and Gymnasiums	2.70/100 cu. ft.
5.	Hospitals - Convalescent	2.70/100 cu. ft.
6.	Multiple Lodging Structures (hotels, motels and rooming houses)	2.70/100 cu. ft.
7.	Laundromats and Laundries	2.70/100 cu. ft.
8.	Restaurants	5.38/100 cu. ft.
	Restaurants with pretreatment facilities approved annually	3.06/100 cu. ft.
9.	Bakeries	Determined Individually
10.	All others	3.06/100 cu. ft.
<b>INSTITUTIONAL OWNERS</b>		
1.	Minimum rate for any premises	\$306.00
2.	As defined in Section 110-31, except for Convalescent Hospitals	3.06/100 cu. ft.
<b>INDUSTRIAL OWNERS - Charge based upon quantity of water used and quality of effluent</b>		
1.	Minimum rate for any premises	\$306.00
2.	Flow/Million Gallons	2,374.00
3.	Biochemical Oxygen Demand (B.O.D.) per thousand pounds	558.00
4.	Suspended Solid (S.S.) per thousand pounds	475.00
<b>SPECIAL DISCHARGE PERMITS, AS ISSUED BY THE DISTRICT</b>		
1.	Charge based upon quantity of water used and quality of effluent	Determined Individually
<b>SPECIAL CONTRACTUAL AGREEMENT</b>		Determined Individually

Note: The sewer service charges are set by separate City Ordinance under Concord Municipal Code Section 110-32(c).

**Redevelopment Agency of the City of Concord  
(Central Concord Redevelopment Project) Tax Allocation Refunding Bonds Series 2004**

**Table 12: Historical Taxable Values and Tax Increment Revenues  
Last Five Fiscal Years**

	Fiscal Year Ended June 30,				
	2007	2008	2009	2010	2011
Total Assessed Values	\$1,471,696,910	\$1,819,494,204	\$1,928,971,785	\$1,993,649,908	\$1,919,564,703
Base Year Values	106,437,552	339,585,818	339,585,818	339,585,818	339,585,818
Incremental Assessed Values	1,365,259,358	1,479,908,386	1,589,385,967	1,654,064,090	1,579,978,885
Incremental Property Taxes	14,993,137	15,809,457	17,702,810	17,848,718	16,897,662
Less:					
Educational Revenue Augmentation Fund					
Tax Increment Pass Through	(254,361)	(840,484)	(1,238,338)	(1,160,646)	(851,108)
Tax Increment Rebate	(834,392)	(370,360)	(377,503)	(195,560)	(346,800)
<b>Net Tax Revenues</b>	<b>\$13,904,384</b>	<b>\$14,598,613</b>	<b>\$16,086,969</b>	<b>\$16,492,512</b>	<b>\$15,699,754</b>

Source: City of Concord Redevelopment Agency

**Redevelopment Agency of the City of Concord  
(Central Concord Redevelopment Project) Tax Allocation Refunding Bonds Series 2004**

**Table 13: Largest Property Taxpayers by Assessed Value and Revenue  
Fiscal Year 2010-11**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2009-10 Assessed Value</u>	<u>2010-11 Assessed Value</u>	<u>2010-11 Projected Revenue (1)</u>
1.	Bank of America	Office Building	\$177,946,959	\$178,036,451	\$1,780,365
2.	Chevron USA, Inc.	Office Building	136,688,115	122,625,457	1,226,255
3.	Sierra Pacific Properties, Inc.	Office Building	101,339,479	101,099,302	1,010,993
4.	Rreef America REIT III Corporation	Office Building	68,530,219	98,889,937	988,899
5.	Seecon Financial & Construction Co.	Office Building	54,238,926	81,269,752	812,698
6.	Concord Airport Plaza Associates	Office Building	66,856,098	66,697,646	666,976
7.	EQR/Legacy Partners LLC	Apartments	52,467,884	52,214,258	522,143
8.	Signature at Renaissance Square	Apartments	54,260,224	49,603,221	496,032
9.	Willows Center Concord	Shopping Center	44,771,484	44,693,474	446,935
10.	Lowes HIW Inc	Commercial	22,226,680	33,793,960	337,940
	<b>Total</b>		<b><u>\$779,326,068</u></b>	<b><u>\$828,923,458</u></b>	<b><u>\$8,289,235</u></b>

**Note:**

(1) Projected Revenue is calculated using the 1% Basic County Wide Levy Rate.

Source: California Municipal Statistics, Inc.

**Redevelopment Agency of the City of Concord  
(Central Concord Redevelopment Project) Tax Allocation Refunding Bonds Series 2004**

**Table 14: Annual Assessed Value Appeals  
Last Five Fiscal Years**

	<u>Fiscal Year 2006-07</u>	<u>Fiscal Year 2007-08</u>	<u>Fiscal Year 2008-09</u>	<u>Fiscal Year 2009-10</u>	<u>Fiscal Year 2010-11</u>
Appeals Filed	11	35	55	122	57
Appeals Resolved to Date		28	29	31	33
Appeals Pending	11	7	26	91	24
Values of Appeals Pending	\$50,421,951	\$143,462,568	\$216,479,922	\$1,134,104,612	\$375,576,330

Note: Information about Annual Assessed Value Appeals was not available for years prior to 2006-07.

Source: Contra Costa County Assessor's Office

# CONCORD, CALIFORNIA

## BAY AREA MAP

