

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 former 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, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 3)	\$60,105,899	\$31,826,399	\$91,932,298
Cash with Fiscal Agents (Note 3)	4,476,617	252,676	4,729,293
Receivables (Net of Allowances for Uncollectibles):			
Accounts	3,435,506	52,308	3,487,814
Due from Other Governments	10,753,375		10,753,375
Interest	261,607	3,313	264,920
Loans and Notes, Net of Reserves (Note 5)	34,421,220		34,421,220
Employee Computer Loans (Note 6)	102		102
Inventories	75,944		75,944
Prepaid Items and Other Assets	97,874	40,912	138,786
Internal Balances (Note 4)	(2,764,278)	2,764,278	
Investment in Joint Venture (Note 16)	1,919,376		1,919,376
Net OPEB Asset (Note 13)	7,755,519		7,755,519
Capital Assets (Note 7):			
Land and Construction In Progress	25,617,611	1,718,382	27,335,993
Depreciable Capital Assets, Net of Accumulated Depreciation	629,996,491	76,187,957	706,184,448
Total Assets	<u>776,152,863</u>	<u>112,846,225</u>	<u>888,999,088</u>
LIABILITIES			
Accounts, Deposits and Contracts Payable	6,661,739	13,851,782	20,513,521
Accrued Liabilities	2,389,280	24,019	2,413,299
Interest Payable	322,870	394,185	717,055
Refundable Deposits	4,424,920		4,424,920
Unearned Revenue	652,382		652,382
Net Pension Obligation (Note 10):			
Due in More Than One Year	4,445,843		4,445,843
Compensated Absences (Note 1)			
Due in One Year	2,379,647	31,571	2,411,218
Due in More Than One Year	1,572,060	73,879	1,645,939
Claims Payable (Note 15):			
Due in One Year	2,491,329		2,491,329
Due in More Than One Year	6,530,715		6,530,715
Long-Term Debt (Note 8):			
Due in One Year	1,727,002	940,000	2,667,002
Due in More Than One Year	14,396,684	21,130,000	35,526,684
Total Liabilities	<u>47,994,471</u>	<u>36,445,436</u>	<u>84,439,907</u>
NET ASSETS (Note 9)			
Invested in Capital Assets, Net of Related Debt	643,967,033	56,121,427	700,088,460
Restricted for:			
Capital Projects	21,296,898		21,296,898
Debt Service	4,685,903		4,685,903
Community Development Projects	38,694,810		38,694,810
Total Restricted Net Assets	<u>64,677,611</u>		<u>64,677,611</u>
Unrestricted Net Assets	<u>19,513,748</u>	<u>20,279,362</u>	<u>39,793,110</u>
Total Net Assets	<u>\$728,158,392</u>	<u>\$76,400,789</u>	<u>\$804,559,181</u>

See accompanying notes to financial statements

CITY OF CONCORD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$13,101,551	\$1,553,733			(\$11,547,818)		(\$11,547,818)
Public Safety	43,363,091	1,635,124	\$327,926		(41,400,041)		(41,400,041)
Public Works	32,023,754	8,528,881	4,940,626	\$5,790,217	(12,764,030)		(12,764,030)
Community and Economic Development	10,592,117	548,425	1,159,478		(8,884,214)		(8,884,214)
Parks & Recreation Services	6,979,013	3,019,879	1,498,806	796,608	(1,663,720)		(1,663,720)
Interest on Long-Term Debt	3,334,049				(3,334,049)		(3,334,049)
Total Governmental Activities	109,393,575	15,286,042	7,926,836	6,586,825	(79,593,872)		(79,593,872)
Business-Type Activities:							
Sewer	23,196,668	19,359,526				(\$3,837,142)	(3,837,142)
Golf Course	1,313,458	1,382,491				69,033	69,033
Total Business-Type Activities	24,510,126	20,742,017				(3,768,109)	(3,768,109)
Total	\$133,903,701	\$36,028,059	\$7,926,836	\$6,586,825	(79,593,872)	(3,768,109)	(83,361,981)
General Revenues:							
Taxes							
Property Taxes					19,353,337		19,353,337
Sales Taxes					33,855,151		33,855,151
Motor Vehicle In Lieu, Unrestricted					8,117,461		8,117,461
Transient Occupancy Taxes					1,478,874		1,478,874
Business License Taxes					3,377,278		3,377,278
Other Taxes					4,784,146		4,784,146
Investment Earnings					623,823	286,744	910,567
Miscellaneous Revenues						37,500	37,500
Extraordinary Item (Note 18)							
Assets transferred to/liabilities assumed by Successor Agency					20,298,845		20,298,845
Total General Revenues					91,888,915	324,244	92,213,159
Change in Net Assets					12,295,043	(3,443,865)	8,851,178
Net Assets - Beginning					715,863,349	79,844,654	795,708,003
Net Assets - Ending					\$728,158,392	\$76,400,789	\$804,559,181

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 2012. 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.

Concord Housing – The Concord Housing Fund accounts for the activities related to the assets assumed by the City of Concord as the Housing Successor to the housing activities of the former Redevelopment Agency of the City of Concord.

Redevelopment Agency – The Redevelopment Agency Fund accounts for all activities of the former 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. As discussed in Note 18, the Redevelopment Agency was dissolved, effective February 1, 2012, and the balances of this fund were transferred to the Successor Agency.

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, 2012

	General	Concord Housing	Former Redevelopment Agency	General Projects	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and Investments (Note 3)	\$19,506,980	\$203,301			\$19,524,125	\$39,234,406
Cash with Fiscal Agents (Note 3)				\$3,660,899	815,718	4,476,617
Receivables (Net of Allowances for Uncollectibles):						
Accounts	2,231,513			180,530	971,259	3,383,302
Due from Other Governments	5,795,648			3,020,401	1,937,326	10,753,375
Interest	256,964					256,964
Due from Other Funds (Note 4)	2,032,291					2,032,291
Loans and Notes (Note 5)		31,723,400			2,697,820	34,421,220
Employee Computer Loans (Note 6)	102					102
Inventories	75,944					75,944
Prepaid Items and Other Assets						
Advances to Other Funds (Note 4)	1,862,573	3,000,000			397,500	5,260,073
Investment in Partnership (Note 16)		1,919,376				1,919,376
Total Assets	\$31,762,015	\$36,846,077		\$6,861,830	\$26,343,748	\$101,813,670
LIABILITIES:						
Accounts, Deposits and Contracts Payable	\$3,627,555	\$1,098		\$2,768,365	\$221,646	\$6,618,664
Accrued Liabilities	2,097,294			13,716	447,182	2,558,192
Due to Other Funds (Note 4)				244,268	166,936	411,204
Refundable Deposits	4,424,920					4,424,920
Deferred Revenue	435,208	5,945,674		4,717,649	4,496,029	15,594,560
Advances from Other Funds (Note 4)	8,550,000				1,529,973	10,079,973
Total Liabilities	19,134,977	5,946,772		7,743,998	6,861,766	39,687,513
FUND BALANCES:						
Fund Balances: (Note 9)						
Nonspendable	2,188,620					2,188,620
Restricted		30,899,305			18,660,039	49,559,344
Assigned	7,571,120				976,992	8,548,112
Unassigned	2,867,298			(882,168)	(155,049)	1,830,081
TOTAL FUND BALANCES	12,627,038	30,899,305		(882,168)	19,481,982	62,126,157
Total Liabilities and Fund Balances	\$31,762,015	\$36,846,077		\$6,861,830	\$26,343,748	\$101,813,670

See accompanying notes to financial statements

CITY OF CONCORD
 Reconciliation of the
 GOVERNMENTAL FUNDS - BALANCE SHEET
 with the
 STATEMENT OF NET ASSETS
 JUNE 30, 2012

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS \$62,126,157

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. 655,614,102

ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS

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

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

Cash and Investments	20,871,493
Accounts Receivable	52,204
Interest Receivable	4,643
Prepaid Items	97,874
Advance to Other Funds	2,000,000
Net OPEB Asset	7,755,519
Accounts Payable	(43,075)
Due to Other Funds	(1,565,465)
Claims Payable	(9,022,044)

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. 15,178,492

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	(16,123,686)
Interest Payable	(322,870)
Non-Current Portion of Accrued Liabilities	(8,464,952)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$728,158,392

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, 2012

	General	Concord Housing	Former Redevelopment Agency	General Projects	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property	\$11,404,500		\$8,495,204		\$3,598,131	\$23,497,835
Less Tax Increment Rebate			(168,339)			(168,339)
In Lieu Property Tax - VLF	8,055,193					8,055,193
Sales	18,188,828					18,188,828
Measure Q	9,970,698					9,970,698
Sales Tax In Lieu	5,695,625					5,695,625
Transient Occupancy	1,478,874					1,478,874
Franchises	4,779,135					4,779,135
Business License	3,377,278					3,377,278
Licenses and Permits	1,282,817				82,369	1,365,186
Intergovernmental	361,631			\$2,825,423	7,948,428	11,135,482
Charges for Services	4,858,806				6,876	4,865,682
Fines, Forfeitures and Penalties	821,727			101,018		922,745
Parks and Recreation	2,668,759					2,668,759
Use of Money and Property	400,921	\$27,176	(1,991)	4,480	941,372	1,371,958
Special Assessment Collections					11,621	11,621
Other	883,589	189,701	1,561	13,603	87,948	1,176,402
Total Revenues	74,228,381	216,877	8,326,435	2,944,524	12,676,745	98,392,962
EXPENDITURES						
Current:						
General Government	12,325,452			82,069		12,407,521
Public Safety	41,916,877			256,128	32,229	42,205,234
Public Works	5,777,184				4,165,174	9,942,358
Community and Economic Development	4,633,243	26,070	1,949,634	2,339,199	1,053,288	10,001,434
Parks & Recreation Services	4,800,248			861,030	779,220	6,440,498
Capital Outlay			825,954	8,117,064	2,811,988	11,755,006
Debt Service:						
Principal			3,835,000		1,592,190	5,427,190
Interest and Fiscal Charges	52,538		2,517,871		1,303,926	3,874,335
Bond Issuance Costs					1,063	1,063
Total Expenditures	69,505,542	26,070	9,128,459	11,655,490	11,739,078	102,054,639
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,722,839	190,807	(802,024)	(8,710,966)	937,667	(3,661,677)
OTHER FINANCING SOURCES (USES)						
Transfers In (Note 4)	2,878,730		11,416,332	374,797	1,558,121	16,227,980
Transfers (Out) (Note 4)	(12,014,942)		(1,897,673)	(7,437)	(613,138)	(14,533,190)
Total Other Financing Sources (Uses)	(9,136,212)		9,518,659	367,360	944,983	1,694,790
NET CHANGES IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS	(4,413,373)	190,807	8,716,635	(8,343,606)	1,882,650	(1,966,887)
EXTRAORDINARY ITEMS (Note 18)						
Assets transferred to the Housing Successor/ Assets transferred to/liabilities assumed by the Successor Agency		30,708,498	(53,147,316)		(899,428)	(23,338,246)
Total Extraordinary Items		30,708,498	(53,147,316)		(899,428)	(23,338,246)
NET CHANGES IN FUND BALANCES	(4,413,373)	30,899,305	(44,430,681)	(8,343,606)	983,222	(25,305,133)
FUND BALANCES AT BEGINNING OF YEAR	17,040,411		44,430,681	7,461,438	18,498,760	87,431,290
FUND BALANCES (DEFICIT) AT END OF YEAR	\$12,627,038	\$30,899,305		(\$882,168)	\$19,481,982	\$62,126,157

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, 2012

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 (\$25,305,133)

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	10,893,368
Retirements of capital assets are deducted from fund balance	(672,599)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of \$3,521,993 which has already been allocated to serviced funds.)	(20,831,021)
Capital assets transferred to the Successor Agency	(18,632,884)

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	5,427,190
Amortization of loss on refunding is deducted from fund balance	(345,778)
Interest accrued to principal is deducted from fund balance	(35,610)
Long-term debt assumed by the Successor Agency	62,140,842

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	(1,041,946)
Loans receivable assumed by the Successor Agency	(286,350)
Lease receivable assumed by the City	
Deferred Revenue	2,884,787
Interest Payable	922,737
Interest payable assumed by the Successor Agency	415,483

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	(3,238,043)
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$12,295,043
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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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes				
Property	\$11,422,759	\$11,422,759	\$11,404,500	(\$18,259)
In Lieu Property Tax VLF	8,564,000	8,564,000	8,055,193	(508,807)
Sales	17,030,000	17,030,000	18,188,828	1,158,828
Measure Q	8,080,000	8,080,000	9,970,698	1,890,698
Sales Tax In Lieu	6,250,000	6,250,000	5,695,625	(554,375)
Transient Occupancy	1,500,000	1,500,000	1,478,874	(21,126)
Franchises	4,805,000	4,805,000	4,779,135	(25,865)
Business License	3,098,000	3,098,000	3,377,278	279,278
Licenses and Permits	1,291,005	1,291,005	1,282,817	(8,188)
Intergovernmental	650,500	650,500	361,631	(288,869)
Charges for Services	4,743,188	4,743,188	4,858,806	115,618
Fines, Forfeitures and Penalties	1,037,238	1,037,238	821,727	(215,511)
Parks and Recreation	2,670,794	2,670,794	2,668,759	(2,035)
Use of Money and Property	649,080	649,080	400,921	(248,159)
Other	772,619	400,769	883,589	482,820
Total Revenues	72,564,183	72,192,333	74,228,381	2,036,048
EXPENDITURES:				
Current:				
General Government:				
Council	323,345	323,345	333,473	(10,128)
Manager	2,223,634	2,254,196	2,192,879	61,317
Attorney	1,113,585	1,345,273	974,964	370,309
Human Resources	1,260,352	1,375,164	1,171,571	203,593
Finance	8,125,543	8,135,006	7,652,565	482,441
Total General Government	13,046,459	13,432,984	12,325,452	1,107,532
Public Safety	42,527,018	42,615,181	41,916,877	698,304
Public Works	5,925,776	6,031,094	5,777,184	253,910
Community and Economic Development	4,730,374	4,738,492	4,633,243	105,249
Parks & Recreation Services	5,025,377	5,083,516	4,800,248	283,268
Interest and Fiscal Charges			52,538	(52,538)
Total Expenditures	71,255,004	71,901,267	69,505,542	2,395,725
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,309,179	291,066	4,722,839	4,431,773
OTHER FINANCING SOURCES (USES)				
Transfers In	4,116,103	3,803,833	2,878,730	(925,103)
Transfers (Out)	(1,036,277)	(2,307,273)	(12,014,942)	(9,707,669)
Total Other Financing Sources (Uses)	3,079,826	1,496,560	(9,136,212)	(10,632,772)
NET CHANGE IN FUND BALANCE	\$4,389,005	\$1,787,626	(4,413,373)	(\$6,200,999)
FUND BALANCE AT BEGINNING OF YEAR			17,040,411	
FUND BALANCE AT END OF YEAR			\$12,627,038	

See accompanying notes to financial statements

CITY OF CONCORD
 CONCORD HOUSING FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of Money and Property	\$36,458	\$36,458	\$27,176	(9,282)
Other			189,701	189,701
Total Revenues	<u>36,458</u>	<u>36,458</u>	<u>216,877</u>	<u>180,419</u>
EXPENDITURES:				
Current				
Community and Economic Development	<u>23,463</u>	<u>23,463</u>	<u>26,070</u>	<u>(2,607)</u>
Total Expenditures	<u>23,463</u>	<u>23,463</u>	<u>26,070</u>	<u>(2,607)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>12,995</u>	<u>12,995</u>	<u>190,807</u>	<u>177,812</u>
EXTRAORDINARY ITEMS (Note 18)				
Assets transferred to the Housing Successor			<u>30,708,498</u>	<u>30,708,498</u>
NET CHANGE IN FUND BALANCE	<u>\$12,995</u>	<u>\$12,995</u>	<u>30,899,305</u>	<u>\$30,886,310</u>
FUND BALANCE AT BEGINNING OF YEAR				
FUND BALANCE AT END OF YEAR			<u>\$30,899,305</u>	

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, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer</u>	<u>Golf Course</u>	<u>Totals</u>	
ASSETS:				
Current Assets:				
Cash and Investments (Note 3)	\$31,587,972	\$238,427	\$31,826,399	\$20,871,493
Cash with Fiscal Agents (Note 3)	56	252,620	252,676	
Accounts Receivable	5,992	46,316	52,308	52,204
Interest Receivable	3,313		3,313	4,643
Prepaid Items		8,500	8,500	97,874
Total Current Assets	<u>31,597,333</u>	<u>545,863</u>	<u>32,143,196</u>	<u>21,026,214</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)		32,412	32,412	
Net OPEB Asset (Note 13)				7,755,519
Capital Assets (Note 7):				
Land	334,839	60,343	395,182	
Construction In Progress	1,323,200		1,323,200	1,164,208
Buildings and Improvements	2,824,944	5,876,042	8,700,986	42,184,419
Machinery and Equipment	112,189	136,177	248,366	20,105,986
Sewer Collection System	209,485,479		209,485,479	
Less: Accumulated Depreciation	<u>(139,212,772)</u>	<u>(3,034,102)</u>	<u>(142,246,874)</u>	<u>(35,693,817)</u>
Net Capital Assets	<u>74,867,879</u>	<u>3,038,460</u>	<u>77,906,339</u>	<u>27,760,796</u>
Total Non-Current Assets	<u>78,417,879</u>	<u>3,070,872</u>	<u>81,488,751</u>	<u>37,516,315</u>
Total Assets	<u>110,015,212</u>	<u>3,616,735</u>	<u>113,631,947</u>	<u>58,542,529</u>
LIABILITIES:				
Current Liabilities (Payable from Current Assets):				
Accounts and Contracts Payable	13,847,169	4,613	13,851,782	
Accrued Liabilities	24,019		24,019	67,402
Due To Other Funds (Note 4)		55,622	55,622	1,565,465
Compensated Absences Payable (Note 1)	31,571		31,571	129,922
Bond Interest Payable	367,145	27,040	394,185	30,853
Capital Lease Payable (Note 8)				549,983
Certificates of Participation (Note 8)	780,000	160,000	940,000	
Claims Payable (Note 15)				2,491,329
Total Current Liabilities	<u>15,049,904</u>	<u>247,275</u>	<u>15,297,179</u>	<u>4,834,954</u>
Noncurrent Liabilities:				
Compensated Absences Payable (Note 1)	73,879		73,879	157,687
Advance from Other Funds (Note 4)		730,100	730,100	
Capital Lease Payable (Note 8)				1,246,225
Certificates of Participation (Note 8)	19,970,000	1,160,000	21,130,000	
Claims Payable (Note 15)				6,530,715
Total Noncurrent Liabilities	<u>20,043,879</u>	<u>1,890,100</u>	<u>21,933,979</u>	<u>7,934,627</u>
Total Liabilities	<u>35,093,783</u>	<u>2,137,375</u>	<u>37,231,158</u>	<u>12,769,581</u>
NET ASSETS (Note 9):				
Invested in Capital Assets,				
Net of Related Debt	54,117,935	2,003,492	56,121,427	25,964,588
Unrestricted	<u>20,803,494</u>	<u>(524,132)</u>	<u>20,279,362</u>	<u>19,765,285</u>
Total Net Assets Business-Type Activities	<u>\$74,921,429</u>	<u>\$1,479,360</u>	<u>\$76,400,789</u>	<u>\$45,729,873</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, 2012

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Golf Course	Totals	
OPERATING REVENUES				
Service Fees	\$19,359,526		\$19,359,526	
Charges for Services				\$17,117,439
Golf Course Fees and Charges		\$1,353,990	1,353,990	
Other		28,501	28,501	79,726
Total Operating Revenues	<u>19,359,526</u>	<u>1,382,491</u>	<u>20,742,017</u>	<u>17,197,165</u>
OPERATING EXPENSES				
Operating and Maintenance	18,021,090	1,085,301	19,106,391	12,641,884
Cost of Sales and Services				1,646,037
Depreciation and Amortization	4,270,380	161,395	4,431,775	3,434,772
Claims and Judgments				1,356,648
Total Operating Expenses	<u>22,291,470</u>	<u>1,246,696</u>	<u>23,538,166</u>	<u>19,079,341</u>
Operating Income (Loss)	<u>(2,931,944)</u>	<u>135,795</u>	<u>(2,796,149)</u>	<u>(1,882,176)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	285,768	976	286,744	186,258
Interest Expense	(905,198)	(66,762)	(971,960)	(109,204)
Gain (Loss) from Disposition of Capital Assets				76,037
Other		37,500	37,500	
Net Non-Operating Revenues (Expenses)	<u>(619,430)</u>	<u>(28,286)</u>	<u>(647,716)</u>	<u>153,091</u>
Income (Loss) Before Contributions and Transfers	<u>(3,551,374)</u>	<u>107,509</u>	<u>(3,443,865)</u>	<u>(1,729,085)</u>
Contributions				185,832
Transfer In (Note 4)				100,000
Transfer Out (Note 4)				<u>(1,794,790)</u>
Changes in Net Assets Before Extraordinary Items	<u>(3,551,374)</u>	<u>107,509</u>	<u>(3,443,865)</u>	<u>(3,238,043)</u>
EXTRAORDINARY ITEM (Note 18)				
Assets transferred to/liabilities assumed by the Successor Agency				<u>(18,148,249)</u>
Total Extraordinary Item				<u>(18,148,249)</u>
Changes in Net Assets	<u>(3,551,374)</u>	<u>107,509</u>	<u>(3,443,865)</u>	<u>(21,386,292)</u>
Total Net Assets - Beginning	<u>78,472,803</u>	<u>1,371,851</u>	<u>79,844,654</u>	<u>67,116,165</u>
Total Net Assets - Ending	<u>\$74,921,429</u>	<u>\$1,479,360</u>	<u>\$76,400,789</u>	<u>\$45,729,873</u>

See accompanying notes to financial statements

CITY OF CONCORD
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Sewer</u>	<u>Golf Course</u>	<u>Totals</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$19,358,201	\$1,421,133	\$20,779,334	\$17,155,640
Payments to Suppliers	(16,124,071)	(1,022,023)	(17,146,094)	(8,823,507)
Payments to Employees	(1,121,171)	(58,743)	(1,179,914)	(3,539,391)
Claims paid				(2,324,623)
Net Cash Provided by (Used for) Operating Activities	<u>2,112,959</u>	<u>340,367</u>	<u>2,453,326</u>	<u>2,468,119</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Borrowings of Advances From/To Other Funds	177,972	24,437	202,409	227,001
Transfers In				100,000
Transfers (Out)				(1,794,790)
Cash Flows from (Used for) Non-Capital Financing Activities	<u>177,972</u>	<u>24,437</u>	<u>202,409</u>	<u>(1,467,789)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(1,169,993)	(5,400)	(1,175,393)	(1,959,062)
Principal Paid on Debt, Bond Maturities	(750,000)	(55,000)	(805,000)	(239,595)
Interest and Fiscal Charges Paid	(916,382)	(66,681)	(983,063)	(83,536)
Cash Flows from (Used for) Capital and Related Financing Activities	<u>(2,836,375)</u>	<u>(127,081)</u>	<u>(2,963,456)</u>	<u>(2,282,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	286,864	976	287,840	188,344
Cash Flows from Investing Activities	<u>286,864</u>	<u>976</u>	<u>287,840</u>	<u>188,344</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(258,580)	238,699	(19,881)	(1,093,519)
Cash and Investments at Beginning of Period	31,846,608	252,348	32,098,956	21,965,012
Cash and Investments at End of Period	<u>\$31,588,028</u>	<u>\$491,047</u>	<u>\$32,079,075</u>	<u>\$20,871,493</u>
NON-CASH TRANSACTIONS:				
Contributions and Transfers of Capital Assets, Net				<u>(\$17,962,417)</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	(\$2,931,944)	\$135,795	(\$2,796,149)	(\$1,882,176)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Other Non-Operating Revenue		37,500	37,500	
Depreciation and Amortization	4,270,380	161,395	4,431,775	3,434,772
Change in Assets and Liabilities:				
Receivables, Net	(1,325)	1,142	(183)	(41,525)
Prepaid Expenses				73,879
Net OPEB Asset				842,484
Accounts Payable	780,830	1,595	782,425	43,075
Accrued Liabilities	(4,982)	2,940	(2,042)	(70,509)
Self Insurance Claims Payable				68,119
Net Cash Provided by (Used for) Operating Activities	<u>\$2,112,959</u>	<u>\$340,367</u>	<u>\$2,453,326</u>	<u>\$2,468,119</u>

See accompanying notes to financial statements

FIDUCIARY FUNDS

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

CITY OF CONCORD
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

	<u>City of Concord Retirement System Pension Trust</u>	<u>Successor Agency Private Purpose Trust Fund</u>
ASSETS:		
Cash and Investments (Note 3)		
Money Market Funds	\$832,627	
Corporate Debt Instruments	8,998,183	
California Local Agency Investment Fund	1,320,702	
Federal Agencies	3,199,989	
Municipal Bonds	863,054	
Pooled Investments	3,600,904	\$13,589,471
U.S. Treasury Notes	1,824,674	
Common Stock	11,573,860	
Mutual Funds	7,604,350	
Cash with Fiscal Agents (Note 3)		<u>9,438,778</u>
Total Cash and Investments	<u>39,818,343</u>	<u>23,028,249</u>
Receivables (Net of Allowances for Uncollectibles):		
Interest	1,173	9,823
Notes and Loans Receivable (Note 18)		715,570
Land Held for Redevelopment		11,416,332
Capital Assets, Not Being Depreciated (Note 18)		485,155
Capital Assets, Being Depreciated (net) (Note 18)		<u>18,222,111</u>
Total Assets	<u>39,819,516</u>	<u>53,877,240</u>
LIABILITIES:		
Accounts Payable		47,723
Interest Payable		1,375,433
Long-Term Debt (Note 18):		
Due in One Year		4,885,000
Due in More Than One Year		<u>66,336,779</u>
Total Liabilities		<u>72,644,935</u>
NET ASSETS:		
Held for Private Purposes		(18,767,695)
Employee Retirement System	<u>39,819,516</u>	
Total Net Assets	<u>\$39,819,516</u>	<u>(\$18,767,695)</u>

See accompanying notes to the financial statements

CITY OF CONCORD
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	City of Concord Retirement System Pension Trust	Successor Agency Private Purpose Trust Fund
ADDITIONS		
Contributions	\$863,610	
Property Taxes, Net of Pass Through Payments		\$3,351,523
Investment Income	1,989,231	37,629
Less Management Expenses	(202,856)	
Net Investment Income	<u>1,786,375</u>	<u>37,629</u>
Total Additions	<u>2,649,985</u>	<u>3,389,152</u>
DEDUCTIONS		
Retirement and Other Benefits	5,529,921	
Planning and Economic Development		306,057
Depreciation		385,339
Interest expense		<u>1,166,606</u>
Total Deductions	<u>5,529,921</u>	<u>1,858,002</u>
NET CHANGES IN NET ASSETS BEFORE EXTRAORDINARY ITEMS	<u>(2,879,936)</u>	<u>1,531,150</u>
EXTRAORDINARY ITEM (Note 18)		
Assets Transferred to/Liabilities Assumed by the Successor Agency		<u>(20,298,845)</u>
NET CHANGES IN NET ASSETS	(2,879,936)	(18,767,695)
NET ASSETS (DEFICIT)		
Beginning of Year	<u>42,699,452</u>	
End of Year	<u>\$39,819,516</u>	<u>(\$18,767,695)</u>

See accompanying notes to the financial statements