

**CITY OF CONCORD, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Prepared by

**Finance Department**

Karan Reid  
Director of Finance

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## **Mission Statement for the Organization**

**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.



December 18, 2015

Honorable Mayor and Members of the City Council  
City of Concord

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Concord (City) for the fiscal year ended June 30, 2015 in accordance with Municipal Code, Chapter 2, Article IV, Section 2-223. The financial statements are presented in conformity with generally accepted accounting principles (GAAP). These financial statements have been audited by Vavrinek, Trine, Day and Co., LLP, a firm of certified public accountants, in accordance with generally accepted auditing standards. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015 are free of material misstatements. Vavrinek, Trine, Day and Co., LLP, has issued an unmodified ("clean") opinion on the City of Concord's financial statements.

This letter of transmittal provides a non-technical summary of City finances, services, achievements, and economic prospects. We ask that readers who wish a more detailed discussion of the City's financial results refer to Management's Discussion & Analysis (MD&A) contained in the Financial Section of the CAFR.

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 present a fair representation of the financial position and results of operations of the City as measured by the financial activity of its various funds; and that disclosures enable the reader to gain an understanding of the City's financial affairs.

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 can be 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.

## Reporting Entity

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Located 29 miles east of San Francisco, Concord is the largest city in Contra Costa County with a population of 126,069. The City covers 31.13 square miles and provides a full range of services including: police protection, recreational activities, community and economic development, street improvements and maintenance services, parks maintenance, sewer, and general administrative and support services. In addition, the City oversees management of the Concord Pavilion, Diablo Creek Golf Course and Camp Concord in South Lake Tahoe, California.

Concord is a General Law city formed under the State legislative process and structured under provisions of the California constitution. Concord's 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.

Every two years, the Council selects one of its members to serve as Mayor and annually one of its members is selected to serve as Vice Mayor.

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.

Concord is the job center of Contra Costa County and is the County's strongest retail location. Concord offers the amenities that many businesses require for success. In Concord, business-friendly government policies, outstanding Class A office space values, numerous industrial parks and excellent transportation options combine with favorable home prices, an educated workforce and a dynamic retail environment to create ideal conditions for businesses to locate and expand. These qualities make Concord a premier business location.

The City Council's commitment to families and to the community fosters a high quality of life with attractive residential neighborhoods, and abundant recreational and entertainment opportunities 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, which features Todos Santos Plaza as the focal point.

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 rapid rail transit stations (Bay Area Rapid Transit (BART)), bus services and a regional airport operated by Contra Costa County, makes Concord's location convenient to San Francisco and other Bay area cities.

The CAFR includes all funds of the City, as well as all governmental organizations and activities for which the Council has financial accountability. These include the Concord Public

Financing Authority (the Authority), the City of Concord Retirement System, the Concord/Pleasant Hill Health Care District and Concord Sanitary Sewer Services, Inc.

The Concord Redevelopment Agency (RDA) was dissolved on February 1, 2012, and was replaced by the Redevelopment Successor Agency (SA). The SA is not a component unit of the City and is instead a separate legal entity overseen by the Oversight Board and the State Department of Finance. The City's role in the SA is fiduciary in nature. The SA is reported as a private-public trust fund, a fiduciary fund type. Additional information about the dissolution of the RDA is included in the MD&A and the notes to the financial statements.

## **Significant Community Events and Accomplishments**

Examples of significant community events and accomplishments for the fiscal year ended June 30, 2015 include the following:

- ❖ Established and opened the Central County Family Justice Center in downtown Concord to provide wrap around service for victims of domestic violence.
- ❖ Completed a Parks Systems Infrastructure Condition Assessment. The project included a comprehensive inventory and conditional assessment of park assets, including: playgrounds, irrigation systems, pathway/hardscapes, sports facilities, ornamental landscapes, natural areas, landscaped medians and other special amenities.
- ❖ Implemented a new taxi-script program for senior 65+ to help seniors remain independent and socially connected with the community.
- ❖ Featured two new aquatic inflatables as a new attraction at Concord Community Pool.
- ❖ Led a County initiative to establish and implement a County Leadership Academy
- ❖ Led a Central County response to PG&E Pipelines Pathway Project that resulted in the saving of hundreds of trees in Concord and neighboring cities
- ❖ Produced list of two final Master Developer candidates for the Naval Weapons Station project
- ❖ Successfully transitioned the City's radios to the new East Bay Regional Communications System (EBRCS)
- ❖ Completed two debt financings: \$38.4 million in redevelopment refunding bonds that will save Contra Costa County taxing entities \$1.0 million on average through 2025, with the City's General Fund receiving annual savings of roughly \$100,000 each year; \$22.6 million private placement lease financing to fund street and road improvements at an extremely favorable interest rate of 1.91%
- ❖ Facilitated the attraction of many new businesses to Concord including: Eureka! Restaurant, Ike's Sandwich Shop, Ulta and Rick's Ice Cream, Buffalo Wild Wings and Habit Burger
- ❖ Secured \$550,000 in regional grant funds for long range Planning projects to conduct the Bicycle and Pedestrian Master Plan, the Downtown Corridors Plan, and the Salvio Streetscape Project design.
- ❖ Adoption of 2015-2022 Housing Element by City Council and subsequent certification for the State Housing and Community Development Department (HCD).

## Economic Condition and Outlook

The City of Concord has experienced a sustained, but slow recovery from the Great Recession that began in Fiscal Year 2007-08. Unemployment rates are declining, retail sales are growing and property values are returning to pre-recession levels. Additionally, for the first time since Fiscal Year 2007-08, the City has restored its reserves and begun to address a portion of the City's deferred maintenance in streets and buildings.

However, the City continues to rely on Measure Q revenues for day-to-day City operations, although the amount of support is decreasing. Measure Q is a voter approved half-cent use and transaction tax that provides revenue to the City that was originally approved by voters in 2010 with a five year sunset. On November 4, 2014, voters approved a nine year extension to the temporary use and transactions tax and it now will sunset in March 2025. This extension of Measure Q ensures that the City will be able to maintain essential City services and begin to address the City's remaining fiscal challenges. The table below provides an overview of the use of Measure Q funds through the end of FY 2014-15.

**Table 1: Annual Measure Q Use Tax Receipts and Uses  
As of June 30, 2015 (Dollars in Millions)**

|  | Receipts        | General Fund<br>Programs &<br>Reserves | Measure Q<br>Stability Reserves |
|--|-----------------|--|---------------------------------|
| Fiscal Year 2010-11 Activity (April 1 through June 30) | \$2.144         | \$2.144                                | \$0.000                         |
| Fiscal Year 2011-12 Activity                           | 9.971           | 5.171                                  | 4.799                           |
| Fiscal Year 2012-13 Activity                           | 10.641          | 5.393                                  | 5.248                           |
| Fiscal Year 2013-14 Activity                           | 11.432          | 9.109                                  | 2.323                           |
| Fiscal Year 2014-15 Activity                           | 11.554          | 10.843                                 | 0.711                           |
| <b>Total</b>   | <b>\$45.742</b> | <b>\$32.660</b>                        | <b>\$13.081</b>                 |

While an economic recovery is underway in Concord, the City continues to face many fiscal challenges including rising costs for employee benefits, rising salary costs, the lack of adequate funding for infrastructure maintenance, decreasing support from the State for roadway maintenance, decreasing gas tax funding and increasing stormwater costs. Though the fiscal outlook is improving, the City needs to continue to control costs, enhance economic development and develop new revenue streams in order to be fiscally sustainable without Measure Q revenues by March 2025.

Sales tax revenue remains the largest General Fund revenue source and provides for 46 percent of general municipal services such as public safety, street maintenance, and parks and recreation programs. While the City experienced a decline in sales tax revenues during the recession, the strengthening of the local economy is evident as sales tax revenue has steadily increased since then. Sales taxes increased \$1.8 million to \$41.9 million or 5% over the prior year.

Property tax revenue represents the second most significant General Fund revenue source making up 24% of total General Fund revenues. Property taxes increased \$2.5 or 12% over fiscal year 2013-14. The City's net taxable assessed value increased 9.8% in fiscal year 2014-

15, comparable to the countywide increase of 9.1%. Residential properties represent about 75% of the City's net taxable assessed value and increased 12.2%. The median home price in the City increased to \$440,000 as of October 2015 compared to \$400,000 in the prior year, representing a 10% increase. Although housing prices continue to rebound, the median single family home price in the City is still well below the 2006 median home price of \$523,800. Further signs of a strengthening housing recovery are reflected in the fiscal year 2015-16 County Property Tax Assessment Roll released in August 2015, in which the City's net taxable assessed value increased 7.5%.

The City's unemployment rate was 5.3% in June 2015 compared to 6.6% in the previous year, slightly higher than the County's rate of 4.9% (6.1% in June 2014). The region's unemployment rates are lower than the State rate of 6.2% which was down from 7.4% in June 2014. According to Beacon Economics, employment in the East Bay region of the San Francisco Bay Area is increasing as companies from local regions continue to relocate in the East Bay Region to take advantage of lower rents. The corporate migration to the East Bay is expected to continue and spur additional employment growth.

The City's ability to sustain a vibrant local economy to insure future fiscal strength will depend on the City's ability to attract, retain and expand businesses while balancing the needs of the business and residential communities. The City's past success in attracting and retaining businesses has not been coincidental. Concord is a leader in providing a variety of economic development services and programs to enhance Concord's economic vitality and increase private investment in the City. The City's Economic Vitality Strategy and Action Plan promotes leveraging resources, marketing the City strengths to decision makers, partnering with interested business and community groups and engaging City Staff to facilitate economic development. Concord's award winning One-Stop Permit Center provides permit services to reduce development timelines and enable developers to complete projects efficiently thereby producing revenue sooner to the City's General Fund. Concord's Business Retention Program offers a variety of services to assist the retention and expansion of Concord businesses. The program enhances Concord's business relationships by strengthening communication, facilitating entitlements and assisting with site selection.

The City's current general obligation credit rating is Aa3 from Moody's Investor Service and is unchanged from the prior year.

## **Budgetary Control**

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The City maintains budgetary controls through the City Council's adoption of an annual budget and by maintaining an encumbrance accounting system. Expenditures for City operations and other purposes identified in the annual budget cannot legally exceed the budgeted amounts approved by the City Council.

The Concord Municipal Code requires the City Manager to present the Annual Operating Budget to the City Council for approval. In June 2015, the City Council adopted its first biennial budget encompassing Fiscal Years 2015-16 and 2016-17. The City Council has adopted a number of Policies & 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.

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 capital project appropriation transfers require City Manager approval. Transfers in excess of \$20,000 require City Council approval. The City Council's approval is required for 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.

The City also uses encumbrance accounting as another technique for accomplishing budgetary control. An encumbrance is a commitment of a future expenditure earmarked for a particular purpose that reduces the amount of budgetary authority available for general spending. At the end of the fiscal year, encumbered appropriations are carried forward and become part of the following year's budget while appropriations that have not been encumbered lapse.

The City continues to meet its responsibility for sound financial management as demonstrated by the statements and schedules included in the financial section of this report.

## **Internal Controls**

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.

## **Budget and Fiscal Policies: Long Range Financial Forecasting**

The City of Concord has utilized a Ten Year Financial Forecast Program since 1995. The Ten Year Financial Forecast Program requires that the City Manager annually present balanced ten year financial forecasts for all major funds including the General Fund, Special Revenue Funds, Capital Improvement Funds, and Proprietary Funds including the Post-Retirement Benefits Funds, with the exception of the Sewer Fund where twenty years of financial information is maintained. The Ten Year Financial Forecast includes all projected sources of revenue and all projected expenditures including salaries, benefits, materials, services and capital improvement projects. Each year all forecasts are revisited, and assumptions are evaluated and updated.

## **Reserve Policy**

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To address financial uncertainties, the City's policy is to maintain General Fund reserves and contingencies to total not less than 15% of General Fund operating expenditures with a goal to return to 30% reserves as soon as is economically feasible. As of June 30, 2015, the General Fund Reserves totaled \$14.3 million, approximately 18% of actual General Fund Operating Expenditures.

In addition to the General Fund reserves identified above, a separate Measure Q designated reserve has been established to provide more time for the City to address its on-going structural budget deficit. As stated earlier, Measure Q is a temporary sales tax measure which sunsets in March 2025. Under the City's Fiscal Sustainability Ordinance, Measure Q revenues allocated to fund annual operating shortfalls are limited to no more than \$8 million per fiscal year, and this amount is intended to decrease over time, reducing the reliance on this limited term revenue. Measure Q revenues in excess of the amount used to cover operating shortfalls require Council approval for use in one of the following categories: funding long-term financial liabilities, capital projects that meet specific criteria, infrastructure maintenance backlog, debt service for infrastructure improvements, maintaining City General Fund reserves and other one-time expenditures that advance the Council's priority focus areas and that do not create new ongoing expenditure requirements. As of June 30, 2015, the designated Measure Q Reserves totaled \$13.1 million, approximately 16% of General Fund Operating Expenditures.

The total combined general fund reserves including Measure Q is \$27.4 million or 34% of General Fund Operating Expenditures, as of June 30, 2015.

## **Awards**

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The Government Finance Officers Association (GFOA) of the United States and Canada awarded its Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2014. This was the twenty-first consecutive year that the City of Concord has been recognized for excellence in financial reporting. To qualify for the Certificate of Achievement, the governmental entity must publish an easily readable and efficiently organized CAFR, the content of which conform to program standards. Such report must satisfy accounting principles generally accepted in the United States of America, as well as all applicable legal requirements.

The Certificate of Achievement is valid for only one year. The City believes this CAFR continues to conform to the Certificate of Achievement Program requirements and will be submitting it to GFOA for consideration of the annual award.

## **Acknowledgments**

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The preparation of this CAFR could not have been accomplished without the professional, efficient and dedicated services of the entire staff of the Finance Department, in particular Suzanne McDonald, Deborah Yamamoto, Jonathan Palmer, George Villa, Pamela Spero and Helen Zhu.

In addition, staff in all City departments should be recognized for responding so positively to the requests for detailed information that accompanies each annual audit. The City also recognizes the contributions and positive working relationship with Vavrinek, Trine, Day and Co., LLP.

Finally, we wish to express our sincere appreciation to the Mayor, City Council and the City Manager for their unfailing support for maintaining the highest standards of professionalism in the financial management of the City of Concord.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Karan Reid". The signature is written in a cursive style with a large, stylized "R".

Karan Reid  
Director of Finance



# PRINCIPAL OFFICERS (June 30, 2015)

## Elected Officials



**Thomas J. Wentling**  
City Treasurer

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

## Executive Team



**Valerie Barone**  
City Manager



**Jovan Grogan**  
Deputy City Manager



**Mark Coon**  
City Attorney



**Victoria Walker**  
Director of Community &  
Economic Development



**Michael Wright**  
Concord Reuse  
Project Director



**Karan Reid**  
Director of Finance



**Laura Brunson**  
Director of  
Human Resources



**Jeff Lewis**  
Director of Information  
Technology



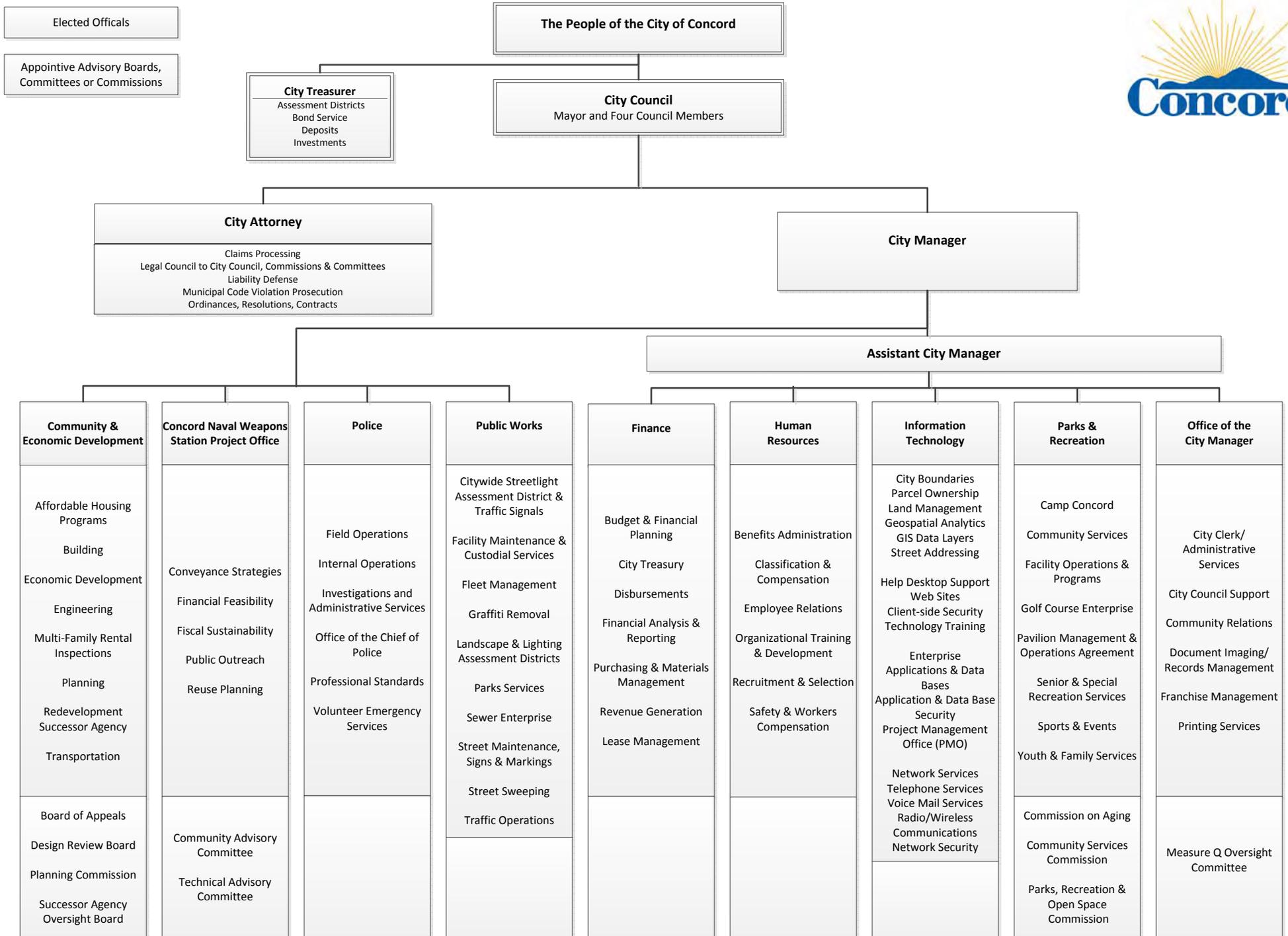
**Joan Carrico**  
Director of Parks &  
Recreation



**Guy Swanger**  
Chief of Police



**Justin Ezell**  
Director of Public Works



The City of Concord has a City Council/City Manger form of government. Five Council Members and the City Treasurer are elected. The Council appoints the City Manager and the City Attorney. The City Manager appoints the City Clerk and department heads and hires employees to carry out program services. The City Council appoints qualified citizens from the community to serve on advisory boards and commissions.



Government Finance Officers Association

**Certificate of  
Achievement  
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**City of Concord  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, California, (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Concord Housing Special Revenue Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 1 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, both effective July 1, 2014. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-17, schedule of funding progress, schedule of changes in net pension liability and related ratios and the schedule of city contributions on pages 92-97 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, statistical section and the Municipal Debt Continuing Disclosure report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the combining and individual non-major fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical section and the Municipal Debt Continuing Disclosure report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the City'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California  
December 18, 2015



## 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 2015 FINANCIAL HIGHLIGHTS

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Financial highlights of the year include the following:

#### Government-Wide

- The City's total net position was \$636 million at June 30, 2015 compared to \$648 million, as restated, at June 30, 2014, down \$12 million from the prior year. Of this total, \$570 million was governmental activities net position and \$66 million was business-type activities net position.
- Government-wide governmental revenues include program revenues of \$57 million and general revenues of \$53 million for a total of \$110 million, an increase of \$3 million from the prior year's total.
- Total government-wide governmental activities expenses were \$118 million, an increase of \$4 million from the prior year.
- Government-wide business-type activities revenues were \$26 million while expenses were \$27 million.

#### Fund Level

- Governmental Fund balances increased \$30 million in fiscal 2015 to \$107 million.
- Governmental Fund revenues increased \$6 million in fiscal 2015 to \$112 million.
- Governmental Fund expenditures increased to \$98 million in fiscal 2015, up \$3 million from the prior year.
- General Fund revenues of \$92 million in fiscal 2015 reflected an increase of \$7 million from the prior year.
- General Fund expenditures of \$81 million reflected an increase of \$3 million when compared to the prior year.
- The net transfers out reflected in the General Fund remained flat at \$1 million out for fiscal 2015.
- General Fund balance of \$34 million at June 30, 2015 increased \$9 million from fiscal 2014.

### 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 position and the Statement of Activities. The Statement of Net position 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 position 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 position 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, the Agency Fund and the Redevelopment Successor Agency (SA), for which the City acts solely as agent.

### The Government-Wide Financial Statements

The Statement of Net position 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; Community and Economic Development; and Parks 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 Concord Pleasant Hill Health Care District 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

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, Concord Housing Fund and the General Projects Fund are the only Major Governmental Funds in addition to the General Fund.

Fund Financial Statements include Governmental, Proprietary and Agency 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.

Proprietary 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 position 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 Fund Statements

The City's fiduciary fund activities are reported in the separate Statement of Fiduciary Net position and Statement of Changes in Net position. Fiduciary funds include the Pension Trust Fund, the Successor Agency Private Purpose Trust Fund (SAPPTF) and the Agency Fund. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

## FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

---

The analyses presented below focus on the net position (Table 1) and changes in net position (Table 2) of the City as a whole. The information summarizes the Citywide Statement of Net Position and Statements of Activities stated more fully in the Financial Section of this report. The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension – an amendment of GASB Statement No. 27* effective July 1, 2014 that resulted in a restatement of the beginning balance of fiscal year 2015. All balances as of June 30, 2014 in this analysis include the restated balances.

**Table 1: Citywide Net Position  
As of June 30, 2015 and 2014 (Dollars in Millions)**

|                                       | Governmental<br>Activities |                | Business-Type<br>Activities |               | Total          |                |
|---------------------------------------|----------------------------|----------------|-----------------------------|---------------|----------------|----------------|
|                                       | 2015                       | 2014*          | 2015                        | 2014          | 2015           | 2014*          |
| Cash and Investments                  | \$117.4                    | \$82.1         | \$25.7                      | \$24.6        | \$143.1        | \$106.7        |
| Other Assets                          | 49.1                       | 55.8           | (1.0)                       | 2.9           | 48.1           | 58.7           |
| Capital Assets                        | 620.9                      | 638.2          | 77.4                        | 77.4          | 698.3          | 715.6          |
| <b>Total Assets</b>                   | <b>787.4</b>               | <b>776.1</b>   | <b>102.1</b>                | <b>104.9</b>  | <b>889.5</b>   | <b>881.0</b>   |
| <b>Deferred Outflows of Resources</b> | <b>10.8</b>                | <b>10.1</b>    |                             |               | <b>10.8</b>    | <b>10.1</b>    |
| Long-Term Debt Outstanding            | 35.9                       | 21.2           | 19.5                        | 20.6          | 55.4           | 41.8           |
| Other Liabilities                     | 171.8                      | 159.1          | 16.8                        | 17.4          | 188.6          | 176.5          |
| <b>Total Liabilities</b>              | <b>207.7</b>               | <b>180.3</b>   | <b>36.3</b>                 | <b>38.0</b>   | <b>244.0</b>   | <b>218.3</b>   |
| <b>Deferred Inflows of Resources</b>  | <b>20.2</b>                | <b>25.3</b>    |                             |               | <b>20.2</b>    | <b>25.3</b>    |
| Net Position:                         |                            |                |                             |               |                |                |
| Net Investment in Capital Assets      | 585.6                      | 618.4          | 53.7                        | 56.3          | 639.3          | 674.7          |
| Restricted                            | 41.2                       | 46.7           |                             |               | 41.2           | 46.7           |
| Unrestricted                          | (56.5)                     | (84.5)         | 12.1                        | 10.6          | (44.4)         | (73.9)         |
| <b>Total Net Position</b>             | <b>\$570.3</b>             | <b>\$580.6</b> | <b>\$65.8</b>               | <b>\$66.9</b> | <b>\$636.1</b> | <b>\$647.5</b> |

\* As restated.

**Table 2: Citywide Changes in Net Position  
For the Years Ended June 30, 2015 and 2014 (Dollars in Millions)**

|  | Governmental<br>Activities |                | Business-Type<br>Activities |               | Total          |                |
|--|----------------------------|----------------|-----------------------------|---------------|----------------|----------------|
|  | 2015                       | 2014           | 2015                        | 2014          | 2015           | 2014           |
| <b>EXPENSES</b>  |                            |                |                             |               |                |                |
| General Government   | \$19.6                     | \$17.7         |                             |               | \$19.6         | \$17.7         |
| Public Safety  | 48.8                       | 43.1           |                             |               | 48.8           | 43.1           |
| Public Works   | 33.1                       | 37.0           |                             |               | 33.1           | 37.0           |
| Community and Economic Development                         | 10.0                       | 8.6            |                             |               | 10.0           | 8.6            |
| Parks and Recreation Services                              | 4.9                        | 5.8            |                             |               | 4.9            | 5.8            |
| Interest on Long-Term Debt                                 | 1.3                        | 1.4            |                             |               | 1.3            | 1.4            |
| Sewer  |                            |                | \$25.8                      | \$26.8        | 25.8           | 26.8           |
| Golf Course  |                            |                | 1.3                         | 1.3           | 1.3            | 1.3            |
| <b>Total Expenses</b>                                      | <b>117.7</b>               | <b>113.6</b>   | <b>27.1</b>                 | <b>28.1</b>   | <b>144.8</b>   | <b>141.7</b>   |
| <b>REVENUES</b>  |                            |                |                             |               |                |                |
| Program Revenues:  |                            |                |                             |               |                |                |
| Charges for Services                                       | 10.8                       | 13.6           | 25.8                        | 23.5          | 36.6           | 37.1           |
| Operating Contributions and Grants                         | 40.4                       | 7.8            |                             |               | 40.4           | 7.8            |
| Capital Grants   | 5.9                        | 8.2            | 0.1                         | 0.1           | 6.0            | 8.3            |
| Total Program Revenues                                     | 57.1                       | 29.6           | 25.9                        | 23.6          | 83.0           | 53.2           |
| General Revenues:  |                            |                |                             |               |                |                |
| Taxes:   |                            |                |                             |               |                |                |
| Property Taxes   | 17.4                       | 15.7           |                             |               | 17.4           | 15.7           |
| Measure Q Sales Taxes                                      | 11.6                       | 40.1           |                             |               | 11.6           | 40.1           |
| Other Taxes  | 12.2                       | 11.5           |                             |               | 12.2           | 11.5           |
| Motor Vehicle in Lieu                                      | 8.9                        | 8.1            |                             |               | 8.9            | 8.1            |
| Investment Earnings  | 2.5                        | 1.3            | 0.1                         | 0.2           | 2.6            | 1.5            |
| Misc. Revenues and Transfers                               |                            |                |                             | 0.1           |                | 0.1            |
| Total General Revenues                                     | 52.6                       | 76.7           | 0.1                         | 0.3           | 52.7           | 77.0           |
| <b>Total Revenues</b>                                      | <b>109.7</b>               | <b>106.3</b>   | <b>26.0</b>                 | <b>23.9</b>   | <b>135.7</b>   | <b>130.2</b>   |
| Change in Net Position before Special Item and Restatement | (8.0)                      | (7.3)          | (1.1)                       | (4.2)         | (9.1)          | (11.5)         |
| Special Item   | (2.3)                      |                |                             |               | (2.3)          |                |
| Restatement of Fund Equity (Note 18)                       |                            | (141.5)        |                             |               |                | (141.5)        |
| <b>Change in Net Position</b>                              | <b>(10.3)</b>              | <b>(148.8)</b> | <b>(1.1)</b>                | <b>(4.2)</b>  | <b>(11.4)</b>  | <b>(153.0)</b> |
| <b>Beginning Net Position</b>                              | <b>580.6</b>               | <b>729.4</b>   | <b>66.9</b>                 | <b>71.1</b>   | <b>647.5</b>   | <b>800.5</b>   |
| <b>Ending Net Position</b>                                 | <b>\$570.3</b>             | <b>\$580.6</b> | <b>\$65.8</b>               | <b>\$66.9</b> | <b>\$636.1</b> | <b>\$647.5</b> |

The analyses below focus on the net position and changes in net position 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 position and Statement of Activities that follow.

## Governmental Activities

**Table 3: Governmental Net Position  
As of June 30, 2015 and 2014 (Dollars in Millions)**

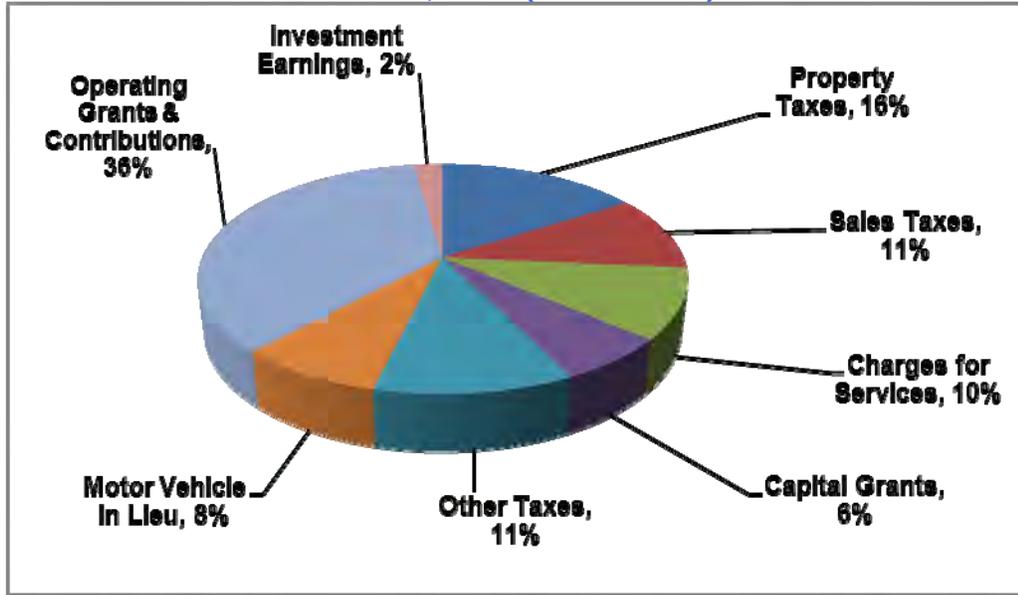
|                                       | Governmental<br>Activities |                |
|---------------------------------------|----------------------------|----------------|
|                                       | 2015                       | 2014*          |
| Cash and Investments                  | \$117.4                    | \$82.1         |
| Other Assets                          | 49.1                       | 55.8           |
| Capital Assets, net                   | 620.9                      | 638.2          |
| <b>Total Assets</b>                   | <b>787.4</b>               | <b>776.1</b>   |
| <b>Deferred Outflows of Resources</b> | <b>10.8</b>                | 10.1           |
| Long-Term Debt Outstanding            | 35.9                       | 21.2           |
| Other Liabilities                     | 171.8                      | 159.1          |
| <b>Total Liabilities</b>              | <b>207.7</b>               | <b>180.3</b>   |
| <b>Deferred Inflows of Resources</b>  | <b>20.2</b>                | 25.3           |
| Net Position:                         |                            |                |
| Net investment in Capital Assets      | 585.6                      | 618.4          |
| Restricted                            | 41.2                       | 46.7           |
| Unrestricted                          | (56.5)                     | (84.5)         |
| <b>Total Net Position</b>             | <b>\$570.3</b>             | <b>\$580.6</b> |

\* As restated.

The City's net position from Governmental Activities decreased \$10.3 million, or -1.8%, to \$570.3 million in 2015. The Governmental Net position decreased primarily due to depreciation of capital assets and the issuance of new debt.

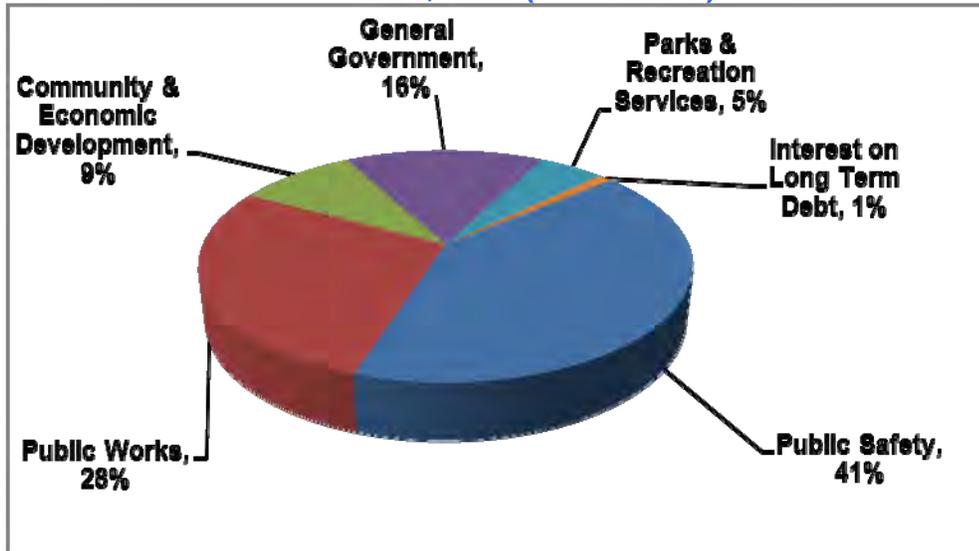
- Cash and investments increased \$35.3 million, or 43%, to \$117.4 million due to the issuance of the Lease Revenue Financing Agreement.
- Capital assets, net of depreciation, decreased \$17.3 million. This decrease is primarily due to depreciation. For more information see Note 6.
- Long-term debt increased \$14.7 million. This increase is primarily due to the issuance of the 2015 Lease Revenue Financing Agreement. See Note 7 for more information on long-term debt.
- Net investment in capital assets decreased \$32.8 million.
- Restricted net position decreased \$5.5 million primarily due to a decrease in community development projects.
- Unrestricted net position reflects the resources that can be used to finance day-to-day operations. Unrestricted net position increased \$28.0 million from the prior fiscal year to \$-56.5 million at June 30, 2015 due to the issuance of the 2015 Lease Revenue Financing Agreement.

**Governmental Activities - Sources of Revenues  
For the Year Ended June 30, 2015 (see Table 4)**



As the Sources of Revenues Chart above shows, 36% or \$40.4 million of the City’s fiscal 2015 governmental activities revenue came from operating grants and contributions, 16% or \$17.4 million came from property taxes, 11% or \$11.6 million came from Measure Q sales taxes, 11% or \$12.2 million came from other taxes and 10% or \$10.8 million came from charges for services. The remaining 16% came primarily from three sources – capital grants, motor vehicle in lieu and investment earnings.

**Governmental Activities - Functional Expenses  
For the Year Ended June 30, 2015 (see Table 4)**



The Functional Expenses Chart above includes only current year expenses, which are discussed in detail below. Public Safety accounted for \$48.8 million or 41% of expenses, while Public Works accounted for \$33.1 million or 28% of expenses, followed by General Government which accounted for \$19.6 million or 16% of expenses. The remaining 15% was spread among Community and Economic Development, Parks and Recreation Services and interest expense.

The expenses reflected above do not include capital outlay, which is added to the City's capital assets on the Government-Wide Financial Statements. In 2015, the City's capital assets declined a net of \$17.3 million, as discussed above. The details of the changes in capital assets are discussed in Note 6.

The Statement of Activities presents program revenues and expenses and general revenues in detail. These are elements in the Changes in Governmental Net position which are summarized below:

**Table 4: Changes in Governmental Net Position  
For the Years Ended June 30, 2015 and 2014 (Dollars in Millions)**

|  | Governmental<br>Activities |                 |
|--|----------------------------|-----------------|
|  | 2015                       | 2014            |
| <b>EXPENSES</b>  |                            |                 |
| General Government   | \$19.6                     | \$17.7          |
| Public Safety  | 48.8                       | 43.1            |
| Public Works   | 33.1                       | 37.0            |
| Community & Economic Development                           | 10.0                       | 8.6             |
| Parks & Recreation Services                                | 4.9                        | 5.8             |
| Interest on Long-Term Debt                                 | 1.3                        | 1.4             |
| <b>Total Expenses</b>                                      | <b>117.7</b>               | <b>113.6</b>    |
| <b>REVENUES</b>  |                            |                 |
| Program Revenues:  |                            |                 |
| Charges for Services                                       | 10.8                       | 13.6            |
| Operating Contributions and Grants                         | 40.4                       | 7.8             |
| Capital Grants   | 5.9                        | 8.2             |
| <b>Total Program Revenues</b>                              | <b>57.1</b>                | <b>29.6</b>     |
| General Revenues:  |                            |                 |
| Taxes:   |                            |                 |
| Property Taxes   | 17.4                       | 15.7            |
| Measure Q Sales Taxes                                      | 11.6                       | 40.1            |
| Other Taxes  | 12.2                       | 11.5            |
| Motor Vehicle in Lieu                                      | 8.9                        | 8.1             |
| Investment Earnings  | 2.5                        | 1.3             |
| <b>Total General Revenues</b>                              | <b>52.6</b>                | <b>76.7</b>     |
| <b>Total Revenues</b>                                      | <b>109.7</b>               | <b>106.3</b>    |
| Change in Net Position before Special Item and Restatement | (8.0)                      | (7.3)           |
| Special Item   | (2.3)                      |                 |
| Restatement of Fund Equity (Note 18)                       |                            | (141.5)         |
| <b>Change in Net Position</b>                              | <b>(\$10.3)</b>            | <b>(148.80)</b> |

Total governmental expenses were \$117.7 million in fiscal 2015, reflecting a \$4.1 million increase from the prior year. Increases in Public Safety (\$5.7 million), General Government (\$1.9 million) and Community & Economic Development (\$1.4 million) were offset by decreases in Public Works (\$3.9 million) and Park & Recreation Services (\$0.9 million).

Total governmental revenues increased \$3.4 million to \$109.7 million in fiscal 2015. Operating contributions and grants increased by \$32.6 million as a result of reclassification of sales taxes from General Revenues to Program Revenues. Increases in property taxes, other taxes, motor

vehicle in lieu and investment earnings were offset by decreases in charges for services, capital grants and special item.

### 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. The City's program revenues include charges for services such as developer fees, plan check fees, building inspection fees, recreation fees, police fees, traffic fines and operating or capital grants. In 2015, sales tax revenue imposed by the State and passed through to the City has been classified as program revenue, creating a \$26.4 million increase in General Government net program revenue. In prior years, this was included in General Revenue.

**Table 5: Governmental Activities Net Program Expense  
As of June 30, 2015 and 2014 (Dollars in Millions)**

|                                  | Net (Expense) Revenue<br>from Services |                 |
|----------------------------------|--|-----------------|
|                                  | 2015                                   | 2014            |
| General Government               | \$16.4                                 | (\$10.0)        |
| Public Safety                    | (46.2)                                 | (40.7)          |
| Public Works                     | (24.5)                                 | (28.2)          |
| Community & Economic Development | (3.7)                                  | (2.8)           |
| Parks & Recreation Services      | (1.3)                                  | (1.0)           |
| Interest on Long-Term Debt       | (1.3)                                  | (1.3)           |
| <b>Total</b>                     | <b>(\$60.6)</b>                        | <b>(\$84.0)</b> |

### Business-Type Activities

The net position of Business-Type Activities decreased to \$65.8 million in fiscal 2015, down \$1.1 million from \$66.9 million in the prior year. Business-Type activities include the Sewer Fund and the Golf Course Fund with net position of \$63.8 million and \$2.0 million, respectively.

**Table 6: Business-Type Activities Net Position  
As of June 30, 2015 and 2014 (Dollars in Millions)**

|                                  | Business-Type<br>Activities |               |
|----------------------------------|-----------------------------|---------------|
|                                  | 2015                        | 2014          |
| Cash and Investments             | \$25.7                      | \$24.6        |
| Other Assets                     | 2.7                         | 2.9           |
| Capital Assets                   | 73.7                        | 77.4          |
| <b>Total Assets</b>              | <b>102.1</b>                | <b>104.9</b>  |
| Long-Term Debt Outstanding       | 19.5                        | 20.6          |
| Other Liabilities                | 16.8                        | 17.4          |
| <b>Total Liabilities</b>         | <b>36.3</b>                 | <b>38.0</b>   |
| Net Position:                    |                             |               |
| Net investment in Capital Assets | 53.7                        | 56.3          |
| Unrestricted                     | 12.1                        | 10.6          |
| <b>Total Net Position</b>        | <b>\$65.8</b>               | <b>\$66.9</b> |

**Table 7: Changes in Business-Type Activities Net Position  
As of June 30, 2015 and 2014 (Dollars in Millions)**

|   | Business-Type Activities |                |
|---|--------------------------|----------------|
|   | 2015                     | 2014           |
| Net Revenues from Business-Type Activities: |                          |                |
| Sewer Fund                                  | (\$1.4)                  | (\$4.6)        |
| Golf Course Fund                            | 0.1                      | 0.1            |
| General Revenues:                           |                          |                |
| Investment Earnings                         | 0.1                      | 0.2            |
| Other                                       | 0.1                      | 0.1            |
| <b>Total</b>                                | <b>(\$1.1)</b>           | <b>(\$4.2)</b> |

The Sewer Fund generated service fee revenues of \$24.3 million in fiscal 2015, reflecting a \$2.2 million increase over the prior year. Operating expenses decreased by \$0.9 million, or 3%, to \$25.8 million. As a result, the Sewer Fund experienced a \$1.4 million operating loss for the year attributable to the City's support of capital projects for sewage treatment at the Central Contra Costa Sanitary District. The Golf Course Fund realized a nominal gain in fiscal year 2015.

## THE CITY'S FUND FINANCIAL STATEMENTS

### Governmental Funds

At June 30, 2015, the City's governmental funds reported combined fund balances of \$107.4 million, a \$30.3 million increase when compared with last year's combined fund balance of \$77.1 million. General fund balance increased \$9.3 million and General Projects fund balance increased by \$19.8 million. The Concord Housing fund balance decreased \$2.0 million, and Other Governmental fund balance increased \$3.2 million.

Governmental fund revenues increased \$6.0 million this year to \$111.7 million from \$105.7 million in the prior year. General Fund revenues increased \$7.3 million, or 8%. General Project revenues increased \$17.6 million. Other Governmental fund revenues increased \$2.9 million.

Governmental expenditures increased \$2.8 million this year to \$98.3 million from \$95.5 million in the prior year. General Fund expenditures increased \$3.0 million to \$81.1 million. General Project expenditures decreased \$1.2 million. Other Governmental fund expenditures increased \$1.0 million. Other Financing Sources (Uses) are primarily comprised of transfers among the various funds in the City. During fiscal 2015, the General Fund received transfers in of approximately \$1.2 million to reimburse operating costs and transferred out \$2.6 million to fund capital projects and debt service.

### Proprietary Funds

Enterprise fund net position decreased to \$65.8 million in fiscal 2015, down \$1.1 million from \$66.9 million in the prior year. Enterprise operating revenues were \$25.8 million this year, up \$2.3 million from last year. Enterprise Fund operating expenses were \$26.5 million in fiscal 2015, down \$0.8 million from \$27.3 million in the prior year.

Internal service fund net position increased to \$49.7 million in fiscal 2015, up \$2.6 million from \$47.1 million in the prior year. This increase is primarily due to a \$2.4 million increase in cash and investments.

## **ANALYSES OF MAJOR GOVERNMENTAL FUNDS**

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### **General Fund**

General Fund revenues totaled \$91.7 million, reflecting an increase of \$6.9 million, or 8%, over the prior fiscal year, due primarily to a \$1.7 million increase in property taxes, a \$1.6 million increase in sales taxes, a \$1.1 million increase in Investment Earnings and a \$0.8 million increase in In Lieu Property Taxes – VLF. Increase of \$31.1 million in Intergovernmental was the result of a reclassification of sales taxes and in lieu sales taxes. General Fund operating expenditures increased \$3.0 million primarily due to an increase in Public Safety expenditures of \$1.5 million, an increase in Public Works expenditures of \$0.5 million and an increase of \$0.4 million in General Government.

**Table 8: Changes in General Fund  
As of June 30, 2015 and 2014 (Dollars in Millions)**

|  | <b>General Fund</b>              |               |
|--|----------------------------------|---------------|
|  | <b>Revenues and Expenditures</b> |               |
|  | <b>2015</b>                      | <b>2014</b>   |
| <b>REVENUES</b>  |                                  |               |
| Taxes:   |                                  |               |
| Property Taxes   | \$13.6                           | \$11.9        |
| In Lieu Property Taxes - VLF                             | 8.9                              | 8.1           |
| Sales Taxes  |                                  | 21.5          |
| Measure Q  | 11.6                             | 11.4          |
| In Lieu Sales Taxes                                      |                                  | 7.2           |
| Other Taxes  | 12.2                             | 11.6          |
| Licenses and Permits                                     | 1.5                              | 1.6           |
| Intergovernmental  | 31.8                             | 0.7           |
| Charges for Services                                     | 5.2                              | 5.6           |
| Investment Earnings                                      | 1.7                              | 0.6           |
| Miscellaneous Revenues                                   | 5.2                              | 4.6           |
| <b>Total Revenues</b>                                    | <b>91.7</b>                      | <b>84.8</b>   |
| <b>EXPENDITURES</b>                                      |                                  |               |
| General Government                                       | \$19.0                           | \$18.6        |
| Public Safety  | 45.2                             | 43.7          |
| Public Works   | 6.6                              | 6.1           |
| Community and Economic Development                       | 5.5                              | 5.2           |
| Parks and Recreation Services                            | 4.6                              | 4.3           |
| Interest on Long-Term Debt                               | 0.2                              | 0.2           |
| <b>Total Expenditures</b>                                | <b>81.1</b>                      | <b>78.1</b>   |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b> | <b>10.6</b>                      | <b>6.7</b>    |
| <b>OTHER FINANCING SOURCES (USES)</b>                    |                                  |               |
| Transfers In   | 1.2                              | 0.5           |
| Transfers Out  | (2.6)                            | (2.1)         |
| <b>Total Other Financing Sources (Uses)</b>              | <b>(1.4)</b>                     | <b>(1.6)</b>  |
| <b>Net Change in Fund Balance</b>                        | <b>9.2</b>                       | <b>5.1</b>    |
| <b>Fund Balance at Beginning of Year</b>                 | <b>24.7</b>                      | <b>19.6</b>   |
| <b>Ending Fund Balance</b>                               | <b>\$33.9</b>                    | <b>\$24.7</b> |

At June 30, 2015, the General Fund balance totaled \$33.9 million compared to \$24.7 million in the prior year. The increase of \$9.2 million in fund balance was primarily due to an increase in revenue of \$6.9 million. Fiscal year 2015 had transfers out of \$2.6 million. This year's ending fund balance consisted of \$5.3 million categorized as nonspendable, \$1.3 assigned and \$27.3 million was unassigned. Refer to Note 8 for more information.

### Concord Housing Fund

The Concord Housing Fund tracks 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. The Total Fund Balance as of June 30, 2015 was \$28.8 million, a decrease of \$2.0 million over last year's fund balance of \$30.8 million. Total revenues were \$0.5 million and total expenditures were \$0.1 million in fiscal 2015.

## General Projects Fund

This fund tracks capital project costs that are reimbursable from grants. The fund's revenues were \$2.3 million in fiscal 2015, a decrease of \$2.4 million compared to \$4.7 million in fiscal 2014. Fund expenditures were \$3.8 million in fiscal 2015 compared to \$5.0 million in fiscal 2014. The fund balance increased by \$19.7 million to \$19.2 million compared to a deficit of 0.5 million in fiscal 2014 primarily due to the issuance of the 2015 Lease Revenue Financing Agreement.

## Other Governmental Funds

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

## ANALYSES OF MAJOR PROPRIETARY FUND

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### Sewer Fund

Net position of the Sewer Fund at fiscal year-end was \$63.8 million, a decrease of \$1.3 million compared to \$65.1 million at June 30, 2014. Net investment in capital assets was \$52.2 million and unrestricted net position was \$11.6 million at June 30, 2015.

## CAPITAL ASSETS

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GASB 34 requires the City to record all its capital assets, including infrastructure, in its financial statements. Infrastructure includes roads, bridges, signals, storm drains and other similar assets.

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 2015, the cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 9 below:

**Table 9: Capital Assets  
For the Years Ended June 30, 2015 and 2014 (Dollars in Millions)**

|   | Balance at<br>June 30, 2015 | Balance at<br>June 30, 2014 |
|---|-----------------------------|-----------------------------|
| <b>Governmental Activities</b>                      |                             |                             |
| Land  | \$15.1                      | \$15.1                      |
| Construction in Progress                            | 4.3                         | 2.4                         |
| Ground Improvements                                 | 21.3                        | 21.0                        |
| Buildings and Improvements                          | 80.2                        | 80.0                        |
| Machinery and Equipment                             | 14.6                        | 14.2                        |
| Vehicles  | 9.9                         | 9.3                         |
| Streets   | 432.3                       | 430.2                       |
| Sidewalks   | 51.4                        | 50.4                        |
| Storm Drains/Catch Basins                           | 443.3                       | 443.3                       |
| Street Lights                                       | 5.8                         | 5.8                         |
| Traffic Signals                                     | 28.7                        | 27.3                        |
| Less: Accumulated Depreciation                      | (486.0)                     | (460.9)                     |
| <b>Governmental Activities Capital Assets, Net</b>  | <b>\$620.9</b>              | <b>\$638.1</b>              |
| <b>Business-Type Activities</b>                     |                             |                             |
| Land  | \$0.4                       | \$0.4                       |
| Construction in Progress                            | 1.0                         | 0.2                         |
| Buildings and Improvements                          | 8.7                         | 8.7                         |
| Machinery and Equipment                             | 0.2                         | 0.2                         |
| Sewer Lines   | 219.1                       | 219.1                       |
| Less: Accumulated Depreciation                      | (155.7)                     | (151.2)                     |
| <b>Business-Type Activities Capital Assets, Net</b> | <b>\$73.7</b>               | <b>\$77.4</b>               |

The principal additions to governmental capital assets in fiscal 2015 were streets. Business-Type Activities experienced an increase of \$0.8 million in construction in progress, while net capital assets decreased \$3.7 million due to the offsetting accumulated depreciation. 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. Further detail on capital assets, current year additions, construction in progress and depreciation can be found in Note 6.

## DEBT ADMINISTRATION

The City made all scheduled debt service payments. Each of the City's debt issues is discussed in detail in Note 7 to the Financial Statements. In addition, during the year ended June 30, 2015, the City issued Lease Revenue Financing Agreement in the amount of \$22.6 million. At June 30, 2015, the City's debt was comprised of the following issues:

**Table 10: Outstanding Debt  
As of June 30, 2015 and 2014 (Dollars in Millions)**

|  | June 30, 2015 | June 30, 2014 | Net Change     |
|--|---------------|---------------|----------------|
| <b>Governmental Activities Debt:</b>   |               |               |                |
| <b>Revenue Bonds:</b>  |               |               |                |
| 1995 Lease Revenue Bonds, 6.33 - 8.24%, due 8/1/20   | \$2.0         | \$2.4         | (\$0.4)        |
| Parking Garage Revenue Bonds, 4.0 - 5.13%, due 3/1/23  |               | 5.2           | (5.2)          |
| Lease Revenue Financing Agreement, 1.912 % due 3/1/25  | 22.6          |               |                |
| <b>Refunding Lease Agreement</b>   |               |               |                |
| 3.3%, due 9/1/19   | 2.6           | 3.5           | (0.9)          |
| <b>Lease Purchase Agreement</b>  |               |               |                |
| 4.75%, due 6/30/27   | 7.4           | 7.7           | (0.3)          |
| <b>Notes Payable:</b>  |               |               |                |
| CHFA, 3.00%, due 03/01/14  |               | 0.4           | (0.4)          |
| <b>Capital Lease:</b>  |               |               |                |
| Motorola Safety Radio, 3.03%, due 12/1/16  | 0.4           | 0.6           | (0.2)          |
| Cisco VOIP Equipment, 3.95%, due 7/9/14  |               | 0.1           | (0.1)          |
| Color Hybrid Multi-Function Printers, 5.5%, due 11/1/16                                      |               | 0.1           | (0.1)          |
| NetApp Capital Solutions Software, 3.44%, due 04/01/15                                       | 0.1           | 0.2           | (0.1)          |
| Motorola Safety Radio, 3.55%, due 8/1/18   | 0.2           | 0.2           | 0.0            |
| US Bank 000 4.76%, due 10/15/17  | 0.1           | 0.2           | (0.1)          |
| US Bank 001 4.76%, due 11/1/18   | 0.1           | 0.1           | 0.0            |
| Key Government Finance, 3.36%, due 12/12/18  | 0.3           | 0.4           | (0.1)          |
| Quest Technology Management due 9/30/19  | 0.1           |               | 0.1            |
| <b>Total Governmental Activities Debt</b>  | <b>\$35.9</b> | <b>\$21.1</b> | <b>(\$7.8)</b> |
| <b>Business-Type Activities Debt:</b>  |               |               |                |
| <b>Enterprise Long Term Debt:</b>  |               |               |                |
| 2012 - Wastewater Revenue Refunding Bonds, 1.50-4.00%, due 02/01/29                          | \$8.7         | \$9.3         | (\$0.6)        |
| 2007 Certificates of Participation, Wastewater System Improvements, 3.75 - 4.50%, due 2/1/32 | 9.9           | 10.3          | (0.4)          |
| ABAG 41 Certificates of Participation, Diablo Creek Golf Course, 4.00 - 5.00%, due 8/1/18    | 0.8           | 1.0           | (0.2)          |
| <b>Total Business-Type Activities Debt</b>   | <b>\$19.4</b> | <b>\$20.6</b> | <b>(\$1.2)</b> |

Business-Type Activities Debt decreased slightly over prior year because of the scheduled pay down of outstanding debt.

## ECONOMIC OUTLOOK AND MAJOR INITIATIVES

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

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.

**BASIC FINANCIAL STATEMENTS**

## STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position 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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 Position reports the difference between the City's total assets, deferred outflows of resources and the City's total liabilities, deferred inflows of resources including all the City's capital assets and all its long-term debt. The Statement of Net Position 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 Position. 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 Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, Concord/Pleasant Hill Health Care District, City of Concord Joint Powers Financing Authority, and Concord Sanitary Sewer Services, Inc., 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 POSITION**  
**JUNE 30, 2015**

|   | Governmental<br>Activities | Business-Type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS</b>   |                            |                             |                       |
| Cash and Investments (Note 3)                               | \$ 117,402,145             | \$ 25,445,032               | \$ 142,847,177        |
| Cash with Fiscal Agents (Note 3)                            | 651,440                    | 256,896                     | 908,336               |
| Receivables (Net of Allowances for Uncollectibles):         |                            |                             |                       |
| Accounts  | 3,658,490                  | 41,893                      | 3,700,383             |
| Due from Other Governments                                  | 7,434,815                  |                             | 7,434,815             |
| Interest  | 4,235,147                  | 15,339                      | 4,250,486             |
| Loans and Notes (Note 5)                                    | 32,903,821                 |                             | 32,903,821            |
| Due from Successor Agency (Note 7)                          | 2,599,000                  |                             | 2,599,000             |
| Inventories   | 58,763                     |                             | 58,763                |
| Prepaid Items and Other Assets                              | 194,748                    |                             | 194,748               |
| Internal Balances (Note 4)                                  | (2,634,969)                | 2,634,969                   |                       |
| Capital Assets (Note 6):                                    |                            |                             |                       |
| Land and Construction In Progress                           | 19,402,169                 | 1,347,462                   | 20,749,631            |
| Depreciable Capital Assets, Net of Accumulated Depreciation | 601,476,842                | 72,362,637                  | 673,839,479           |
| Total Assets  | <u>787,382,411</u>         | <u>102,104,228</u>          | <u>889,486,639</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |                            |                             |                       |
| Deferred outflows related to pension                        | 10,831,427                 |                             | 10,831,427            |
| Total Deferred Outflows of Resources                        | <u>10,831,427</u>          |                             | <u>10,831,427</u>     |
| <b>LIABILITIES</b>  |                            |                             |                       |
| Accounts, Deposits and Contracts Payable                    | 4,002,087                  | 16,432,981                  | 20,435,068            |
| Accrued Liabilities   | 3,978,406                  | 39,360                      | 4,017,766             |
| Interest Payable  | 296,612                    | 295,186                     | 591,798               |
| Refundable Deposits   | 2,898,167                  |                             | 2,898,167             |
| Unearned Revenue  | 1,839,688                  |                             | 1,839,688             |
| Net OPEB Obligation (Note 13)                               | 35,551                     |                             | 35,551                |
| Net Pension Liability CCRS (Note 10)                        | 29,425,758                 |                             | 29,425,758            |
| Net Pension Liability CalPERS (Note 12):                    | 114,232,403                |                             | 114,232,403           |
| Compensated Absences (Note 7)                               |                            |                             |                       |
| Due in One Year   | 2,621,095                  | 36,671                      | 2,657,766             |
| Due in More Than One Year                                   | 1,554,292                  | 14,407                      | 1,568,699             |
| Claims Payable (Note 15):                                   |                            |                             |                       |
| Due in One Year   | 3,009,752                  |                             | 3,009,752             |
| Due in More Than One Year                                   | 7,868,569                  |                             | 7,868,569             |
| Long-Term Debt (Note 7):                                    |                            |                             |                       |
| Due in One Year   | 3,903,819                  | 1,110,000                   | 5,013,819             |
| Due in More Than One Year                                   | 31,994,845                 | 18,360,943                  | 50,355,788            |
| Total Liabilities   | <u>207,661,044</u>         | <u>36,289,548</u>           | <u>243,950,592</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |                            |                             |                       |
| Deferred inflows related to pension                         | 20,198,114                 |                             | 20,198,114            |
| Total Deferred Inflows of Resources                         | <u>20,198,114</u>          |                             | <u>20,198,114</u>     |
| <b>NET POSITION (Note 8)</b>                                |                            |                             |                       |
| Net Investment in Capital Assets                            | 585,592,444                | 53,687,074                  | 639,279,518           |
| Restricted for:   |                            |                             |                       |
| Capital Projects  | 22,059,786                 |                             | 22,059,786            |
| Debt Service  | 3,154,947                  |                             | 3,154,947             |
| Community Development Projects                              | 16,023,124                 |                             | 16,023,124            |
| Total Restricted Net Position                               | <u>41,237,857</u>          |                             | <u>41,237,857</u>     |
| Unrestricted Net Position                                   | (56,475,621)               | 12,127,606                  | (44,348,015)          |
| Total Net Position  | <u>\$ 570,354,680</u>      | <u>\$ 65,814,680</u>        | <u>\$ 636,169,360</u> |

See accompanying notes to financial statements.

**CITY OF CONCORD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

| Functions/Programs                    | Expenses              | Program Revenues         |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             | Total                 |
|---------------------------------------|-----------------------|--------------------------|--|--|--|-----------------------------|-----------------------|
|                                       |                       | Charges for<br>Services  | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities |                       |
| <b>Governmental Activities:</b>       |                       |                          |  |  |  |                             |                       |
| General Government                    | 19,637,141            | \$ 2,207,723             | \$ 32,565,998                            | \$ 1,257,735                           | \$ 16,394,315  |                             | \$ 16,394,315         |
| Public Safety                         | 48,814,600            | 1,222,722                | 1,398,626                                |  | (46,193,252)   |                             | (46,193,252)          |
| Public Works                          | 33,134,581            | 349,321                  | 4,925,952                                | 3,423,249                              | (24,436,059)   |                             | (24,436,059)          |
| Community and Economic Development    | 9,953,592             | 4,105,601                | 1,493,177                                | 662,003                                | (3,692,811)  |                             | (3,692,811)           |
| Parks & Recreation Services           | 4,870,437             | 2,928,447                | 55,529                                   | 598,958                                | (1,287,503)  |                             | (1,287,503)           |
| Interest on Long-Term Debt            | 1,273,563             |                          |  |  | (1,273,563)  |                             | (1,273,563)           |
| <b>Total Governmental Activities</b>  | <b>117,683,914</b>    | <b>10,813,814</b>        | <b>40,439,282</b>                        | <b>5,941,945</b>                       | <b>(60,488,873)</b>                                  |                             | <b>(60,488,873)</b>   |
| <b>Business-Type Activities:</b>      |                       |                          |  |  |  |                             |                       |
| Sewer                                 | 25,835,431            | 24,349,277               |  | 85,532                                 |  | (1,400,622)                 | (1,400,622)           |
| Golf Course                           | 1,333,597             | 1,449,756                |  |  |  | 116,159                     | 116,159               |
| <b>Total Business-Type Activities</b> | <b>27,169,028</b>     | <b>25,799,033</b>        |  | <b>85,532</b>                          |  | <b>(1,284,463)</b>          | <b>(1,284,463)</b>    |
| <b>Total</b>                          | <b>\$ 144,852,942</b> | <b>\$ 36,612,847</b>     | <b>\$ 40,439,282</b>                     | <b>\$ 6,027,477</b>                    | <b>(60,488,873)</b>                                  | <b>(1,284,463)</b>          | <b>(61,773,336)</b>   |
|                                       |                       | <b>General Revenues:</b> |  |  |  |                             |                       |
|                                       |                       | Taxes                    |  |  |  |                             |                       |
|                                       |                       |                          |  |  | 17,457,504   |                             | 17,457,504            |
|                                       |                       |                          |  |  | 11,554,083   |                             | 11,554,083            |
|                                       |                       |                          |  |  | 8,864,341  |                             | 8,864,341             |
|                                       |                       |                          |  |  | 2,619,411  |                             | 2,619,411             |
|                                       |                       |                          |  |  | 3,423,860  |                             | 3,423,860             |
|                                       |                       |                          |  |  | 6,188,928  |                             | 6,188,928             |
|                                       |                       |                          |  |  | 2,507,489  | 93,481                      | 2,600,970             |
|                                       |                       |                          |  |  |  | 50,000                      | 50,000                |
|                                       |                       | Special Item (Note 16)   |  |  |  |                             |                       |
|                                       |                       |                          |  |  | (2,362,972)  |                             | (2,362,972)           |
|                                       |                       |                          |  |  |  | 143,481                     | 50,396,125            |
|                                       |                       |                          |  |  | <b>50,252,644</b>                                    | <b>143,481</b>              | <b>50,396,125</b>     |
|                                       |                       |                          |  |  | (10,236,229)   | (1,140,982)                 | (11,377,211)          |
|                                       |                       |                          |  |  | 580,590,909  | 66,955,662                  | 647,546,571           |
|                                       |                       |                          |  |  | <b>\$ 570,354,680</b>                                | <b>\$ 65,814,680</b>        | <b>\$ 636,169,360</b> |

See accompanying notes to financial statements.

## 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 year 2015. Individual non-major governmental funds are aggregated and titled “Other Governmental Funds”.

**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.

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

**CITY OF CONCORD  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2015**

|   | General              | Concord<br>Housing   | General<br>Projects  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|----------------------|----------------------|--------------------------------|--------------------------------|
| <b>ASSETS:</b>  |                      |                      |                      |                                |                                |
| Cash and Investments (Note 3)   | \$ 36,890,023        | \$ 1,830,305         | \$ 24,139,686        | \$ 26,233,127                  | \$ 89,093,141                  |
| Cash with Fiscal Agents (Note 3)                                      |                      |                      |                      | 651,440                        | 651,440                        |
| Receivables (Net of Allowances for Uncollectible):                    |                      |                      |                      |                                |                                |
| Accounts  | 3,333,403            |                      | 27,622               | 263,796                        | 3,624,821                      |
| Due from Other Governments  | 5,780,520            |                      | 762,040              | 892,255                        | 7,434,815                      |
| Interest  | 33,642               | 4,104,842            |                      | 96,663                         | 4,235,147                      |
| Due from Other Funds (Note 4)   |                      |                      |                      |                                |                                |
| Loans and Notes (Note 5)  |                      | 31,051,567           |                      | 1,852,254                      | 32,903,821                     |
| Inventories   | 58,763               |                      |                      |                                | 58,763                         |
| Prepaid Items and Other Assets  | 4,346                | 10,546               |                      |                                | 14,892                         |
| Advances to Other Funds (Note 4)                                      | 5,237,104            | 2,880,522            |                      | 159,000                        | 8,276,626                      |
| <b>Total Assets</b>   | <b>\$ 51,337,801</b> | <b>\$ 39,877,782</b> | <b>\$ 24,929,348</b> | <b>\$ 30,148,535</b>           | <b>\$ 146,293,466</b>          |
| <b>LIABILITIES:</b>   |                      |                      |                      |                                |                                |
| Accounts, Deposits and Contracts Payable                              | \$ 2,595,849         | \$ 54,957            | \$ 218,361           | \$ 1,045,736                   | \$ 3,914,903                   |
| Accrued Liabilities   | 3,335,395            | 9,442                |                      | 543,732                        | 3,888,569                      |
| Due to Other Funds (Note 4)   |                      |                      |                      |                                |                                |
| Refundable Deposits   | 2,898,167            |                      |                      |                                | 2,898,167                      |
| Unearned Revenue  | 243,280              |                      | 1,596,408            |                                | 1,839,688                      |
| Advances from Other Funds (Note 4)                                    | 8,212,216            |                      | 3,330,983            | 1,291,473                      | 12,834,672                     |
| <b>Total Liabilities</b>  | <b>17,284,907</b>    | <b>64,399</b>        | <b>5,145,752</b>     | <b>2,880,941</b>               | <b>25,375,999</b>              |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                 |                      |                      |                      |                                |                                |
| Unavailable Revenue   | 118,856              | 10,935,232           | 545,692              | 1,946,894                      | 13,546,674                     |
| <b>FUND BALANCES:</b>   |                      |                      |                      |                                |                                |
| Fund Balances: (Note 8)   |                      |                      |                      |                                |                                |
| Nonspendable  | 5,300,213            | 10,546               |                      | 1,852,254                      | 7,163,013                      |
| Restricted  |                      | 28,867,605           | 18,469,282           | 22,927,575                     | 70,264,462                     |
| Assigned  | 1,252,513            |                      | 768,622              | 542,334                        | 2,563,469                      |
| Unassigned  | 27,381,312           |                      |                      | (1,463)                        | 27,379,849                     |
| <b>TOTAL FUND BALANCES</b>  | <b>33,934,038</b>    | <b>28,878,151</b>    | <b>19,237,904</b>    | <b>25,320,700</b>              | <b>107,370,793</b>             |
| Total Liabilities, Deferred Inflows of<br>Resources and Fund Balances | <b>\$ 51,337,801</b> | <b>\$ 39,877,782</b> | <b>\$ 24,929,348</b> | <b>\$ 30,148,535</b>           | <b>\$ 146,293,466</b>          |

See accompanying notes to financial statements.

**CITY OF CONCORD  
RECONCILIATION OF THE GOVERNMENTAL  
FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

|   |           |                           |
|---|-----------|---------------------------|
| TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS   | \$        | 107,370,793               |
| <p>Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:</p>  |           |                           |
| <b>CAPITAL ASSETS</b>   |           |                           |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   |           | 589,069,961               |
| <b>ALLOCATION OF INTERNAL SERVICE FUND NET POSITION</b>   |           |                           |
| 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 position and liabilities of the internal service funds are therefore included in governmental activities in the statement of net position. |           | 49,668,236                |
| <b>ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES</b>   |           |                           |
| Unavailable revenue which are deferred inflows of resources in the Governmental Funds because they are not available currently are taken into revenue in the Statement of Activities.   |           | 13,546,674                |
| <b>DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO PENSION</b>  |           |                           |
| The deferred accounts below are related to the pension liability and are not due and payable in the current period and therefore are not reported in the Funds:   |           |                           |
| Deferred inflows of resources CCRS  |           | (1,224,622)               |
| Deferred outflows of resources CalPERS  |           | 10,831,427                |
| Deferred inflows of resources CalPERS   |           | (18,973,492)              |
| <b>LONG-TERM ASSETS AND LIABILITIES</b>   |           |                           |
| 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  |           | (34,652,550)              |
| Interest Payable  |           | (257,269)                 |
| Compensated Absences  |           | (3,965,317)               |
| Reimbursement agreement due from Successor Agency   |           | 2,599,000                 |
| Net Pension Liability CCRS  |           | (29,425,758)              |
| Net Pension Liability CalPERS   |           | (114,232,403)             |
| <b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>  | <b>\$</b> | <b><u>570,354,680</u></b> |

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, 2015**

|  | General              | Concord<br>Housing   | General<br>Projects  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|----------------------|----------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>  |                      |                      |                      |                                |                                |
| Taxes  |                      |                      |                      |                                |                                |
| Property   | \$ 13,596,757        |                      |                      | \$ 3,860,747                   | \$ 17,457,504                  |
| In Lieu Property Tax - VLF   | 8,864,341            |                      |                      |                                | 8,864,341                      |
| Measure Q  | 11,554,083           |                      |                      |                                | 11,554,083                     |
| Transient Occupancy  | 2,619,411            |                      |                      |                                | 2,619,411                      |
| Franchises   | 6,188,928            |                      |                      |                                | 6,188,928                      |
| Business License   | 3,423,860            |                      |                      |                                | 3,423,860                      |
| Licenses and Permits   | 1,540,653            |                      |                      | 309,852                        | 1,850,505                      |
| Intergovernmental  | 31,807,558           |                      | \$ 1,971,245         | 7,934,583                      | 41,713,386                     |
| Charges for Services   | 5,190,912            | \$ 475               |                      | 787,285                        | 5,978,672                      |
| Fines, Forfeitures and Penalties                                     | 796,512              |                      |                      |                                | 796,512                        |
| Parks and Recreation   | 2,928,447            |                      |                      |                                | 2,928,447                      |
| Use of Money and Property  | 1,690,055            | 75,704               | 6,526                | 538,345                        | 2,310,630                      |
| Special Assessment Collections                                       |                      |                      |                      | 1,125                          | 1,125                          |
| Other  | 1,556,583            | 450,000              | 283,513              | 3,721,416                      | 6,011,512                      |
| <b>Total Revenues</b>  | <b>91,758,100</b>    | <b>526,179</b>       | <b>2,261,284</b>     | <b>17,153,353</b>              | <b>111,698,916</b>             |
| <b>EXPENDITURES</b>  |                      |                      |                      |                                |                                |
| Current:   |                      |                      |                      |                                |                                |
| General Government   | 19,033,145           |                      | 14,655               |                                | 19,047,800                     |
| Public Safety  | 45,171,931           |                      | 407,576              | 240,384                        | 45,819,891                     |
| Public Works   | 6,631,463            |                      | 78,322               | 4,241,872                      | 10,951,657                     |
| Community and Economic Development                                   | 5,536,954            | 115,913              | 1,871,791            | 1,973,833                      | 9,498,491                      |
| Parks & Recreation Services  | 4,550,920            |                      |                      |                                | 4,550,920                      |
| Capital Outlay   |                      |                      | 1,394,948            | 3,864,925                      | 5,259,873                      |
| Debt Service:  |                      |                      |                      |                                |                                |
| Principal  |                      |                      |                      | 1,971,156                      | 1,971,156                      |
| Interest and Fiscal Charges  | 200,646              |                      |                      | 996,635                        | 1,197,281                      |
| <b>Total Expenditures</b>  | <b>81,125,059</b>    | <b>115,913</b>       | <b>3,767,292</b>     | <b>13,288,805</b>              | <b>98,297,069</b>              |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>10,633,041</b>    | <b>410,266</b>       | <b>(1,506,008)</b>   | <b>3,864,548</b>               | <b>13,401,847</b>              |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                      |                      |                      |                                |                                |
| Transfers In (Note 4)  | 1,227,336            |                      | 1,593,286            | 1,873,409                      | 4,694,031                      |
| Transfers (Out) (Note 4)   | (2,588,711)          |                      | (317,853)            | (2,494,854)                    | (5,401,418)                    |
| Proceeds from Bond Issuance  |                      |                      | 20,000,000           |                                | 20,000,000                     |
| <b>Total Other Financing Sources (Uses)</b>                          | <b>(1,361,375)</b>   |                      | <b>21,275,433</b>    | <b>(621,445)</b>               | <b>19,292,613</b>              |
| <b>NET CHANGES IN FUND BALANCES BEFORE<br/>SPECIAL ITEMS</b>         | <b>9,271,666</b>     | <b>410,266</b>       | <b>19,769,425</b>    | <b>3,243,103</b>               | <b>32,694,460</b>              |
| <b>SPECIAL ITEMS (Note 16)</b>                                       |                      |                      |                      |                                |                                |
| Partnership note restructuring                                       |                      | (2,384,126)          |                      |                                | (2,384,126)                    |
| <b>Total Special Items</b>   |                      | <b>(2,384,126)</b>   |                      |                                | <b>(2,384,126)</b>             |
| <b>NET CHANGES IN FUND BALANCES</b>                                  | <b>9,271,666</b>     | <b>(1,973,860)</b>   | <b>19,769,425</b>    | <b>3,243,103</b>               | <b>30,310,334</b>              |
| <b>FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR, as restated</b>     | <b>24,662,372</b>    | <b>30,852,011</b>    | <b>(531,521)</b>     | <b>22,077,597</b>              | <b>77,060,459</b>              |
| <b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>                        | <b>\$ 33,934,038</b> | <b>\$ 28,878,151</b> | <b>\$ 19,237,904</b> | <b>\$ 25,320,700</b>           | <b>\$ 107,370,793</b>          |

See accompanying notes to financial statements.

**CITY OF CONCORD  
RECONCILIATION OF THE  
NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS  
TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

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 Position 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  | \$ | 30,310,334          |
| Amounts reported for governmental activities in the Statement of Activities are different because of the following:   |    |                     |
| <b>CAPITAL ASSETS TRANSACTIONS</b>  |    |                     |
| 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  |    | 5,145,511           |
| Depreciation expense is deducted from the fund balance<br>(Depreciation expense is net of internal service fund depreciation of \$2,846,786 which has already been allocated to serviced funds.)  |    | (22,436,030)        |
| <b>LONG TERM DEBT PROCEEDS AND PAYMENTS</b>   |    |                     |
| Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but in the Statement of Net Position the repayment reduces long-term liabilities.  |    |                     |
| Repayment of debt principal   |    | (15,283,935)        |
| Reimbursement agreement from Successor Agency   |    | (5,698,000)         |
| <b>ACCRUAL OF NON-CURRENT ITEMS</b>   |    |                     |
| 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  |    | (238,839)           |
| Pension expense CCRS  |    | (7,213,949)         |
| Pension expense CalPERS   |    | 953,575             |
| Deferred inflow of resources- Unavailable revenues  |    | 4,073,414           |
| Interest Payable  |    | (12,510)            |
| Investment in Partnership   |    | (2,362,972)         |
| <b>ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY</b>   |    |                     |
| 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 Position - All Internal Service Funds, less contributions from Governmental Funds   |    | 2,527,172           |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES   | \$ | <u>(10,236,229)</u> |

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, 2015**

|  | Budgeted Amounts    |                       | Actual Amounts       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|-----------------------|----------------------|---|
|  | Original            | Final                 |                      |   |
| <b>REVENUES:</b>   |                     |                       |                      |   |
| Taxes  |                     |                       |                      |   |
| Property   | \$ 12,532,675       | \$ 12,532,675         | \$ 13,596,757        | \$ 1,064,082  |
| In Lieu Property Tax VLF   | 8,222,568           | 8,222,568             | 8,864,341            | 641,773   |
| Measure Q tax  | 11,609,000          | 11,609,000            | 11,554,083           | (54,917)  |
| Transient Occupancy  | 2,026,000           | 2,026,000             | 2,619,411            | 593,411   |
| Franchises   | 4,676,000           | 5,553,000             | 6,188,928            | 635,928   |
| Business License   | 3,057,971           | 3,057,971             | 3,423,860            | 365,889   |
| Licenses and Permits   | 1,695,187           | 1,695,187             | 1,540,653            | (154,534)   |
| Intergovernmental  | 30,232,400          | 30,377,400            | 31,807,558           | 1,430,158   |
| Charges for Services   | 5,576,192           | 5,456,192             | 5,190,912            | (265,280)   |
| Fines, Forfeitures and Penalties                                     | 780,000             | 780,000               | 796,512              | 16,512  |
| Parks and Recreation   | 2,597,163           | 2,597,163             | 2,928,447            | 331,284   |
| Use of Money and Property  | 1,385,956           | 1,385,956             | 1,690,055            | 304,099   |
| Other  | 295,000             | 645,325               | 1,556,583            | 911,258   |
|  | <u>84,686,112</u>   | <u>85,938,437</u>     | <u>91,758,100</u>    | <u>5,819,663</u>  |
| <b>EXPENDITURES:</b>   |                     |                       |                      |   |
| Current:   |                     |                       |                      |   |
| General Government:  |                     |                       |                      |   |
| Council  | 190,574             | 215,574               | 378,615              | (163,041)   |
| Manager  | 2,905,222           | 2,933,220             | 2,672,268            | 260,952   |
| Attorney   | 1,228,160           | 1,252,559             | 1,045,854            | 206,705   |
| Human Resources  | 1,388,031           | 1,390,736             | 1,326,866            | 63,870  |
| Finance  | 11,867,753          | 14,424,290            | 13,609,542           | 814,748   |
| Total General Government   | <u>17,579,740</u>   | <u>20,216,379</u>     | <u>19,033,145</u>    | <u>1,183,234</u>  |
| Public Safety  | 45,980,865          | 46,066,765            | 45,171,931           | 894,834   |
| Public Works   | 6,256,296           | 6,450,939             | 6,631,463            | (180,524)   |
| Community and Economic Development                                   | 5,755,769           | 6,105,939             | 5,536,954            | 568,985   |
| Parks & Recreation Services  | 4,293,849           | 4,465,410             | 4,550,920            | (85,510)  |
| Debt Service:  |                     |                       |                      |   |
| Interest and Fiscal Charges  | 183,700             | 183,700               | 200,646              | (16,946)  |
|  | <u>80,050,219</u>   | <u>83,489,132</u>     | <u>81,125,059</u>    | <u>2,364,073</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER<br/>(UNDER) EXPENDITURES</b> | <u>4,635,893</u>    | <u>2,449,305</u>      | <u>10,633,041</u>    | <u>8,183,736</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                     |                       |                      |   |
| Transfers In   | 878,880             | 878,880               | 1,227,336            | 348,456   |
| Transfers (Out)  | (3,834,924)         | (5,157,924)           | (2,588,711)          | 2,569,213   |
|  | <u>(2,956,044)</u>  | <u>(4,279,044)</u>    | <u>(1,361,375)</u>   | <u>2,917,669</u>  |
| <b>NET CHANGE IN FUND BALANCE</b>                                    | <u>\$ 1,679,849</u> | <u>\$ (1,829,739)</u> | <u>9,271,666</u>     | <u>\$ 11,101,405</u>                                    |
| FUND BALANCE AT BEGINNING OF YEAR                                    |                     |                       | <u>24,662,372</u>    |   |
| FUND BALANCE AT END OF YEAR  |                     |                       | <u>\$ 33,934,038</u> |   |

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, 2015**

|  | Budgeted Amounts |           | Actual Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-----------|----------------|---|
|  | Original         | Final     |                |   |
| <b>REVENUES:</b>   |                  |           |                |   |
| Charges for Services   |                  |           | \$ 475         | \$ 475  |
| Use of Money and Property  | \$ 40,000        | \$ 40,000 | 75,704         | 35,704  |
| Other  | 100,000          | 100,000   | 450,000        | 350,000   |
| Total Revenues   | 140,000          | 140,000   | 526,179        | 386,179   |
| <b>EXPENDITURES:</b>   |                  |           |                |   |
| Current:   |                  |           |                |   |
| Community and Economic Development                                   | 90,000           | 136,617   | 115,913        | 20,704  |
| Total Expenditures   | 90,000           | 136,617   | 115,913        | 20,704  |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 50,000           | 3,383     | 410,266        | 406,883   |
| SPECIAL ITEMS (Note 16)  |                  |           |                |   |
| Partnership note restructuring                                       |                  |           | (2,384,126)    | (2,384,126)   |
| NET CHANGE IN FUND BALANCE   | \$ 50,000        | \$ 3,383  | (1,973,860)    | \$ (1,977,243)  |
| FUND BALANCE AT BEGINNING OF YEAR                                    |                  |           | 30,852,011     |   |
| FUND BALANCE AT END OF YEAR  |                  |           | \$ 28,878,151  |   |

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 the Sewer Enterprise Fund as a major fund:

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

The City reports the Golf Course Fund as a non-major fund.

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

See accompanying notes to financial statements.

**CITY OF CONCORD  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2015**

|  | Business-Type Activities - Enterprise Funds |   |                      | Governmental<br>Activities -<br>Internal Service<br>Funds |
|--|---|---|----------------------|---|
|  | Sewer                                       | Non-Major<br>Enterprise/<br>Golf Course | Totals               |   |
| <b>ASSETS:</b>                                     |   |   |                      |   |
| Current Assets:                                    |   |   |                      |   |
| Cash and Investments (Note 3)                      | \$ 24,679,725                               | \$ 765,307                              | \$ 25,445,032        | \$ 28,309,004   |
| Cash with Fiscal Agents (Note 3)                   |   | 256,896                                 | 256,896              |   |
| Accounts Receivable                                | 2,915                                       | 38,978                                  | 41,893               | 33,669  |
| Interest Receivable                                | 15,339                                      |   | 15,339               |   |
| Prepaid Items                                      |   |   |                      | 179,856   |
| Total Current Assets                               | <u>24,697,979</u>                           | <u>1,061,181</u>                        | <u>25,759,160</u>    | <u>28,522,529</u>   |
| Non-Current Assets:                                |   |   |                      |   |
| Advances to Other Funds (Note 4)                   | 3,408,617                                   |   | 3,408,617            | 1,923,077   |
| Capital Assets (Note 6):                           |   |   |                      |   |
| Land   | 334,838                                     | 60,344                                  | 395,182              |   |
| Construction In Progress                           | 952,280                                     |   | 952,280              | 2,321,639   |
| Buildings and Improvements                         | 2,832,944                                   | 5,876,042                               | 8,708,986            | 47,659,764  |
| Machinery and Equipment                            | 197,720                                     | 136,177                                 | 333,897              | 24,530,835  |
| Sewer Collection System                            | 219,042,107                                 |   | 219,042,107          |   |
| Less: Accumulated Depreciation                     | (152,224,461)                               | (3,497,892)                             | (155,722,353)        | (42,703,188)  |
| Net Capital Assets                                 | <u>71,135,428</u>                           | <u>2,574,671</u>                        | <u>73,710,099</u>    | <u>31,809,050</u>   |
| Total Non-Current Assets                           | <u>74,544,045</u>                           | <u>2,574,671</u>                        | <u>77,118,716</u>    | <u>33,732,127</u>   |
| Total Assets                                       | <u>99,242,024</u>                           | <u>3,635,852</u>                        | <u>102,877,876</u>   | <u>62,254,656</u>   |
| <b>LIABILITIES:</b>                                |   |   |                      |   |
| Current Liabilities (Payable from Current Assets): |   |   |                      |   |
| Accounts and Contracts Payable                     | 16,431,957                                  | 1,024                                   | 16,432,981           | 87,184  |
| Accrued Liabilities                                | 37,559                                      | 1,801                                   | 39,360               | 89,837  |
| Compensated Absences Payable (Note 7)              | 36,671                                      |   | 36,671               | 129,366   |
| Interest Payable                                   | 278,388                                     | 16,798                                  | 295,186              | 39,343  |
| Capital Lease Payable (Note 7)                     |   |   |                      | 516,259   |
| Certificates of Participation (Note 7)             | 925,000                                     | 185,000                                 | 1,110,000            |   |
| Claims Payable (Note 15)                           |   |   |                      | 3,009,752   |
| Total Current Liabilities                          | <u>17,709,575</u>                           | <u>204,623</u>                          | <u>17,914,198</u>    | <u>3,871,741</u>  |
| Noncurrent Liabilities:                            |   |   |                      |   |
| Compensated Absences Payable (Note 7)              | 14,407                                      |   | 14,407               | 80,704  |
| Advance from Other Funds (Note 4)                  |   | 773,648                                 | 773,648              |   |
| Capital Lease Payable (Note 7)                     |   |   |                      | 729,855   |
| Certificates of Participation (Note 7)             | 17,735,943                                  | 625,000                                 | 18,360,943           |   |
| Claims Payable (Note 15)                           |   |   |                      | 7,868,569   |
| Total Noncurrent Liabilities                       | <u>17,750,350</u>                           | <u>1,398,648</u>                        | <u>19,148,998</u>    | <u>8,679,128</u>  |
| Total Liabilities                                  | <u>35,459,925</u>                           | <u>1,603,271</u>                        | <u>37,063,196</u>    | <u>12,550,869</u>   |
| <b>NET POSITION: (Note 9):</b>                     |   |   |                      |   |
| Net Investment in Capital Assets                   | 52,196,097                                  | 1,490,977                               | 53,687,074           | 30,523,593  |
| Unrestricted                                       | 11,586,002                                  | 541,604                                 | 12,127,606           | 19,144,643  |
| Total Net Position                                 | <u>\$ 63,782,099</u>                        | <u>\$ 2,032,581</u>                     | <u>\$ 65,814,680</u> | <u>\$ 49,668,236</u>                                      |

See accompanying notes to financial statements.

**CITY OF CONCORD  
PROPRIETARY FUNDS  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

|  | Business-Type Activities - Enterprise Funds |   |               | Governmental<br>Activities -<br>Internal Service<br>Funds |
|--|---|---|---------------|---|
|  | Sewer                                       | Non-Major<br>Enterprise/<br>Golf Course | Totals        |   |
| <b>OPERATING REVENUES</b>                        |   |   |               |   |
| Service Fees                                     | \$ 24,349,277                               |   | \$ 24,349,277 |   |
| Charges for Services                             |   |   |               | \$ 21,377,784   |
| Golf Course Fees and Charges                     |   | \$ 1,412,678                            | 1,412,678     |   |
| Other  |   | 37,078                                  | 37,078        | 330,031   |
| Total Operating Revenues                         | 24,349,277                                  | 1,449,756                               | 25,799,033    | 21,707,815  |
| <b>OPERATING EXPENSES</b>                        |   |   |               |   |
| Operating and Maintenance                        | 20,787,202                                  | 1,138,257                               | 21,925,459    | 14,860,523  |
| Cost of Sales and Services                       |   |   |               | 34,706  |
| Depreciation and Amortization                    | 4,372,066                                   | 152,578                                 | 4,524,644     | 3,149,209   |
| Claims and Judgments                             |   |   |               | 1,306,879   |
| Total Operating Expenses                         | 25,159,268                                  | 1,290,835                               | 26,450,103    | 19,351,317  |
| Operating Income (Loss)                          | (809,991)                                   | 158,921                                 | (651,070)     | 2,356,498   |
| <b>NON-OPERATING REVENUES (EXPENSES):</b>        |   |   |               |   |
| Investment Income                                | 89,944                                      | 3,537                                   | 93,481        | 196,859   |
| Interest Expense                                 | (676,163)                                   | (42,762)                                | (718,925)     | (63,772)  |
| Gain (Loss) from Disposition of Capital Assets   |   |   |               | 151,515   |
| Other  |   | 50,000                                  | 50,000        |   |
| Total Non-Operating Revenues (Expenses)          | (586,219)                                   | 10,775                                  | (575,444)     | 284,602   |
| Income (Loss) Before Contributions and Transfers | (1,396,210)                                 | 169,696                                 | (1,226,514)   | 2,641,100   |
| Contributions                                    | 85,532                                      |   | 85,532        | 113,938   |
| Transfer In (Note 5)                             |   |   |               | 489,266   |
| Transfer Out (Note 5)                            |   |   |               | (717,132)   |
| Changes in Net Position                          | (1,310,678)                                 | 169,696                                 | (1,140,982)   | 2,527,172   |
| Total Net Position - Beginning                   | 65,092,777                                  | 1,862,885                               | 66,955,662    | 47,141,064  |
| Total Net Position - Ending                      | \$ 63,782,099                               | \$ 2,032,581                            | \$ 65,814,680 | \$ 49,668,236   |

See accompanying notes to financial statements.

**CITY OF CONCORD  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

|  | Business-Type Activities - Enterprise Funds |   |                      | Governmental<br>Activities -<br>Internal Service<br>Funds |
|--|---|---|----------------------|---|
|  | Sewer                                       | Non-Major<br>Enterprise/<br>Golf Course | Totals               |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |   |   |                      |   |
| Receipts from Customers  | \$ 24,346,658                               | \$ 1,544,441                            | \$ 25,891,099        | \$ 21,694,769   |
| Payments to Suppliers  | (21,289,053)                                | (1,139,853)                             | (22,428,906)         | (12,326,354)  |
| Payments to Employees  | (66,873)                                    |   | (66,873)             | (45,206)  |
| Claims paid  |   |   |                      | (3,484,799)   |
| Net Cash Provided by (Used for) Operating Activities   | <u>2,990,732</u>                            | <u>404,588</u>                          | <u>3,395,320</u>     | <u>5,838,410</u>  |
| <b>CASH FLOWS FROM NON-CAPITAL<br/>FINANCING ACTIVITIES</b>  |   |   |                      |   |
| Borrowings of Advances From/To Other Funds   | 141,383                                     |   | 141,383              | 190,861   |
| Transfers In   |   |   |                      | 489,266   |
| Transfers (Out)  |   |   |                      | (717,132)   |
| Net Cash Provided by (Used for) Non-Capital Financing Activities                                   | <u>141,383</u>                              |   | <u>141,383</u>       | <u>(37,005)</u>   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                                |   |   |                      |   |
| Acquisition and Construction of Capital Assets   | (708,519)                                   |   | (708,519)            | (2,993,233)   |
| Principal Paid on Debt, Bond Maturities  | (924,324)                                   | (180,000)                               | (1,104,324)          | (540,425)   |
| Interest and Fiscal Charges Paid   | (684,671)                                   | (46,436)                                | (731,107)            | (61,908)  |
| Net Cash Provided by (Used for) Capital and Related<br>Financing Activities                        | <u>(2,317,514)</u>                          | <u>(226,436)</u>                        | <u>(2,543,950)</u>   | <u>(3,595,566)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |   |   |                      |   |
| Interest Received  | 76,674                                      | 3,537                                   | 80,211               | 196,859   |
| Net Cash Provided by (Used for) Investing Activities   | <u>76,674</u>                               | <u>3,537</u>                            | <u>80,211</u>        | <u>196,859</u>  |
| Net Increase (Decrease) in Cash and Cash Equivalents   | 891,275                                     | 181,689                                 | 1,072,964            | 2,402,698   |
| Cash and Cash Equivalents at Beginning of Period   | 23,788,450                                  | 840,514                                 | 24,628,964           | 25,906,306  |
| Cash and Cash Equivalents at End of Period   | <u>\$ 24,679,725</u>                        | <u>\$ 1,022,203</u>                     | <u>\$ 25,701,928</u> | <u>\$ 28,309,004</u>                                      |
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by<br/>Operating Activities:</b> |   |   |                      |   |
| Operating Income (Loss)  | \$ (809,991)                                | \$ 158,921                              | \$ (651,070)         | \$ 2,356,498  |
| Adjustments to Reconcile Operating Income to Net Cash Provided<br>by Operating Activities:         |   |   |                      |   |
| Other Non-Operating Revenue  |   | 50,000                                  | 50,000               |   |
| Depreciation and Amortization  | 4,372,066                                   | 152,578                                 | 4,524,644            | 3,149,209   |
| Change in Assets and Liabilities:  |   |   |                      |   |
| Receivables, Net   | (2,619)                                     | 44,685                                  | 42,066               | (13,046)  |
| Prepaid Expenses   |   |   |                      | (179,856)   |
| Net OPEB Asset   |   |   |                      | 1,093,430   |
| Accounts Payable   | (502,658)                                   | (1,994)                                 | (504,652)            | (263,441)   |
| Accrued Liabilities  | (66,066)                                    | 398                                     | (65,668)             | (38,578)  |
| Self Insurance Claims Payable  |   |   |                      | (301,357)   |
| Net OPEB Liability   |   |   |                      | 35,551  |
| Net Cash Provided by (Used for) Operating Activities   | <u>\$ 2,990,732</u>                         | <u>\$ 404,588</u>                       | <u>\$ 3,395,320</u>  | <u>\$ 5,838,410</u>                                       |
| <b>NON-CASH TRANSACTIONS:</b>  |   |   |                      |   |
| Contributions and Transfers of Capital Assets, Net   | <u>\$ 85,532</u>                            |   | <u>\$ 85,532</u>     | <u>\$ 113,938</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.

Agency Fund – Agency funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the City in an agency capacity for individuals or other government units. The City reports one agency fund, the Tourism Improvement District Fund.

**CITY OF CONCORD  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

|   | City of Concord<br>Retirement<br>System<br>Pension<br>Trust | Successor<br>Agency<br>Private<br>Purpose<br>Trust Fund | Agency<br>Fund    |
|---|---|---|-------------------|
|   | <u>Trust</u>  | <u>Trust Fund</u>                                       | <u>Fund</u>       |
| <b>ASSETS:</b>  |   |   |                   |
| Cash and Investments (Note 3)   |   |   |                   |
| Corporate Debt Instruments  | \$ 9,041,355  |   |                   |
| Federal Agencies  | 6,484,367   |   |                   |
| Municipal Bonds   | 670,324   |   |                   |
| Pooled Investments  | 1,938,718   | \$ 1,359,103  | \$ 100,674        |
| Foreign Bonds   | 698,797   |   |                   |
| Mutual Funds  | 15,568,081  |   |                   |
| Cash with Fiscal Agents (Note 3)                                      |   | 832,257   |                   |
| Total Cash and Investments  | <u>34,401,642</u>   | <u>2,191,360</u>  | <u>100,674</u>    |
| Receivables (Net of Allowances for Uncollectibles):                   |   |   |                   |
| Interest  | 768   | 341,550   |                   |
| Notes and Loans Receivable (Note 19)                                  |   | 340,420   |                   |
| Other Assets  |   | 610,219   |                   |
| Land Held for Resale  |   | 11,416,332  |                   |
| Capital Assets, Not Being Depreciated (Note 19)                       |   | 448,293   |                   |
| Capital Assets, Being Depreciated (net) (Note 19)                     |   | <u>1,394,081</u>  |                   |
| Total Assets  | <u>34,402,410</u>   | <u>16,742,255</u>                                       | <u>\$ 100,674</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                                |   |   |                   |
| Deferred charge on refunding  |   | <u>1,065,694</u>  |                   |
| <b>LIABILITIES:</b>   |   |   |                   |
| Accounts Payable and Due to Others                                    |   | 6,239   | \$ 100,674        |
| Interest Payable  |   | 574,671   |                   |
| Long-Term Debt (Note 19):   |   |   |                   |
| Due in One Year   |   | 482,500   |                   |
| Due in More Than One Year   |   | <u>50,006,052</u>                                       |                   |
| Total Liabilities   |   | <u>51,069,462</u>                                       | <u>\$ 100,674</u> |
| <b>NET POSITION:</b>  |   |   |                   |
| Net position held in trust for pension<br>benefits and other purposes | <u>34,402,410</u>   | <u>(33,261,513)</u>                                     |                   |
| Total Net Position  | <u>\$ 34,402,410</u>  | <u>\$ (33,261,513)</u>                                  |                   |

See accompanying notes to financial statements.

**CITY OF CONCORD  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

|  | City of Concord<br>Retirement<br>System<br>Pension<br>Trust | Successor<br>Agency<br>Private<br>Purpose<br>Trust Fund |
|--|---|---|
|  | <u>                    </u>                                 | <u>                    </u>                             |
| <b>ADDITIONS</b>                             |   |   |
| Contributions                                | \$ 2,035,017  |   |
| Property Taxes, Net of Pass Through Payments |   | \$ 6,415,808  |
| Other Income                                 |   | 935,253   |
| Special Assessments                          |   |   |
| Investment Income                            | 775,186   | 39,647  |
|  | <u>                    </u>                                 | <u>                    </u>                             |
| Total Additions                              | <u>2,810,203</u>  | <u>7,390,708</u>  |
| <b>DEDUCTIONS</b>                            |   |   |
| Retirement and Other Benefits                | 5,525,159   |   |
| Management Expenses                          | 208,204   |   |
| Community Planning and Economic Development  |   | 1,204,649   |
| Depreciation                                 |   | 90,968  |
| Interest expense                             |   | 2,497,219   |
|  | <u>                    </u>                                 | <u>                    </u>                             |
| Total Deductions                             | <u>5,733,363</u>  | <u>3,792,836</u>  |
| <b>NET CHANGES IN NET POSITION</b>           | (2,923,160)   | 3,597,872   |
| Net Position Beginning of Year               | <u>37,325,570</u>   | <u>(36,859,385)</u>                                     |
| Net Position End of Year                     | <u>\$ 34,402,410</u>  | <u>\$ (33,261,513)</u>                                  |

See accompanying notes to 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. Therefore they are reported as part of the primary government.

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

The **City of Concord Joint Powers Financing Authority** is a joint powers authority organized by the City of Concord and the former 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 the former Agency sponsored projects using leases signed by the City or former Agency as collateral. The amounts of the leases are calculated to provide sufficient resources to repay the debt incurred to finance the projects.

The **Concord/Pleasant Hill Health Care District** is a local health care district organized under Local Hospital District Law, as set forth in the Health and Safety Code of the State of California and is governed by the City's Council.

**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 City of Concord Joint Powers Financing Authority and the Concord/Pleasant Hill Health Care District can be obtained from the City of Concord, 1950 Parkside Drive, Concord, California 94519.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****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 Position 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Major Funds**

The City's major governmental and enterprise funds are identified and presented separately in the fund financial statements. All other governmental and enterprise funds, called non-major funds, are combined and reported in single columns.

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.

**Concord Housing** – The Concord Housing special revenue 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.

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

The City reported the following enterprise fund as a major fund in the accompanying financial statements:

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

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, technology equipment and office 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, accounts for accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. The Successor Agency to the Redevelopment Agency of the City of Concord is reported in a Private-purpose Trust Fund that is used to account for the activities of the Successor Agency. The Agency Fund accounts for charges collected by the government on behalf of 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.

**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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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, except for sales tax revenue which has a 90 day period of availability. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of 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, sales tax, 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 are 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 Position 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.

**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 amounts included in Non-Spendable Fund Balance which indicates that they do not constitute available spendable resources even though they are a component of net position.

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 amounts included in Nonspendable Fund Balance which indicates that they do not constitute available spendable resources even though they are a component of net position.

**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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 Position.

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 are summarized in 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 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 assets.

|                            | Useful Lives | Capitalization<br>Threshold |
|----------------------------|--------------|-----------------------------|
| 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.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Deferred Outflows/Inflows of Resources:**

In addition to assets, the Statement of Net Position, and Statement of Fiduciary Net Position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then.

In addition to liabilities, the Statement of Net Position and the balance sheet of the governmental funds reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as revenue until that time. The governmental funds have only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: intergovernmental revenue and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Net Position and Fund Balances**

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

Net Position is the excess of all the City's assets over all its liabilities. Net Position is divided into three captions, and is described below:

*Net Investment in Capital Assets* describes the portion of Net Position which is 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 Position 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.

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

The City's fund balances are classified 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:

*Nonspendable* 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. This category may include encumbrances.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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. City policy and procedure No. 168 delegates the authority to assign to the City Manager. This category may include encumbrances and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds 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. The general fund is the only fund that reports a positive unassigned fund balance amount.

**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 General Fund operating expenditures. Given the effects of the recent recession, reserves have been used significantly in the past four 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.

In addition to the General Fund reserves identified above, a separate Measure Q designated reserve has been established to provide more time for the City to address its on-going structural budget deficit. As stated earlier, Measure Q is a temporary sales tax measure which sunsets in March 2025. Measure Q revenues in excess of those needed to maintain a 15% General Fund reserve are allocated to the designated Measure Q reserve. As of June 30, 2015, the designated Measure Q Reserves totaled \$13.08 million, approximately 16.1% of General Fund Operating Expenditures. The effects of the City's minimum fund policy are accounted for in the General Fund's unassigned fund balance.

As of June 30, 2015, the General Fund balance, excluding non-spendable and assigned assets, totaled \$27.4 million, representing 34% of actual General Fund Operating Expenditures.

**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.

**Pensions**

For purposes of measuring the net pension liability and deferred inflows/outflows of resources related to pensions, and pensions expense, information about the fiduciary net position of the miscellaneous plan and the safety plan of the City of Concord, an agent multiple-employer defined benefit pension plan participating in the California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****New Effective Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the City's financial reporting process. The City implemented the following standards in June 30, 2015:

GASB Statement No. 68 – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this Statement.

GASB Statement No. 69 – In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to improve accounting and financial reporting by State and local governments for government combinations and disposals of government operations. The Statement provides authoritative guidance on a variety of government combinations including mergers, acquisitions, and transfers of operations. This statement did not have a material impact on the City's financial statements.

GASB Statement No. 71 – In November 2013, GASB issued Statement No. 71, *Pension Transition For Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement was applied simultaneously with the provisions of Statement No. 68.

**Future Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the City's financial reporting process. Future new standards which may impact the City, include the following:

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This statement is effective for periods beginning after June 15, 2015. The City has not determined the effect on the financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Future Accounting Pronouncements (Continued)**

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement 68 for pension plans and pensions that are within their respective scopes. This statement is effective for periods beginning after June 15, 2016. The City has not determined the effect on the financial statements.

GASB Statement No. 74 – In June 2015, GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement is effective for periods beginning after June 15, 2016. The City has not determined the effect on the financial statements.

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement is effective for periods beginning after June 15, 2017. The City has not determined the effect on the financial statements.

GASB Statement No. 76 – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This statement is effective for periods beginning after June 15, 2015. The City has not determined the effect on the financial statements.

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The City has not determined the effect on the financial statements.

GASB Statement No. 78 – In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The City has not determined the effect on the financial statements.

**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 biannually 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.
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 on an annual basis, in conjunction with #7 below.
7. The City also adopts budgets for its Capital Projects, which are based on the project life rather than a fiscal year. Therefore, capital project budgets may span several fiscal years. Project appropriations transfers of \$20,000 or more require City Council approval.

**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.

**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.

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)****Classification**

Cash and investments are classified in the financial statements as shown below at June 30, 2015:

| City:                                   | Governmental<br>Funds | Enterprise<br>Funds  | Internal<br>Service<br>Funds | Fiduciary<br>Funds   | Total                 |
|---|-----------------------|----------------------|------------------------------|----------------------|-----------------------|
| Cash and investments in City pool       | \$ 89,093,141         | \$ 25,445,032        | \$ 28,309,004                | \$ 35,861,419        | \$ 178,708,596        |
| Cash and investments with fiscal agents | 651,440               | 256,896              |                              | 832,257              | 1,740,593             |
| Total cash and investments              | <u>\$ 89,744,581</u>  | <u>\$ 25,701,928</u> | <u>\$ 28,309,004</u>         | <u>\$ 36,693,676</u> | <u>\$ 180,449,189</u> |

**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<br>Maturity | Minimum<br>Credit<br>Quality                     | Maximum<br>Percentage<br>of Portfolio | Maximum<br>Investment<br>In One Issuer |
|--|---------------------|--|---------------------------------------|--|
| U.S. Treasury Bills, Bonds and Notes<br>Obligations issued by United States<br>Government Agencies                     | 5 years             | None   | None                                  | None                                   |
| State obligations- CA & Others   | 5 years             | None<br>Third Highest<br>Rating Category         | 20%                                   | None                                   |
| Bankers Acceptance   | 180 days            | Top rating<br>category                           | 30%                                   | 5%                                     |
| Commercial Paper   | 270 days            | Top rating<br>category                           | 25% (A)                               | 5%                                     |
| Negotiable Certificates of Deposit   | 5 years             | Third Highest<br>Rating Category                 | 30%                                   | 5                                      |
| Medium Term Corporate Notes  | 5 years             | Third Highest<br>Rating Category                 | 30% (A)                               | 5                                      |
| Money Market Mutual Funds  | N/A                 | Top rating<br>category                           | 20%                                   | None                                   |
| California Local Agency Investment Fund (LAIF)   | N/A                 | None   | None                                  | \$50 Mil/account                       |
| Time Certificates of Deposit   | 5 years             | Satisfactory                                     | None                                  | 10%                                    |
| Shares of Beneficial Interest Issued by a Joint Powers<br>Authority (local government investment pool such as<br>CAMP) | N/A                 | Pursuant to<br>Government Code<br>Section 6509.7 | None                                  | None                                   |

(A) Total combined corporate debt (Commercial Paper and Medium Term Notes) may not exceed 30% of the cost value of the portfolio.

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. 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.

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)****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<br>Maturity | Minimum<br>Credit<br>Quality |
|--|---------------------|------------------------------|
| Federal Agency Securities                        | 5 years             | Top rating category          |
| State of California Local Agency Investment Fund | None                | None                         |
| Commercial Paper                                 | 270 days            | Top rating category          |
| Negotiable Certificate of Deposits               | 180 days            | Top rating category          |
| Bank Deposits                                    | None                | FDIC insured                 |
| U.S. Government Treasury Obligations             | None                | None                         |
| State/Local Obligations                          | None                | Top rating category          |
| Federal Securities                               | None                | Top rating category          |
| Corporate Notes                                  | None                | Top rating category          |
| Repurchase Agreements                            | 1 year              | Top rating category          |
| Money Market Mutual Funds                        | None                | Top rating category          |
| Investment Agreements                            | None                | Top rating category          |

**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 system 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      |

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)****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:**

|   | Remaining Maturity (in Months) |                      |                      |                      | Total                 |
|---|--------------------------------|----------------------|----------------------|----------------------|-----------------------|
|   | 12 months or<br>Less           | 13 to 24<br>Months   | 25 to 36<br>Months   | 37 to 60<br>Months   |                       |
| <b>Investment Type:</b>                     |                                |                      |                      |                      |                       |
| U.S. Government Agencies                    | \$ 2,009,933                   | \$ 3,276,608         | \$ 4,147,414         | \$ 1,911,099         | \$ 11,345,054         |
| U.S. Treasury Notes                         | 501,961                        | 7,607,891            |                      | 6,092,543            | 14,202,395            |
| Medium Term Corporate Notes                 | 1,616,004                      | 4,120,043            | 6,030,586            | 3,856,476            | 15,623,109            |
| Municipal Bonds                             | 691,628                        |                      | 1,585,697            | 317,756              | 2,595,081             |
| LAIF  | 68,226,179                     |                      |                      |                      | 68,226,179            |
| Cal Trust                                   | 5,021,087                      |                      |                      | 14,985,437           | 20,006,524            |
| Certificates of Deposit                     | 2,613,908                      | 5,291,806            | 2,198,737            | 792,363              | 10,896,814            |
| Total                                       | <u>\$ 80,680,700</u>           | <u>\$ 20,296,348</u> | <u>\$ 13,962,434</u> | <u>\$ 27,955,674</u> | <u>142,895,156</u>    |
| <b>Cash deposits with banks and on hand</b> |                                |                      |                      |                      | <u>3,152,391</u>      |
| Total Cash and Investments                  |                                |                      |                      |                      | <u>\$ 146,047,547</u> |

**Retirement Trust Funds:**

|                             | Remaining Maturity (in Months) |                    |                     |                      | Total             |
|-----------------------------|--------------------------------|--------------------|---------------------|----------------------|-------------------|
|                             | 12 months or<br>Less           | 13 to 24<br>Months | 25 to 36<br>Months  | 37 to 60<br>Months   |                   |
| <b>Investment Type:</b>     |                                |                    |                     |                      |                   |
| Pooled Cash and Investments | \$ 1,938,718                   | \$ -               | \$ -                | \$ -                 | \$ 1,938,718      |
| Medium Term Corporate Notes | 99,849                         |                    | 258,205             | 8,683,301            | 9,041,355         |
| US Government Agencies      |                                | 84,966             | 1,497,401           | 4,902,000            | 6,484,367         |
| Municipal Bonds             |                                |                    |                     | 670,324              | 670,324           |
| Foreign Bonds               |                                |                    |                     | 698,797              | 698,797           |
| Total                       | <u>\$ 2,038,567</u>            | <u>\$ 84,966</u>   | <u>\$ 1,755,606</u> | <u>\$ 14,954,422</u> | <u>18,833,561</u> |

**Non-Maturing Investments:**

|                            |  |  |  |  |                      |
|----------------------------|--|--|--|--|----------------------|
| Mutual Funds               |  |  |  |  | <u>15,568,081</u>    |
| Total Cash and Investments |  |  |  |  | <u>\$ 34,401,642</u> |

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

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.

**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, 2015 for each investment type as provided by Standard & Poor's and Moody's for the City's investments and for the Retirement System's investments.

**City and Fiscal Agents:**

| Investment Type             | AAA / Aam    | AA+ / AA / AA- | A+ / A / A-   | Total          |
|-----------------------------|--------------|----------------|---------------|----------------|
| US Treasury Notes           | \$ -         | \$ 14,202,395  | \$ -          | \$ 14,202,395  |
| U.S. Government Agencies    |              | 11,345,054     |               | 11,345,054     |
| Municipal Bonds             |              | 505,635        | 2,089,446     | 2,595,081      |
| Medium Term Corporate Notes | 1,099,107    | 7,424,544      | 7,099,458     | 15,623,109     |
| Certificates of Deposit     |              | 4,474,676      | 6,422,138     | 10,896,814     |
| Total                       | \$ 1,099,107 | \$ 37,952,304  | \$ 15,611,042 | \$ 54,662,453  |
| Not rated:                  |              |                |               |                |
| Cash on Hand                |              |                |               | \$ 3,152,391   |
| LAIF                        |              |                |               | 68,226,179     |
| Cal Trust                   |              |                |               | 20,006,524     |
| Total Investments           |              |                |               | \$ 146,047,547 |

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)****Retirement Trust Funds:**

| <u>Investment Type</u>      | <u>AAA / Aaam</u>   | <u>AA+/AA/AA-</u> | <u>A+/A/A-</u>      | <u>Baa1 / Baa2 / Baa3</u> | <u>Total</u>         |
|-----------------------------|---------------------|-------------------|---------------------|---------------------------|----------------------|
| Medium Term Corporate Notes | \$ 1,693,532        | \$ -              | \$ 3,374,593        | \$ 3,756,091              | \$ 8,824,216         |
| U.S. Government Agencies    | 3,137,365           |                   |                     |                           | 3,137,365            |
| Municipal Bonds             | 266,479             | 217,298           | 186,547             |                           | 670,324              |
| Foreign Bonds               |                     | 75,499            | 508,654             | 114,644                   | 698,797              |
| Total                       | <u>\$ 5,097,376</u> | <u>\$ 292,797</u> | <u>\$ 4,069,794</u> | <u>\$ 3,870,735</u>       | <u>\$ 13,330,702</u> |

Not rated:

|                             |                      |
|-----------------------------|----------------------|
| Cash On Hand                | 555,942              |
| Pooled Investments          | 661,574              |
| Money Market Mutual Funds   | 721,202              |
| U.S. Government Agencies    | 3,347,002            |
| Medium Term Corporate Notes | 217,139              |
| Mutual Funds                | 15,568,081           |
| Total Investments           | <u>\$ 34,401,642</u> |

**Concentration of Credit Risk**

Investments in the securities of any individual issuer, other than U. S. Treasury securities, that represent 5% or more of total Retirement Trust Fund investments are as follows at June 30, 2015:

**Retirement Trust Funds:**

| <u>Fund</u>            | <u>Issuer</u>            | <u>Type of Investment</u> | <u>Amount</u> |
|------------------------|--------------------------|---------------------------|---------------|
| Retirement Trust Fund: |                          |                           |               |
|                        | S&P 500 ETF              | Mutual Funds - Equity     | \$ 3,485,026  |
|                        | S&P 500 Growth Index ETF | Mutual Funds - Equity     | 2,187,592     |
|                        | S&P 500 Value Index ETF  | Mutual Funds - Equity     | 2,172,468     |

**NOTE 4 - INTERFUND TRANSACTIONS****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.

**Long-Term Interfund Advances**

At June 30, 2015 the funds below had made the following advances:

| Fund Receiving Advance       | Fund Making Advance                            | Amount of Advance    |
|------------------------------|--|----------------------|
| General Fund                 | Concord Housing Fund                           | \$ 2,880,522 (a)     |
|                              | Sewer Enterprise Fund                          | 2,858,617 (a)        |
|                              | Sewer Enterprise Fund                          | 550,000 (a)          |
|                              | Worker's Compensation Internal Service Fund    | 1,923,077 (b)        |
|                              | General Fund                                   | 3,330,983 (c)        |
| General Projects Fund        |  |                      |
| Non-major governmental funds |  |                      |
| Maintenance Districts        |  |                      |
| Special Revenue Fund         | Traffic System Management Special Revenue Fund | 159,000 (d)          |
| Special Developers           |  |                      |
| Capital Projects Fund        | General Fund                                   | 1,132,473 (e)        |
| Non-major enterprise fund    |  |                      |
| Golf Course Enterprise Fund  | General Fund                                   | 773,648 (f)          |
|                              |  | <u>\$ 13,608,320</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 was made during the fiscal year 2009-2010 to fund the retirement of \$8.2 million of the 1995 Lease Revenue Bonds. The advance will be repaid in installments starting no later than fiscal year 2014-15 and bears no interest.
- (c) The **General Reimbursable Projects Fund** advance will be repaid in 2016 with sale proceeds of undeveloped land.
- (d) The **Maintenance Districts Fund** advance will be repaid in 6 annual payments beginning in fiscal year 2012 and bears interest from 3.5 - 5%.
- (e) The **Special Developers Fund** advance will be repaid in installments starting in fiscal year 2019 and bears interest of 3% as described in the City's Capital Improvement Program 10 year plan.
- (f) The **Golf Enterprise Fund** advance was made during fiscal years 2007 and 2013 and will be factored into the next 10 year budget plan and repaid as business improves within the regional golf market.

**NOTE 4 - INTERFUND TRANSACTIONS (CONTINUED)****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, 2015 were as follows:

| Fund Receiving Transfers                | Fund Making Transfers                        | Purpose                               | Amount<br>Transferred |
|---|--|---------------------------------------|-----------------------|
| <b>Major Funds:</b>                     |  |                                       |                       |
| General Fund                            | Special Revenue - Traffic Systems Management | To Fund Capital Projects              | \$ 10,500             |
| General Fund                            | Storm Water Management                       | To Fund Operating Costs               | 448,725               |
| General Fund                            | Debt Service - Performing Arts Rev Bond      | To Fund Debt Service                  | 768,111               |
| General Projects                        | General Fund                                 | To Fund Capital Projects              | 1,420,000             |
| General Projects                        | General Fund                                 | To Fund Capital Projects              | 149,015               |
| General Projects                        | Internal Service Fund-Information Tech       | To Fund Capital Projects              | 24,271                |
| <b>Non-major Governmental Funds:</b>    |  |                                       |                       |
| <b>Special Revenue Funds:</b>           |  |                                       |                       |
| Art in Public Places                    | Special Revenue-Maintenace District          | To Fund Capital Projects              | 8,150                 |
| <b>Capital Projects Funds:</b>          |  |                                       |                       |
| Intergovernmental                       | General Reimbursable Projects                | To Fund Capital Projects              | 43,435                |
| Intergovernmental                       | General Fund                                 | To Fund Capital Projects              | 9                     |
| Intergovernmental                       | Special Developer                            | To Fund Capital Projects              | 937                   |
| Intergovernmental                       | General Reimbursable Projects                | To Fund Capital Projects              | 17,499                |
| Special Developer                       | General Reimbursable Projects                | To Fund Capital Projects              | 12,653                |
| Special Developer                       | Intergovernmental                            | To Fund Capital Projects              | 43,435                |
| <b>Debt Service Funds:</b>              |  |                                       |                       |
| Debt Serv - Refunding Lease Agreement   | Risk Management                              | To Fund Debt Service                  | 425,015               |
| Debt Service - Energy Lease BofA        | General Fund                                 | To Fund Debt Service                  | 251,768               |
| Debt Service - Energy Lease BofA        | Internal Service Fund-Building Maintenance   | To Fund Debt Service                  | 167,846               |
| Debt Service - Energy Lease BofA        | Special Revenue-Maintenace District          | To Fund Debt Service                  | 279,743               |
| Debt Service - Performing Arts Rev Bond | General Fund                                 | To Fund Debt Service                  | 622,919               |
| <b>Internal Service Funds:</b>          |  |                                       |                       |
| Risk Mgmt Liability                     | Workers Comp                                 | To Fund Workers<br>Compensation Costs | 100,000               |
| Building Maintenance                    | General Fund                                 | To Fund Operating Costs               | 145,000               |
| Building Maintenance                    | General Reimbursable Projects                | To Fund Capital Projects              | 74,266                |
| Information Tech Replacement            | General Reimbursable Projects                | To Fund INET Project                  | 170,000               |
|   |  | Total Transfers                       | <u>\$ 5,183,297</u>   |

**NOTE 5 - LOANS AND NOTES RECEIVABLE**

The City and former Redevelopment Agency (the Agency) engaged 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. With the dissolution of the Redevelopment Agency, the City agreed to become the Successor Agency and oversee the dissolution. The Successor Agency subsequently assigned the City assets of the Low and Moderate Income Housing Fund to the City, including the loans and notes. They are not expected to be collected during fiscal year 2015. These loans and notes were comprised of the following at June 30, 2015:

**Concord Housing Fund**

|  |                             |
|--|-----------------------------|
| Downtown Revitalization and                    |                             |
| Low and Moderate Income Housing Rehabilitation | \$ 17,179,933               |
| Successor Agency Loan                          | 9,495,937                   |
| Virginia Lane                                  | 1,984,198                   |
| Lakeside Apartments                            | 2,391,499                   |
| Total Concord Housing Fund                     | <u>31,051,567</u>           |
| <b>Non-major Governmental Funds</b>            |                             |
| Housing Conservation                           | 1,026,809                   |
| Housing Assistance                             | 50,000                      |
| Virginia Lane                                  | 450,000                     |
| Lakeside Apartments                            | 325,445                     |
| Total Non-major Governmental Funds             | <u>1,852,254</u>            |
| <b>Total loans and notes receivable</b>        | <u><u>\$ 32,903,821</u></u> |

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

Low and no interest loans were made by the former 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.

Non-housing assets of the former Redevelopment Agency including the Concord Residential Club Loan were assumed by a Successor Agency as discussed in Note 19. The former Redevelopment Agency's portion of this loan has a principal balance of \$230,000 and interest balance of \$341,550 for a total of \$557,750 and is recorded in the Successor Agency Trust Fund. At June 30, 2015 the loan receivable balance was \$17,179,933.

**Successor Agency Loan**

Beginning in 1986, the former Redevelopment Agency General Capital Projects Fund had been required by the State to set aside 20% of property tax increments for low and moderate income housing. However, under a transition rule, the Agency's General Capital Projects Fund has been allowed to use these set-asides for current capital projects as long as it had a written plan for repaying these amounts to the Concord Housing Special Revenue Fund. Pursuant to Health and Safety Code Section 33334.6, the former Redevelopment Agency was permitted to set aside less than 20% of the tax increment that it received to the extent that it spent the tax increment revenue for the Agency's debt incurred prior to 1986 or for Agency projects approved prior to 1986, as long as it had a written plan for repaying these amounts to the Concord Housing Special Revenue Fund.

**NOTE 5 - LOANS AND NOTES RECEIVABLE (CONTINUED)**

With the dissolution of the former Redevelopment Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the above advance and has recorded a loan payable to the Concord Housing Fund. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is subject to the provisions of Health and Safety Code Section 34176 and Assembly Bill 1484. The advance does not bear interest and at June 30, 2015 the loan receivable balance was \$9,495,937.

**Virginia Lane**

In June 1999, the City and the former Redevelopment 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 brought the loan total to \$2,434,200. Of the \$450,000, \$100,000 was funded by Community Development Block Grant funds and \$350,000 was funded by California Housing Finance Agency 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 City expects the loan to be repaid on March 2, 2061. At June 30, 2015 the loan receivable balance was \$2,434,198.

**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 brought the loan total to \$3,716,945. Of the \$283,000, \$110,000 was funded by Community Development Block Grants, \$93,000 was funded by Redevelopment Agency, and \$80,000 was funded by California State EAGR funds. The outstanding balance of the loan bears interest at a rate of 1% per annum. The City expects the loan to be repaid on November 5, 2058. At June 30, 2015 the loan receivable balance was \$2,716,944.

**Housing Conservation**

This program involves loans made to rehabilitate housing within the City of Concord which are funded by Community Development Block Grant and former Redevelopment Agency monies. The loans bear interest ranging from 0-3% with due dates varying from October 2014 through the sale or transfer of the property. At June 30, 2015 the loan receivable balance was \$1,026,809.

**Housing Assistance**

This program provides housing assistance to Concord residents through a variety of housing programs. These loans bear no interest and principal payment is due upon sale or transfer of the property. At June 30, 2015 the loan receivable balance was \$50,000.

**NOTE 6 - CAPITAL ASSETS**

Capital asset transactions and balances comprise the following at June 30, 2015:

|  | Balance at<br>June 30, 2014 | Additions       | Retirements  | Transfers    | Balance at<br>June 30, 2015 |
|--|-----------------------------|-----------------|--------------|--------------|-----------------------------|
| <b>Governmental Activities</b>               |                             |                 |              |              |                             |
| Capital assets not being depreciated:        |                             |                 |              |              |                             |
| Land   | \$ 15,149,712               |                 |              |              | \$ 15,149,712               |
| Construction in progress                     | 2,421,373                   | \$ 2,459,426    |              | \$ (628,342) | 4,252,457                   |
| Total capital assets not being depreciated   | 17,571,085                  | 2,459,426       |              | (628,342)    | 19,402,169                  |
| Capital assets being depreciated:            |                             |                 |              |              |                             |
| Ground improvements                          | 21,023,528                  |                 |              | 321,973      | 21,345,501                  |
| Buildings and improvements                   | 80,061,505                  |                 |              | 123,999      | 80,185,504                  |
| Machinery and equipment                      | 14,168,714                  | 328,749         |              | 126,000      | 14,623,463                  |
| Vehicles                                     | 9,309,509                   | 1,021,747       | \$ (480,255) | 56,370       | 9,907,371                   |
| Streets                                      | 430,195,426                 | 2,128,556       |              |              | 432,323,982                 |
| Sidewalks                                    | 50,400,447                  | 985,222         |              |              | 51,385,669                  |
| Storm drain/catch basins                     | 443,308,069                 |                 |              |              | 443,308,069                 |
| Street lights                                | 5,766,714                   |                 |              |              | 5,766,714                   |
| Traffic signals                              | 27,298,437                  | 1,373,932       |              |              | 28,672,369                  |
| Total capital assets being depreciated       | 1,081,532,349               | 5,838,206       | (480,255)    | 628,342      | 1,087,518,642               |
| Less accumulated depreciation for:           |                             |                 |              |              |                             |
| Ground improvements                          | (9,638,906)                 | (531,533)       |              |              | (10,170,439)                |
| Buildings and improvements                   | (37,132,554)                | (2,262,398)     |              |              | (39,394,952)                |
| Machinery and equipment                      | (10,798,223)                | (988,508)       |              |              | (11,786,731)                |
| Vehicles                                     | (7,356,090)                 | (858,837)       | 480,255      |              | (7,734,672)                 |
| Streets                                      | (253,733,106)               | (14,375,323)    |              |              | (268,108,429)               |
| Sidewalks                                    | (22,497,636)                | (1,017,861)     |              |              | (23,515,497)                |
| Storm drain/catch basins                     | (100,610,059)               | (4,433,081)     |              |              | (105,043,140)               |
| Street lights                                | (748,217)                   | (192,224)       |              |              | (940,441)                   |
| Traffic signals                              | (18,414,652)                | (932,847)       |              |              | (19,347,499)                |
| Total accumulated depreciation               | (460,929,443)               | (25,592,612)    | 480,255      |              | (486,041,800)               |
| Governmental activities capital assets, net  | \$ 638,173,991              | \$ (17,294,980) | \$ -         | \$ -         | \$ 620,879,011              |
| <b>Business-Type Activities</b>              |                             |                 |              |              |                             |
| Capital assets note being depreciated:       |                             |                 |              |              |                             |
| Land   | \$ 395,182                  | \$ -            | \$ -         | \$ -         | \$ 395,182                  |
| Construction in progress                     | 243,759                     | 708,521         |              |              | 952,280                     |
| Total capital assets not being depreciated   | 638,941                     | 708,521         |              |              | 1,347,462                   |
| Capital assets being depreciated:            |                             |                 |              |              |                             |
| Buildings and improvements                   | 8,708,986                   |                 |              |              | 8,708,986                   |
| Machinery and equipment                      | 248,366                     | 85,531          |              |              | 333,897                     |
| Sewer lines                                  | 219,042,107                 |                 |              |              | 219,042,107                 |
| Total capital assets being depreciated       | 227,999,459                 | 85,531          |              |              | 228,084,990                 |
| Less accumulated depreciation for:           |                             |                 |              |              |                             |
| Buildings and improvements                   | (5,572,581)                 | (234,149)       |              |              | (5,806,730)                 |
| Machinery and equipment                      | (244,076)                   | (5,230)         |              |              | (249,306)                   |
| Sewer lines                                  | (145,381,050)               | (4,285,267)     |              |              | (149,666,317)               |
| Total accumulated depreciation               | (151,197,707)               | (4,524,646)     |              |              | (155,722,353)               |
| Business-type activities capital assets, net | \$ 77,440,693               | \$ (3,730,594)  | \$ -         | \$ -         | \$ 73,710,099               |

**NOTE 6 - CAPITAL ASSETS (CONTINUED)****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 was as follows:

**Governmental Activities**

|                               |                             |
|-------------------------------|-----------------------------|
| General Government            | \$ 739,489                  |
| Public Works                  | 22,081,398                  |
| Parks and Recreation Services | 102,770                     |
| Internal Service Fund         | 2,676,326                   |
| <b>Total</b>                  | <u><u>\$ 25,599,983</u></u> |

**Business-Type Activities**

|              |                            |
|--------------|----------------------------|
| Sewer        | \$ 4,285,267               |
| Golf Course  | 239,379                    |
| <b>Total</b> | <u><u>\$ 4,524,646</u></u> |

**NOTE 7 - 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 compensated absence transactions are summarized on the next page and discussed in detail thereafter.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)****Current Year Transactions and Balances**

|  | Repayment<br>Source | June 30, 2014        | Additions            | Retirements          | June 30, 2015        | Current<br>Portion  |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| <b>Governmental Activities Debt:</b>   |                     |                      |                      |                      |                      |                     |
| <b>Revenue Bonds:</b>  |                     |                      |                      |                      |                      |                     |
| 1995 Performing Arts Lease Revenue Bonds,<br>6.33-8.24% due 08/01/20                         | a                   | \$ 2,440,000         |                      | \$ 440,000           | \$ 2,000,000         | \$ 405,000          |
| Parking Garage Revenue Bonds,<br>4.0-5.13% due 3/01/23                                       | b                   | 5,230,000            |                      | 5,230,000            |                      |                     |
| Lease Revenue Financing Agreement<br>1.91% due 3/01/25                                       | b                   |                      | \$ 22,635,000        |                      | 22,635,000           | 2,095,000           |
| <b>Refunding Lease Agreement</b>   |                     |                      |                      |                      |                      |                     |
| 3.3% due 09/01/19  | b                   | 3,484,500            |                      | 885,500              | 2,599,000            | 482,500             |
| <b>Lease Purchase Agreement</b>  |                     |                      |                      |                      |                      |                     |
| 4.75% due 06/30/27   | d                   | 7,741,738            |                      | 335,437              | 7,406,301            | 373,457             |
| <b>Notes Payable:</b>  |                     |                      |                      |                      |                      |                     |
| CHFA 3% due 03/01/15   | e                   | 472,377              |                      | 472,377              |                      |                     |
| <b>Capital Lease:</b>  |                     |                      |                      |                      |                      |                     |
| Motorola Safety Radio 3.03%, due 12/01/16  | f                   | 564,043              |                      | 182,431              | 381,612              | 187,959             |
| Cisco VOP Equipment 3.95% due 07/09/14   | f                   | 91,788               |                      | 91,788               |                      |                     |
| Color Hybrid Multi-Function Printer Equipment<br>5.5% due 11/01/16                           | f                   | 37,788               |                      | 28,058               | 9,730                | 9,730               |
| NetApp Capital Solutions Software are 3.55%<br>due 04/01/15                                  | f                   | 176,991              |                      | 86,930               | 90,061               | 90,061              |
| Motorola Safety Radio 3.55% due 08/1/18  | f                   | 271,731              |                      | 50,620               | 221,111              | 52,418              |
| Key Government Finance 4.59% due 2/25/17   | f                   | 20,052               |                      | 6,418                | 13,634               | 6,724               |
| US Bank 000 4.76% due 10/15/17   | f                   | 186,453              |                      | 53,521               | 132,932              | 56,124              |
| US Bank 001 4.76% due 5/2/18   | f                   | 52,044               |                      | 12,382               | 39,662               | 12,984              |
| Key Government Finance 3.36% due 12/12/18  | f                   | 385,649              |                      | 104,658              | 280,991              | 104,658             |
| Quest Technology Management due 9/30/19  | f                   |                      | 115,834              | 27,204               | 88,630               | 27,204              |
| <b>Subtotal</b>  |                     | <u>21,155,154</u>    | <u>22,750,834</u>    | <u>8,007,324</u>     | <u>35,898,664</u>    | <u>3,903,819</u>    |
| <b>Compensated Absences</b>  | c                   | 3,984,459            | 3,234,762            | 3,043,834            | 4,175,387            | 2,621,095           |
| <b>Total Governmental Activities Debt</b>  |                     | <u>\$ 25,139,613</u> | <u>\$ 25,985,596</u> | <u>\$ 11,051,158</u> | <u>\$ 40,074,051</u> | <u>\$ 6,524,914</u> |
| <b>Business-Type Activities Debt:</b>  |                     |                      |                      |                      |                      |                     |
| 2012 - Wastewater Revenue Refunding<br>Bonds 1.50-4.00% due 02/01/29                         | g                   | \$ 9,115,000         | \$ -                 | \$ 500,000           | \$ 8,615,000         | \$ 510,000          |
| Plus premium on refunding bonds  |                     | 170,267              |                      | 24,324               | 145,943              |                     |
| 2007 Certificates of Participation - Wastewater<br>System Improvement 3.75-4.5% due 02/01/32 | g                   | 10,300,000           |                      | 400,000              | 9,900,000            | 415,000             |
| ABAG 41 Certificates of Participation - Diablo<br>Creek Golf Course 4.0-5.0% due 08/01/18    | h                   | 990,000              |                      | 180,000              | 810,000              | 185,000             |
| <b>Subtotal</b>  |                     | <u>20,575,267</u>    |                      | <u>1,104,324</u>     | <u>19,470,943</u>    | <u>1,110,000</u>    |
| <b>Compensated Absences</b>  | c                   | 117,951              | 113,974              | 180,847              | 51,078               | 36,671              |
| <b>Total Business-Type Activities Debt</b>   |                     | <u>\$ 20,693,218</u> | <u>\$ 113,974</u>    | <u>\$ 1,285,171</u>  | <u>\$ 19,522,021</u> | <u>\$ 1,146,671</u> |

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

- Lease revenues received by Live Nation and from general & operating revenues.
- Lease revenues received by the Successor Agency and from general & operating revenues.
- General Fund revenues.
- Savings from the energy efficiency improvements.
- Notes payable received by the Housing and Community Services Special Revenue Fund. Included is \$305,183 in principal and the remaining balance is interest.
- Operating revenues available for lease payment in the Information Technology Replacement Internal Service Fund.
- Operating revenues received by the Sewer Enterprise Fund.
- General and operating revenues available for lease payment in the ABAG Debt Service Fund and Golf Course Enterprise Fund.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)****Debt Service Requirements**

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

| For the Year<br>Ending June 30, | Governmental Activities |              | Business-Type Activities |              |
|---------------------------------|-------------------------|--------------|--------------------------|--------------|
|                                 | Principal               | Interest     | Principal                | Interest     |
| 2016                            | \$ 3,903,820            | \$ 981,113   | \$ 1,110,000             | \$ 697,967   |
| 2017                            | 3,853,201               | 900,110      | 1,140,000                | 665,346      |
| 2018                            | 3,646,474               | 791,307      | 1,195,000                | 618,621      |
| 2019                            | 3,606,852               | 681,487      | 1,250,000                | 569,396      |
| 2020                            | 3,630,556               | 888,655      | 1,065,000                | 522,771      |
| 2021-2025                       | 15,797,083              | 1,512,466    | 5,845,000                | 2,105,244    |
| 2026-2030                       | 1,460,678               | 70,378       | 6,155,000                | 1,028,488    |
| 2031-2032                       |                         |              | 1,565,000                | 106,425      |
| Total requirements              | \$ 35,898,664           | \$ 5,825,516 | \$ 19,325,000            | \$ 6,314,258 |
| Plus unamortized premium        |                         |              | 145,943                  |              |
| Total                           | \$ 35,898,664           | \$ 5,825,516 | \$ 19,470,943            | \$ 6,314,258 |

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 coverage. City management believes the City is in compliance with all such indenture requirements.

**Revenue 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 the Concord Housing Fund and the Sewer Enterprise Fund of the City. As of June 30, 2015, the principal balance outstanding was \$2,000,000.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

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 former Redevelopment Agency agreed to reimburse the City for these lease payments. The reimbursement agreement was approved by the State of California Department of Finance as part of their Other Funds and Accounts Due Diligence Review, dated June 11, 2013, in reference to the Redevelopment Agency dissolution. The principal balance was paid in full during fiscal year 2015 as the revenue bonds were defeased with the issuance of the 2014 TABs discussed in footnote 19.

On March 1, 2015, the City entered into a lease financing agreement with the Public Property Financing Corporation of California and assigned to the Bank of the West for the original principal amount of \$22,635,000 at interest rates that range from 1.91% to provide for street and infrastructure improvements in the City. Principal and interest payments are due annually on March 1 and September 1 through March 1, 2025. Repayment of these bonds is from a pledge of revenue from lease revenue. As of June 30, 2015, the principal balance outstanding was \$22,635,000.

On September 18, 2012, the City issued Wastewater Revenue Refunding Bonds, Series 2012 in the original principal amount of \$10,080,000 at interest rates that range from 1.50% to 4.00% to provide for a refunding of the City's outstanding 2004 Certificates of Participation Wastewater System Improvement Bonds. Principal payments are due annually on February 1, with interest payments payable semi-annually on August 1 and February 1 through February 1, 2029. Repayment of these bonds is from a pledge of revenue from the Sewer Enterprise Fund. As of June 30, 2015, the principal balance outstanding was \$8,615,000.

The net proceeds of \$9,992,336 (after issuance costs of \$306,578, plus premium of \$218,914) were used to advance refund the 2004 Certificates of Participation Wastewater System Improvement bonds with a total principal amount of \$10,080,000 and interest rates between 1.5% to 4.00%. The net proceeds were used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the City's liabilities. The outstanding bonds as of June 30, 2015 were \$8,615,000.

The advance refunding was done in order to reduce debt interest payments. The refunding decreased the City's total debt service payments by approximately \$1,400,000. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately \$306,000.

**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 41 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. As of June 30, 2015, the principal balance outstanding was \$810,000.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

On October 18, 2007, the City of 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. As of June 30, 2015, the principal balance outstanding was \$9,900,000.

Under related installment agreements, the City remits installments to the Authority which is used to repay debt service on the 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 \$14,216,609 million in remaining debt service on the COPS which is scheduled to occur in 2032. 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 2015, Wastewater System Revenues including operating revenues and non-operating interest earnings amounted to \$24,439,220 and maintenance and operating costs amounted to \$20,787,202. Payments made to the Central Contra Costa Sanitary District for the City of Concord's share of district capital projects are treated as expenses in the Sewer Enterprise Fund since the related capital assets are not owned by the City. In recognition of the capital nature of these expenses, the covenants expressly exclude these payments from the calculation of maintenance and operating costs for coverage purposes. In fiscal year 2015 these costs totaled \$2,897,491. Adjusted net revenues available for debt service amounted to \$6,549,510, which represented coverage of 12.8% of the \$836,353 in debt service on the COPS.

**Refunding Lease Agreement**

On June 24, 2010 the City and the former Redevelopment Agency entered into a Refunding Lease Agreement (Agreement) in the amount of \$5,075,000. The proceeds from the Agreement were used to retire a portion of the outstanding Police Facility Lease Revenue Bonds and to refund certain other City obligations. As part of the Agreement the Authority leases the Corporation Yard to the City which provides the funds to service the Authority's debt service requirements for the Agreement. 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. As of June 30, 2015, the principal balance outstanding was \$2,599,000

**Lease Purchase Agreement**

On January 25, 2011, the City entered into a lease purchase agreement with Chevron Energy Service Company in the amount of \$8,434,970. 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. As of June 30, 2015, the principal balance outstanding was \$7,406,301.

**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 6), and \$1,600,000 is to be used for the Detroit Avenue Apartments loan (see Note 6) and a Multifamily Acquisition and Rehabilitation Loan Program. During the fiscal year ending June 30, 2011, the City paid off the Lakeside portion of the note. As of June 30, 2007, the City had drawn down \$600,000 for the Detroit Avenue Apartment loan, and \$350,000 for the Virginia Lane projects; 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. The principal balance of the note was paid in full during fiscal year 2015.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)****Capital Leases**

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. As of June 30, 2015, the principal balance outstanding on the lease was \$381,612.

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. The lease obligation was paid in full during fiscal year 2015.

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 lease in monthly payments of \$2,462 for 5 years. As of June 30, 2015, the principal balance outstanding on the lease was \$9,730.

On June 30, 2012, the City entered into a lease agreement in the amount of \$421,283 for network attached storage equipment. The lease bears interest at 3.55% quarterly and the City agreed to pay the lease in quarterly payments for \$23,473 for 5 years. As of June 30, 2015, the principal balance outstanding on the lease was \$90.061.

On July 24, 2012, the City entered into a lease agreement in the amount of \$380,702 with Motorola Solutions, Incorporated, for the purchase of radio equipment. The City agreed to pay the lease in annual payments for \$75,688 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. As of June 30, 2015, the principal debt outstanding on the lease was \$221,111.

On January 25, 2013, the City entered into a lease agreement in the amount of \$33,551 with Key Government Finance, Incorporated, to acquire equipment for network upgrades. The City agreed to pay the lease in annual payments for \$7,372, for five years. Since the leases are 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. As of June 30, 2015, the principal debt outstanding on the lease was \$13,634.

On September 28, 2012, the City entered into a lease agreement in the amount of \$273,082 with US Bank, to acquire equipment for network upgrades. The City agreed to pay the lease in monthly payments of \$5,103, for five years. Since the leases are 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. As of June 30, 2015, the principal debt outstanding on the lease was \$132,932.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

On May 2, 2013, the City entered into a lease agreement in the amount of \$63,852 with US Bank, to acquire equipment for network upgrades. The City agreed to pay the lease in monthly payments of \$1,216, for five years. Since the leases are 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. As of June 30, 2015, the principal debt outstanding on the lease was \$39,662.

On December 12, 2013, the City entered into a lease agreement in the amount of \$436,826 with Key Government Finance, Incorporated, to acquire equipment for network upgrades. The City agreed to pay the lease in quarterly payments of \$23,879, for five years. Since the leases are 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. As of June 30, 2015, the principal debt outstanding on the lease was \$280,991.

On August 18, 2014, the City entered into a lease agreement in the amount of \$115,834 with Quest Technology Management, to acquire equipment for network upgrades. The City agreed to pay the lease in monthly payments of \$2,267, for five years. Since the leases are 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. As of June 30, 2015, the principal debt outstanding on the lease was \$88,630.

**NOTE 8 - FUND BALANCES**

Detailed classifications of the City's Governmental Fund Balances, as of June 30, 2015, are below:

| Fund Balance Classifications              | Major Funds          |                      |                      | Other Governmental Funds | Total                 |
|---|----------------------|----------------------|----------------------|--------------------------|-----------------------|
|   | General Fund         | Concord Housing      | General Projects     |                          |                       |
| <b>Nonspendable:</b>                      |                      |                      |                      |                          |                       |
| Items not in spendable form:              |                      |                      |                      |                          |                       |
| Loans and Notes Receivable                |                      |                      |                      | \$ 1,852,254             | \$ 1,852,254          |
| Prepaid Expenditures                      | \$ 4,346             | \$ 10,546            |                      |                          | 14,892                |
| Advance                                   | 5,237,104            |                      |                      |                          | 5,237,104             |
| Inventories                               | 58,763               |                      |                      |                          | 58,763                |
| <b>Total Nonspendable Fund Balance</b>    | <b>5,300,213</b>     | <b>10,546</b>        |                      | <b>1,852,254</b>         | <b>7,163,013</b>      |
| <b>Restricted for:</b>                    |                      |                      |                      |                          |                       |
| Debt Service                              |                      |                      |                      | 3,154,947                | 3,154,947             |
| Capital Projects                          |                      |                      | \$ 18,469,282        | 3,590,504                | 22,059,786            |
| Housing                                   |                      | 28,867,605           |                      | 914,635                  | 29,782,240            |
| Health Care District                      |                      |                      |                      | 199,782                  | 199,782               |
| Transportation                            |                      |                      |                      | 5,877,969                | 5,877,969             |
| Development Services                      |                      |                      |                      | 8,795,540                | 8,795,540             |
| Asset Forfeiture                          |                      |                      |                      | 394,198                  | 394,198               |
| <b>Total Restricted Fund Balances</b>     |                      | <b>28,867,605</b>    | <b>18,469,282</b>    | <b>22,927,575</b>        | <b>70,264,462</b>     |
| <b>Assigned:</b>                          |                      |                      |                      |                          |                       |
| Purchase Orders                           | 1,252,513            |                      |                      |                          | 1,252,513             |
| Capital Projects                          |                      |                      | 768,622              | 542,334                  | 1,310,956             |
| Other                                     |                      |                      |                      |                          |                       |
| <b>Total Assigned Fund Balances</b>       | <b>1,252,513</b>     |                      | <b>768,622</b>       | <b>542,334</b>           | <b>2,563,469</b>      |
| <b>Unassigned:</b>                        |                      |                      |                      |                          |                       |
| General Fund                              | 27,381,312           |                      |                      |                          | 27,381,312            |
| Other governmental fund deficit residuals |                      |                      |                      | (1,463)                  | (1,463)               |
| <b>Total Unassigned Fund Balances</b>     | <b>27,381,312</b>    |                      |                      | <b>(1,463)</b>           | <b>27,379,849</b>     |
| <b>Total Fund Balances</b>                | <b>\$ 33,934,038</b> | <b>\$ 28,878,151</b> | <b>\$ 19,237,904</b> | <b>\$ 25,320,700</b>     | <b>\$ 107,370,793</b> |

**NOTE 8 - FUND BALANCES (CONTINUED)****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, 2015, were as listed below:

|   | <u>Amount</u>              |
|---|----------------------------|
| Governmental Funds:                                 |                            |
| General Fund  | \$ 1,252,513               |
| Concord Housing Fund                                | 46,952                     |
| General Projects Capital Projects Fund              | <u>1,286,636</u>           |
| Non-Major Governmental Funds:                       |                            |
| State Gas Tax Special Revenue Fund                  | 240,935                    |
| Art in Public Places Special Revenue Fund           | 37,043                     |
| Asset Forfeiture Special Revenue Fund               | 109,351                    |
| Maintenance District Special Revenue Fund           | 48,283                     |
| Housing and Community Services Special Revenue Fund | 65,515                     |
| Storm Water Management Special Revenue Fund         | 30,810                     |
| Health Care District Special Revenue Fund           | 125,000                    |
| Traffic Systems Management Special Revenue Fund     | 16,239                     |
| Special Developers Capital Projects Fund            | 224,122                    |
| Inter Governmental Capital Projects Fund            | <u>2,234,701</u>           |
| Total Non-Major Governmental Funds                  | <u>3,131,999</u>           |
| Total   | <u><u>\$ 5,718,100</u></u> |

**NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY****Expenditures in Excess of Appropriations**

Expenditures for the year ended June 30, 2015, exceeded the appropriations in the following funds.

|                                     | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------------|---------------------|---------------|-----------------|
| Housing and Community Services Fund | \$ 861,617          | \$ 956,724    | \$ (95,107)     |

The excess expenditures were covered by residual balances within the funds.

**NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)****Deficit Fund Equity**

As of June 30, 2015, the following funds had deficit fund equity:

**Governmental Activities**

|                             |          |
|-----------------------------|----------|
| Non-Major Governmental Fund |          |
| Assessments District Fund   | \$ 1,463 |
| Internal Service Fund       |          |
| Risk Management Fund        | 825,754  |

**Fiduciary Activities**

|   |            |
|---|------------|
| Successor Agency Private Purpose Trust Fund | 33,079,091 |
|---|------------|

The Assessment Districts Debt Service Fund had deficit fund balance of 1,463 which is expected to be eliminated by future revenue.

The Risk Management Internal Service Fund had deficit net position of \$825,754 which is expected to be eliminated by future revenue.

The Successor Agency Private Purpose Trust Fund had deficit net position of \$33,079,091 which is expected to continue until the debt service obligations are satisfied from future property tax allocations.

**NOTE 10 - CITY OF CONCORD RETIREMENT SYSTEM PLAN****Plan Description and Employees Covered**

The City of Concord Retirement System Plan (the plan) 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, 2015:

|   |            |
|---|------------|
| Retirees and beneficiaries currently receiving benefits | 240        |
| Vested terminated employees                             | 39         |
| Total participants                                      | <u>279</u> |

On July 1, 1994, the City converted to the Public Employees Retirement System (PERS) as described in Note 12.

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.

**NOTE 10 - CITY OF CONCORD RETIREMENT SYSTEM PLAN (CONTINUED)****Benefits Provided**

The plan 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 55, 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, 1990. 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.

**Contributions**

Prior to June 21, 1993, 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.

The actuarial accrued liability was determined as part of an actuarial valuation at June 30, 2014. 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 6.5% per year compounded annually, (b) inflation rate of 3.0% (c) annual post-retirement increases at 5.5% 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 21 year closed basis.

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

**NOTE 10 - CITY OF CONCORD RETIREMENT SYSTEM PLAN (CONTINUED)****Net Pension Liability**

The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial as of June 30, 2014 and rolled forward to June 30, 2015.

Actuarial Assumptions - The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

|                           | <u>CCRS</u>                              |
|---------------------------|--|
| Valuation Date            | June 30, 2014                            |
| Measurement Date          | June 30, 2015                            |
| Actuarial Cost Method     | Entry-Age Normal Cost Method             |
| Actuarial Assumptions:    |  |
| Discount Rate             | 6.50%                                    |
| Investment Rate of Return | 6.50% (1)                                |
| Municipal Bond Rate       | 3.80%                                    |
| General Inflation         | 3.00%                                    |
| COLA                      | 2% per year                              |
| Salary Scale              | not applicable                           |
| Investment Rate of Return | 6.50% (1)                                |
| Mortality                 | CalPERS 1997-2011 experience study       |
| Retirement Age            | 100% at 59 for general and 54 for Police |

Mortality rates were based on the CalPERS 1997-2011 experience study fully generational mortality improvement projection based on Scale AA.

The long-term expected rate of return on plan investments was determined using a building block method which best estimate ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**NOTE 10 - CITY OF CONCORD RETIREMENT SYSTEM PLAN (CONTINUED)**

The table below reflects geometric average real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class         | Target Allocation | Actual Allocation (a) | Geometric Average Real<br>Rate of Return |
|---------------------|-------------------|-----------------------|--|
| Global Equities     | 50%               | 43.00%                | 5.35%                                    |
| Global Fixed Income | 45%               | 51.00%                | 1.55%                                    |
| Cash                | 5%                | 6.00%                 | 0.45%                                    |
| Total               | 100%              | 100%                  |  |

(a) As of the June 30, 2014 PARS statement.

*Discount rate* – The discount rate used to measure the total pension liability was 6.5% for the plan. The project of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Changes in the Net Pension Liability***

The changes in the net pension liability for the plan are as follows:

|   | CCRS Plan<br>Increase (Decrease) |                                |                                  |
|---|----------------------------------|--------------------------------|----------------------------------|
|   | Total Pension<br>Liability       | Plan Fiduciary Net<br>Position | Net Pension<br>Liability/(Asset) |
| <b>Balance at June 30, 2014</b>                               | \$ 60,762,000                    | \$ 37,325,569                  | \$ 23,436,431                    |
| <b>Changes in the year:</b>                                   |                                  |                                |                                  |
| Interest on the total pension liability                       | \$ 3,769,962                     |                                | \$ 3,769,962                     |
| Differences between actual and expected experience            | 1,483,884                        |                                | 1,483,884                        |
| Changes in assumptions  | 3,337,481                        |                                | 3,337,481                        |
| Contribution - employer                                       |                                  | \$ 2,035,017                   | (2,035,017)                      |
| Net investment income   |                                  | 775,187                        | (775,187)                        |
| Administrative expenses                                       |                                  | (208,204)                      | 208,204                          |
| Benefit payments, including refunds of employee contributions | (5,525,159)                      | (5,525,159)                    |                                  |
| <b>Net changes</b>  | 3,066,168                        | (2,923,159)                    | 5,989,327                        |
| <b>Balance at June 30, 2015</b>                               | \$ 63,828,168                    | \$ 34,402,410                  | \$ 29,425,758                    |

Plan net position as a percentage of the total pension liability

53.9%

**NOTE 10 - CITY OF CONCORD RETIREMENT SYSTEM PLAN (CONTINUED)**

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City, calculated using the discount rate of 6.5%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1- percentage-point higher than the current rate.

|                       | <u>CCRS</u> |            |
|-----------------------|-------------|------------|
| 1% Decrease           |             | 5.50%      |
| Net Pension Liability | \$          | 35,119,198 |
| Current Discount Rate |             | 6.50%      |
| Net Pension Liability | \$          | 29,425,758 |
| 1% Increase           |             | 7.50%      |
| Net Pension Liability | \$          | 24,531,291 |

***Pension expenses and deferred outflows/inflows of resources related to pensions***

For the fiscal year ending June 30, 2015, the City recognized pension expense of \$6,799,722. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|---|---|--|
| Net differences between projected and actual earnings on plan investments | \$ 1,224,622                              | \$ -                                     |
| Total   | <u>\$ 1,224,622</u>                       | <u>\$ -</u>                              |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| <u>Year ended June 30,</u> | <u>Amount</u>       |
|----------------------------|---------------------|
| 2016                       | \$ 306,156          |
| 2017                       | 306,156             |
| 2018                       | 306,155             |
| 2019                       | 306,155             |
| Total                      | <u>\$ 1,224,622</u> |

**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, 2015, 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, California 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 funded the Plan over a period of 5 years, choosing to buy annuities to fund the Plan, and self fund. The City used general fund salary savings to fund the Plan. The plan was fully funded in September 2013.

**NOTE 12 - PENSION PLAN****CalPERS Safety and Miscellaneous Employees Pension Plans*****Plan Description***

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 contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent for various local and state governmental agencies within the State of California. The City's Safety and Miscellaneous Plans are part of the Public Agency portion of CalPERS. The benefits for the public agencies are established by contract with CalPERS in accordance with the provisions of the Public Employees

**NOTE 12 - PENSION PLAN (CONTINUED)**

Retirement Law. CalPERS issues a publicly available financial report that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at:

<http://calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

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.

***Benefits Provided***

The benefits in effect as of June 30, 2015 are summarized as follows:

| Hire Date                                 | Miscellaneous                         |   |   | Safety                              |   |
|---|---------------------------------------|---|---|-------------------------------------|---|
|   | Classic Prior to<br>November 29, 2010 | Classic On or after<br>November 29, 2010<br>and Prior to<br>January 1, 2013 | PEPRA On or<br>after<br>January 1, 2013 | Classic Prior to<br>January 1, 2013 | PEPRA On or<br>after<br>January 1, 2013 |
| Benefit Formula                           | 2.5% @ 55                             | 2% @ 55   | 2% @ 62                                 | 3% @ 50                             | 2.7% @ 57                               |
| Benefit vesting schedule                  | 5 years of service                    | 5 years of service  | 5 years of service                      | 5 years of service                  | 5 years of service                      |
| Benefit payments                          | monthly for life                      | monthly for life  | monthly for life                        | monthly for life                    | monthly for life                        |
| Retirement age                            | 50-55                                 | 50-55   | 52-62                                   | 50                                  | 50-57                                   |
| Monthly benefits, as a % of annual salary | 2.0% to 2.5%                          | 1.4% to 2.0%  | 1.0% to 2.0%                            | 3.0%                                | 2.0% to 2.7%                            |

The City's employees pay 100% of their employee pension contribution of 6.25%, 7% or 8% for Miscellaneous Plan members and 9% or 12% for Safety Plan members.

***Employees Covered***

At June 30, 2015, the following employees were covered by the benefit terms for each plan:

|  | Miscellaneous | Safety |
|--|---------------|--------|
| Inactive employees or beneficiaries currently receiving benefits | 344           | 113    |
| Inactive employees entitled to but not yet receiving benefits    | 347           | 62     |
| Active employees   | 235           | 143    |
| Total  | 926           | 318    |

**NOTE 12 - PENSION PLAN (CONTINUED)*****Contributions***

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both plans are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the average active employee contribution rate was 7.81% of annual pay for the Miscellaneous Plan and 9.02% for the Safety Plan. For the measurement period ended June 30, 2014, the employer's contribution rate was 26.10% of annual payroll for the Miscellaneous Plan and 33.35% for the Safety Plan. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any employer paid member contributions or situations where members are paying a portion of the employer contribution. Contributions made during the fiscal year ended June 30, 2015 for the Miscellaneous and Safety plan were \$4,837,588 and \$5,993,839 respectively.

***Net Pension Liability***

The City's net pension liability for each plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014.

Actuarial assumptions – The total pension liability in each plan's June 30, 2013 actuarial valuations were determined using the following actuarial assumptions.

|                           | Miscellaneous  | Safety        |
|---------------------------|--|---------------|
| Valuation Date            | June 30, 2013  | June 30, 2013 |
| Measurement Date          | June 30, 2014  | June 30, 2014 |
| Actuarial Cost Method     | Entry-Age Normal Cost Method                         |               |
| Actuarial Assumptions:    |  |               |
| Discount Rate             | 7.50%  | 7.50%         |
| Inflation                 | 2.75%  | 2.75%         |
| Payroll Growth            | 3.00%  | 3.00%         |
| Projected Salary Increase | Varies by Entry Age and Service                      |               |
| Investment Rate of Return | 7.50% (1)  | 7.50% (1)     |
| Mortality                 | Derived using CalPERS membership data for all funds. |               |

(1) Net of pension plan investment and administrative expenses, including inflation

Discount rate – The discount rate used to measure the total pension liability was 7.5% for each plan. The project of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NOTE 12 - PENSION PLAN (CONTINUED)**

In determining the long-term expected rate of return, CalPERS took into account both short and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class                   | Target Allocation | Real Rate of Return |              |
|-------------------------------|-------------------|---------------------|--------------|
|                               |                   | Years 1-10 (a)      | Years 11+(b) |
| Global Equity                 | 47%               | 5.25%               | 5.71%        |
| Global Fixed Income           | 19%               | 0.99%               | 2.43%        |
| Inflation Sensitivity         | 6%                | 0.45%               | 3.36%        |
| Private Equity                | 12%               | 6.83%               | 6.95%        |
| Real Estate                   | 11%               | 4.50%               | 5.30%        |
| Infrastructure and Forestland | 3%                | 4.50%               | 5.09%        |
| Liquidity                     | 2%                | -0.55%              | -1.05%       |
| Total                         | 100%              |                     |              |

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**NOTE 12 - PENSION PLAN (CONTINUED)*****Changes in the Net Pension Liability***

The changes in the net pension liability for each plan measured as of June 30, 2014 is as follows:

|   | Miscellaneous Plan<br>Increase (Decrease) |                                    |                                  |
|---|---|------------------------------------|----------------------------------|
|   | Total Pension<br>Liability                | Plan Fiduciary Net<br>Position     | Net Pension<br>Liability/(Asset) |
| <b>Balance at June 30, 2014</b>                                       | \$ 177,774,980                            | \$ 115,328,525                     | \$ 62,446,455                    |
| <b>Changes in the year:</b>   |   |                                    |                                  |
| Service Cost  | \$ 2,890,989                              |                                    | \$ 2,890,989                     |
| Interest on the total pension liability                               | 13,096,282                                |                                    | 13,096,282                       |
| Contribution - employee   |   | \$ 4,399,819                       | (4,399,819)                      |
| Contribution - employee   |   | 1,342,831                          | (1,342,831)                      |
| Net investment income   |   | 8,479,232                          | (8,479,232)                      |
| Differences between projected and actual earnings on plan investments |   | 11,281,309                         | (11,281,309)                     |
| Benefit payments, including refunds of employee contributions         | (9,206,786)                               | (9,206,786)                        |                                  |
| <b>Net changes</b>  | <u>6,780,485</u>                          | <u>16,296,405</u>                  | <u>(9,515,920)</u>               |
| <b>Balance at June 30, 2015</b>                                       | <u>\$ 184,555,465</u>                     | <u>\$ 131,624,930</u>              | <u>\$ 52,930,535</u>             |
|   |   | Safety Plan<br>Increase (Decrease) |                                  |
|   | Total Pension<br>Liability                | Plan Fiduciary Net<br>Position     | Net Pension<br>Liability/(Asset) |
| <b>Balance at June 30, 2014</b>                                       | \$ 195,446,083                            | \$ 124,432,457                     | \$ 71,013,626                    |
| <b>Changes in the year:</b>   |   |                                    |                                  |
| Service Cost  | \$ 4,891,960                              |                                    | \$ 4,891,960                     |
| Interest on the total pension liability                               | 14,566,113                                |                                    | 14,566,113                       |
| Contribution - employee   |   | \$ 5,732,219                       | (5,732,219)                      |
| Contribution - employee   |   | 1,679,332                          | (1,679,332)                      |
| Net investment income   |   | 9,322,724                          | (9,322,724)                      |
| Differences between projected and actual earnings on plan investments |   | 12,435,556                         | (12,435,556)                     |
| Benefit payments, including refunds of employee contributions         | (7,354,430)                               | (7,354,430)                        |                                  |
| <b>Net changes</b>  | <u>12,103,643</u>                         | <u>21,815,401</u>                  | <u>(9,711,758)</u>               |
| <b>Balance at June 30, 2015</b>                                       | <u>\$ 207,549,726</u>                     | <u>\$ 146,247,858</u>              | <u>\$ 61,301,868</u>             |
| <b>Totals for Both Plans</b>  | <u>\$ 392,105,191</u>                     | <u>\$ 277,872,788</u>              | <u>\$ 114,232,403</u>            |

**NOTE 12 - PENSION PLAN (CONTINUED)**

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the City for each plan, calculated using the discount rate for each plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1- percentage point higher than the current rate.

|                       | <u>Miscellaneous</u> | <u>Safety</u> | <u>Total</u>   |
|-----------------------|----------------------|---------------|----------------|
| 1% Decrease           | 6.50%                | 6.50%         | 6.50%          |
| Net Pension Liability | \$ 75,923,004        | \$ 90,638,351 | \$ 166,561,355 |
| Current Discount Rate | 7.50%                | 7.50%         | 7.50%          |
| Net Pension Liability | \$ 52,930,535        | \$ 61,301,868 | \$ 114,232,403 |
| 1% Increase           | 8.50%                | 8.50%         | 8.50%          |
| Net Pension Liability | \$ 33,742,298        | \$ 37,165,643 | \$ 70,907,941  |

Pension plan fiduciary net position – Detailed information about each pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

***Pension expenses and deferred outflows/inflows of resources related to pensions***

For the fiscal year ending June 30, 2015, the City recognized pension expense of \$19,364,598. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows of<br/>Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|---|---|--|
| Pension contributions subsequent to measurement date                      | \$ 10,831,427                             |  |
| Net differences between projected and actual earnings on plan investments |   | \$ (18,973,492)                          |
| Total   | <u>\$ 10,831,427</u>                      | <u>\$ (18,973,492)</u>                   |

\$10,831,427 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent t the measurement date will be recognized as a reduction of the net pension liability in the year ended 2016. Other Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended June 30,</u> | <u>Amount</u>          |
|----------------------------|------------------------|
| 2016                       | \$ (4,743,373)         |
| 2017                       | (4,743,373)            |
| 2018                       | (4,743,373)            |
| 2019                       | (4,743,373)            |
| Total                      | <u>\$ (18,973,492)</u> |

**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 single employer 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:

The City pays health insurance premiums up to \$638, \$1,275, \$1,658 for a retiree, couple, and family, respectively.

As of June 30, 2015, approximately 392 participants were receiving benefits.

**Funding Policy and Actuarial Assumptions**

The annual required contribution (ARC) was determined as part of a June 30, 2015 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) 7.5% 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. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. 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 administrated 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, California 94229-2709.

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, 2015, the City contributed \$3,670,019 to the Plan which represented 9.3% of \$37.7 million of covered payroll. As a result, the City has recorded the Net OPEB obligation, representing the difference between the ARC, the amortization of the Net OPEB obligation and actual contributions, as presented below:

**NOTE 13 - OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

|   |                           |
|---|---------------------------|
| Annual required contribution (ARC)          | \$ 4,815,000              |
| Interest on Net OPEB asset                  | (82,000)                  |
| Adjustment to annual required contribution  | 66,000                    |
| Annual OPEB Cost                            | <u>4,799,000</u>          |
| Contributions made:                         |                           |
| City portions of current year premiums paid | <u>3,670,019</u>          |
| Change in Net OPEB Asset                    | (1,128,981)               |
| Net OPEB Asset at June 30, 2014             | <u>1,093,430</u>          |
| <b>Net OPEB Obligation at June 30, 2015</b> | <b><u>\$ (35,551)</u></b> |

The Plan's annual OPEB cost and actual contributions for fiscal year ended June 30, 2015 is set forth below:

| Fiscal Year   | Annual<br>OPEB<br>Cost | Actual<br>Contribution | Percentage<br>of Annual<br>OPEB Cost<br>Contributed | Net<br>OPEB<br>Asset (Liability) |
|---------------|------------------------|------------------------|---|----------------------------------|
| June 30, 2013 | \$ 5,981,038           | \$ 3,254,171           | 54%   | \$ 5,028,652                     |
| June 30, 2014 | 4,930,000              | 3,494,778              | 71%   | 1,093,430                        |
| June 30, 2015 | 4,799,000              | 3,670,019              | 76%   | (35,551)                         |

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2015, amounted to \$73,467,000 and was partially funded as \$22,092,000 in assets had been transferred into CERBT as of that date and reduced the unfunded actuarial accrued liability to \$51,375,000.

**Funding Progress and Funded Status**

The Schedule of Funding Progress presented as required supplementary information, 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. Data as of June 30, 2015 from the actuarial study is presented below:

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(A) | Entry Age<br>Actuarial<br>Accrued<br>Liability<br>(B) | Unfunded<br>Actuarial<br>Accrued<br>Liability<br>(B-A) | Funded<br>Ratio<br>(A/B) | Covered<br>Payroll<br>(C) | Unfunded<br>Actuarial<br>Liability as<br>Percentages of<br>Covered Payroll<br>[(B-A)/C] |
|--------------------------------|--|---|--|--------------------------|---------------------------|---|
| June 30, 2015                  | \$ 22,092,000                          | \$ 73,467,000   | \$ 51,375,000  | 30.1%                    | \$ 32,192,000             | 159.6%  |

Additional information can be found in the Required Supplementary Information section of the financial statements.

**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:

| <u>Type of Coverage (Deductible)</u>             | <u>Coverage Limits</u> |
|--|------------------------|
| General Liability (\$500,000)                    | \$25,000,000           |
| Workers' Compensation (\$500,000)                | Statutory              |
| All Risk Property<br>(\$10,000 per occurrence)   | \$600,000,000          |
| Property Flood Risk<br>(\$25,000 per occurrence) | \$415,000,000          |
| 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 years ended June 30, 2015, 2014 and 2013, the amount of settlements did not exceed insurance coverage.

**NOTE 15 - RISK MANAGEMENT AND INSURANCE (CONTINUED)****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 \$1,579,131 and undiscounted general liability claims totaled \$1,430,621 at June 30, 2015.

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, 2014 and June 30, 2015:

|   | Workers<br>Compensation<br>Internal Service<br>Fund | Risk<br>Management/<br>Liability Internal<br>Service Fund | Total<br>2015        | Total<br>2014        |
|---|---|---|----------------------|----------------------|
| Beginning balance   | \$ 8,353,000  | \$ 2,834,680  | \$ 11,187,680        | \$ 12,640,152        |
| Liability for current fiscal year claims  | 2,203,000   | 882,920   | 3,085,920            | (1,064,944)          |
| Change in liability for prior fiscal year claims and<br>claims incurred but not reported (IBNR) | (988,376)   |   | (988,376)            | (608,447)            |
| Claims paid   | (1,305,029)   | (1,101,874)   | (2,406,903)          | 220,919              |
| Ending balance  | <u>\$ 8,262,595</u>                                 | <u>\$ 2,615,726</u>                                       | <u>\$ 10,878,321</u> | <u>\$ 11,187,680</u> |
| Current portion   | <u>\$ 1,579,131</u>                                 | <u>\$ 1,430,621</u>                                       | <u>\$ 3,009,752</u>  | <u>\$ 3,323,326</u>  |

**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 \$1,626 per month per employee. The City also provides its employees with Dental Insurance paying premiums up to \$166 per month per employee. The City also provides long-term disability and life insurance to its employees.

**NOTE 16 - SPECIAL ITEM****Plaza Tower Loan Restructuring and Salvio Grant Land Joint Venture**

The City of Concord is party to a series of agreements with Concord Plaza Tower, Inc. which relate to the Plaza Tower senior affordable housing development, including two loans made by the former Redevelopment Agency of the City of Concord ("Agency Loans") to assist in the development of Plaza Tower. Additionally, the City is a partner in the Salvio Land Grant Partnership, a general partnership formed in 1985 that owns the underlying property upon which Plaza Towers is located. The partnership leases the land and that lease terminates in 2040.

During fiscal year 2015, the City and Concord Plaza Tower Inc., agreed to restructure the two Agency Loans and consolidate those loans with the outstanding land lease payments owed to the City under the Salvio Grant Land Partnership. The City of Concord reported a special item in the Concord Housing Fund and in governmental activities equal to \$2,384,126 for the termination of its investment in the Salvio Grant Land Joint Venture in fiscal year 2015 and for the restructuring of a related loan.

**NOTE 17 - COMMITMENTS AND CONTINGENCIES**

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, 2015. 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 18 – RESTATEMENT OF NET POSITION AND FUND BALANCE**

Effective July 1, 2014, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability.

In fiscal year 2015 the City reclassified the Tourism Improvement District Fund from another governmental special revenue fund, to a fiduciary trust fund in the financial statements in accordance with GASB 61, *The Financial Reporting Entity: Omnibus*. Tourism Improvement District Fund was previously reported as a component unit of the City. This resulted in a restatement of previously reported net position and fund balance.

The restatement of beginning net position of the governmental activities is summarized as follows:

|   | Government-<br>Wide<br>Financial<br>Statements | Fund Financial<br>Statements   |
|---|--|--------------------------------|
|   | Governmental<br>Activities                     | Other<br>Governmental<br>Funds |
| Net Position/ Fund Balance, June 30, 2014,<br>as previously reported                                    | \$ 722,070,427                                 | \$ 22,095,395                  |
| Restatement:  |  |                                |
| Recognition of the net pension liability CalPERS.   | (123,365,522)                                  |                                |
| Recognition of the net pension liability CCRS.  | (18,096,198)                                   |                                |
| Reclassification of Tourism Improvement District<br>Fund from special revenue fund to a fiduciary fund. | (17,798)                                       | (17,798)                       |
| Total Restatements:   | <u>(141,479,518)</u>                           | <u>(17,798)</u>                |
| Net Position/ Fund Balance, June 30, 2014, as restated  | <u>\$ 580,590,909</u>                          | <u>\$ 22,077,597</u>           |

**NOTE 19 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES****Redevelopment Dissolution**

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited 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.

ABx1 26 and AB1484 created the regulatory authority, the Successor Agency Oversight Board, under the direction of the State Controller and Department of Finance (DOF), to review former Agency's asset transfer, obligation payments and wind down activities. ABx1 26 specifically 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 or, on or after February 1, 2012, to the Successor Agency.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City elected to become the Housing Successor and retain the housing assets. On February 1, 2012, certain housing assets were transferred to the City's Concord Housing Fund, a special revenue fund.

The activities of the Housing Successor are reported in the Concord Housing Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established in April 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one City employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

**NOTE 19 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)**

The following notes provide more information regarding assets and liabilities of the Successor Agency.

**Loans Receivable**

The Successor Agency assumed the non-housing loans receivable of the former Redevelopment Agency as of February 1, 2012. The former Redevelopment Agency engaged in programs designed to encourage construction of, or improvement to, low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the former Agency's terms. The balances of the notes receivable arising from the non-housing programs at June 30, 2015 are set forth below:

**Concord Residential Club**

Low and no interest loans were made by the former 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. As of June 30, 2015 the loan balance was \$229,996

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 Successor Agency expects the loan to be repaid on September 1, 2019. As of June 30, 2015 the loan balance was \$110,424.

**Fry's Electronics Development Agreement**

The former Redevelopment 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 2014, sales tax collections did not meet the threshold; therefore the former Redevelopment Agency and the Successor Agency did not disburse any funds to Fry's in accordance with the terms of the agreement. At June 30, 2015, 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, and is not carried on the financial statements.

**NOTE 19 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)****Land Held for Redevelopment**

As of June 30, 2015, the Successor Agency held the following properties for resale or redevelopment, totaling \$11,416,332:

- 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) During the year ended June 30, 1999, the Agency purchased a parcel which is to be sold in the future for development projects.
- g) Five properties purchased from 1982-1987 which are being held for resale for future development projects.

**Pooled Investments**

As of June 30, 2015, the Successor Agency held assets within the City investment pool totaling \$1,359,103.

**Cash with Fiscal Agents**

As of June 30, 2015, the Successor Agency held assets with fiscal agents totaling \$832,257.

**Capital Assets**

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 2012.

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 Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

The Successor Agency has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

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.

**NOTE 19 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)**

Depreciation of capital 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 Successor Agency has assigned 25-33 years for the useful lives of buildings and structures.

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

**Capital Asset Additions, Retirements and Balances**

The Successor Agency assumed the long-term debt of the former Redevelopment Agency as of February 2012.

|  | Balance at<br>June 30, 2014 | Additions   | Deletions | Balance at<br>June 30, 2015 |
|--|-----------------------------|-------------|-----------|-----------------------------|
| <b>Successor Agency</b>                    |                             |             |           |                             |
| Capital assets not being depreciated:      |                             |             |           |                             |
| Land                                       | \$ 448,293                  |             |           | \$ 448,293                  |
| Total capital assets not being depreciated | 448,293                     |             |           | 448,293                     |
| Capital assets being depreciated:          |                             |             |           |                             |
| Buildings and structures                   | 2,259,347                   |             |           | 2,259,347                   |
| Less: depreciation                         | (1,346,723)                 | \$ (67,780) |           | (1,414,503)                 |
| Streets                                    | 300,519                     |             |           | 300,519                     |
| Less: depreciation                         | (18,889)                    | (10,017)    |           | (28,906)                    |
| Sidewalks                                  | 227,377                     |             |           | 227,377                     |
| Less: depreciation                         | (9,095)                     | (4,548)     |           | (13,643)                    |
| Lights                                     | 37,527                      |             |           | 37,527                      |
| Less: depreciation                         | (1,876)                     | (1,251)     |           | (3,127)                     |
| Equipment                                  | 36,862                      |             |           | 36,862                      |
| Less: depreciation                         |                             | (7,372)     |           | (7,372)                     |
| Total capital assets being depreciated     | 1,485,049                   | (90,968)    |           | 1,394,081                   |
| Successor Agency Capital assets, net       | \$ 1,933,342                | \$ (90,968) |           | \$ 1,842,374                |

**Long-Term Debt**

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

**Tax Allocation Bonds (TABs) Outstanding**

On August 27, 2014 the California Department of Finance approved for the Successor Agency to issue \$37,550,000 of Series 2014 Tax Allocation Refunding Bonds to defease and retire the 2004 Tax Allocation Bonds and retire the Concord Joint Powers Financing Authority Lease Revenue Bonds secured by a reimbursement agreement between the Successor Agency and the City of Concord for pledged tax increment revenues from the Central Concord Redevelopment Project. On October 1, 2014, the Series 2014 bonds were issued and as a result, the refunded bonds and debt are considered to be defeased and the liability has been removed from the fiduciary financial statements. The reacquisition price met the net carrying amount of the old debt thus there was no economic gain or loss on the transaction. This current refunding was undertaken to reduce total debt service payments over the next ten years and take advantage of favorable interest rates.

The 2014 TABs are payable annually on March 1. The 2014 TABs are special obligations of the Agency and are secured by the Agency's tax increment revenues. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the

**NOTE 19 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)**

County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. The TABs are unsecured in the amount of \$22,120,000 and secured in the amount of \$15,430,000 by a surety bond issued by AMBAC Assurance as of June 30, 2015.

The pledge of future tax increment revenues ends upon repayment of the \$53,837,011 (principal and interest) in remaining debt service on the Agency's Tax Allocation Bonds which is scheduled to occur in 2025. For fiscal year 2015 RPTTF amounted to \$14,330,318 which represented coverage of 3.49 over the \$4,100,000 in debt service. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax

Trust Fund (RPTTF) that are to be used to fund repayment under the reimbursement agreement. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. The outstanding balance on the bonds as of June 30, 2015 was \$33,450,000 with interest rates ranging from 4 to 5%.

**Reimbursement Agreements- Police Facilities and Parking Garage Revenue Bonds**

The City of Concord Public Financing Authority constructed police facilities and a three-level, 432-space parking structure, which are leased from the City. Revenues from these leases totaled \$935,000 in fiscal year 2015. The Concord Joint Powers Financing Authority loaned the City \$19,280,000 to construct these facilities, with reimbursement agreement in place between the former Redevelopment Agency and the City. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund repayment under the reimbursement agreement. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. The principal balance was paid in full during fiscal year 2015 as the revenue bonds were defeased with the issuance of the 2014 TABs discussed above.

**Reimbursement Agreements- Refunding Lease Agreement**

On June 24, 2010 the former Redevelopment Agency entered into a Refunding Lease Agreement in the amount of \$5,073,000. 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. As of June 30, 2015 the total amount payable on the reimbursement agreement was \$2,599,000.

**Housing Successor Loan Payable**

Beginning in 1986, the former Redevelopment Agency's General Capital Projects Fund has been required by the State to set aside 20% of property tax increments for low and moderate income housing. However, under a transition rule, pursuant to Health and Safety Code Section 33334.6, the former Redevelopment Agency was permitted to set aside less than 20% of the tax increment that it received to the extent that it spent the tax increment revenue for the Agency's debt incurred prior to 1986 or for Agency projects approved prior to 1986, as long as it had a written plan for repaying these amounts to the Concord Housing Special Revenue Fund. The Agency's General Capital Projects Fund has been allowed to use these set-asides for current capital projects as long as it had a written plan for repaying these amounts to the Low and Moderate Income Housing Special Revenue Fund. At June 30, 2015 the amount due that Fund under the repayment plan totaled \$9,495,937. The advance does not bear interest.

**NOTE 19 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)**

The above loan had previously been reported as an interfund advance within the Redevelopment Agency, but with the transfer of the former Redevelopment Agency's liabilities to the Successor Agency, the advance is now reported as long-term debt of the Successor Agency. This loan was originally required to be repaid by June 30, 2019; however repayment is now subject to the provisions of Health and Safety Code Section 34176 and cannot begin prior to fiscal year 2014 based on the repayment requirements in the Health and Safety Code.

This loan has been approved by the Department of Finance on the Recognized Obligation Payment Schedule. As of June 30, 2015, the total amount payable on the loan was \$9,495,937.

**Current Year Transactions and Balances**

|   | Original<br>Principal<br>Amount | Balance as of<br>June 30, 2014 | Additions     | Retirements   | Balance as of<br>June 30, 2015 | Current<br>Portion |
|---|---------------------------------|--------------------------------|---------------|---------------|--------------------------------|--------------------|
| <b>2014 Tax Allocation Refunding Bonds</b>    |                                 |                                |               |               |                                |                    |
| 4.0-5.00%, due 03/01/2025                     | \$ 37,550,000                   | \$ -                           | \$ 37,550,000 | \$ 4,100,000  | \$ 33,450,000                  | \$ 4,205,000       |
| Premium on bonds                              | 4,943,615                       |                                | 4,943,615     |               | 4,943,615                      |                    |
| <b>2004 Tax Allocation Refunding Bonds</b>    |                                 |                                |               |               |                                |                    |
| 3.9-5.05%, due 07/01/2025                     | 72,310,000                      | 45,240,000                     |               | 45,240,000    |                                |                    |
| Total Tax Allocation Bonds                    |                                 | 45,240,000                     |               | 49,340,000    | 38,393,615                     | 4,205,000          |
| <b>Reimbursement Agreement:</b>               |                                 |                                |               |               |                                |                    |
| City of Concord, 3.60%,<br>due 09/01/2019     | 3,116,000                       | 3,067,000                      |               | 468,000       | 2,599,000                      | 501,500            |
| <b>Reimbursement Agreement:</b>               |                                 |                                |               |               |                                |                    |
| City of Concord, 4.0-5.13%,<br>due 03/01/2023 | 19,280,000                      | 5,230,000                      |               | 5,230,000     |                                |                    |
| <b>Loan Payable:</b>                          |                                 |                                |               |               |                                |                    |
| Housing Successor Loan<br>Due 06/30/2019      | 9,495,937                       | 9,495,937                      |               |               | 9,495,937                      |                    |
| <b>Total Successor Agency</b>                 |                                 | \$ 63,032,937                  | \$ -          | \$ 55,038,000 | \$ 50,488,552                  | \$ 4,706,500       |

**Debt Service Requirements**

Annual debt service requirements are shown below for long-term debt except the Housing Successor Loan Payable because the ultimate repayment terms cannot be determined at this time as discussed above:

| For the Year Ending | Principal     | Interest     |
|---------------------|---------------|--------------|
| June 30,            |               |              |
| 2016                | \$ 4,687,500  | \$ 1,715,329 |
| 2017                | 4,881,500     | 1,529,417    |
| 2018                | 5,125,000     | 1,292,030    |
| 2019                | 14,857,937    | 1,042,754    |
| 2020                | 2,998,000     | 781,794      |
| 2021-2025           | 12,995,000    | 1,930,750    |
| Total               | \$ 45,544,937 | \$ 8,292,074 |

**NOTE 19 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)****Commitments and Contingencies***State Approval of Enforceable Obligations*

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS**

The tables below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial liability as a percentage of the annual covered payroll for the City's OPEB plan as of the valuation dates.

*City of Concord Retiree Healthcare Plan*

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value<br>of Assets<br>(A) | Entry Age<br>Actuarial<br>Accrued<br>Liability<br>(B) | Unfunded<br>Actuarial<br>Accrued<br>Liability<br>(B-A) | Funded<br>Ratio<br>(A/B) | Covered<br>Payroll<br>(C) | Unfunded<br>Actuarial<br>Liability as<br>Percentages of<br>Covered Payroll<br>[(B-A)/C] |
|--------------------------------|--|---|--|--------------------------|---------------------------|---|
| June 30, 2011                  | \$ 18,332,000                          | \$ 53,678,000   | \$ 35,346,000  | 34.15%                   | \$ 33,358,000             | 106%  |
| June 30, 2013                  | 18,655,000                             | 62,217,000  | 43,562,000   | 29.98%                   | 32,192,000                | 135%  |
| June 30, 2015                  | 22,092,000                             | 73,467,000  | 51,375,000   | 30.07%                   | 32,192,000                | 160%  |

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN YEARS**

**CalPERS - Miscellaneous Plan**

|   | 2015           |
|---|----------------|
| <b>Total pension liability</b>  |                |
| Service cost  | \$ 2,890,989   |
| Interest  | 13,096,282     |
| Benefit payments, including refunds of employee contributions                         | (9,206,786)    |
| <b>Net change in total pension liability</b>  | 6,780,485      |
| <b>Total pension liability -- beginning</b>   | 177,774,980    |
| <b>Total pension liability -- ending (a)</b>  | \$ 184,555,465 |
| <br><b>Plan fiduciary net position</b>  |                |
| Contributions - employer  | \$ 4,399,819   |
| Contributions - employee  | 1,342,831      |
| Net investment income   | 19,760,541     |
| Benefit payments, including refunds of employee contributions                         | (9,206,786)    |
| <b>Net change in fiduciary net position</b>   | 16,296,405     |
| <b>Plan fiduciary net position -- beginning</b>                                       | 115,328,525    |
| <b>Plan fiduciary net position -- ending (b)</b>                                      | \$ 131,624,930 |
| <br><b>Net pension liability -- ending (a) - (b)</b>                                  | \$ 52,930,535  |
| <br><b>Plan fiduciary net position as a percentage of the total pension liability</b> | 71.32%         |
| <br><b>Covered-employee payroll</b>   | \$ 16,164,320  |
| <br><b>Net pension liability as a percentage of covered-employee payroll</b>          | 327.45%        |
| <b>Measurement Date</b>   | June 30, 2014  |

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
LAST TEN YEARS**

**CalPERS - Safety Plan**

|   | 2015           |
|---|----------------|
| <b>Total pension liability</b>  |                |
| Service cost  | \$ 4,891,960   |
| Interest  | 14,566,113     |
| Benefit payments, including refunds of employee contributions                         | (7,354,430)    |
| <b>Net change in total pension liability</b>  | 12,103,643     |
| <b>Total pension liability -- beginning</b>   | 195,446,083    |
| <b>Total pension liability -- ending (a)</b>  | \$ 207,549,726 |
| <br><b>Plan fiduciary net position</b>  |                |
| Contributions - employer  | \$ 5,732,219   |
| Contributions - employee  | 1,679,332      |
| Net investment income   | 21,758,280     |
| Benefit payments, including refunds of employee contributions                         | (7,354,430)    |
| <b>Net change in fiduciary net position</b>   | 21,815,401     |
| <b>Plan fiduciary net position -- beginning</b>                                       | 124,432,457    |
| <b>Plan fiduciary net position -- ending (b)</b>                                      | \$ 146,247,858 |
| <br><b>Net pension liability -- ending (a) - (b)</b>                                  | \$ 61,301,868  |
| <br><b>Plan fiduciary net position as a percentage of the total pension liability</b> | 70.46%         |
| <br><b>Covered-employee payroll</b>   | \$ 17,182,858  |
| <br><b>Net pension liability as a percentage of covered-employee payroll</b>          | 356.76%        |
| <b>Measurement Date</b>   | June 30, 2014  |

\* - Fiscal year 2015 was the first year of implementation, therefore, only one year is shown.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**LAST TEN YEARS**

**City of Concord Retirement System Plan (CCRS)**

|   | 2014          | 2015          |
|---|---------------|---------------|
| <b>Total pension liability</b>  |               |               |
| Service cost  | \$ -          | \$ -          |
| Interest  | 3,879,000     | 3,769,962     |
| Changes in assumptions  | -             | 3,337,481     |
| Differences between projected and actual earnings on plan investments             | -             | 1,483,884     |
| Changes in benefits   | -             | -             |
| Benefit payments, including refunds of employee contributions                     | (5,516,000)   | (5,525,159)   |
| <b>Net change in total pension liability</b>                                      | (1,637,000)   | 3,066,168     |
| <b>Total pension liability -- beginning</b>                                       | 62,399,000    | 60,762,000    |
| <b>Total pension liability -- ending (a)</b>                                      | \$ 60,762,000 | \$ 63,828,168 |
| <b>Plan fiduciary net position</b>  |               |               |
| Contributions - employer  | \$ 1,971,829  | \$ 2,035,017  |
| Contributions - employee  | -             | -             |
| Net investment income   | 3,423,144     | 775,187       |
| Differences between projected and actual earnings on plan investments             |               |               |
| Benefit payments, including refunds of employee contributions                     | (5,516,398)   | (5,525,159)   |
| Administrative expenses   | (193,523)     | (208,204)     |
| <b>Net change in fiduciary net position</b>                                       | (314,948)     | (2,923,159)   |
| <b>Plan fiduciary net position -- beginning</b>                                   | 37,640,518    | 37,325,569    |
| <b>Plan fiduciary net position -- ending (b)</b>                                  | \$ 37,325,570 | \$ 34,402,410 |
| <b>Net pension liability -- ending (a) - (b)</b>                                  | \$ 23,436,430 | \$ 29,425,758 |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 61.43%        | 53.90%        |
| <b>Covered-employee payroll</b>   | [1]           | [1]           |
| <b>Net pension liability as a percentage of covered-employee payroll</b>          | N/A           | N/A           |
| <b>Measurement period June 30,</b>  | June 30, 2014 | June 30, 2015 |
| [1] Plan was closed in 1999.  |               |               |

Notes to Schedules

\* - Fiscal year 2015 was the first year of implementation of GASB 68 and fiscal year 2014 was the first year of implementation of GASB 67, therefore, only two years is shown.

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
LAST TEN YEARS**

|  |    | 2015                                |
|--|----|-------------------------------------|
|  |    | <u>CalPERS - Miscellaneous Plan</u> |
| Actuarially determined contributions                                 | \$ | 4,837,588                           |
| Contributions in relation to the actuarially determined contribution |    | 4,837,588                           |
| Contribution deficiency (excess)                                     | \$ | <u><u>-</u></u>                     |
| <br>   |    |                                     |
| Covered-employee payroll   | \$ | 17,321,232                          |
| Contributions as a percentage of covered-employee payroll            |    | 27.93%                              |
| <br>   |    |                                     |
|  |    | 2015                                |
|  |    | <u>CalPERS - Safety Plan</u>        |
| Actuarially determined contributions                                 | \$ | 5,993,839                           |
| Contributions in relation to the actuarially determined contribution |    | 5,993,839                           |
| Contribution deficiency (excess)                                     | \$ | <u><u>-</u></u>                     |
| <br>   |    |                                     |
| Covered-employee payroll   | \$ | 18,298,800                          |
| Contributions as a percentage of covered-employee payroll            |    | 32.76%                              |

**Notes to Schedule**

Valuation date: 6/30/2012

Methods and assumptions used to determine contribution rates:

|                               |  |
|-------------------------------|--|
| Actuarial cost method         | Entry age normal   |
| Amortization method           | Level percentage of payroll, closed  |
| Asset valuation method        | Actuarial value of assets  |
| Inflation                     | 2.75%, net of pension plan investment expense  |
| Salary Increase               | Varies by entry age and service  |
| Investment Rate of Return     | 7.50%, net of pension plan investment expense, including inflation   |
| Retirement age and mortality: | The probabilities of retirement and mortality are based on 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY CONTRIBUTIONS  
LAST TEN YEARS**

|  | 2015<br>CCRS Plan                                       | 2014<br>CCRS Plan           |
|--|---|-----------------------------|
|  | <u>                    </u>                             | <u>                    </u> |
| Actuarially determined contributions                                 | \$ 2,478,000  | \$ 2,045,000                |
| Contributions in relation to the actuarially determined contribution | 2,035,017   | 1,971,829                   |
| Contribution deficiency (excess)                                     | <u>\$ 442,983</u>                                       | <u>\$ 73,171</u>            |
| <br>Covered-employee payroll   | <br>[1]   | <br>[1]                     |
| <br>Contributions as a percentage of covered-employee payroll        | <br>N/A   | <br>N/A                     |
| <br>Valuation date:  | <br>6/30/2014   | <br>6/30/2012               |
| <br>Methods and assumptions used to determine contribution rates:    |   |                             |
| Actuarial cost method  | Entry age normal  |                             |
| Amortization method  | Level dollar  |                             |
| Amortization period  | 21 year closed period                                   |                             |
| Asset valuation method   | Market value of assets                                  |                             |
| All other  | Same as used in determining the total pension liability |                             |
| [1] Plan was closed in 1999.   |   |                             |

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## NON-MAJOR GOVERNMENTAL FUNDS

**State Gas Tax Fund.** To account for restricted 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 former 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.

**Health Care District Fund.** To account for funds needed for health programs. The program is funded through property taxes.

**Asset Forfeiture Fund.** To account for revenues received from adjudicated sales of assets seized during drug related arrests and to disburse for authorized public safety activities.

**Vehicle Abatement Fund.** To account for monies received by the California Department of Motor Vehicles to be expended on abatement, removal or the disposal of vehicle related public nuisances from private or public property.

**Public Education and Government Fund.** To account for monies received by cable operators to support public education and government (PEG) channel facilities and activities.

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

**Parking Structure Revenue Bonds Fund.** To account for accumulation of revenue for payment of principal and interest 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. (Transferred to Successor Agency)

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

**Infrastructure Lease Agreement Fund.** To account for lease agreement in connection with the financing of street and other infrastructure improvements.

**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, 2015**

|  | SPECIAL REVENUE FUNDS |                          |                            |                                 |
|--|-----------------------|--------------------------|----------------------------|---------------------------------|
|  | State<br>Gas Tax      | Maintenance<br>Districts | Art in<br>Public<br>Places | Traffic<br>System<br>Management |
| <b>ASSETS:</b>   |                       |                          |                            |                                 |
| Cash and Investments   | \$ 5,238,535          | \$ 4,742,384             | \$ 317,095                 | \$ 238,265                      |
| Cash with Fiscal Agents  |                       |                          |                            |                                 |
| Receivables, Net   |                       |                          |                            |                                 |
| Accounts Receivable  |                       |                          |                            |                                 |
| Interest   |                       |                          |                            |                                 |
| Due from Other Funds   |                       |                          |                            |                                 |
| Due from Other Governments   | 282,945               |                          |                            |                                 |
| Loans and Notes  |                       |                          |                            |                                 |
| Lease Receivable   |                       |                          |                            |                                 |
| Advances to Other Funds  |                       |                          |                            | 159,000                         |
| Total Assets   | <u>\$ 5,521,480</u>   | <u>\$ 4,742,384</u>      | <u>\$ 317,095</u>          | <u>\$ 397,265</u>               |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES:</b> |                       |                          |                            |                                 |
| Liabilities:   |                       |                          |                            |                                 |
| Accounts, Deposits and Contracts Payable                                 | \$ 14,715             |                          | \$ 79,522                  |                                 |
| Accrued Liabilities  | 30,812                | \$ 4,085                 |                            |                                 |
| Due to Other Funds   |                       |                          |                            |                                 |
| Unearned Revenue   |                       |                          |                            |                                 |
| Advance from Other Funds   |                       | 159,000                  |                            |                                 |
| Total Liabilities  | <u>45,527</u>         | <u>163,085</u>           | <u>79,522</u>              |                                 |
| Deferred Inflows of Resources:   |                       |                          |                            |                                 |
| Unavailable Revenue  |                       |                          |                            |                                 |
| Fund Balances:   |                       |                          |                            |                                 |
| Nonspendable   |                       |                          |                            |                                 |
| Restricted   | 5,475,953             | 4,579,299                | 237,573                    | 397,265                         |
| Assigned   |                       |                          |                            |                                 |
| Unassigned   |                       |                          |                            |                                 |
| Total Fund Balances (Deficit)  | <u>5,475,953</u>      | <u>4,579,299</u>         | <u>237,573</u>             | <u>397,265</u>                  |
| Total Liabilities, Deferred Inflows<br>and Fund Balances                 | <u>\$ 5,521,480</u>   | <u>\$ 4,742,384</u>      | <u>\$ 317,095</u>          | <u>\$ 397,265</u>               |

**CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015**

SPECIAL REVENUE FUNDS

| Housing<br>Assistance<br>Program | Housing<br>and Community<br>Services | Storm<br>Water<br>Management | Health<br>Care<br>District | Asset<br>Forfeiture | Vehicle<br>Abatement | Public<br>Education and<br>Government |
|----------------------------------|--------------------------------------|------------------------------|----------------------------|---------------------|----------------------|---------------------------------------|
| \$ 511,500                       | \$ 2,671,508                         | \$ 3,386,884                 | \$ 199,048                 | \$ 393,668          | \$ 7,091             | \$ 449,768                            |
| 15,802                           | 80,861                               |                              | 940                        | 530                 |                      | 155,882                               |
| 185,445                          | 311,452<br>1,666,809                 |                              |                            |                     |                      |                                       |
| <u>\$ 712,747</u>                | <u>\$ 4,730,630</u>                  | <u>\$ 3,386,884</u>          | <u>\$ 199,988</u>          | <u>\$ 394,198</u>   | <u>\$ 7,091</u>      | <u>\$ 605,650</u>                     |
|                                  | \$ 641,473<br>492,423                | \$ 13,866                    | \$ 206                     |                     | \$ 2,340             |                                       |
|                                  | <u>1,133,896</u>                     | <u>13,866</u>                | <u>206</u>                 |                     | <u>2,340</u>         |                                       |
| \$15,802                         | 1,526,790                            |                              |                            |                     |                      |                                       |
| 185,445<br>511,500               | 1,666,809<br>403,135                 | 3,373,018                    | 199,782                    | \$ 394,198          | \$ 4,751             | \$ 605,650                            |
| <u>696,945</u>                   | <u>2,069,944</u>                     | <u>3,373,018</u>             | <u>199,782</u>             | <u>394,198</u>      | <u>4,751</u>         | <u>605,650</u>                        |
| <u>\$ 712,747</u>                | <u>\$ 4,730,630</u>                  | <u>\$ 3,386,884</u>          | <u>\$ 199,988</u>          | <u>\$ 394,198</u>   | <u>\$ 7,091</u>      | <u>\$ 605,650</u>                     |

**CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015**

DEBT SERVICE FUNDS

| Police Facilities<br>Revenue Bonds | Parking Structure<br>Revenue Bonds | ABAG      | Performing<br>Arts<br>Revenue Bonds | Assessment<br>Districts | Refunding<br>Lease<br>Agreement | Energy<br>Lease |
|------------------------------------|------------------------------------|-----------|-------------------------------------|-------------------------|---------------------------------|-----------------|
|                                    |                                    | \$ 23,005 |                                     | \$ 7,016                |                                 |                 |
|                                    |                                    | 42,227    | \$ 609,213                          |                         |                                 |                 |
| \$ -                               | \$ -                               | \$ 65,232 | \$ 609,213                          | \$ 7,016                | \$ -                            | \$ -            |
|                                    |                                    |           |                                     | \$ 8,479                |                                 |                 |
|                                    |                                    |           |                                     | 8,479                   |                                 |                 |
|                                    |                                    | \$ 65,232 | \$ 609,213                          |                         |                                 |                 |
|                                    |                                    |           |                                     | (1,463)                 |                                 |                 |
|                                    |                                    | 65,232    | 609,213                             | (1,463)                 |                                 |                 |
| \$ -                               | \$ -                               | \$ 65,232 | \$ 609,213                          | \$ 7,016                | \$ -                            | \$ -            |

**CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS  
JUNE 30, 2015**

| <u>CAPITAL PROJECTS FUNDS</u>                 |                               |                                |   |
|---|-------------------------------|--------------------------------|---|
| <u>Infrastructure<br/>Lease<br/>Agreement</u> | <u>Special<br/>Developers</u> | <u>Inter-<br/>Governmental</u> | <u>Total<br/>Non-Major<br/>Governmental<br/>Funds</u> |
| \$ 2,480,502                                  | \$ 1,761,378                  | \$ 3,805,480                   | \$ 26,233,127   |
|   |                               |                                | 651,440   |
|   |                               | 106,444                        | 263,796   |
|   |                               |                                | 96,663  |
|   |                               | 297,858                        | 892,255   |
|   |                               |                                | 1,852,254   |
|   |                               |                                | 159,000   |
| <u>\$ 2,480,502</u>                           | <u>\$ 1,761,378</u>           | <u>\$ 4,209,782</u>            | <u>\$ 30,148,535</u>                                  |
|   | \$ 86,571                     | \$ 214,976                     | \$ 1,045,736  |
|   |                               |                                | 543,732   |
|   | 1,132,473                     |                                | 1,291,473   |
|   | 1,219,044                     | 214,976                        | 2,880,941   |
|   |                               | 404,302                        | 1,946,894   |
|   |                               |                                | 2,011,254   |
| \$ 2,480,502                                  |                               | 3,590,504                      | 22,768,575  |
|   | 542,334                       |                                | 542,334   |
|   |                               |                                | (1,463)   |
| <u>2,480,502</u>                              | <u>542,334</u>                | <u>3,590,504</u>               | <u>25,320,700</u>                                     |
| <u>\$ 2,480,502</u>                           | <u>\$ 1,761,378</u>           | <u>\$ 4,209,782</u>            | <u>\$ 30,148,535</u>                                  |

**CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

|  | SPECIAL REVENUE FUNDS |                          |                            |                                 |                                  |                                      |
|--|-----------------------|--------------------------|----------------------------|---------------------------------|----------------------------------|--------------------------------------|
|  | State<br>Gas Tax      | Maintenance<br>Districts | Art in<br>Public<br>Places | Traffic<br>System<br>Management | Housing<br>Assistance<br>Program | Housing<br>and Community<br>Services |
| <b>REVENUES:</b>   |                       |                          |                            |                                 |                                  |                                      |
| Taxes  |                       | \$ 1,544,956             |                            |                                 |                                  |                                      |
| Licenses and Permits   |                       |                          |                            |                                 |                                  |                                      |
| Intergovernmental  | \$ 3,171,540          |                          |                            |                                 |                                  | \$ 1,157,766                         |
| Charges for Services   |                       |                          |                            |                                 |                                  | 90,620                               |
| Use of Money and Property                                    | 36,466                | 37,722                   | \$ 295,756                 | \$ 11,925                       | \$ 3,675                         | 65,241                               |
| Special Assessment Collections                               |                       |                          |                            |                                 |                                  |                                      |
| Other  |                       | 12,376                   |                            |                                 |                                  | 210,396                              |
| Total Revenues   | <u>3,208,006</u>      | <u>1,595,054</u>         | <u>295,756</u>             | <u>11,925</u>                   | <u>3,675</u>                     | <u>1,524,023</u>                     |
| <b>EXPENDITURES:</b>   |                       |                          |                            |                                 |                                  |                                      |
| Current:   |                       |                          |                            |                                 |                                  |                                      |
| Public Works   | 2,472,030             | 856,611                  |                            |                                 |                                  |                                      |
| Community and Economic Development                           |                       |                          |                            | 23,077                          |                                  | 666,421                              |
| Parks & Recreation Services                                  |                       |                          |                            |                                 |                                  |                                      |
| Public Safety  |                       |                          |                            |                                 |                                  |                                      |
| Capital Outlay   | 295,739               |                          | 166,602                    |                                 |                                  | 479,116                              |
| Debt Service:  |                       |                          |                            |                                 |                                  |                                      |
| Principal Repayment  |                       |                          |                            |                                 |                                  | 310,219                              |
| Interest and Fiscal Charges                                  |                       | 11,925                   |                            |                                 |                                  |                                      |
| Total Expenditures   | <u>2,767,769</u>      | <u>868,536</u>           | <u>166,602</u>             | <u>23,077</u>                   |                                  | <u>1,455,756</u>                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | <u>440,237</u>        | <u>726,518</u>           | <u>129,154</u>             | <u>(11,152)</u>                 | <u>3,675</u>                     | <u>68,267</u>                        |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                       |                          |                            |                                 |                                  |                                      |
| Transfers In   |                       |                          | 8,150                      |                                 |                                  |                                      |
| Transfers (Out)  |                       | (287,893)                |                            | (10,500)                        |                                  |                                      |
| Total Other Financing Sources (Uses)                         |                       | <u>(287,893)</u>         | <u>8,150</u>               | <u>(10,500)</u>                 |                                  |                                      |
| Net Changes in Fund Balances                                 | 440,237               | 438,625                  | 137,304                    | (21,652)                        | 3,675                            | 68,267                               |
| Fund Balances (Deficit) at the Beginning of Period           | <u>5,035,716</u>      | <u>4,140,674</u>         | <u>100,269</u>             | <u>418,917</u>                  | <u>693,270</u>                   | <u>2,001,677</u>                     |
| FUND BALANCES (DEFICIT) AT END OF PERIOD                     | <u>\$ 5,475,953</u>   | <u>\$ 4,579,299</u>      | <u>\$ 237,573</u>          | <u>\$ 397,265</u>               | <u>\$ 696,945</u>                | <u>\$ 2,069,944</u>                  |

**CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

| SPECIAL REVENUE FUNDS  |                      |                  |                   | DEBT SERVICE FUNDS              |                                 |                                 |           |
|------------------------|----------------------|------------------|-------------------|---------------------------------|---------------------------------|---------------------------------|-----------|
| Storm Water Management | Health Care District | Asset Forfeiture | Vehicle Abatement | Public Education and Government | Police Facilities Revenue Bonds | Parking Structure Revenue Bonds | ABAG      |
| \$ 2,060,371           | \$ 255,420           |                  |                   |                                 |                                 |                                 |           |
|                        |                      | \$ 53,529        |                   |                                 |                                 |                                 |           |
| 22,507                 | 1,554                | 3,311            | \$ 91,937<br>(29) | \$ 604,728<br>922               |                                 | \$ 1                            | \$ (268)  |
|                        | 52,000               |                  |                   |                                 |                                 | 127,091                         |           |
| 2,082,878              | 308,974              | 56,840           | 91,908            | 605,650                         |                                 | 127,092                         | (268)     |
| 728,956                |                      |                  |                   |                                 |                                 |                                 |           |
| 679,302                | 424,824              |                  |                   |                                 |                                 |                                 |           |
|                        |                      | 153,227          | 87,157            |                                 |                                 |                                 |           |
| 823                    |                      |                  |                   |                                 |                                 |                                 |           |
|                        |                      |                  |                   |                                 | \$ 2,000                        | 133,291                         | 731       |
| 1,409,081              | 424,824              | 153,227          | 87,157            |                                 | 2,000                           | 133,291                         | 731       |
| 673,797                | (115,850)            | (96,387)         | 4,751             | 605,650                         | (2,000)                         | (6,199)                         | (999)     |
| (448,725)              |                      |                  |                   |                                 | (193,578)                       | (741,675)                       |           |
| (448,725)              |                      |                  |                   |                                 | (193,578)                       | (741,675)                       |           |
| 225,072                | (115,850)            | (96,387)         | 4,751             | 605,650                         | (195,578)                       | (747,874)                       | (999)     |
| 3,147,946              | 315,632              | 490,585          |                   |                                 | 195,578                         | 747,874                         | 66,231    |
| \$ 3,373,018           | \$ 199,782           | \$ 394,198       | \$ 4,751          | \$ 605,650                      | \$ -                            | \$ -                            | \$ 65,232 |

**CITY OF CONCORD  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2015**

| DEBT SERVICE FUNDS                  |                         |                                 |                 | CAPITAL PROJECTS FUNDS               |                       |                         | Total<br>Non-Major<br>Governmental<br>Funds |
|-------------------------------------|-------------------------|---------------------------------|-----------------|--------------------------------------|-----------------------|-------------------------|---|
| Performing<br>Arts<br>Revenue Bonds | Assessment<br>Districts | Refunding<br>Lease<br>Agreement | Energy<br>Lease | Infrastructure<br>Lease<br>Agreement | Special<br>Developers | Inter -<br>Governmental |   |
|                                     |                         |                                 |                 |                                      |                       |                         | \$ 3,860,747                                |
|                                     |                         |                                 |                 |                                      | \$ 309,852            |                         | 309,852                                     |
|                                     |                         |                                 |                 |                                      |                       | \$ 3,551,748            | 7,934,583                                   |
|                                     |                         |                                 |                 |                                      |                       |                         | 787,285                                     |
| \$ 17                               | \$ (463)<br>1,125       |                                 | \$ (16,522)     | \$ 34,855                            | 11,837                | 29,838                  | 538,345                                     |
|                                     |                         | \$ 569,988                      |                 | 2,635,000                            | 114,596               | (31)                    | 3,721,416                                   |
| 17                                  | 662                     | 569,988                         | (16,522)        | 2,669,855                            | 436,285               | 3,581,555               | 17,153,353                                  |
|                                     |                         |                                 |                 |                                      | 70,462                | 113,813                 | 4,241,872                                   |
|                                     |                         |                                 |                 |                                      | 23,993                | 156,216                 | 1,973,833                                   |
|                                     |                         |                                 |                 |                                      |                       |                         | 240,384                                     |
|                                     |                         |                                 |                 |                                      | 743,923               | 2,178,722               | 3,864,925                                   |
| 440,000                             |                         | 885,500                         | 335,437         |                                      |                       |                         | 1,971,156                                   |
| 185,913                             |                         | 109,503                         | 363,919         | 189,353                              |                       |                         | 996,635                                     |
| 625,913                             |                         | 995,003                         | 699,356         | 189,353                              | 838,378               | 2,448,751               | 13,288,805                                  |
| (625,896)                           | 662                     | (425,015)                       | (715,878)       | 2,480,502                            | (402,093)             | 1,132,804               | 3,864,548                                   |
| 622,919                             |                         | 425,015                         | 699,357         |                                      | 56,088                | 61,880                  | 1,873,409                                   |
| (768,111)                           |                         |                                 |                 |                                      | (937)                 | (43,435)                | (2,494,854)                                 |
| (145,192)                           |                         | 425,015                         | 699,357         |                                      | 55,151                | 18,445                  | (621,445)                                   |
| (771,088)                           | 662                     |                                 | (16,521)        | 2,480,502                            | (346,942)             | 1,151,249               | 3,243,103                                   |
| 1,380,301                           | (2,125)                 |                                 | \$16,521        |                                      | 889,276               | 2,439,255               | 22,077,597                                  |
| \$ 609,213                          | \$ (1,463)              | \$ -                            | \$ -            | \$ 2,480,502                         | \$ 542,334            | \$ 3,590,504            | \$ 25,320,700                               |

**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, 2015**

|  | STATE GAS TAX       |                     |                                    | MAINTENANCE DISTRICTS |                     |                                    |
|--|---------------------|---------------------|------------------------------------|-----------------------|---------------------|------------------------------------|
|  | Budget              | Actual              | Variance<br>Positive<br>(Negative) | Budget                | Actual              | Variance<br>Positive<br>(Negative) |
| <b>REVENUES:</b>   |                     |                     |                                    |                       |                     |                                    |
| Taxes  |                     |                     |                                    | \$ 1,537,284          | \$ 1,544,956        | \$ 7,672                           |
| Licenses and Permits   |                     |                     |                                    |                       |                     |                                    |
| Intergovernmental  | \$ 3,148,756        | \$ 3,171,540        | \$ 22,784                          |                       |                     |                                    |
| Charges for Services   |                     |                     |                                    |                       |                     |                                    |
| Use of Money and Property  | 35,000              | 36,466              | 1,466                              | 38,845                | 37,722              | (1,123)                            |
| Special Assessment Collections   |                     |                     |                                    |                       |                     |                                    |
| Other  |                     |                     |                                    |                       | 12,376              | 12,376                             |
| Total Revenues   | <u>3,183,756</u>    | <u>3,208,006</u>    | <u>24,250</u>                      | <u>1,576,129</u>      | <u>1,595,054</u>    | <u>18,925</u>                      |
| <b>EXPENDITURES:</b>   |                     |                     |                                    |                       |                     |                                    |
| Current:   |                     |                     |                                    |                       |                     |                                    |
| Public Works   | 3,171,274           | 2,472,030           | 699,244                            | 1,167,605             | 856,611             | 310,994                            |
| Community and Economic Development   |                     |                     |                                    |                       |                     |                                    |
| Parks & Recreation Services  |                     |                     |                                    |                       |                     |                                    |
| Public Safety  |                     |                     |                                    |                       |                     |                                    |
| Capital Outlay   |                     |                     |                                    |                       |                     |                                    |
| Debt Service:  |                     |                     |                                    |                       |                     |                                    |
| Principal Repayment  |                     |                     |                                    |                       |                     |                                    |
| Interest and Fiscal Charges  |                     |                     |                                    |                       | 11,925              | (11,925)                           |
| Total Expenditures   | <u>3,171,274</u>    | <u>2,472,030</u>    | <u>699,244</u>                     | <u>1,167,605</u>      | <u>868,536</u>      | <u>299,069</u>                     |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES                             | <u>12,482</u>       | <u>735,976</u>      | <u>723,494</u>                     | <u>408,524</u>        | <u>726,518</u>      | <u>317,994</u>                     |
| <b>OTHER FINANCING SOURCES (USES):</b>   |                     |                     |                                    |                       |                     |                                    |
| Transfers In   |                     |                     |                                    | 343,384               |                     | (343,384)                          |
| Transfers (Out)  |                     |                     |                                    | (714,552)             | (287,893)           | 426,659                            |
| Total Other Financing Sources (Uses)   |                     |                     |                                    | <u>(371,168)</u>      | <u>(287,893)</u>    | <u>83,275</u>                      |
| EXCESS (DEFICIENCY) OF REVENUES AND<br>OTHER SOURCES OVER EXPENDITURES<br>AND OTHER USES | <u>12,482</u>       | <u>735,976</u>      | <u>723,494</u>                     | <u>37,356</u>         | <u>438,625</u>      | <u>401,269</u>                     |
| Fund Balances at Beginning of Year   | <u>5,035,716</u>    | <u>5,035,716</u>    |                                    | <u>4,140,674</u>      | <u>4,140,674</u>    |                                    |
| Fund Balances at End of Year   | <u>\$ 5,048,198</u> | <u>\$ 5,475,953</u> | <u>\$ 723,494</u>                  | <u>\$ 4,178,030</u>   | <u>\$ 4,579,299</u> | <u>\$ 401,269</u>                  |

**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, 2015**

| ART IN PUBLIC PLACES |                   |                                    | TRAFFIC SYSTEM MANAGEMENT |                   |                                    | HOUSING ASSISTANCE PROGRAM |                   |                                    |
|----------------------|-------------------|------------------------------------|---------------------------|-------------------|------------------------------------|----------------------------|-------------------|------------------------------------|
| Budget               | Actual            | Variance<br>Positive<br>(Negative) | Budget                    | Actual            | Variance<br>Positive<br>(Negative) | Budget                     | Actual            | Variance<br>Positive<br>(Negative) |
|                      | \$ 295,756        | \$ 295,756                         | \$ 1,088                  | \$ 11,925         | \$ 10,837                          | \$ 17,000                  | \$ 3,675          | \$ (17,000)                        |
|                      |                   |                                    |                           |                   |                                    | 9,000                      |                   | (5,325)                            |
|                      | <u>295,756</u>    | <u>295,756</u>                     | <u>1,088</u>              | <u>11,925</u>     | <u>10,837</u>                      | <u>26,000</u>              | <u>3,675</u>      | <u>(22,325)</u>                    |
|                      |                   |                                    | 39,029                    | 23,077            | 15,952                             |                            |                   |                                    |
|                      |                   |                                    | <u>39,029</u>             | <u>23,077</u>     | <u>15,952</u>                      |                            |                   |                                    |
|                      | <u>295,756</u>    | <u>295,756</u>                     | <u>(37,941)</u>           | <u>(11,152)</u>   | <u>26,789</u>                      | <u>26,000</u>              | <u>3,675</u>      | <u>(22,325)</u>                    |
|                      | 8,150             | 8,150                              | 91,425                    |                   | (91,425)                           |                            |                   |                                    |
|                      |                   |                                    | <u>(10,500)</u>           | <u>(10,500)</u>   |                                    |                            |                   |                                    |
|                      | <u>8,150</u>      | <u>8,150</u>                       | <u>80,925</u>             | <u>(10,500)</u>   | <u>(91,425)</u>                    |                            |                   |                                    |
|                      | 303,906           | 303,906                            | 42,984                    | (21,652)          | (64,636)                           | 26,000                     | 3,675             | (22,325)                           |
| \$ 100,269           | <u>100,269</u>    |                                    | <u>418,917</u>            | <u>418,917</u>    |                                    | <u>693,270</u>             | <u>693,270</u>    |                                    |
| \$ 100,269           | <u>\$ 237,573</u> | <u>\$ 303,906</u>                  | <u>\$ 461,901</u>         | <u>\$ 397,265</u> | <u>\$ (64,636)</u>                 | <u>\$ 719,270</u>          | <u>\$ 696,945</u> | <u>\$ (22,325)</u>                 |

**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, 2015**

| HOUSING AND COMMUNITY SERVICES |              |                                    | STORM WATER MANAGEMENT |              |                                    | HEALTH CARE DISTRICT |            |                                    |
|--------------------------------|--------------|------------------------------------|------------------------|--------------|------------------------------------|----------------------|------------|------------------------------------|
| Budget                         | Actual       | Variance<br>Positive<br>(Negative) | Budget                 | Actual       | Variance<br>Positive<br>(Negative) | Budget               | Actual     | Variance<br>Positive<br>(Negative) |
|                                |              |                                    | \$ 1,983,000           | \$ 2,060,371 | \$ 77,371.00                       | \$ 262,650           | \$ 255,420 | \$ (7,230)                         |
| \$ 1,150,924                   | \$ 1,157,766 | \$ 6,842                           |                        |              |                                    |                      |            |                                    |
|                                | 90,620       | 90,620                             |                        |              |                                    |                      |            |                                    |
| 20,000                         | 65,241       | 45,241                             | 30,000                 | 22,507       | (7,493)                            | 200                  | 1,554      | 1,354                              |
| 20,000                         | 210,396      | 190,396                            |                        |              |                                    | 25,000               | 52,000     | 27,000                             |
| 1,190,924                      | 1,524,023    | 333,099                            | 2,013,000              | 2,082,878    | 69,878                             | 287,850              | 308,974    | 21,124                             |
|                                |              |                                    | 819,690                | 728,956      | 90,734                             |                      |            |                                    |
| 861,617                        | 666,421      | 195,196                            | 882,649                | 679,302      | 203,347                            | 563,752              | 424,824    | 138,928                            |
|                                | 310,219      | (310,219)                          |                        |              |                                    |                      |            |                                    |
| 861,617                        | 976,640      | (115,023)                          | 1,702,339              | 1,408,258    | 294,081                            | 563,752              | 424,824    | 138,928                            |
| 329,307                        | 547,383      | 218,076                            | 310,661                | 674,620      | 363,959                            | (275,902)            | (115,850)  | 160,052                            |
|                                |              |                                    | (448,725)              | (448,725)    |                                    |                      |            |                                    |
|                                |              |                                    | (448,725)              | (448,725)    |                                    |                      |            |                                    |
| 329,307                        | 547,383      | 218,076                            | (138,064)              | 225,895      | 363,959                            | (275,902)            | (115,850)  | 160,052                            |
| 2,001,677                      | 2,001,677    |                                    | 3,147,946              | 3,147,946    |                                    | 315,632              | 315,632    |                                    |
| \$ 2,330,984                   | \$ 2,069,944 | \$ (261,040)                       | \$ 3,009,882           | \$ 3,373,018 | \$ 363,136                         | \$ 39,730            | \$ 199,782 | \$ 160,052                         |

**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, 2015**

| ASSET FORFEITURE  |                   |                              | VEHICLE ABATEMENT |                 |                              | PUBLIC EDUCATIONS AND GOVERNMENT |                   |                              |
|-------------------|-------------------|------------------------------|-------------------|-----------------|------------------------------|----------------------------------|-------------------|------------------------------|
| Budget            | Actual            | Variance Positive (Negative) | Budget            | Actual          | Variance Positive (Negative) | Budget                           | Actual            | Variance Positive (Negative) |
|                   | \$ 53,529         | \$ 53,529                    | \$ 120,000        | \$ 91,937       | \$ (28,063)                  | \$ 547,000                       | \$ 604,728        | \$ 57,728                    |
|                   | 3,311             | 3,311                        |                   | (29)            | (29)                         |                                  | 922               | 922                          |
|                   | <u>56,840</u>     | <u>56,840</u>                | <u>120,000</u>    | <u>91,908</u>   | <u>(28,092)</u>              | <u>547,000</u>                   | <u>605,650</u>    | <u>58,650</u>                |
| \$ 200,000        | 153,227           | 46,773                       | 97,399            | 87,157          | 10,242                       |                                  |                   |                              |
| <u>200,000</u>    | <u>153,227</u>    | <u>46,773</u>                | <u>97,399</u>     | <u>87,157</u>   | <u>10,242</u>                |                                  |                   |                              |
| <u>(200,000)</u>  | <u>(96,387)</u>   | <u>103,613</u>               | <u>22,601</u>     | <u>4,751</u>    | <u>(17,850)</u>              | <u>547,000</u>                   | <u>605,650</u>    | <u>58,650</u>                |
|                   |                   |                              |                   |                 |                              |                                  |                   |                              |
|                   |                   |                              |                   |                 |                              |                                  |                   |                              |
| <u>(200,000)</u>  | <u>(96,387)</u>   | <u>103,613</u>               | <u>22,601</u>     | <u>4,751</u>    | <u>(17,850)</u>              | <u>547,000</u>                   | <u>605,650</u>    | <u>58,650</u>                |
| <u>490,585</u>    | <u>490,585</u>    |                              |                   |                 |                              |                                  |                   |                              |
| <u>\$ 290,585</u> | <u>\$ 394,198</u> | <u>\$ 103,613</u>            | <u>\$ 22,601</u>  | <u>\$ 4,751</u> | <u>\$ (17,850)</u>           | <u>\$ 547,000</u>                | <u>\$ 605,650</u> | <u>\$ 58,650</u>             |

**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, 2015**

| POLICE FACILITIES REVENUE BONDS |           |                                    | PARKING STRUCTURE REVENUE BONDS |            |                                    | ABAG      |           |                                    |
|---------------------------------|-----------|------------------------------------|---------------------------------|------------|------------------------------------|-----------|-----------|------------------------------------|
| Budget                          | Actual    | Variance<br>Positive<br>(Negative) | Budget                          | Actual     | Variance<br>Positive<br>(Negative) | Budget    | Actual    | Variance<br>Positive<br>(Negative) |
|                                 |           |                                    | \$ 1                            | \$ 1       |                                    |           | \$ (268)  | \$ (268)                           |
|                                 |           |                                    | 127,091                         | 127,091    |                                    |           |           |                                    |
|                                 |           |                                    | 127,092                         | 127,092    |                                    |           | (268)     | (268)                              |
| \$ 2,000                        | \$ 2,000  |                                    | 133,291                         | 133,291    |                                    | \$ 1,500  | 731       | 769                                |
| 2,000                           | 2,000     |                                    | 133,291                         | 133,291    |                                    | 1,500     | 731       | 769                                |
| (2,000)                         | (2,000)   |                                    | (6,199)                         | (6,199)    |                                    | (1,500)   | (999)     | 501                                |
|                                 | (193,578) | (193,578)                          | (741,675)                       | (741,675)  |                                    |           |           |                                    |
|                                 | (193,578) | (193,578)                          | (741,675)                       | (741,675)  |                                    |           |           |                                    |
| (2,000)                         | (195,578) | (193,578)                          | (747,874)                       | (747,874)  |                                    | (1,500)   | (999)     | 501                                |
| 195,578                         | 195,578   |                                    | \$ 747,874                      | \$ 747,874 |                                    | 66,231    | 66,231    |                                    |
| \$ 193,578                      | \$ -      | \$ (193,578)                       | \$ -                            | \$ -       | \$ -                               | \$ 64,731 | \$ 65,232 | \$ 501                             |

**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, 2015**

| PERFORMING ARTS REVENUE BONDS |            |                                    | ASSESSMENT DISTRICTS |                   |                                    | REFUNDING LEASE AGREEMENT |            |                                    |
|-------------------------------|------------|------------------------------------|----------------------|-------------------|------------------------------------|---------------------------|------------|------------------------------------|
| Budget                        | Actual     | Variance<br>Positive<br>(Negative) | Budget               | Actual            | Variance<br>Positive<br>(Negative) | Budget                    | Actual     | Variance<br>Positive<br>(Negative) |
|                               | \$ 17      | \$ 17                              |                      | \$ (463)<br>1,125 | \$ (463)<br>1,125                  |                           |            |                                    |
|                               |            |                                    |                      |                   |                                    | \$ 569,988                | \$ 569,988 |                                    |
|                               | 17         | 17                                 |                      | 662               | 662                                | 569,988                   | 569,988    |                                    |
| \$ 440,000                    | 440,000    |                                    |                      |                   |                                    | 885,500                   | 885,500    |                                    |
| 185,913                       | 185,913    |                                    |                      |                   |                                    | 109,503                   | 109,503    |                                    |
| 625,913                       | 625,913    |                                    |                      |                   |                                    | 995,003                   | 995,003    |                                    |
| (625,913)                     | (625,896)  | 17                                 |                      | 662               | 662                                | (425,015)                 | (425,015)  |                                    |
| 622,928                       | 622,919    | (9)                                |                      |                   |                                    | 425,015                   | 425,015    |                                    |
|                               | (768,111)  | (768,111)                          |                      |                   |                                    |                           |            |                                    |
| 622,928                       | (145,192)  | (768,120)                          |                      |                   |                                    | 425,015                   | 425,015    |                                    |
| (2,985)                       | (771,088)  | (768,103)                          |                      | 662               | 662                                |                           |            |                                    |
| 1,380,301                     | 1,380,301  |                                    | \$ (2,125)           | (2,125)           |                                    |                           |            | \$ -                               |
| \$ 1,377,316                  | \$ 609,213 | \$ (768,103)                       | \$ (2,125)           | \$ (1,463)        | \$ 662                             | \$ -                      | \$ -       | \$ -                               |

**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, 2015**

| ENERGY LEASE |             |                                    | INFRASTRUCTURE LEASE AGREEMENT |              |                                    |
|--------------|-------------|------------------------------------|--------------------------------|--------------|------------------------------------|
| Budget       | Actual      | Variance<br>Positive<br>(Negative) | Budget                         | Actual       | Variance<br>Positive<br>(Negative) |
|              | \$ (16,522) | \$ (16,522)                        | \$ 34,855                      | \$ 34,855    |                                    |
|              |             |                                    | 2,635,000                      | 2,635,000    |                                    |
|              | (16,522)    | (16,522)                           | 2,669,855                      | 2,669,855    |                                    |
| \$ 335,437   | 335,437     |                                    |                                |              |                                    |
| 363,919      | 363,919     |                                    | 189,353                        | 189,353      |                                    |
| 699,356      | 699,356     |                                    | 189,353                        | 189,353      |                                    |
| (699,356)    | (715,878)   | (16,522)                           | 2,480,502                      | 2,480,502    |                                    |
| 699,357      | 699,357     |                                    |                                |              |                                    |
| 699,357      | 699,357     |                                    |                                |              |                                    |
| 1            | (16,521)    | (16,522)                           | 2,480,502                      | 2,480,502    |                                    |
| 16,521       | 16,521      |                                    |                                |              |                                    |
| \$ 16,522    | \$ -        | \$ (16,522)                        | \$ 2,480,502                   | \$ 2,480,502 | \$ -                               |

## 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 Governmental Activities Statement of Net Position.

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 STATEMENT OF NET POSITION  
JUNE 30, 2015**

|                                  | Workers'<br>Compensation | Risk<br>Management/<br>Liability | Post-Retirement<br>Healthcare<br>Benefit | Fleet<br>Maintenance/<br>Replacement | Information<br>Technology<br>Replacement |
|----------------------------------|--------------------------|----------------------------------|--|--------------------------------------|--|
| <b>ASSETS</b>                    |                          |                                  |  |                                      |  |
| Current Assets:                  |                          |                                  |  |                                      |  |
| Cash and Investments             | \$ 10,877,934            | \$ 2,016,928                     | \$ 1,716,775                             | \$ 2,941,349                         | \$ 9,115,537                             |
| Accounts Receivable              | 1,078                    |                                  |  | 32,591                               |  |
| Prepaid Items                    |                          |                                  |  |                                      | 179,856                                  |
| <b>Total Current Assets</b>      | <b>10,879,012</b>        | <b>2,016,928</b>                 | <b>1,716,775</b>                         | <b>2,973,940</b>                     | <b>9,295,393</b>                         |
| Advances to Other Funds          | 1,923,077                |                                  |  |                                      |  |
| Capital Assets:                  |                          |                                  |  |                                      |  |
| Buildings and Improvements       |                          |                                  |  |                                      |  |
| Equipment                        |                          |                                  |  | 9,907,372                            | 14,623,463                               |
| Construction In Progress         |                          |                                  |  | 865,632                              | 1,431,416                                |
| Less: Accumulated Depreciation   |                          |                                  |  | (7,734,673)                          | (11,786,732)                             |
| <b>Net Capital Assets</b>        |                          |                                  |  | <b>3,038,331</b>                     | <b>4,268,147</b>                         |
| <b>Total Assets</b>              | <b>12,802,089</b>        | <b>2,016,928</b>                 | <b>1,716,775</b>                         | <b>6,012,271</b>                     | <b>13,563,540</b>                        |
| <b>LIABILITIES</b>               |                          |                                  |  |                                      |  |
| Current Liabilities              |                          |                                  |  |                                      |  |
| Accounts Payable                 |                          | 8,002                            |  |                                      | 73,087                                   |
| Accrued Liabilities              | 1,953                    |                                  |  | 17,005                               | 43,150                                   |
| Compensated Absences Payable     |                          |                                  |  | 31,205                               | 59,651                                   |
| Capital Lease Payable            |                          |                                  |  |                                      | 516,259                                  |
| Interest Payable                 |                          |                                  |  |                                      | 39,343                                   |
| Claims Payable                   | 1,579,131                | 1,430,621                        |  |                                      |  |
| <b>Total Current Liabilities</b> | <b>1,581,084</b>         | <b>1,438,623</b>                 |  | <b>48,210</b>                        | <b>731,490</b>                           |
| Non-Current Liabilities          |                          |                                  |  |                                      |  |
| Compensated Absences Payable     |                          |                                  |  | 19,226                               | 56,839                                   |
| Capital Lease Payable            |                          |                                  |  |                                      | 729,855                                  |
| Claims Payable                   | 6,683,464                | 1,185,105                        |  |                                      |  |
| Net OPEB Liability               |                          |                                  | 35,551                                   |                                      |  |
| <b>Total Liabilities</b>         | <b>8,264,548</b>         | <b>2,623,728</b>                 | <b>35,551</b>                            | <b>67,436</b>                        | <b>1,518,184</b>                         |
| <b>NET POSITION</b>              |                          |                                  |  |                                      |  |
| Net Investment in Capital Assets |                          |                                  |  | 3,038,331                            | 2,982,690                                |
| Unrestricted                     | 4,537,541                | (606,800)                        | 1,681,224                                | 2,906,504                            | 9,062,666                                |
| <b>Total Net Position</b>        | <b>\$ 4,537,541</b>      | <b>\$ (606,800)</b>              | <b>\$ 1,681,224</b>                      | <b>\$ 5,944,835</b>                  | <b>\$ 12,045,356</b>                     |

**CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015**

| <u>Building<br/>Maintenance</u> | <u>Total</u>         |
|---------------------------------|----------------------|
| \$ 1,640,481                    | \$ 28,309,004        |
|                                 | 33,669               |
|                                 | <u>179,856</u>       |
| <u>1,640,481</u>                | <u>28,522,529</u>    |
|                                 | 1,923,077            |
| 47,659,764                      | 47,659,764           |
|                                 | 24,530,835           |
| 24,591                          | <u>2,321,639</u>     |
| <u>(23,181,783)</u>             | <u>(42,703,188)</u>  |
| <u>24,502,572</u>               | <u>31,809,050</u>    |
| <u>26,143,053</u>               | <u>62,254,656</u>    |
| \$6,095                         | 87,184               |
| 27,729                          | 89,837               |
| 38,510                          | 129,366              |
|                                 | 516,259              |
|                                 | 39,343               |
|                                 | <u>3,009,752</u>     |
| <u>72,334</u>                   | <u>3,871,741</u>     |
| 4,639                           | 80,704               |
|                                 | 729,855              |
|                                 | 7,868,569            |
|                                 | <u>35,551</u>        |
| <u>76,973</u>                   | <u>12,586,420</u>    |
| 24,502,572                      | 30,523,593           |
| <u>1,563,508</u>                | <u>19,144,643</u>    |
| <u>\$ 26,066,080</u>            | <u>\$ 49,668,236</u> |

**CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

|   | Workers'<br>Compensation | Risk<br>Management/<br>Liability | Post-Retirement<br>Healthcare<br>Benefit | Fleet<br>Maintenance/<br>Replacement |
|---|--------------------------|----------------------------------|--|--------------------------------------|
| <b>OPERATING REVENUES</b>                               |                          |                                  |  |                                      |
| Charges for Services                                    | \$ 2,652,579             | \$ 1,289,713                     | \$ 4,691,300                             | \$ 3,348,959                         |
| Other   | -                        | 218,954                          | 98,532                                   | 10,185                               |
| Total Operating Revenues                                | <u>2,652,579</u>         | <u>1,508,667</u>                 | <u>4,789,832</u>                         | <u>3,359,144</u>                     |
| <b>OPERATING EXPENSES</b>                               |                          |                                  |  |                                      |
| Operations and Maintenance                              | 454,384                  | 1,423,572                        | 4,919,858                                | 1,293,756                            |
| Cost of Sales and Services                              | -                        | -                                | 34,706                                   | -                                    |
| Depreciation  | -                        | -                                | -  | 858,837                              |
| Claims and Judgments                                    | 1,306,429                | 450                              | -  | -                                    |
| Total Operating Expenses                                | <u>1,760,813</u>         | <u>1,424,022</u>                 | <u>4,954,564</u>                         | <u>2,152,593</u>                     |
| Operating Income (Loss)                                 | <u>891,766</u>           | <u>84,645</u>                    | <u>(164,732)</u>                         | <u>1,206,551</u>                     |
| <b>NON-OPERATING REVENUE (EXPENSES)</b>                 |                          |                                  |  |                                      |
| Interest and Other Income                               | 74,989                   | 15,568                           | 1,744                                    | 22,099                               |
| Interest and Other Expense                              | -                        | -                                | -  | -                                    |
| Gain (Loss) from Sale of Capital Assets                 | -                        | -                                | -  | 151,515                              |
| Total Non-Operating Revenue                             | <u>74,989</u>            | <u>15,568</u>                    | <u>1,744</u>                             | <u>173,614</u>                       |
| Income (Loss) Before Contributions                      | 966,755                  | 100,213                          | (162,988)                                | 1,380,165                            |
| Contributions   | -                        | -                                | -  | -                                    |
| Transfers In  | -                        | 100,000                          | -  | -                                    |
| Transfers Out   | (100,000)                | (425,015)                        | -  | (24,271)                             |
| Changes in Net Assets before<br>Changes in Net Position | 866,755                  | (224,802)                        | (162,988)                                | 1,355,894                            |
| Net Position (Deficit) Beginning                        | <u>3,670,786</u>         | <u>(381,998)</u>                 | <u>1,844,212</u>                         | <u>4,588,941</u>                     |
| Net Position (Deficit) Ending                           | <u>\$ 4,537,541</u>      | <u>\$ (606,800)</u>              | <u>\$ 1,681,224</u>                      | <u>\$ 5,944,835</u>                  |

**CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2015**

| Information<br>Technology<br>Replacement | Building<br>Maintenance | Total                |
|--|-------------------------|----------------------|
| \$ 6,847,563                             | \$ 2,547,670            | \$ 21,377,784        |
| 2,360                                    | -                       | 330,031              |
| <u>6,849,923</u>                         | <u>2,547,670</u>        | <u>21,707,815</u>    |
| 4,275,456                                | 2,493,497               | 14,860,523           |
| -  | -                       | 34,706               |
| 988,508                                  | 1,301,864               | 3,149,209            |
| <u>-</u>                                 | <u>-</u>                | <u>1,306,879</u>     |
| <u>5,263,964</u>                         | <u>3,795,361</u>        | <u>19,351,317</u>    |
| <u>1,585,959</u>                         | <u>(1,247,691)</u>      | <u>2,356,498</u>     |
| 64,536                                   | 17,923                  | 196,859              |
| (63,772)                                 | -                       | (63,772)             |
| <u>-</u>                                 | <u>-</u>                | <u>151,515</u>       |
| <u>764</u>                               | <u>17,923</u>           | <u>284,602</u>       |
| 1,586,723                                | (1,229,768)             | 2,641,100            |
| -  | 113,938                 | 113,938              |
| 170,000                                  | 219,266                 | 489,266              |
| <u>-</u>                                 | <u>(167,846)</u>        | <u>(717,132)</u>     |
| 1,756,723                                | (1,064,410)             | 2,527,172            |
| <u>10,288,633</u>                        | <u>27,130,490</u>       | <u>47,141,064</u>    |
| <u>\$ 12,045,356</u>                     | <u>\$ 26,066,080</u>    | <u>\$ 49,668,236</u> |

**CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

|   | Workers'<br>Compensation | Risk<br>Management/<br>Liability | Post-Retirement<br>Healthcare<br>Benefit | Fleet<br>Maintenance/<br>Replacement |
|---|--------------------------|----------------------------------|--|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                                  |  |                                      |
| Receipts from Customers   | \$ 2,663,478             | \$ 1,508,667                     | \$ 4,789,832                             | \$ 3,335,199                         |
| Payments to Suppliers   |                          |                                  | (3,825,583)                              | (1,293,756)                          |
| Payments to Employees   | -                        | -                                | -  | 2,076                                |
| Claims Paid   | (1,849,825)              | (1,634,974)                      | -  | -                                    |
| Net Cash Provided by (Used for) Operating Activities                                    | <u>813,653</u>           | <u>(126,307)</u>                 | <u>964,249</u>                           | <u>2,043,519</u>                     |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                 |                          |                                  |  |                                      |
| Borrowings of Advances From/To Other Funds  | 76,923                   | -                                | -  | -                                    |
| Transfer In/ (Out)  | -                        | 100,000                          | -  | -                                    |
| Transfer In/ (Out)  | (100,000)                | (425,015)                        | -  | (24,271)                             |
| Net Cash Provided by (used for) Non-Capital Financing Activities                        | <u>(23,077)</u>          | <u>(325,015)</u>                 | <u>-</u>                                 | <u>(24,271)</u>                      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                         |                          |                                  |  |                                      |
| Acquisition and Construction of Capital Assets  | -                        | -                                | -  | (1,741,484)                          |
| Principal Paid on Debt, Bond Maturities   | -                        | -                                | -  | -                                    |
| Interest and Fiscal Charges Paid  | -                        | -                                | -  | -                                    |
| Net Cash Provided by (used for) Capital and Related Financing Activities                | <u>-</u>                 | <u>-</u>                         | <u>-</u>                                 | <u>(1,741,484)</u>                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                                  |  |                                      |
| Interest Received   | 74,989                   | 15,568                           | 1,744                                    | 22,099                               |
| Net Cash Provided by (used for) Investing Activities                                    | <u>74,989</u>            | <u>15,568</u>                    | <u>1,744</u>                             | <u>22,099</u>                        |
| Net Increase (Decrease) in Cash and Cash Equivalents                                    | 865,565                  | (435,754)                        | 965,993                                  | 299,863                              |
| Cash and Investments at Beginning of Period   | 10,012,369               | 2,452,682                        | 750,782                                  | 2,641,486                            |
| Cash and Investments at End of Period   | <u>\$ 10,877,934</u>     | <u>\$ 2,016,928</u>              | <u>\$ 1,716,775</u>                      | <u>\$ 2,941,349</u>                  |
| <b>Reconciliation of Operating Income (Loss)</b>  |                          |                                  |  |                                      |
| to Net Cash Provided by Operating Activities:   |                          |                                  |  |                                      |
| Operating Income (Loss)   | \$ 891,766               | \$ 84,645                        | \$ (164,732)                             | \$ 1,206,551                         |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: |                          |                                  |  |                                      |
| Depreciation  | -                        | -                                | -  | 858,837                              |
| Change in Assets and Liabilities:   |                          |                                  |  |                                      |
| Receivables, Net  | 10,899                   | -                                | -  | (23,945)                             |
| Prepaid Expenses  | -                        | -                                | -  | -                                    |
| Net OPEB Asset  | -                        | -                                | 1,093,430                                | -                                    |
| Accounts Payable  | -                        | -                                | -  | -                                    |
| Accrued Liabilities   | 1,393                    | -                                | -  | 2,076                                |
| Self Insurance Claims Payable   | (90,405)                 | (210,952)                        | -  | -                                    |
| Net OPEB Liability  | -                        | -                                | 35,551                                   | -                                    |
| Net Cash Provided by (Used for) Operating Activities                                    | <u>\$ 813,653</u>        | <u>\$ (126,307)</u>              | <u>\$ 964,249</u>                        | <u>\$ 2,043,519</u>                  |
| Non-cash Contributions and Transfers of Fixed Assets, Net                               | <u>\$ -</u>              | <u>\$ -</u>                      | <u>\$ -</u>                              | <u>\$ -</u>                          |

**CITY OF CONCORD  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015**

| Information<br>Technology<br>Replacement | Building<br>Maintenance | Total                |
|--|-------------------------|----------------------|
| \$ 6,849,923                             | \$ 2,547,670            | \$ 21,694,769        |
| (4,474,334)                              | (2,732,681)             | (12,326,354)         |
| (12,009)                                 | (35,273)                | (45,206)             |
| -  | -                       | (3,484,799)          |
| <u>2,363,580</u>                         | <u>(220,284)</u>        | <u>5,838,410</u>     |
| -  | 113,938                 | 190,861              |
| 170,000                                  | 219,266                 | 489,266              |
| -  | (167,846)               | (717,132)            |
| <u>170,000</u>                           | <u>165,358</u>          | <u>(37,005)</u>      |
| (1,127,750)                              | (123,999)               | (2,993,233)          |
| (540,425)                                | -                       | (540,425)            |
| <u>(61,908)</u>                          | <u>-</u>                | <u>(61,908)</u>      |
| <u>(1,730,083)</u>                       | <u>(123,999)</u>        | <u>(3,595,566)</u>   |
| <u>64,536</u>                            | <u>17,923</u>           | <u>196,859</u>       |
| <u>64,536</u>                            | <u>17,923</u>           | <u>196,859</u>       |
| 868,033                                  | (161,002)               | 2,402,698            |
| <u>8,247,504</u>                         | <u>1,801,483</u>        | <u>25,906,306</u>    |
| <u>\$ 9,115,537</u>                      | <u>\$ 1,640,481</u>     | <u>\$ 28,309,004</u> |
| \$ 1,585,959                             | \$ (1,247,691)          | \$ 2,356,498         |
| 988,508                                  | 1,301,864               | 3,149,209            |
| -  | -                       | (13,046)             |
| (179,856)                                | -                       | (179,856)            |
| -  | -                       | 1,093,430            |
| (22,436)                                 | (241,005)               | (263,441)            |
| (8,595)                                  | (33,452)                | (38,578)             |
| -  | -                       | (301,357)            |
| -  | -                       | 35,551               |
| <u>\$ 2,363,580</u>                      | <u>\$ (220,284)</u>     | <u>\$ 5,838,410</u>  |
| <u>\$ -</u>                              | <u>\$ 113,938</u>       | <u>\$ 113,938</u>    |

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## **FIDUCIARY FUNDS**

### **AGENCY FUND**

Agency funds are used to account for short-term custodial collections on resources on behalf of another individual, entity, or government.

**Agency fund** – To account for assessment revenues on lodging stays, to be expended for activities and improvements set forth by the Tourism Improvement District Management District Plan.

**CITY OF CONCORD  
AGENCY FUND  
STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2015**

|                                    | Balance<br><u>July 1, 2014 (as restated)</u> | <u>Additions</u> | <u>Deletions</u> | Balance<br><u>June 30, 2015</u> |
|------------------------------------|--|------------------|------------------|---------------------------------|
| <b>ASSETS:</b>                     |  |                  |                  |                                 |
| Cash and Investments               |  |                  |                  |                                 |
| Pooled Investments                 | \$ 149,938                                   | \$ 8,466         | \$ 57,730        | \$ 100,674                      |
| Total Assets                       | <u>\$ 149,938</u>                            | <u>\$ 8,466</u>  | <u>\$ 57,730</u> | <u>\$ 100,674</u>               |
| <b>LIABILITIES:</b>                |  |                  |                  |                                 |
| Accounts Payable and Due to Others | \$ 149,938                                   | \$ 8,466         | \$ 57,730        | \$ 100,674                      |
| Total Liabilities                  | <u>\$ 149,938</u>                            | <u>\$ 8,466</u>  | <u>\$ 57,730</u> | <u>\$ 100,674</u>               |

**STATISTICAL TABLES AND OTHER SCHEDULES (UNAUDITED)**



## 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 Position by Component
- Changes in Net Position
- 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

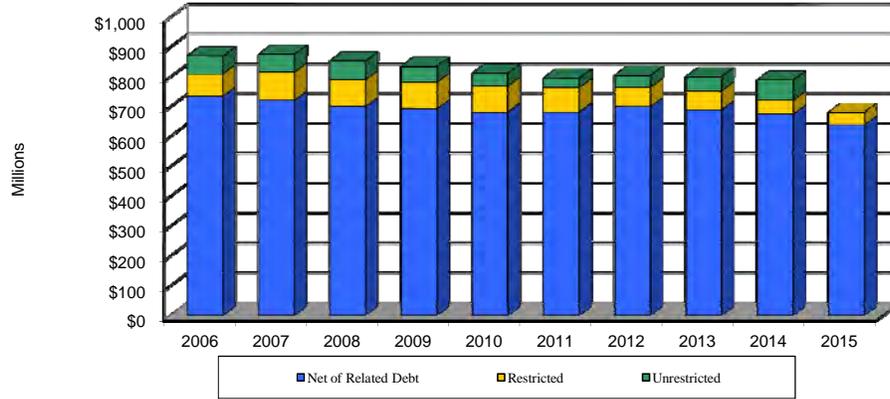
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

- 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.

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



**Fiscal Year Ended June 30,**

|   | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets,                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net of Related Debt                               | \$656,737,995        | \$649,269,154        | \$630,495,335        | \$622,560,100        | \$618,923,952        | \$622,638,976        | \$643,967,033        | \$634,988,057        | \$618,444,600        | \$585,592,444        |
| Restricted  | 75,036,355           | 93,999,338           | 89,429,887           | 88,890,688           | 86,518,109           | 81,638,944           | 64,677,611           | 63,076,928           | 46,681,397           | 41,237,857           |
| Unrestricted                                      | 44,689,818           | 42,186,355           | 48,764,823           | 38,436,086           | 23,522,920           | 11,585,429           | 19,513,748           | 31,345,470           | 56,944,430           | (56,475,621)         |
| <b>Total Governmental Activities Net Position</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>\$728,158,392</b> | <b>\$729,410,455</b> | <b>\$722,070,427</b> | <b>\$570,354,680</b> |
| <b>Business-Type Activities</b>                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets,                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net of Related Debt                               | \$77,720,525         | \$72,124,314         | \$70,374,727         | \$71,320,355         | \$62,496,479         | \$59,412,890         | \$56,121,427         | \$54,902,054         | \$56,304,062         | \$53,687,074         |
| Restricted  |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Unrestricted                                      | 15,757,201           | 17,775,509           | 14,119,883           | 13,520,168           | 20,444,000           | 20,431,764           | 20,279,362           | 16,229,947           | 10,651,600           | 12,127,606           |
| <b>Total Business-Type Activities Net</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>\$76,400,789</b>  | <b>\$71,132,001</b>  | <b>\$66,955,662</b>  | <b>\$65,814,680</b>  |
| <b>Primary Government</b>                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net Investment in Capital Assets,                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net of Related Debt                               | \$734,458,520        | \$721,393,468        | \$700,870,062        | \$693,880,456        | \$681,420,431        | \$682,051,866        | \$700,088,460        | \$689,890,111        | \$674,748,662        | \$639,279,518        |
| Restricted  | 75,036,355           | 93,999,338           | 89,429,887           | 88,890,688           | 86,518,109           | 81,638,944           | 64,677,611           | 63,076,928           | 46,681,397           | 41,237,857           |
| Unrestricted                                      | 60,447,019           | 59,961,864           | 62,884,706           | 51,956,248           | 43,966,920           | 32,017,193           | 39,793,110           | 47,575,417           | 67,596,030           | (44,348,015)         |
| <b>Total Primary Government Net Position</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> | <b>\$804,559,181</b> | <b>\$800,542,456</b> | <b>\$789,026,089</b> | <b>\$636,169,360</b> |

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

|  | Fiscal Year Ended June 30, |                       |                        |                       |                       |
|--|----------------------------|-----------------------|------------------------|-----------------------|-----------------------|
|  | 2006                       | 2007                  | 2008                   | 2009                  | 2010 (a)              |
| <b>Expenses</b>  |                            |                       |                        |                       |                       |
| Governmental Activities:                                   |                            |                       |                        |                       |                       |
| General Government   | \$11,142,712               | \$13,090,236          | \$13,275,497           | \$12,738,632          | \$12,443,084          |
| Public Safety  | 37,585,077                 | 39,002,036            | 42,367,364             | 45,291,048            | 43,000,455            |
| Public Works   | 34,976,572                 | 35,491,488            | 36,554,748             | 36,454,843            | 32,833,186            |
| Community & Economic Development                           | 4,836,179                  | 5,065,830             | 6,530,424              | 10,579,123            | 20,627,408            |
| Building, Engineering & Neighborhood Services              | 7,239,616                  | 9,313,264             | 12,291,176             | 6,571,713             |                       |
| Parks & Recreation   | 7,820,034                  | 8,230,319             | 9,484,383              | 9,463,315             | 9,810,082             |
| Interest on Long Term Debt                                 | 5,919,742                  | 5,700,631             | 5,521,049              | 5,213,438             | 5,266,740             |
| Total Governmental Activities Expenses                     | <u>109,519,932</u>         | <u>115,893,804</u>    | <u>126,024,641</u>     | <u>126,312,112</u>    | <u>123,980,955</u>    |
| Business-Type Activities:                                  |                            |                       |                        |                       |                       |
| Sewer  | 18,850,426                 | 20,803,448            | 24,868,475             | 18,688,255            | 21,303,268            |
| Golf Course  | 1,635,069                  | 1,769,623             | 1,601,983              | 1,679,995             | 1,323,074             |
| Total Business-Type Activities Expenses                    | <u>20,485,495</u>          | <u>22,573,071</u>     | <u>26,470,458</u>      | <u>20,368,250</u>     | <u>22,626,342</u>     |
| Total Primary Government Expenses                          | <u>\$130,005,427</u>       | <u>\$138,466,875</u>  | <u>\$152,495,099</u>   | <u>\$146,680,362</u>  | <u>\$146,607,297</u>  |
| <b>Program Revenues</b>                                    |                            |                       |                        |                       |                       |
| Governmental Activities:                                   |                            |                       |                        |                       |                       |
| Charges for Services:                                      |                            |                       |                        |                       |                       |
| General Government   | \$1,025,938                | \$883,778             | \$782,744              | \$966,501             | \$594,633             |
| Public Safety  | 1,371,870                  | 1,642,445             | 1,499,727              | 1,672,348             | 1,805,170             |
| Public Works   | 4,814,755                  | 4,964,185             | 2,575,986              | 5,847,684             | 8,425,897             |
| Community & Economic Development                           | 4,903,145                  | 4,492,293             | 3,281,902              | 2,390,462             | 2,917,141             |
| Building, Engineering & Neighborhood Services              | 2,957,954                  | 2,694,836             | 777,091                | 3,363,813             |                       |
| Parks & Recreation   | 2,706,210                  | 3,015,576             | 3,287,962              | 3,492,087             | 3,332,979             |
| Operating Grants and Contributions                         | 6,825,581                  | 8,100,031             | 6,188,496              | 4,715,761             | 5,519,453             |
| Capital Grants and Contributions                           | 14,452,119                 | 7,755,904             | 8,768,985              | 10,512,437            | 10,573,237            |
| Total Governmental Activities Program Revenues             | <u>39,057,572</u>          | <u>33,549,048</u>     | <u>27,162,893</u>      | <u>32,961,093</u>     | <u>33,168,510</u>     |
| Business-Type Activities:                                  |                            |                       |                        |                       |                       |
| Charges for Services:                                      |                            |                       |                        |                       |                       |
| Sewer Wastewater   | 17,130,440                 | 15,968,289            | 17,915,613             | 18,296,077            | 18,423,702            |
| Golf Course  | 1,556,405                  | 1,602,581             | 1,535,148              | 1,422,154             | 1,326,167             |
| Capital Grants and Contributions                           | 689,253                    | 233,662               | 79,419                 | 117,915               |                       |
| Total Business-Type Activities Program Revenue             | <u>19,376,098</u>          | <u>17,804,532</u>     | <u>19,530,180</u>      | <u>19,836,146</u>     | <u>19,749,869</u>     |
| Total Primary Government Program Revenues                  | <u>\$58,433,670</u>        | <u>\$51,353,580</u>   | <u>\$46,693,073</u>    | <u>\$52,797,239</u>   | <u>\$52,918,379</u>   |
| <b>Net (Expense)/Revenue</b>                               |                            |                       |                        |                       |                       |
| Governmental Activities                                    | (\$70,462,360)             | (\$82,344,756)        | (\$98,861,748)         | (\$93,351,019)        | (\$90,812,445)        |
| Business-Type Activities                                   | (1,109,397)                | (4,768,539)           | (6,940,278)            | (532,104)             | (2,876,473)           |
| Total Primary Government Net Expense                       | <u>(\$71,571,757)</u>      | <u>(\$87,113,295)</u> | <u>(\$105,802,026)</u> | <u>(\$93,883,123)</u> | <u>(\$93,688,918)</u> |
| <b>General Revenues and Other Changes in Net Position</b>  |                            |                       |                        |                       |                       |
| Governmental Activities:                                   |                            |                       |                        |                       |                       |
| Taxes:   |                            |                       |                        |                       |                       |
| Property Taxes   | \$21,710,942               | \$23,202,025          | \$28,151,765           | \$30,269,864          | \$27,916,258          |
| Sales Taxes  | 28,313,462                 | 27,219,549            | 28,574,582             | 27,325,370            | 23,370,649            |
| Motor Vehicle In-Lieu                                      | 9,496,201                  | 9,064,920             | 9,266,868              | 9,759,831             | 8,797,365             |
| Transient Occupancy Taxes                                  | 1,629,388                  | 1,836,002             | 2,057,241              | 2,193,085             | 1,427,813             |
| Business License Taxes                                     | 3,153,959                  | 3,107,600             | 3,218,553              | 3,157,176             | 3,324,011             |
| Other Taxes  | 3,368,778                  | 3,347,905             | 3,853,558              | 3,991,357             | 4,097,706             |
| Grants & Contributions Not Restricted to Specific Programs |                            |                       |                        |                       |                       |
| Investment Earnings  | 3,147,879                  | 2,962,518             | 4,218,014              | 5,346,348             | 842,470               |
| Miscellaneous Revenues                                     | 74,071                     | 59,733                |                        | 53,915                | 114,280               |
| Restructure Investment in Partnership                      |                            |                       |                        |                       |                       |
| Transfers  | (40,321)                   |                       |                        |                       |                       |
| Gain (Loss) on Sale of Land assumed by Successor Agency    |                            | (1,559,168)           | 11,994,854             |                       |                       |
| Total Governmental Activities                              | <u>70,854,359</u>          | <u>69,241,084</u>     | <u>91,335,435</u>      | <u>82,096,946</u>     | <u>69,890,552</u>     |
| Business-Type Activities:                                  |                            |                       |                        |                       |                       |
| Investment Earnings  | 535,095                    | 1,037,233             | 1,190,636              | 1,485,065             | 913,934               |
| Miscellaneous Revenues                                     |                            |                       |                        | 50,000                | 62,500                |
| Transfers  | 40,321                     |                       |                        |                       |                       |
| Total Business-Type Activities                             | <u>575,416</u>             | <u>1,037,233</u>      | <u>1,190,636</u>       | <u>1,535,065</u>      | <u>976,434</u>        |
| Total Primary Government                                   | <u>\$71,429,775</u>        | <u>\$70,278,317</u>   | <u>\$92,526,071</u>    | <u>\$83,632,011</u>   | <u>\$70,866,986</u>   |
| <b>Change in Net Position</b>                              |                            |                       |                        |                       |                       |
| Governmental Activities                                    | (\$7,081,004)              | (\$1,221,276)         | \$8,990,679            | (\$16,764,802)        | (\$20,921,893)        |
| Business-Type Activities                                   | (2,671,860)                | (72,164)              | (3,577,903)            | (5,405,213)           | (1,900,039)           |
| Total Primary Government                                   | <u>(\$9,752,864)</u>       | <u>(\$1,293,440)</u>  | <u>\$5,412,776</u>     | <u>(\$22,170,015)</u> | <u>(\$22,821,932)</u> |

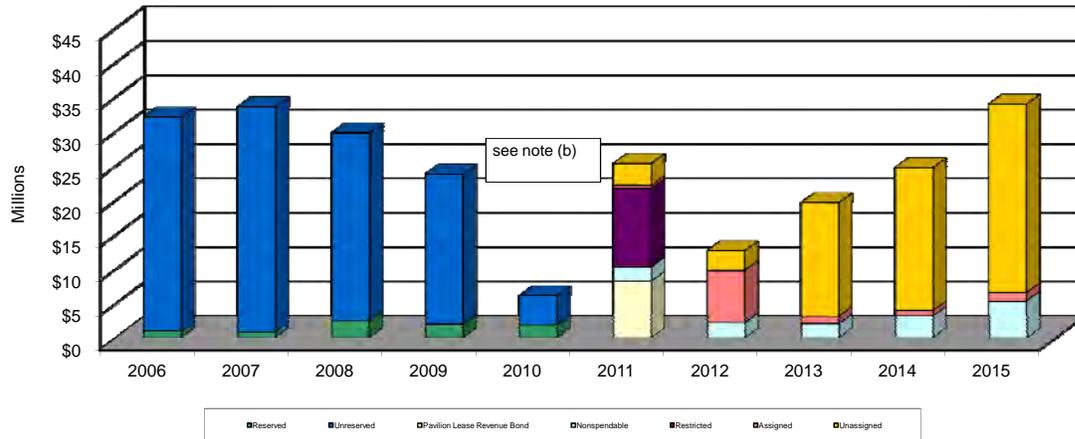
N/(a) In 2010, Building, Engineering & Neighborhood Services was merged into Public Works & Engineering; and Planning & Economic Department was reorganized into Community Development Department.

(b) In 2012, Engineering was reorganized into Community & Economic Development and the Redevelopment Agency was dissolved.

Fiscal Year Ended June 30,

| 2011           | 2012 (b)       | 2013           | 2014           | 2015           |
|----------------|----------------|----------------|----------------|----------------|
| \$11,349,674   | \$13,101,551   | \$17,203,231   | \$17,720,024   | \$19,637,142   |
| 43,122,959     | 43,363,091     | 46,357,766     | 43,124,635     | 48,814,600     |
| 37,629,109     | 32,023,754     | 33,607,422     | 37,036,728     | 33,134,581     |
| 15,777,443     | 10,592,117     | 8,677,518      | 8,634,948      | 9,953,592      |
| 7,207,017      | 6,979,013      | 6,045,819      | 5,803,618      | 4,870,437      |
| 3,936,497      | 3,334,049      | 1,282,725      | 1,356,197      | 1,273,563      |
| 119,022,699    | 109,393,575    | 113,174,481    | 113,676,150    | 117,683,914    |
| 21,695,293     | 23,196,668     | 24,908,709     | 26,764,449     | 25,835,431     |
| 1,305,929      | 1,313,458      | 1,308,344      | 1,351,250      | 1,333,597      |
| 23,001,222     | 24,510,126     | 26,217,053     | 28,115,699     | 27,169,028     |
| \$142,023,921  | \$133,903,701  | \$139,391,534  | \$141,791,849  | \$144,852,942  |
| \$911,046      | \$1,553,733    | \$1,528,975    | 1,960,144      | 2,207,723      |
| 1,589,312      | 1,635,124      | 1,255,763      | 1,459,631      | 1,222,722      |
| 8,491,639      | 8,528,881      | 5,675,622      | 2,568,214      | 349,321        |
| 6,786,730      | 548,425        | 3,226,130      | 4,421,290      | 4,105,601      |
| 3,068,375      | 3,019,879      | 2,531,616      | 3,140,708      | 2,928,447      |
| 6,071,139      | 7,926,836      | 8,281,796      | 7,839,509      | 40,439,282     |
| 8,570,019      | 6,586,825      | 4,021,042      | 8,240,626      | 5,941,945      |
| 35,488,260     | 29,799,703     | 26,520,944     | 29,630,122     | 57,195,041     |
| 18,238,338     | 19,359,526     | 19,420,225     | 22,099,344     | 24,349,277     |
| 1,250,804      | 1,382,491      | 1,381,788      | 1,442,836      | 1,449,756      |
|                |                | 33,945         | 96,626         | 85,532         |
| 19,489,142     | 20,742,017     | 20,835,958     | 23,638,806     | 25,884,565     |
| \$54,977,402   | \$50,541,720   | \$47,356,902   | \$53,268,928   | \$83,079,606   |
| (\$83,534,439) | (\$79,593,872) | (\$86,653,537) | (\$84,046,028) | (\$60,488,873) |
| (3,512,080)    | (3,768,109)    | (5,381,095)    | (4,476,893)    | (1,284,463)    |
| (\$87,046,519) | (\$83,361,981) | (\$92,034,632) | (\$88,522,921) | (\$61,773,336) |
| \$27,138,018   | \$19,353,337   | \$15,017,785   | \$15,707,019   | \$17,457,504   |
| 24,585,811     | 33,855,151     | 36,423,806     | 40,070,675     | 11,554,083     |
| 8,843,361      | 8,117,461      | 7,682,740      | 8,073,738      | 8,864,341      |
| 1,391,107      | 1,478,874      | 1,832,615      | 2,262,589      | 2,619,411      |
| 3,347,429      | 3,377,278      | 3,365,317      | 3,324,299      | 3,423,860      |
| 4,438,806      | 4,784,146      | 5,269,956      | 5,962,699      | 6,188,928      |
| 635,145        | 623,823        | 98,740         | 1,304,981      | 2,507,489      |
| 33,834         |                | 357,827        |                |                |
| 19,296         |                |                |                | (\$2,362,972)  |
|                | 20,298,845     |                |                |                |
| 70,432,807     | 91,888,915     | 70,048,786     | 76,706,000     | 50,252,644     |
| 397,390        | 286,744        | 73,758         | 208,050        | 93,481         |
| 38,161         | 37,500         | 38,549         | 92,504         | 50,000         |
| (19,296)       |                |                |                |                |
| 416,255        | 324,244        | 112,307        | 300,554        | 143,481        |
| \$70,849,062   | \$92,213,159   | \$70,161,093   | \$77,006,554   | \$50,396,125   |
| (\$13,101,632) | \$12,295,043   | (\$16,604,751) | (\$7,340,028)  | (\$10,236,229) |
| (3,095,825)    | (3,443,865)    | (5,268,788)    | (\$4,176,339)  | (\$1,140,982)  |
| (\$16,197,457) | \$8,851,178    | (\$21,873,539) | (\$11,516,367) | (\$11,377,211) |

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



|   | Fiscal Year Ended June 30, |                     |                     |                     |                     |                     |                     |                     |                     |                         |
|---|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
|   | 2006                       | 2007                | 2008                | 2009                | 2010                | 2011                | 2012                | 2013                | 2014                | 2015                    |
| <b>General Fund</b>                       |                            |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Reserved                                  | \$1,032,824                | \$865,652           | \$2,410,869         | \$1,995,403         | \$1,856,472         |                     |                     |                     |                     |                         |
| Unreserved                                | 31,015,852                 | 32,675,265          | 27,326,524          | 21,806,296          | 4,242,381           |                     |                     |                     |                     |                         |
| Nonspendable                              |                            |                     |                     |                     |                     | 2,050,506           | 2,188,620           | \$2,043,766         | \$3,166,230         | \$5,300,213 (c)         |
| Restricted                                |                            |                     |                     |                     |                     | 11,416,332          |                     |                     | -                   | - (c)                   |
| Assigned                                  |                            |                     |                     |                     |                     | 443,832             | 7,571,120           | 1,082,256           | 795,794             | 1,252,513 (c)           |
| Unassigned                                |                            |                     |                     |                     |                     | 3,129,741           | 2,867,298           | 16,499,789          | 20,700,348          | 27,381,312 (c)          |
| <b>Total General F</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</b> | <b>\$12,627,038</b> | <b>\$19,625,811</b> | <b>\$24,662,372</b> | <b>\$33,934,038 (a)</b> |
| <b>All Other Governmental Funds</b>       |                            |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Reserved                                  | \$38,193,568               | \$43,184,063        | \$39,242,159        | \$47,495,499        | \$50,668,540        |                     |                     |                     |                     |                         |
| Unreserved                                | 28,085,810                 | 39,569,440          | 37,211,245          | 28,301,328          | 22,487,277          |                     |                     |                     |                     |                         |
| Nonspendable                              |                            |                     |                     |                     |                     |                     |                     |                     | \$5,378,858         | \$2,011,254 (c)         |
| Restricted                                |                            |                     |                     |                     |                     | 69,010,841          | 49,559,344          | 45,936,715          | \$46,681,397        | \$70,116,008 (c)        |
| Assigned                                  |                            |                     |                     |                     |                     | 1,546,816           | 976,992             | 594,718             | 889,276             | 1,310,956 (c)           |
| Unassigned                                |                            |                     |                     |                     |                     | (166,778)           | (1,037,217)         | (357,792)           | (533,646)           | (1,463) (c)             |
| <b>Total All Other Governmental Funds</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>\$70,390,879</b> | <b>\$49,499,119</b> | <b>\$46,173,641</b> | <b>\$52,415,885</b> | <b>\$73,436,755</b>     |

Notes:

- (a) Change in total fund balance for the General Fund and Other Governmental Funds is explained in Management's Discussion and Analysis.
- (b) In 2010, 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.

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

|  | Fiscal Year Ended June 30, |                     |                       |                      |                       |
|--|----------------------------|---------------------|-----------------------|----------------------|-----------------------|
|  | 2006(a)                    | 2007                | 2008                  | 2009                 | 2010 (a)              |
| <b>Revenues</b>  |                            |                     |                       |                      |                       |
| Taxes  | \$70,913,489               | \$78,285,780        | \$78,204,323          | \$75,189,694         | \$72,007,902          |
| Licenses and Permits   | 4,877,758                  | 3,073,607           | 1,599,886             | 3,552,003            | 1,964,480             |
| Intergovernmental  | 10,647,688                 | 10,335,065          | 8,265,305             | 12,366,551           | 15,089,721            |
| Charges for Services   | 7,130,622                  | 7,182,525           | 6,343,372             | 7,289,449            | 6,632,428             |
| Fines, Forfeitures and Penalties   | 897,435                    | 989,426             | 1,055,807             | 1,108,677            | 1,021,931             |
| Parks and Recreation   | 2,585,962                  | 2,678,282           | 3,006,184             | 2,869,639            | 2,895,408             |
| Use of Money and Property  | 5,371,381                  | 5,943,217           | 5,968,313             | 4,102,165            | 1,908,565             |
| Special Assessment Collections   | 75,021                     | 72,524              | 65,610                | 67,052               | 65,201                |
| Other  | 713,853                    | 701,526             | 613,023               | 786,340              | 805,294               |
| <b>Total Revenues</b>  | <b>103,213,209</b>         | <b>109,261,952</b>  | <b>105,121,823</b>    | <b>107,331,570</b>   | <b>102,390,930</b>    |
| <b>Expenditures</b>  |                            |                     |                       |                      |                       |
| Current:   |                            |                     |                       |                      |                       |
| General Government   | 11,056,922                 | 12,633,576          | 12,678,872            | 11,984,808           | 11,997,158            |
| Public Safety  | 37,384,952                 | 38,587,496          | 40,285,037            | 42,843,522           | 41,359,307            |
| Public Works   | 14,830,313                 | 15,508,044          | 17,060,398            | 15,956,198           | 15,237,733            |
| Building, Engineering & Neighborhood Services  | 5,009,679                  | 5,028,829           | 6,408,585             | 6,298,643            |                       |
| Community & Economic Development   | 7,357,162                  | 10,046,844          | 11,385,205            | 8,142,528            | 18,282,245            |
| Parks & Recreation   | 7,428,161                  | 7,828,837           | 8,745,778             | 8,806,329            | 8,721,242             |
| Non-Departmental   |                            |                     |                       |                      |                       |
| Capital Outlay   | 5,602,918                  | 5,947,842           | 7,822,286             | 11,589,152           | 7,997,002             |
| Debt Service:  |                            |                     |                       |                      |                       |
| Principal Repayment  | 4,655,000                  | 4,586,000           | 4,852,000             | 5,024,000            | 16,878,000            |
| Interest and Fiscal Charges  | 5,326,328                  | 5,133,210           | 4,952,854             | 4,860,812            | 5,226,724             |
| Refund to Property Owners  | 326,836                    |                     | 34,431                |                      |                       |
| <b>Total Expenditures</b>  | <b>98,978,271</b>          | <b>105,300,678</b>  | <b>114,225,446</b>    | <b>115,505,992</b>   | <b>125,699,411</b>    |
| <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>                               | <b>4,234,938</b>           | <b>3,961,274</b>    | <b>(9,103,623)</b>    | <b>(8,174,422)</b>   | <b>(23,308,481)</b>   |
| <b>Other Financing Sources (Uses)</b>  |                            |                     |                       |                      |                       |
| Transfers In   | 4,204,776                  | 2,608,732           | 3,733,972             | 5,557,868            | 16,335,469            |
| Transfers (Out)  | (14,418,255)               | (6,248,494)         | (4,733,972)           | (4,071,296)          | (18,444,344)          |
| Refunding Bonds Issued   |                            |                     |                       |                      |                       |
| Proceeds from Debt Issuance  |                            | 350,000             |                       | 95,579               | 5,073,500             |
| Proceeds from Sale of Property   |                            | 17,294,854          |                       |                      |                       |
| Bond Issuance Premium  |                            |                     |                       |                      |                       |
| Payments to Refunded Bond Escrow   |                            |                     |                       |                      |                       |
| <b>Total Other Financing Sources (Uses)</b>  | <b>(10,213,479)</b>        | <b>14,005,092</b>   | <b>(1,000,000)</b>    | <b>1,582,151</b>     | <b>2,964,625</b>      |
| <b>Special/Extraordinary Items</b>   |                            |                     |                       |                      |                       |
| Loss on Sale of Property   | (1,559,168)                |                     |                       |                      |                       |
| Assets transferred to Housing Successor Partnership Note Restructuring by the Successor Agency |                            |                     |                       |                      |                       |
| <b>Total Special/Extraordinary Items</b>   | <b>(1,559,168)</b>         |                     |                       |                      |                       |
| <b>Net Change in Fund Balances</b>   | <b>(\$7,537,709)</b>       | <b>\$17,966,366</b> | <b>(\$10,103,623)</b> | <b>(\$6,592,271)</b> | <b>(\$20,343,856)</b> |
| Debt Service as a Percentage of Non-Capital Expenditures                                       | 11.9%                      | 10.0%               | 9.1%                  | 9.0%                 | 18.5%                 |

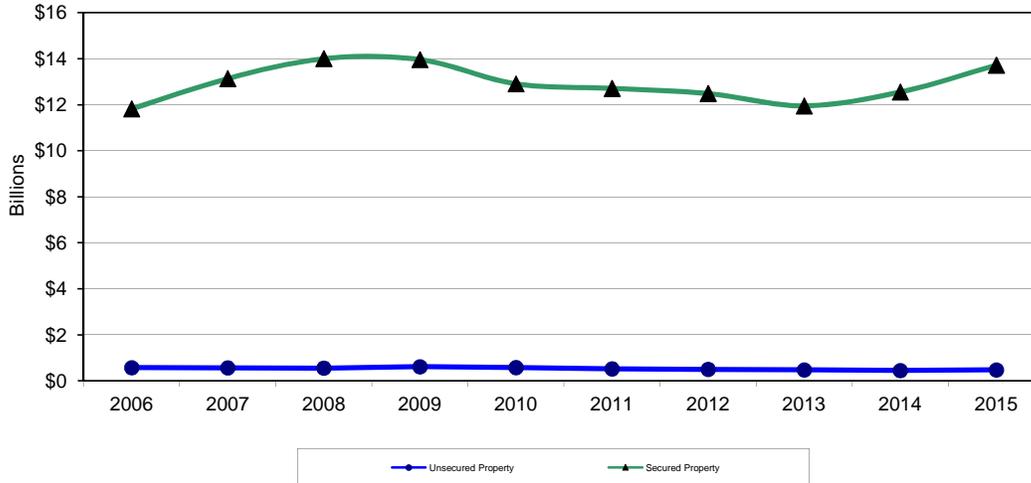
Note:

- (a) The City underwent reorganization during 2005, 2006, 2010 and 2012.  
(b) The Redevelopment Agency was dissolved during 2012.

**Fiscal Year Ended June 30,**

| <b>2011</b>        | <b>2012 (a)(b)</b>    | <b>2013 (a)(b)</b> | <b>2014</b>         | <b>2015</b>         |
|--------------------|-----------------------|--------------------|---------------------|---------------------|
| \$72,687,375       | \$74,875,127          | \$69,592,219       | \$75,401,019        | \$50,108,127        |
| 1,228,356          | 1,365,186             | 1,595,963          | \$1,970,553         | \$1,850,505         |
| 19,640,532         | 11,135,482            | 12,378,380         | 12,885,940          | 41,713,386          |
| 6,805,602          | 4,865,682             | 5,261,683          | 5,612,534           | 5,978,672           |
| 946,447            | 922,745               | 691,038            | 761,785             | 796,512             |
| 2,692,712          | 2,668,759             | 2,685,527          | 2,818,062           | 2,928,447           |
| 1,600,983          | 1,371,958             | 1,309,506          | 1,009,907           | 2,310,630           |
| 1,851              | 11,621                | 163,596            | 6,832               | 1,125               |
| 1,014,470          | 1,176,402             | 4,342,263          | 5,275,468           | 6,011,512           |
| <b>106,618,328</b> | <b>98,392,962</b>     | <b>98,020,175</b>  | <b>105,742,100</b>  | <b>111,698,916</b>  |
| 10,528,138         | 12,407,521            | 14,985,503         | 18,605,624          | 19,047,800          |
| 40,415,163         | 42,205,234            | 42,704,531         | 44,136,225          | 45,819,891          |
| 20,508,901         | 9,942,358             | 11,347,815         | 10,425,279          | 10,951,657          |
| 15,627,709         | 10,001,434            | 7,996,949          | 8,749,004           | 9,498,491           |
| 7,364,390          | 6,440,498             | 5,393,965          | 5,713,152           | 4,550,920           |
| 2,550,625          | 11,755,006            | 7,456,646          | 3,663,569           | 5,259,873           |
| 5,745,000          | 5,427,190             | 2,077,019          | 3,013,844           | 1,971,156           |
| 3,700,057          | 3,875,398             | 1,329,310          | 1,246,501           | 1,197,281           |
| 248,938            |                       |                    |                     |                     |
| <b>106,688,921</b> | <b>102,054,639</b>    | <b>93,291,738</b>  | <b>95,553,198</b>   | <b>98,297,069</b>   |
| <b>(70,593)</b>    | <b>(3,661,677)</b>    | <b>4,728,437</b>   | <b>10,188,902</b>   | <b>13,401,847</b>   |
| 16,347,402         | 16,227,980            | 3,908,060          | 3,686,553           | 4,694,031           |
| (16,484,229)       | (14,533,190)          | (3,240,875)        | (3,541,691)         | (5,401,418)         |
| 8,384,040          |                       |                    |                     | 20,000,000          |
| <b>8,247,213</b>   | <b>1,694,790</b>      | <b>667,185</b>     | <b>144,862</b>      | <b>19,292,613</b>   |
|                    | 30,708,498            |                    |                     | (2,384,126)         |
|                    | (54,046,744)          |                    |                     |                     |
|                    | <b>(23,338,246)</b>   |                    |                     | <b>(2,384,126)</b>  |
| <b>\$8,176,620</b> | <b>(\$25,305,133)</b> | <b>\$5,395,622</b> | <b>\$10,333,764</b> | <b>\$30,310,334</b> |
| 9.6%               | 10.0%                 | 4.0%               | 5.0%                | 3.2%                |

**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) |
|-------------|------------------|-------------------------------|-----------------------------|--------------------|--------------------|---------------------------|---------------------------|
| 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%                        |
| 2012        | 10,463,115,683   | 1,527,127,911                 | 11,990,243,594              | 502,406,363        | 12,492,649,957     | 12,492,649,957            | 1%                        |
| (c) 2013    | 10,123,412,924   | 1,351,812,885                 | 11,475,225,809              | 479,678,800        | 11,954,904,609     | 11,954,904,609            | 1%                        |
| 2014        | 10,742,832,848   | 1,363,624,486                 | 12,106,457,334              | 451,080,860        | 12,557,538,194     | 12,557,538,194            | 1%                        |
| 2015        | 11,811,954,307   | 1,433,031,794                 | 13,244,986,101              | 476,697,389        | 13,721,683,490     | 13,721,683,490            | 1%                        |

Notes:

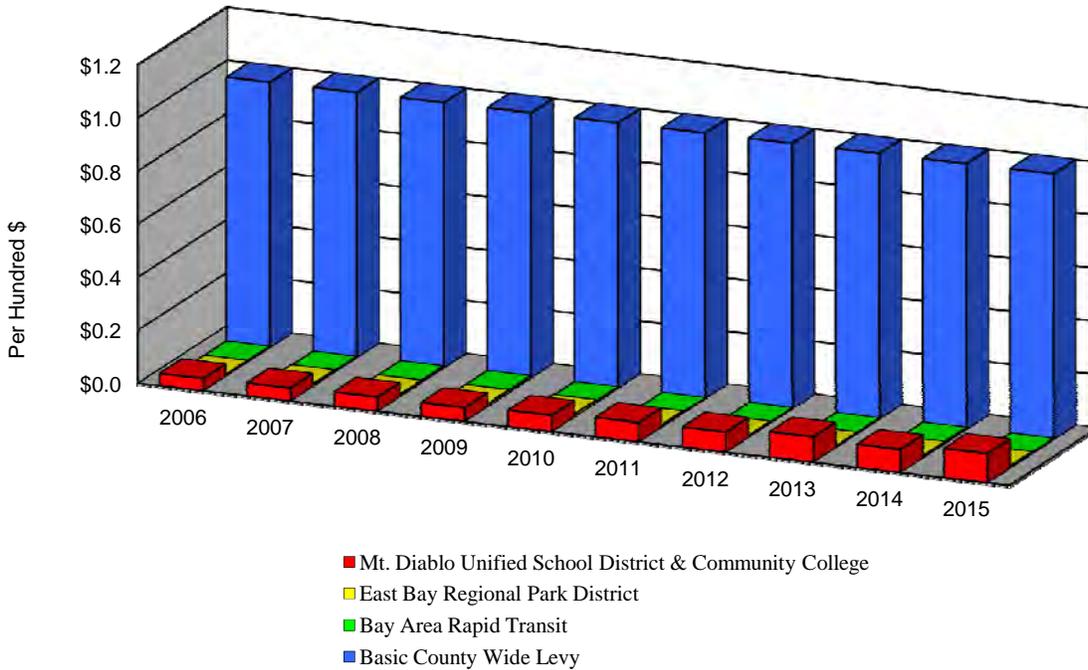
(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(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.

(c) FY2013 data was revised.

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

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



**Overlapping Rates**

| <b>Fiscal Year</b> | <b>City &amp; County Direct Rate</b> | <b>Bay Area Rapid Transit</b> | <b>East Bay Regional Park District</b> | <b>Mt. Diablo Unified School District &amp; Community College</b> | <b>Total</b> |
|--------------------|--------------------------------------|-------------------------------|--|---|--------------|
| 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       |
| 2012               | 1.0000                               | 0.0041                        | 0.0071                                 | 0.0756  | 1.0868       |
| 2013               | 1.0000                               | 0.0043                        | 0.0051                                 | 0.0958  | 1.1052       |
| 2014               | 1.0000                               | 0.0075                        | 0.0078                                 | 0.0873  | 1.1026       |
| 2015               | 1.0000                               | 0.0045                        | 0.0085                                 | 0.1105  | 1.1235       |

**Note:**

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of voter approved bonds from various agencies.

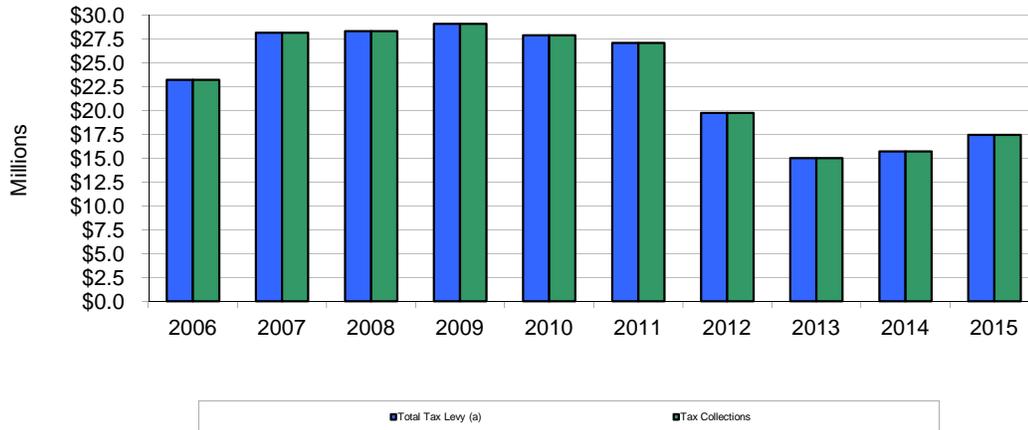
Source: HdL Companies

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

| Property Owner                       | Primary Land Use | 2014-15              |      |                                    | 2005-06              |      |                                    |
|--------------------------------------|------------------|----------------------|------|------------------------------------|----------------------|------|------------------------------------|
|                                      |                  | Assessed Value       | Rank | Percentage of Total Assessed Value | Assessed Value       | Rank | Percentage of Total Assessed Value |
| Taubman Land Associates LLC          | Regional Mall    | \$172,618,443        | 1    | 1.32%                              |                      |      |                                    |
| Chevron USA*                         | Office Building  | 116,047,507          | 2    | 0.89%                              | 108,809,069          | 3    | 0.95%                              |
| DWF III Concord Technology LLC       | Commercial       | 94,859,935           | 3    | 0.73%                              |                      |      |                                    |
| GSG Residential Park Central         | Residential      | 76,276,729           | 4    | 0.58%                              |                      |      |                                    |
| Sierra Pacific Properties, Inc.      | Office Building  | 73,249,021           | 5    | 0.56%                              | 89,525,455           | 4    | 0.78%                              |
| Clayton Valley Shopping Center       | Shopping Center  | 67,878,523           | 6    | 0.52%                              |                      |      |                                    |
| Seecon Financial & Construction Co.* | Office Building  | 62,344,346           | 7    | 0.48%                              | 73,877,015           | 5    | 0.65%                              |
| Willows Center Concord               | Shopping Center  | 61,954,305           | 8    | 0.47%                              |                      |      |                                    |
| SFG Owner A,B & D LLC                | Office Building  | 50,387,972           | 9    | 0.39%                              |                      |      |                                    |
| Behringer Harvard Renaissance        | Apartments       | 49,299,491           | 10   | 0.38%                              |                      |      |                                    |
| Comcast                              | Unsecured        |                      |      |                                    | \$50,860,089         | 8    |                                    |
| Bank of America                      | Commercial       |                      |      |                                    | 153,943,381          | 2    | 1.35%                              |
| Wells Fargo Bank Trust               | Commercial       |                      |      |                                    | 157,740,393          | 1    | 1.38%                              |
| Rreef America Reit III Corporation B | Commercial       |                      |      |                                    | 62,684,455           | 6    | 0.55%                              |
| California - Corporate Center LP     | Commercial       |                      |      |                                    | 46,258,221           | 10   | 0.41%                              |
| Concord Airport Plaza Associates     | Commercial       |                      |      |                                    | 55,077,105           | 7    | 0.48%                              |
| EQR Legacy Partner LLC               | Residential      |                      |      |                                    | 49,033,048           | 9    | 0.43%                              |
| <b>Top Ten Total</b>                 |                  | <b>\$824,916,272</b> |      | <b>6.32%</b>                       | <b>\$847,808,231</b> |      | <b>6.98%</b>                       |
| City Total                           |                  | \$13,057,174,559     |      |                                    | \$11,413,857,067     |      |                                    |

Source: Tables provided by HdL Companies.

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



| Fiscal Year | Total Tax Levy (a) | Current Tax Collections (b) | Percent of Levy Collected | Delinquent Tax Collections (a) | Total Tax Collections | Percent of Total Tax Collections to Tax Levy | County Delinquency Rate (c) |
|-------------|--------------------|-----------------------------|---------------------------|--------------------------------|-----------------------|--|-----------------------------|
| 2006        | \$23,202,024       | \$23,202,024                | 100.0000%                 | n/a                            | \$23,202,024          | 100.0000%                                    | n/a                         |
| 2007        | 28,151,765         | 28,151,765                  | 100.0000%                 | n/a                            | 28,151,765            | 100.0000%                                    | n/a                         |
| 2008        | 28,304,789         | 28,304,789                  | 100.0000%                 | n/a                            | 28,304,789            | 100.0000%                                    | n/a                         |
| 2009        | 29,074,531         | 29,074,531                  | 100.0000%                 | n/a                            | 29,074,531            | 100.0000%                                    | n/a                         |
| 2010        | 27,872,031         | 27,872,031                  | 100.0000%                 | n/a                            | 27,872,031            | 100.0000%                                    | n/a                         |
| 2011        | 27,093,100         | 27,093,100                  | 100.0000%                 | n/a                            | 27,093,100            | 100.0000%                                    | n/a                         |
| 2012        | 19,731,365         | 19,731,365                  | 100.0000%                 | n/a                            | 19,731,365            | 100.0000%                                    | n/a                         |
| 2013        | 15,017,785         | 15,017,785                  | 100.0000%                 | n/a                            | 15,017,785            | 100.0000%                                    | n/a                         |
| 2014        | 15,707,019         | 15,707,019                  | 100.0000%                 | n/a                            | 15,707,019            | 100.0000%                                    | n/a                         |
| 2015        | 17,457,504         | 17,457,504                  | 100.0000%                 | n/a                            | 17,457,504            | 100.0000%                                    | n/a                         |

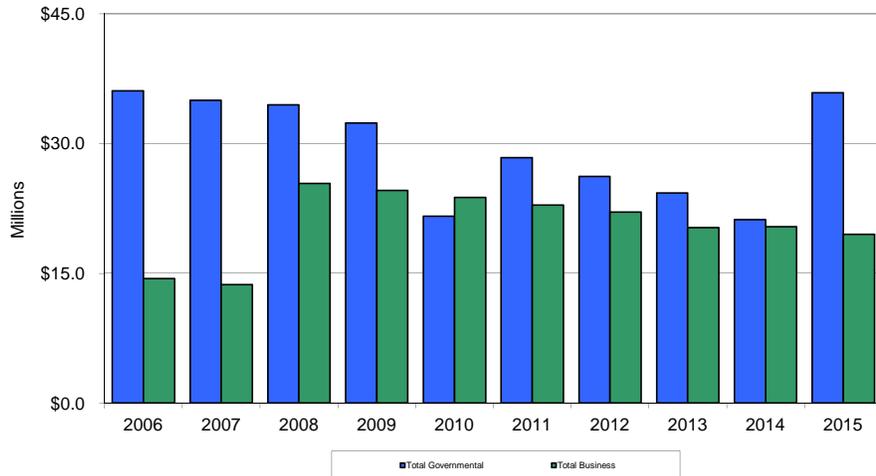
Notes:

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, the Teeter Plan which allows the County to keep all interest and delinquency charges collected.
- (b) Tax collections in fiscal year 2005 to 2012 are net of pass-thru payment and Educational Revenue Augmentation Fund withholding. During 2012, tax increment was no longer distributed due to the dissolution of the Redevelopment Agency.
- (c) Data is not available for the years being reported.

Source: City of Concord Finance Department

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



| Governmental Activities |               |                               |                           |                               |                         |               |               |                          |        |
|-------------------------|---------------|-------------------------------|---------------------------|-------------------------------|-------------------------|---------------|---------------|--------------------------|--------|
| Fiscal Year             | Revenue Bonds | Certificates of Participation | Judgment Obligation Bonds | Refunding Lease Agreement (b) | Special Assessment Debt | Notes Payable | Capital Lease | Lease Purchase Agreement | Total  |
| 2006                    | \$30.4        | \$0.5                         | \$3.2                     |                               | \$0.3                   | \$1.7         |               |                          | \$36.1 |
| 2007                    | 29.2          | 0.5                           | 2.9                       |                               | 0.3                     | 2.1           |               |                          | 35.0   |
| 2008                    | 27.9          | 0.4                           | 2.5                       |                               | 0.2                     | 2.3           | \$1.2         |                          | 34.5   |
| 2009                    | 26.6          | 0.3                           | 2.2                       |                               | 0.1                     | 2.4           | 0.8           |                          | 32.4   |
| 2010                    | 13.3          | 0.2                           |                           | \$5.1                         | 0.1                     | 2.4           | 0.5           |                          | 21.6   |
| 2011                    | 11.9          | 0.1                           |                           | 4.7                           |                         | 1.3           | 2.0           | \$8.4                    | 28.4   |
| 2012                    | 10.4          |                               |                           | 4.3                           |                         | 1.4           | 1.8           | 8.3                      | 26.2   |
| 2013                    | 9.1           |                               |                           | 3.9                           |                         | 1.4           | 1.9           | 8.0                      | 24.3   |
| 2014                    | 7.7           |                               |                           | 3.5                           |                         | 0.5           | 1.8           | 7.7                      | 21.2   |
| 2015                    | 24.6          |                               |                           | 2.6                           |                         |               | 1.3           | 7.4                      | 35.9   |

| Business-Type Activities |                               |               |        |                          |                                   |                |
|--------------------------|-------------------------------|---------------|--------|--------------------------|-----------------------------------|----------------|
| Fiscal Year              | Certificates of Participation | Notes Payable | Total  | Total Primary Government | Percentage of Personal Income (a) | Per Capita (a) |
| 2006                     | \$13.9                        | \$0.5         | \$14.4 | \$50.5                   | 3.67%                             | 1,002.93       |
| 2007                     | 13.5                          | 0.2           | 13.7   | 48.7                     | 3.37%                             | 957.64         |
| 2008                     | 25.4                          |               | 25.4   | 59.9                     | 3.46%                             | 1,033.32       |
| 2009                     | 24.6                          |               | 24.6   | 57.0                     | 3.29%                             | 974.33         |
| 2010                     | 23.8                          |               | 23.8   | 45.4                     | 1.23%                             | 360.71         |
| 2011                     | 22.9                          |               | 22.9   | 51.3                     | 1.37%                             | 418.17         |
| 2012                     | 22.1                          |               | 22.1   | 48.3                     | 1.24%                             | 392.03         |
| 2013                     | 20.3                          |               | 20.3   | 44.6                     | 1.10%                             | 360.22         |
| 2014                     | 20.4                          |               | 20.4   | 41.6                     | 1.03%                             | 335.99         |
| 2015                     | 19.5                          |               | 19.5   | 55.4                     | 1.43%                             | 443.28         |

Notes:

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

- (a) See Demographic and Economic Statistics for personal income and population data.
- (b) During 2012, debt service liabilities were assumed by the Successor Agency upon the dissolution of the Redevelopment Agency.

Source: City of Concord Finance Department  
State of California, Department of Finance (population)  
U.S. Department of Commerce, Bureau of the Census (income)

**Table 10: Direct and Overlapping Debt**  
As of June 30, 2015

|   | <b>Net<br/>Debt<br/>Outstanding</b> | <b>Percentage<br/>Applicable<br/>to City of<br/>Concord</b> | <b>Amount<br/>Applicable<br/>to City of<br/>Concord</b> |
|---|-------------------------------------|---|---|
| <b><u>Direct Debt</u></b>                             |                                     |   |   |
| Lease Revenue Bonds 2015                              | \$22,635,000                        | 100.000%  | \$22,635,000  |
| Lease Prurchase                                       | 7,406,301                           | 100.000%  | 7,406,301   |
| Pavillion Revenue Bonds 1995                          | 2,000,000                           | 100.000%  | 2,000,000   |
| Refunding Lease                                       | 2,599,000                           | 100.000%  | 2,599,000   |
| <b>Total Direct Debt</b>                              | <b>\$34,640,301</b>                 |   | <b>\$34,640,301</b>                                     |
| <b><u>Overlapping Debt</u></b>                        |                                     |   |   |
| Contra Costa County Pension Debt                      | \$236,920,000                       | 8.130%  | \$19,261,596  |
| CCC PFA 1998A Lease Revenue Bonds                     | 13,720,000                          | 8.130%  | 1,115,436   |
| CCC PFA 1999A Lease Revenue Bonds                     | 11,240,000                          | 8.130%  | 913,812   |
| CCC PFA 2002A Lease Revenue Bonds                     | 7,375,000                           | 8.130%  | 599,588   |
| CCC PFA 2002B Lease Revenue Bonds                     | 5,350,000                           | 8.130%  | 434,955   |
| CCC PFA 2003A Lease Revenue Bonds                     | 6,630,000                           | 8.130%  | 539,019   |
| CCC PFA 2007A Lease Revenue Bonds                     | 110,185,000                         | 8.130%  | 8,958,041   |
| CCC PFA 2007B Lease Revenue Bonds                     | 31,870,000                          | 8.130%  | 2,591,031   |
| CCC PFA 2009A Lease Revenue Bonds                     | 16,950,239                          | 8.130%  | 1,378,054   |
| CCC PFA 2010A-1 Lease Revenue Bonds                   | 5,010,000                           | 8.130%  | 407,313   |
| CCC PFA 2010A-2 Lease Revenue Bonds                   | 13,130,000                          | 8.130%  | 1,067,469   |
| CCC PFA 2010A-3 Lease Revenue Bonds                   | 20,700,000                          | 8.130%  | 1,682,910   |
| CCC PFA 2010B Lease Revenue Bonds                     | 13,415,000                          | 8.130%  | 1,090,640   |
| CCC PFA 2012 Lease Revenue Bonds                      | 11,514,097                          | 8.130%  | 936,096   |
| Contra Costa Fire Pension Obligation                  | 92,805,000                          | 17.602%   | 16,335,536  |
| BART  | 179,807,423                         | 8.130%  | 14,618,343  |
| East Bay Regional Park Bond                           | 78,104,202                          | 8.130%  | 6,349,872   |
| Mt. Diablo 2002 Bond                                  | 339,585,000                         | 39.375%   | 133,711,594   |
| Mt. Diablo 2010 Bond                                  | 294,865,057                         | 39.375%   | 116,103,116   |
| Contra Costa Community College 2002 Bond              | 186,230,000                         | 8.162%  | 15,200,093  |
| Contra Costa Community College 2006 Bond              | 298,570,000                         | 8.162%  | 24,369,283  |
| Contra Costa Community College 2014 Bond              | 120,000,000                         | 8.162%  | 9,794,400   |
| <b>Total Overlapping Debt</b>                         | <b>\$2,093,976,018</b>              |   | <b>\$377,458,197</b>                                    |
| <b>Total Direct And Overlapping Debt</b>              |                                     |   | <b>\$412,098,498</b>                                    |
| <b>2013/14 Total Assessed Valuation</b>               |                                     |   | <b>\$13,721,683,490</b>                                 |
| <b>Less Redevelopment Incremental Assessed Value:</b> |                                     |   | <b>1,433,031,794</b>                                    |
| <b>Adjusted AV</b>                                    |                                     |   | <b>\$12,288,651,696</b>                                 |
| <b>Debt to Assessed Valuation Ratios:</b>             |                                     |   |   |
|   | Direct Debt:                        |   | 0.282%  |
|   | Overlapping Debt:                   |   | 3.072%  |
|   | Total Debt:                         |   | 3.353%  |

Sources: HdL Coren & Cone  
Certificate of Assessed Valuations from the County Office of the Auditor-Controller

**Table 11: Computation of Legal Bonded Debt Margin**  
As of June 30, 2015 (Dollars in Thousands)

|  |                           |
|--|---------------------------|
| <b>Assessed Valuation:</b>   |                           |
| Secured Property Assessed Value, Net of Exempt Real Property   | <u>\$12,448,580</u>       |
| Bonded Debt Limit (15% of Assessed Value) (a)  | <u>\$1,867,287</u>        |
| <b>Amount of Debt Subject to Limit:</b>  |                           |
| Total Bonded Debt  | \$0                       |
| Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation Not Subject to Limit | <u>0</u>                  |
| Amount of Debt Subject to Limit  | <u>0</u>                  |
| <b>Legal Bonded Debt Margin</b>  | <u><u>\$1,867,287</u></u> |

| 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 |
|-------------|-------------|------------------------------------|-------------------|--|
| 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%  |
| 2012        | 1,873,897   | 0                                  | 1,873,897         | 0.00%  |
| 2013 (b)    | 1,793,236   | 0                                  | 1,793,236         | 0.00%  |
| 2014        | 1,695,697   | 0                                  | 1,695,697         | 0.00%  |
| 2015        | 1,867,287   | 0                                  | 1,867,287         | 0.00%  |

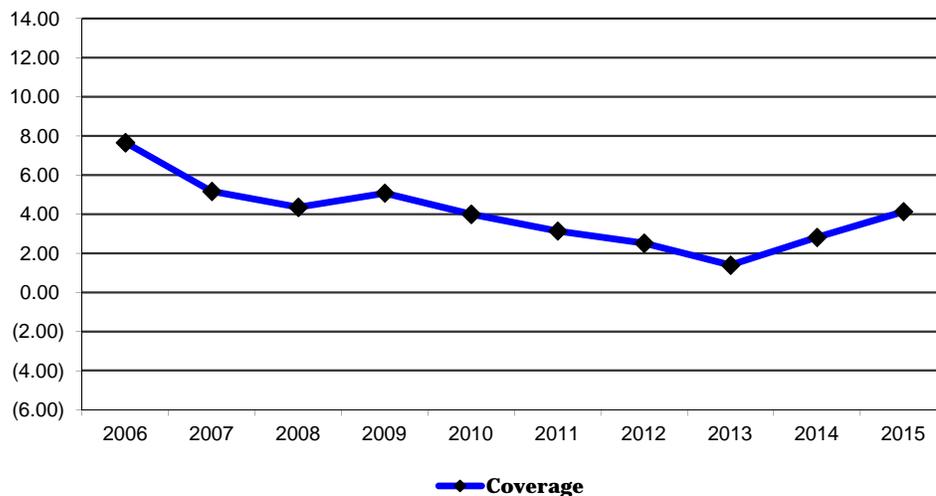
Note:

(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.

(b) FY2013 data was revised.

Source: City of Concord Finance Department

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



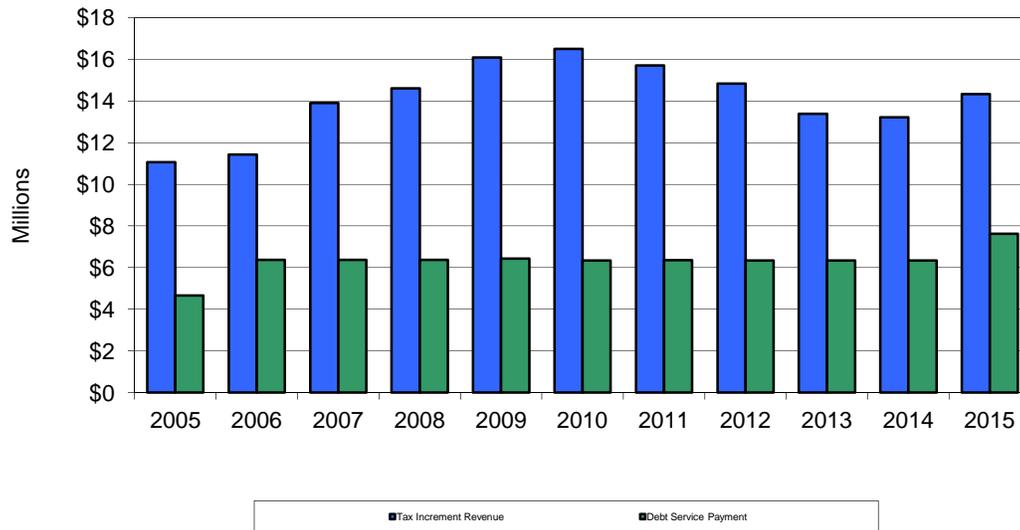
| Fiscal Year | Gross Revenue (a) | Operating Expenses (b) | Net Revenue Available for Debt Service | Debt Service Requirements |           |           | Coverage |
|-------------|-------------------|------------------------|--|---------------------------|-----------|-----------|----------|
|             |                   |                        |  | Principal                 | Interest  | Total     |          |
| 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     |
| 2012        | 19,645,294        | 15,479,402             | 4,165,892                              | 750,000                   | 907,989   | 1,657,989 | 2.51     |
| 2013        | 19,492,824        | 16,854,333             | 2,638,491                              | 845,000                   | 1,059,754 | 1,904,754 | 1.39     |
| 2014        | 22,301,111        | 17,842,173             | 4,458,938                              | 875,000                   | 710,884   | 1,585,884 | 2.81     |
| 2015        | 24,439,221        | 17,889,711             | 6,549,510                              | 900,000                   | 685,684   | 1,585,684 | 4.13     |

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(Refunded), 1993(Refunded), 2004 (Refunded), and Tax Allocation Refunding Bonds Series 2014**

Last Ten Fiscal Year

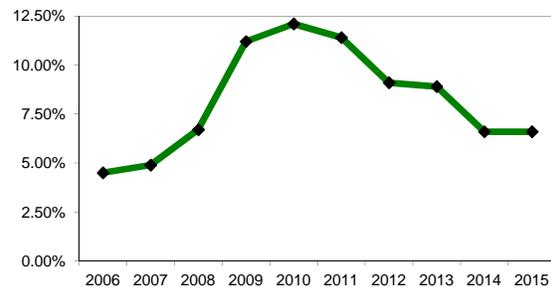
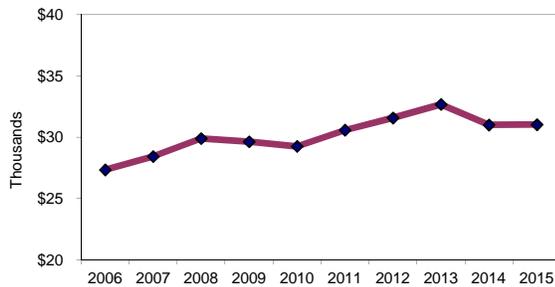
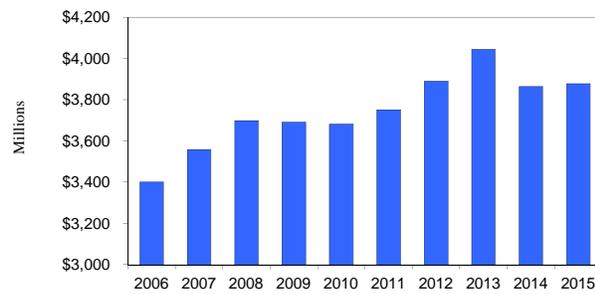
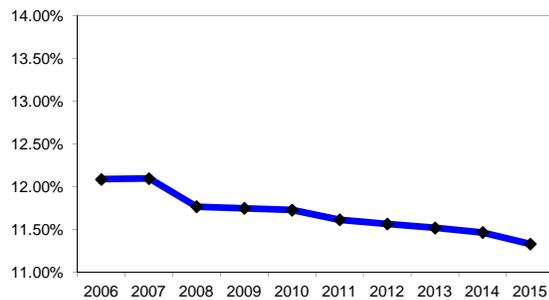


| Fiscal Year | Tax Increment Revenue | Debt Service Requirements |             |             | Coverage |
|-------------|-----------------------|---------------------------|-------------|-------------|----------|
|             |                       | Principal                 | Interest    | Total       |          |
| 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     |
| 2012        | 14,829,000            | 3,835,000                 | 2,513,671   | 6,348,671   | 2.34     |
| 2013 *      | 13,387,000            | 3,985,000                 | 2,357,271   | 6,342,271   | 2.11     |
| 2014        | 13,213,000            | 4,145,000                 | 2,194,671   | 6,339,671   | 2.08     |
| 2015        | 14,330,318            | 4,100,000                 | 3,520,158   | 7,620,158   | 1.88     |

Note: \* FY2013 data is updated and adjusted to reflect data collected during refunding of the 2004 Tax Allocation Refunding Bonds.

Source: County Redevelopment Successor Agency Property Tax Revenue Report  
Long Term Debt Schedule - City of Concord Finance Department

**Table 14: Demographic and Economic Statistics**  
Last Ten Calendar Year



Per Capita Personal Income

Unemployment Rate (%)

| Calendar Year | City Population | Total Personal Income | Per Capita Personal Income | Unemployment Rate | Contra Costa County Population | City Population % of County |
|---------------|-----------------|-----------------------|----------------------------|-------------------|--------------------------------|-----------------------------|
| 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%                      |
| 2012          | 123,206         | 3,889,750,949         | 31,571                     | 9.1%              | 1,065,117                      | 11.57%                      |
| 2013          | 123,812         | 4,045,340,987         | 32,673                     | 8.9%              | 1,074,702                      | 11.52%                      |
| 2014          | 124,656         | 3,864,336,000         | 31,000                     | 6.6%              | 1,087,008                      | 11.47%                      |
| 2015          | 124,977         | 3,877,661,000         | 31,027                     | 6.6%              | 1,102,871                      | 11.33%                      |

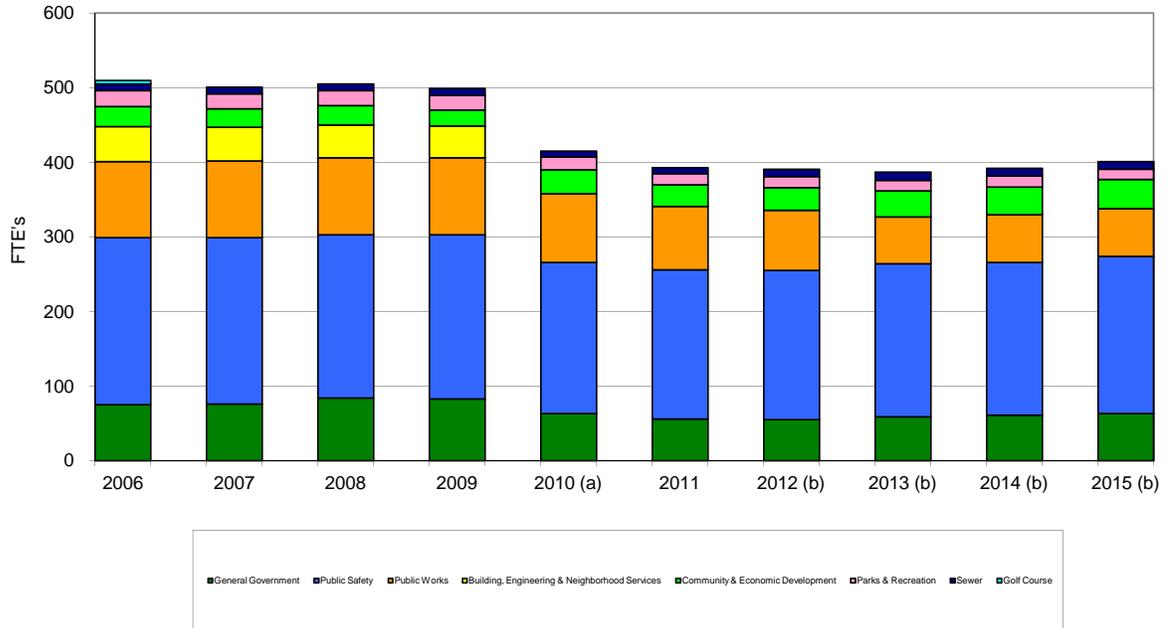
Sources: State of California, Department of Finance  
The HdL Companies

**Table 15: Principal Employers**  
Current Year and Nine Years Ago

| Employer                    | 2015                        |      |                                      | 2006                |      |                                     |
|-----------------------------|-----------------------------|------|--------------------------------------|---------------------|------|-------------------------------------|
|                             | Number of Employees (Range) | Rank | Percentage of Total City Employment* | Number of Employees | Rank | Percentage of Total City Employment |
| Bank of America             | 1,000 to 4,999              | 1    | 3.7%                                 | 3500                | 2    | 5.3%                                |
| John Muir Medical Ctr       | 1,000 to 4,999              | 1    | 3.7%                                 |                     |      |                                     |
| PG&E                        | 1,000 to 4,999              | 1    | 3.7%                                 |                     |      |                                     |
| Wells Fargo                 | 1,000 to 4,999              | 1    | 3.7%                                 | 1500                | 3    | 2.3%                                |
| Chevron                     | 500 to 999                  | 2    | 0.7%                                 | 1200                | 4    | 1.8%                                |
| Fresenius Medical Care      | 500 to 999                  | 2    | 0.7%                                 |                     |      |                                     |
| Macy's                      | 500 to 999                  | 2    | 0.7%                                 | 500                 | 8    | 0.8%                                |
| Assetmark                   | 250 to 499                  | 3    | 0.4%                                 |                     |      |                                     |
| Benchmark Electronics Inc   | 250 to 499                  | 3    | 0.4%                                 | 700                 | 6    | 1.1%                                |
| Cb&I Inc                    | 250 to 499                  | 3    | 0.4%                                 |                     |      |                                     |
| Comcast                     | 250 to 499                  | 3    | 0.4%                                 | 600                 | 7    | 0.9%                                |
| Costco                      | 250 to 499                  | 3    | 0.4%                                 | 300                 | 12   | 0.5%                                |
| Fry's Electronics           | 250 to 499                  | 3    | 0.4%                                 | 300                 | 12   | 0.5%                                |
| Home Depot                  | 250 to 499                  | 3    | 0.4%                                 |                     |      |                                     |
| Systron Donner              | 250 to 499                  | 3    | 0.4%                                 | 700                 | 6    | 1.1%                                |
| Contra Costa Water District |                             |      |                                      | 280                 | 18   | 0.4%                                |
| Conco CO                    |                             |      |                                      | 500                 | 10   | 0.8%                                |
| Sears                       |                             |      |                                      | 300                 | 12   | 0.5%                                |
| Subtotal                    | 7,500 - 26,985              |      | 20.2%                                | 14,947              |      | 22.9%                               |
| Total City Day Labor Force: | 66,800                      |      |                                      | 66,570              |      |                                     |

Source: City of Concord Community and Economic Development Department  
\* 2015 Percentage of total is based on median in the ranges provided.

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



| Function                                      | Fiscal Year |            |            |            |            |            |            |            |            |            |
|---|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | 2006        | 2007       | 2008       | 2009       | 2010 (a)   | 2011       | 2012 (b)   | 2013 (b)   | 2014 (b)   | 2015 (b)   |
| General Government                            | 75          | 76         | 84         | 83         | 63         | 56         | 55         | 59         | 61         | 63         |
| Public Safety                                 | 224         | 223        | 219        | 220        | 203        | 200        | 200        | 205        | 205        | 211        |
| Public Works                                  | 102         | 103        | 103        | 103        | 92         | 85         | 81         | 63         | 64         | 64         |
| Building, Engineering & Neighborhood Services | 47          | 45         | 44         | 43         |            |            |            |            |            |            |
| Community & Economic Development              | 27          | 25         | 26         | 21         | 32         | 29         | 30         | 35         | 37         | 39         |
| Parks & Recreation                            | 21          | 20         | 20         | 20         | 17         | 15         | 15         | 14         | 15         | 14         |
| Sewer   | 9           | 9          | 9          | 9          | 8          | 8          | 10         | 11         | 10         | 10         |
| Golf Course                                   | 5           |            |            |            |            |            |            |            |            |            |
| <b>Total</b>                                  | <b>510</b>  | <b>501</b> | <b>505</b> | <b>499</b> | <b>415</b> | <b>393</b> | <b>391</b> | <b>387</b> | <b>392</b> | <b>401</b> |

Source: City of Concord Adopted Budget

Notes:

- (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.
- (b) In Fiscal Year 2012, Engineering was reorganized into Community & Economic Development Department and Code Enforcement was moved to Public Safety.

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

|  | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Function/Program</b>                      |         |         |         |         |         |         |         |         |         |         |
| <b>Public Safety</b>                         |         |         |         |         |         |         |         |         |         |         |
| Police:                                      |         |         |         |         |         |         |         |         |         |         |
| Number of Public Contacts                    | 19,522  | 18,304  | 17,693  | 17,845  | 23,657  | 25,740  | 27,225  | 22,350  | 32,989  | 36,469  |
| Police Calls for Service (a)                 | 55,808  | 53,793  | 49,309  | 54,480  | 53,780  | 93,201  | 84,410  | 81,170  | 81,819  | 86,363  |
| Law Violations:                              |         |         |         |         |         |         |         |         |         |         |
| Part I Crimes                                | 772     | 1,237   | 6,223   | 5,817   | 4,992   | 4,210   | 4,527   | 4,210   | 5,267   | 5,594   |
| Physical Arrests (Adult and Juvenile)        | 3,331   | 4,081   | 3,758   | 4,504   | 3,903   | 3,642   | 3,836   | 2,837   | 3,413   | 4,126   |
| Parking Violations                           | 11,741  | 10,042  | 10,400  | 17,132  | 13,299  | 8,670   | 10,415  | 8,471   | 8,107   | 9,408   |
| <b>Public Works</b>                          |         |         |         |         |         |         |         |         |         |         |
| Street Resurfacing (millions of square feet) | 8       | 6       | 6       | 7       | 2       | 1       | 1       | 2       | 2       | 2       |
| Potholes Repaired                            | 513     | 115     | 162     | 437     | 496     | 410     | 260     | 374     | 526     | 704     |
| <b>Culture and Recreation</b>                |         |         |         |         |         |         |         |         |         |         |
| Community Services:                          |         |         |         |         |         |         |         |         |         |         |
| Recreation Class Participants                | 4,089   | 5,030   | 5,299   | 4,826   | 3,935   | 3,534   | 3,021   | 3,157   | 3,364   | 4,867   |
| Senior Center Activity/Event Participants    | 11,930  | 11,935  | 17,039  | 19,486  | 10,033  | 14,974  | 15,484  | 16,522  | 17,034  | 21,886  |
| Human Services/Club Activity Participants    | 92,519  | 83,322  | 90,332  | 93,192  | 59,028  | 50,111  | 49,598  | 47,705  | 33,668  | 41,868  |
| Library:                                     |         |         |         |         |         |         |         |         |         |         |
| Volumes in Collection (thousands)            | 80,155  | 87,089  | 92,413  | 96,462  | 92,703  | 91,984  | 79,630  | 80,573  | 80,955  | 80,291  |
| Total Volumes Borrowed (thousands)           | 294,227 | 285,227 | 308,978 | 339,671 | 356,034 | 341,719 | 330,451 | 313,743 | 300,517 | 247,737 |
| <b>Wastewater</b>                            |         |         |         |         |         |         |         |         |         |         |
| Storm Drain Inlets                           | 5,581   | 5,600   | 5,678   | 5,712   | 5,712   | 5,712   | 5,583   | 5,583   | 5,583   | 5,583   |
| Sewer Overflows                              | 26      | 16      | 12      | 19      | 17      | 16      | 18      | 34      | 28      | 12      |
| Average Daily Pumping (millions of gallons)  | 14.01   | 12.36   | 13.53   | 10.75   | 9.00    | (b)     | N/A     | N/A     | N/A     | N/A     |

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

|                                   | 2006   | 2007   | 2008   | 2009   | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    |
|-----------------------------------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| <b>Function/Program</b>           |        |        |        |        |         |         |         |         |         |         |
| <b>Public Works</b>               |        |        |        |        |         |         |         |         |         |         |
| Miles of Streets                  | 305    | 305    | 305    | 305    | 308     | 308     | 335     | 335     | 335     | 335     |
| Street Lights                     | 8,124  | 8,125  | 8,179  | 8,216  | 8,216   | 8,216   | 8,254   | 8,254   | 8,254   | 8,256   |
| Traffic Signals                   | 141    | 142    | 153    | 154    | 155     | 155     | 156     | 157     | 158     | 158     |
| <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     | 15     | 15     | 18     | 18      | 18      | 18      | 18      | 19      | 19      |
| City Trails                       | 7      | 7      | 8      | 8      | 8       | 8       | 8       | 8       | 9       | 9       |
| Miles of City Trails              | 18     | 18     | 19     | 19     | 19      | 19      | 19      | 19      | 22      | 22      |
| Roadway Landscaping Acreage       | 48     | 48     | 52     | 52     | 52      | 52      | 52      | 52      | 52      | 52      |
| Regional Park Acreage             | 97,565 | 97,912 | 98,880 | 98,895 | 103,862 | 109,969 | 111,915 | 113,594 | 114,623 | 118,231 |
| 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       | 1       | 1       | 1       | 1       |
| 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 Pool/Spray Park          | 2      | 2      | 2      | 2      | 2       | 2       | 2       | 2       | 2       | 2       |
| Tennis Courts                     | 15     | 15     | 17     | 17     | 17      | 17      | 17      | 17      | 17      | 17      |
| Baseball/Softball Field Complexes | 9      | 9      | 13     | 13     | 13      | 13      | 13      | 13      | 13      | 13      |
| Soccer/Football Field Complexes   | 8      | 8      | 13     | 13     | 13      | 13      | 13      | 13      | 13      | 13      |
| Library:                          |        |        |        |        |         |         |         |         |         |         |
| City Libraries                    | 1      | 1      | 1      | 1      | 1       | 1       | 1       | 1       | 1       | 1       |
| <b>Wastewater</b>                 |        |        |        |        |         |         |         |         |         |         |
| Sewer Lines (miles)               | 384    | 384    | 383    | 383    | 383     | 383     | 383     | 383     | 389     | 389     |

Note: N/A denotes information is not available.

Source: City of Concord

## **MUNICIPAL DEBT CONTINUING DISCLOSURE**

CITY TO INSERT DIVIDER

## **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 58)

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

- a. Balance in the Parking Structure Revenue Fund (Table 2)
- b. Balance in the Other Funds and Accounts Held by the City or the Trust (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 27)
- j. Assessed Value of Taxable Property (CAFR, page 129)
- k. Largest Local Secured Property Taxpayers (CAFR, page 131)
- l. Tax Levies and Collections (CAFR, page 132)

### **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 Revenues by Source (CAFR, page 27)
- e. Assessed Value of Taxable Property (CAFR, page 129)
- f. Summary of Investments (CAFR, page 48-51)
- g. Principal Amount of Bonds Outstanding (CAFR, page 58)
- h. Outstanding Debt and Lease Obligations (CAFR, page 58-62)
- i. Annual Contribution to Public Employees Retirement System (CAFR, page 67-70)

### **City of Concord Joint Powers Financing Authority** **Certificates of Participation (2004 Wastewater System Improvement Project), Refunded** **Certificates of Participation (2007 Wastewater System Improvement Project)** **Wastewater Revenue Refunding Bonds Series 2012**

- a. Ten Largest Users of the Wastewater System (Table 10)
- b. Sewer Rates (Table 11)
- c. Debt Service Coverage Ratio (CAFR, page 136)
- d. Principal Amount of Bonds Outstanding (CAFR, page 58)

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

- 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 132)
- e. Principal Amount of Bonds Outstanding (CAFR, page 58)

**Successor Agency of the Former Redevelopment Agency of the City of Concord**  
**(Central Concord Redevelopment Project) Tax Allocation Refunding Bonds Series 2014**

- a. Assessed Valuation by Category of Use (Table 15)
- b. Historical Taxable Values and Tax Revenues (Table 16)
- c. Largest Property Taxpayers by Assessed Value and Revenue (Table 17)
- d. Annual Assessed Value Appeals (Table 18)
- e. Debt Service Coverage (CAFR, page 137)
- f. Tax Revenue Projection (Table 19)

**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 Eight Fiscal Years**

|   | 2008               | 2009               | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 |
|---|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>REVENUES:</b>  |                    |                    |                      |                      |                      |                      |                      |                      |
| Debt Contribution   | \$1,382,810        | \$1,402,201        | \$1,100,507          | \$800,507            | \$500,000            | \$782,032            | \$700,832            | \$1,391,030          |
| Operating Revenues  |                    |                    |                      |                      |                      |                      |                      |                      |
| Nonoperating Income   | 179,478            | 141,768            | 196,179              | 309,013              | 361,467              | 844,744              | 924,791              | 1,129,112            |
| <b>Total Revenues</b>   | <b>1,562,288</b>   | <b>1,543,969</b>   | <b>1,296,686</b>     | <b>1,109,520</b>     | <b>861,467</b>       | <b>1,626,776</b>     | <b>1,625,623</b>     | <b>2,520,142</b>     |
| <b>EXPENDITURES:</b>  |                    |                    |                      |                      |                      |                      |                      |                      |
| Debt Service  | 1,784,418          | 1,782,514          | 10,474,620           | 967,702              | 869,448              | 785,067              | 703,817              | 625,913              |
| Operating Expenditures  |                    |                    |                      |                      |                      |                      |                      |                      |
| Nonoperating Expenditures   | 125,008            | 61,126             | 269,516              | 119,356              | 117,865              | 901,820              | 803,558              | 1,592,827            |
| <b>Total Expenditures</b>   | <b>1,909,426</b>   | <b>1,843,640</b>   | <b>10,744,136</b>    | <b>1,087,058</b>     | <b>987,313</b>       | <b>1,686,887</b>     | <b>1,507,375</b>     | <b>2,218,740</b>     |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>                                      | <b>(347,138)</b>   | <b>(299,671)</b>   | <b>(9,447,450)</b>   | <b>22,462</b>        | <b>(125,846)</b>     | <b>(60,111)</b>      | <b>118,248</b>       | <b>301,402</b>       |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                    |                    |                      |                      |                      |                      |                      |                      |
| Transfers In  | 577,067            | 335,133            | 1,482,788            |                      |                      |                      |                      |                      |
| Transfers (Out)   |                    |                    |                      |                      |                      |                      |                      |                      |
| <b>Total Other Financing Sourc</b>  | <b>577,067</b>     | <b>335,133</b>     | <b>1,482,788</b>     | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             | <b>0</b>             |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures<br/>and Other Uses</b> | <b>229,929</b>     | <b>35,462</b>      | <b>(7,964,662)</b>   | <b>22,462</b>        | <b>(125,846)</b>     | <b>(60,111)</b>      | <b>118,248</b>       | <b>301,402</b>       |
| Fund Balance at Beginning of Year   | 1,036,578          | 1,266,507          | 1,301,969            | (6,662,693)          | (6,640,231)          | (6,766,077)          | (6,826,188)          | (6,707,940)          |
| <b>Fund Balance at End of Year</b>  | <b>\$1,266,507</b> | <b>\$1,301,969</b> | <b>(\$6,662,693)</b> | <b>(\$6,640,231)</b> | <b>(\$6,766,077)</b> | <b>(\$6,826,188)</b> | <b>(\$6,707,940)</b> | <b>(\$6,406,538)</b> |

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, Refunded**

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

| <b>Fiscal Year</b> | <b>Use of Money and Property</b> | <b>Principal Retirement</b> | <b>Interest, Fiscal Charges and Cost of Issuance</b> | <b>Proceeds from Debt Issuance</b> | <b>Transfers, Net</b> | <b>Ending Fund Balance</b> |
|--------------------|----------------------------------|-----------------------------|--|------------------------------------|-----------------------|----------------------------|
| 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                    |
| 2012               | (41,127)                         | (415,000)                   | (329,141)  | 0                                  | 734,233               | 701,872                    |
| 2013               | (699,826)                        | (435,000)                   | (306,966)  | 0                                  | 1,525,965             | 786,045                    |
| 2014               | 698,785                          | (450,000)                   | (286,956)  | 0                                  | 0                     | 747,874                    |
| 2015               | 5,868,430                        | (5,230,000)                 | (1,424,475)  | 0                                  | 0                     | 0                          |

Note: In 2012, this obligation was assumed by the Successor Agency upon the dissolution of the Redevelopment Agency.

Source: City of Concord Financial Statements

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

**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> |
|--------------------|----------------------------------|------------------------------------|-----------------------|-----------------------|----------------------------|
| 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                          |
| 2012               | 0                                | 0                                  | 0                     | 0                     | 0                          |
| 2013               | 0                                | 0                                  | 0                     | 0                     | 0                          |
| 2014               | 0                                | 0                                  | 0                     | 0                     | 0                          |
| 2015               | 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, Refunded**

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

| <u>Fiscal<br/>Year</u> | <u>Principal<br/>Retired</u> | <u>Principal<br/>Outstanding</u> |
|------------------------|------------------------------|----------------------------------|
| 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                        |
| 2012                   | 415,000                      | 6,115,000                        |
| 2013                   | 435,000                      | 5,680,000                        |
| 2014                   | 450,000                      | 5,230,000                        |
| 2015                   | 5,230,000                    | -                                |

Note: In 2012, this obligation was assumed by the Successor Agency upon the dissolution of the Revelopment Agency.

Source: City of Concord Financial Statements

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

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

| <b>Calendar<br/>Year</b> | <b>Number<br/>of<br/>Permits</b> | <b>Taxable<br/>Sales<br/>Transactions</b> |
|--------------------------|----------------------------------|---|
| 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                             |
| 2011                     | 3,313                            | 2,122,829,500                             |
| 2012                     | 3,311                            | 2,296,522,300                             |
| 2013                     | 3,418                            | 2,449,776,400                             |
| 2014                     | 3,400                            | 2,602,854,200                             |

Sources: The HdL Companies

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

**Table 6: Taxable Sales Transactions by Type of Business**  
Calendar Year 2014 (Dollars in Thousands)

| <b>Type of Business</b>   | <b>Number<br/>of<br/>Permits</b> | <b>Taxable<br/>Sales<br/>Transactions</b> |
|---------------------------|----------------------------------|---|
| Autos and Transportation  | 345                              | \$792,767                                 |
| Building and Construction | 197                              | 343,810                                   |
| Business and Industry     | 853                              | 249,997                                   |
| Food and Drugs            | 135                              | 120,740                                   |
| Fuel and Service Stations | 46                               | 166,071                                   |
| General Consumer Goods    | 1,462                            | 708,302                                   |
| Restaurants and Hotels    | 362                              | 221,410                                   |
| Transfers & Unidentified  | 1                                | (243)                                     |
| <b>Total Outlets</b>      | <b>3,401</b>                     | <b>\$2,602,854</b>                        |

Sources: The HdL Companies

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

**Table 7: Adopted and Final Budgets for Unrestricted General Fund**  
Fiscal Years 2014-15 and 2015-16

|  | <b>2014-15<br/>Adopted<br/>General Fund<br/>Budget</b> | <b>2014-15<br/>Final<br/>General Fund<br/>Budget</b> | <b>2015-16<br/>Adopted<br/>General Fund<br/>Budget</b> |
|--|--|--|--|
| <b>REVENUES:</b>   |  |  |  |
| Taxes  | \$72,668,614   | \$43,001,214   | \$77,325,505   |
| Licenses and Permits   | 1,695,187  | 1,695,187  | 1,696,300  |
| Intergovernmental  | 235,000  | 30,377,400   | 242,000  |
| Charges for Current Services   | 8,173,355  | 8,053,355  | 8,472,216  |
| Fines and Forfeitures  | 780,000  | 780,000  | 775,000  |
| Use of Money and Property  | 530,569  | 1,385,956  | 583,035  |
| Other  | 295,000  | 645,325  | 17,500   |
|  | <u>84,377,725</u>                                      | <u>85,938,437</u>                                    | <u>89,111,556</u>                                      |
| <b>Total Revenues</b>  |  |  |  |
| <b>EXPENDITURES:</b>   |  |  |  |
| Current:   |  |  |  |
| Salaries and Benefits  | 57,785,225   | 60,114,299   | 62,968,811   |
| Operating Expenditures   | 10,617,446   | 11,839,764   | 11,838,082   |
| Fixed Charges  | 11,522,748   | 11,535,069   | 12,717,157   |
|  | <u>79,925,419</u>                                      | <u>83,489,132</u>                                    | <u>87,524,050</u>                                      |
| <b>Total Expenditures</b>  |  |  |  |
| Excess (Deficiency) of Revenues Over Expenditures  | <u>4,452,306</u>                                       | <u>2,449,305</u>                                     | <u>1,587,506</u>                                       |
| <b>OTHER FINANCING SOURCES (USES):</b>   |  |  |  |
| Conversion to unallocated reserve balance  |  |  |  |
| Transfers In   | 878,880  | 878,880  | 8,602,109  |
| Transfers (Out)  | <u>(2,951,135)</u>                                     | <u>(5,157,924)</u>                                   | <u>(14,361,585)</u>                                    |
| <b>Total Other Financing Sources (Uses)</b>  | <u>(2,072,255)</u>                                     | <u>(4,279,044)</u>                                   | <u>(5,759,476)</u>                                     |
| Excess (Deficiency) of Revenues and<br>Other Sources Over Expenditures<br>and Other Uses | 2,380,051  | (1,829,739)  | (4,171,970)  |
| Fund Balance at Beginning of Year  | <u>20,494,491</u>                                      | <u>20,494,491</u>                                    | <u>18,664,752</u>                                      |
| Fund Balance at End of Year  | <u><u>\$22,874,542</u></u>                             | <u><u>\$18,664,752</u></u>                           | <u><u>\$14,492,782</u></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, Refunded  
Certificates of Participation (ABAG 41)**

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

|   | Fiscal Year Ended June 30, |                     |                     |                       |                     |
|---|----------------------------|---------------------|---------------------|-----------------------|---------------------|
|   | 2006                       | 2007                | 2008                | 2009                  | 2010                |
| <b>REVENUES:</b>  |                            |                     |                     |                       |                     |
| Taxes   | \$56,102,956               | \$61,059,439        | \$60,165,471        | \$55,544,816 #        | \$52,029,984        |
| Licenses and Permits  | 1,671,153                  | 1,661,706           | 1,149,753           | 1,262,916 #           | 1,127,710           |
| Intergovernmental   | 1,403,045                  | 1,105,917           | 959,923             | 808,849 #             | 647,814             |
| Charges for Current Services  | 7,016,914                  | 6,989,030           | 6,312,313           | 7,271,613 #           | 6,615,092           |
| Fines and Forfeitures   | 787,598                    | 920,845             | 993,105             | 1,044,448 #           | 826,815             |
| Parks and Recreation  | 2,585,962                  | 2,678,282           | 3,006,184           | 2,869,639 #           | 2,895,408           |
| Use of Money and Property   | 1,465,897                  | 1,577,463           | 1,571,499           | 1,083,367 #           | 235,178             |
| Other   | 332,986                    | 203,118             | 315,337             | 540,540 #             | 411,299             |
| <b>Total Revenues</b>   | <b>71,366,511</b>          | <b>76,195,800</b>   | <b>74,473,585</b>   | <b>70,426,188 #</b>   | <b>64,789,300</b>   |
| <b>EXPENDITURES:</b>  |                            |                     |                     |                       |                     |
| Current:  |                            |                     |                     |                       |                     |
| General Government  | 10,331,725                 | 12,370,595          | 12,258,475          | 11,567,366 #          | 11,481,742          |
| Public Safety   | 36,860,686                 | 38,056,048          | 39,945,559          | 42,592,777 #          | 41,133,055          |
| Public Works  | 8,315,970                  | 8,228,093           | 8,798,826           | 9,050,960 #           | 9,881,512           |
| Building, Engineering & Neighborhood Services   | 4,691,323                  | 4,649,666           | 6,255,946           | 5,592,315             |                     |
| Community & Economic Development  | 1,513,787                  | 1,744,610           | 1,838,002           | 1,736,656 #           | 4,150,460           |
| Parks & Recreation  | 5,767,138                  | 6,138,323           | 7,382,172           | 7,167,464 #           | 6,404,528           |
| Non-Departmental  |                            |                     |                     | #                     | 48,811              |
| Capital Outlay  |                            |                     |                     |                       |                     |
| <b>Total Expenditures</b>   | <b>67,480,629</b>          | <b>71,187,335</b>   | <b>76,478,980</b>   | <b>77,707,538 #</b>   | <b>73,100,108</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>                                      | <b>3,885,882</b>           | <b>5,008,465</b>    | <b>(2,005,395)</b>  | <b>(7,281,350) #</b>  | <b>(8,310,808)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                            |                     |                     |                       |                     |
| Transfers In  | 694,061                    | 166,562             | 541,298             | 2,482,510 #           | 680,927             |
| Transfers (Out)   | (12,113,187)               | (3,682,786)         | (2,339,427)         | (1,136,854) #         | (10,072,965)        |
| Sale of Fixed Assets  |                            |                     |                     |                       |                     |
| <b>Total Other Financing Sources (Uses)</b>   | <b>(11,419,126)</b>        | <b>(3,516,224)</b>  | <b>(1,798,129)</b>  | <b>1,345,656 #</b>    | <b>(9,392,038)</b>  |
| <b>Excess (Deficiency) of Revenues and<br/>Other Sources Over Expenditures<br/>and Other Uses</b> | <b>(7,533,244)</b>         | <b>1,492,241</b>    | <b>(3,803,524)</b>  | <b>(5,935,694) #</b>  | <b>(17,702,846)</b> |
| <b>Fund Balance at Beginning of Year</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>Fund Balance at End of Year</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>  |

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, 2010 and 2012.

Source: City of Concord Financial Statements

Fiscal Year Ended June 30,

| 2011         | 2012         | 2013         | 2014         | 2015         |
|--------------|--------------|--------------|--------------|--------------|
| \$53,425,251 | \$62,950,131 | \$65,752,896 | \$71,608,327 | \$46,247,380 |
| 1,194,147    | 1,282,817    | 1,494,008    | 1,575,008    | 1,540,653    |
| 939,964      | 361,631      | 664,823      | 675,565      | 31,807,558   |
| 6,782,831    | 4,858,806    | 5,254,807    | 5,584,938    | 5,190,912    |
| 775,197      | 821,727      | 640,065      | 761,785      | 796,512      |
| 2,692,712    | 2,668,759    | 2,685,527    | 2,818,062    | 2,928,447    |
| 211,982      | 400,921      | 1,141,885    | 633,900      | 1,690,055    |
| 684,553      | 883,589      | 2,832,605    | 1,140,473    | 1,556,583    |
| 66,706,637   | 74,228,381   | 80,466,616   | 84,798,058   | 91,758,100   |
| 10,500,718   | 12,325,452   | 14,955,958   | 18,582,795   | 19,033,145   |
| 40,106,984   | 41,916,877   | 41,998,811   | 43,656,334   | 45,171,931   |
| 8,510,769    | 5,777,184    | 5,554,707    | 6,124,925    | 6,631,463    |
| 3,799,918    | 4,633,243    | 5,145,952    | 5,256,085    | 5,536,954    |
| 5,580,991    | 4,800,248    | 3,804,647    | 4,330,766    | 4,550,920    |
| 59,449       | 52,538       | 150,250      | 182,286      | 200,646      |
| 68,558,829   | 69,505,542   | 71,610,325   | 78,133,191   | 81,125,059   |
| (1,852,192)  | 4,722,839    | 8,856,291    | 6,664,867    | 10,633,041   |
| 13,816,643   | 2,878,730    | 499,904      | 459,225      | 1,227,336    |
| (1,022,893)  | (12,014,942) | (2,357,422)  | (2,087,531)  | (2,588,711)  |
| 12,793,750   | (9,136,212)  | (1,857,518)  | (1,628,306)  | (1,361,375)  |
| 10,941,558   | (4,413,373)  | 6,998,773    | 5,036,561    | 9,271,666    |
| 6,098,853    | 17,040,411   | 12,627,038   | 19,625,811   | 24,662,372   |
| \$17,040,411 | \$12,627,038 | \$19,625,811 | \$24,662,372 | \$33,934,038 |

**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, 2015

| <u>Investment</u>        | <u>Carrying Value</u> | <u>Percent of Portfolio</u> | <u>Yield/360-Day Year Equivalent</u> |
|--------------------------|-----------------------|-----------------------------|--------------------------------------|
| U.S Treasury Bond/Note   | \$14,060,000          | 25.87%                      | 0.910%                               |
| Federal Agency Bond/Note | \$13,898,724          | 25.57%                      | 0.980%                               |
| Corporate Note           | \$15,628,000          | 28.75%                      | 1.480%                               |
| Certificate of Deposit   | \$10,775,000          | 19.82%                      | 0.900%                               |
| <b>Total Investments</b> | <b>\$54,361,724</b>   | <b>100.00%</b>              | <b>1.090%</b>                        |

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

Source: City of Concord Finance Department  
PFM Portfolio Summary - June 2015

**City of Concord Joint Powers Financing Authority  
 Certificates of Participation - 2007 Wastewater System Improvement Projects  
 Certificates of Participation - 2004 Wastewater System Improvement Projects(Refunded)  
 Wastewater Revenue Refunding Bonds Series 2012**

**Table 10: Ten Largest Users of the Wastewater System**  
 12 MONTHS THROUGH JUNE 30, 2015

|     | <b>Customers</b>                   | <b>Type of Use</b>          | <b>Percent</b> |
|-----|------------------------------------|-----------------------------|----------------|
| 1.  | JOHN MUIR MEDICAL CENTER           | Hospital and Medical Campus | 0.71%          |
| 2.  | MT. DIABLO UNIFIED SCHOOL DISTRICT | 29 School Sites             | 0.56%          |
| 3.  | PALM LAKE APARTMENTS               | 300 Apartments              | 0.51%          |
| 4.  | CONCORD FAMILY APARTMENTS          | 290 Apartments              | 0.50%          |
| 5.  | U.S. COAST GUARD                   | 286 Dwelling + 3 offices    | 0.49%          |
| 6.  | CONCORD GARDENS MOBILE HOMES.      | 260 Spaces                  | 0.44%          |
| 7.  | CLAIM JUMPER RESTAURANT            | Restaurant                  | 0.42%          |
| 8.  | STERLING COVE APARTMENTS           | 218 Apartments              | 0.37%          |
| 9.  | CLAYTON CREEK APARTMENTS           | 208 Apartments              | 0.35%          |
| 10. | HERITAGE TOWERS APARTMENTS         | 196 Apartments              | 0.33%          |

Source: City of Concord Public Works Department

**City of Concord Joint Powers Financing Authority  
 Certificates of Participation - 2007 Wastewater System Improvement Projects  
 Certificates of Participation - 2004 Wastewater System Improvement Projects(Refunded)  
 Wastewater Revenue Refunding Bonds Series 2012**

**Table 11: Sewer Rates for Fiscal Year 2014-15**

| <b>RESIDENTIAL OWNERS</b>   |                         |
|---|-------------------------|
| 1. Minimum rate for any premises  | \$402.00                |
| 2. Each single-family dwelling unit   | 402.00                  |
| 3. Each dwelling unit in a multiple dwelling structure                                      | 402.00 per unit         |
| 4. Mobile Home Park   | 402.00 per space        |
| <b>COMMERCIAL OWNERS - Charge based upon quantity of water used in cubic feet</b>           |                         |
| 1. Minimum rate for any premises  | \$402.00                |
| 2. Bowling Alleys   | 3.55/100 cu. ft.        |
| 3. Car Washes   | 3.55/100 cu. ft.        |
| 4. Health Studios and Gymnasiums  | 3.55/100 cu. ft.        |
| 5. Hospitals - Convalescent   | 3.55/100 cu. ft.        |
| 6. Multiple Lodging Structures (hotels, motels and rooming houses)                          | 3.55/100 cu. ft.        |
| 7. Laundromats and Laundries  | 3.55/100 cu. ft.        |
| 8. Restaurants  | 7.07/100 cu. ft.        |
| Restaurants with pretreatment facilities approved annually                                  | 4.02/100 cu. ft.        |
| 9. Bakeries   | Determined Individually |
| 10. All others  | 4.02/100 cu. ft.        |
| <b>INSTITUTIONAL OWNERS</b>   |                         |
| 1. Minimum rate for any premises  | \$402.00                |
| 2. As defined in Section 110-31, except for Convalescent Hospitals                          | 4.02/100 cu. ft.        |
| <b>INDUSTRIAL OWNERS - Charge based upon quantity of water used and quality of effluent</b> |                         |
| 1. Minimum rate for any premises  | \$402.00                |
| 2. Flow/Million Gallons   | 3,119.00                |
| 3. Biochemical Oxygen Demand (B.O.D.) per thousand pounds                                   | 733.00                  |
| 4. Suspended Solid (S.S.) per thousand pounds   | 624.00                  |
| <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).

**Successor Agency of the Former 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 (\$Thousands)\*\*\*

|                                       | Fiscal Year Ended June 30, |                 |                 |                 |                 |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-----------------|
|                                       | 2011                       | 2012            | 2013            | 2014            | 2015            |
| Total Assessed Values                 | \$1,919,565                | \$1,866,714     | \$1,691,399     | \$1,703,210     | \$1,772,618     |
| Base Year Values                      | (339,586)                  | (339,586)       | (339,586)       | (339,586)       | (339,586)       |
| Incremental Assessed Values           | 1,579,979                  | 1,527,128       | 1,351,813       | 1,363,624       | 1,433,032       |
| Incremental Property Taxes            | 16,898                     | 16,078          | 14,255          | 13,962          | 14,330          |
| Less:                                 |                            |                 |                 |                 |                 |
| Educational Revenue Augmentation Fund |                            |                 |                 |                 |                 |
| Tax Increment Pass Through            | (996)                      | (943)           | (518)           | (387)           | (745)           |
| Tax Increment Rebate                  | (347)                      | (306)           | (350)           | (362)           | (425)           |
| <b>Net Tax Revenues</b>               | <b>\$15,555</b>            | <b>\$14,829</b> | <b>\$13,387</b> | <b>\$13,213</b> | <b>\$13,160</b> |

Note: \*\*\*Updated and adjusted to reflect data collected during refuning of this 2004 Tax Allocation Refunding Bonds

Source: Finance Department of City of Concord - Legacy Apartments Estimated Tax Increment Rebate Worksheet  
2014 Tax Allocation Refunding Bond Series 2014 Bond Book, prepared by Keyser Marston Associates, Inc.

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

**Table 13: Largest Property Taxpayers by Assessed Value and Revenue**  
Fiscal Year 2014-15

|     | <b>Property Owner</b>            | <b>Primary Land Use</b> | <b>2013-14<br/>Assessed<br/>Value</b> | <b>2014-15<br/>Assessed<br/>Value</b> | <b>2014-15<br/>Projected<br/>Revenue (a)</b> |
|-----|----------------------------------|-------------------------|---------------------------------------|---------------------------------------|--|
| 1.  | Chevron USA, Inc.                | Office Building         | \$115,275,613                         | \$113,706,096                         | \$1,137,061                                  |
| 2.  | DWF III Concord Technology LLC   | Commercial              | 94,455,817                            | 94,859,935                            | 948,599                                      |
| 3.  | GSG Residential Park Central     | Residential             | n/a                                   | 76,276,729                            | 762,767                                      |
| 4.  | Sierra Pacific Properties, Inc.  | Office Building         | 69,651,649                            | 73,249,021                            | 732,490                                      |
| 5.  | Willows Center Concord           | Shopping Center         | 61,128,806                            | 61,910,929                            | 619,109                                      |
| 6.  | SFG Owner A LLC                  | Office Building         | 50,290,422                            | 50,387,972                            | 503,880                                      |
| 7.  | Behringer Harvard Renaissance    | Apartments              | 49,057,009                            | 49,299,491                            | 492,995                                      |
| 8.  | Concord Center Investors LLC (b) | Office Building         | 44,425,077                            | 44,626,762                            | 446,268                                      |
| 9.  | Concord Airport Plaza Associates | Office Building         | 42,936,301                            | 42,971,568                            | 429,716                                      |
| 10. | Lowes HIW Inc.                   | Commercial              | 39,652,669                            | 39,577,538                            | 395,775                                      |
|     | <b>Total</b>                     |                         | <b>\$566,873,363</b>                  | <b>\$646,866,041</b>                  | <b>\$6,468,660</b>                           |

Notes:

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

(b) Property was previously owned by Rreef America REIT III Corporation

Source: HDL Coren & Cone

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

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

|                              | Fiscal Year    |                |                |               |               |
|------------------------------|----------------|----------------|----------------|---------------|---------------|
|                              | 2011           | 2012           | 2013           | 2014          | 2015          |
| Total Appeals                | 44             | 41             | 21             | 10            | 9             |
| Resolved Appeals             | 44             | 41             | 21             | 9             | 2             |
| Pending Appeals              | 0              | 0              | 0              | 1             | 7             |
| Successful Appeals           | 40             | 31             | 20             | 9             | 1             |
| Success Rate                 | 91%            | 76%            | 95%            | 100%          | 50%           |
| Successful Original Value    | \$ 606,331,756 | \$ 413,668,729 | \$ 101,516,336 | \$ 65,409,177 | \$ 35,366,000 |
| Successful Appeal Value Loss | \$ 115,170,110 | \$ 126,815,519 | \$ 22,738,200  | \$ 11,071,822 | \$ 996,000    |
| Loss Rate                    | 19%            | 31%            | 22%            | 17%           | 3%            |

Notes: Data in this report is updated with Successor Agency values only

Source: HDL Coren & Cone

**Successor Agency of the Former Redevelopment Agency of the City of Concord  
(Contra Costa County, California) Tax Allocation Refunding Bonds Series 2014**

**Table 15: Assessed Valuation by Category of Use**

Fiscal Year 2014-2015

|               | FY2014-2015    |                        |             |
|---------------|----------------|------------------------|-------------|
|               | No. of Parcels | Taxable Value          | % of Total  |
| Commercial    | 406            | \$ 1,137,697,322       | 64.2%       |
| Residential   | 394            | 276,233,795            | 15.6%       |
| Industrial    | 75             | 90,150,663             | 5.1%        |
| Other Secured | 133            | 110,591,617            | 6.2%        |
| Unsecured     | 959            | 157,944,215            | 8.9%        |
| <b>Total</b>  | <b>1,967</b>   | <b>\$1,772,617,612</b> | <b>100%</b> |

Source: HDL Coren & Cone

**Successor Agency of the Former Redevelopment Agency of the City of Concord  
(Contra Costa County, California) Tax Allocation Refunding Bonds Series 2014**

**Table 16: Historic Tax Revenues (\$Thousands)**  
Last Five Fiscal Years

|                                      | Fiscal Year Ended June 30, |                  |                  |                  |                  |
|--------------------------------------|----------------------------|------------------|------------------|------------------|------------------|
|                                      | 2011                       | 2012             | 2013             | 2014             | 2015             |
| Assessed Value                       | \$ 1,919,565               | \$ 1,866,714     | \$ 1,691,399     | \$ 1,703,210     | \$ 1,772,618     |
| Base Year Value                      | (339,586)                  | (339,586)        | (339,586)        | (339,586)        | (339,586)        |
| Incremental AV                       | 1,579,979                  | 1,527,128        | 1,351,813        | 1,363,624        | 1,433,032        |
| Tax Rate*                            | 1.010%                     | 1.004%           | 1.000%           | 1.000%           | 1.000%           |
| Secured/Unsecured                    | 15,953                     | 15,335           | 13,518           | 13,636           | 14,330           |
| Unitary                              | 783                        | 771              | 757              | 795              | 776              |
| Supplemental / Other                 | 162                        | (29)             | (20)             | (469)            | 668              |
| Subtotal Gross Revenue               | 16,898                     | 16,077           | 14,255           | 13,962           | 15,774           |
| Less: County Admin**                 | (176)                      | (161)            | (207)            | (189)            | (147)            |
| Less: Pass Through**                 | (996)                      | (943)            | (518)            | (387)            | (745)            |
| <b>Net Tax Incr. / RPTTF Revenue</b> | <b>\$ 15,726</b>           | <b>\$ 14,973</b> | <b>\$ 13,530</b> | <b>\$ 13,386</b> | <b>\$ 14,882</b> |
| Less: Senior Reimb. Agreement        | (623)                      | (625)            | (621)            | (578)            | (578)            |
| <b>Historic Tax Revenues</b>         | <b>\$ 15,103</b>           | <b>\$ 14,348</b> | <b>\$ 12,909</b> | <b>\$ 12,808</b> | <b>\$ 14,304</b> |

Note: \*Weighted average inclusive of Contra Costa Water Levy applicable to land AV only.

\*\*Non-subordinate.

Source: Keyser Marston Associates, Inc. September 15, 2014

**Successor Agency of the Former Redevelopment Agency of the City of Concord  
(Contra Costa County, California) Tax Allocation Refunding Bonds Series 2014**

**Table 17: Top 10 taxpayers for Project Area**  
Fiscal Year 2014-15

|                               | Property Owner                   | Number of<br>Parcels | Assessed<br>Value    |                        | Total                | % of Total<br>AV** | % of AV<br>Incr.** |
|-------------------------------|----------------------------------|----------------------|----------------------|------------------------|----------------------|--------------------|--------------------|
|                               |                                  |                      | Secured              | FY2014-15<br>Unsecured |                      |                    |                    |
| 1.                            | Chevron USA, Inc.                | 9                    | \$108,477,204        | \$5,228,892            | \$113,706,096        | 6.4%               | 7.9%               |
| 2.                            | DWF III Concord Technology LLC   | 2                    | 94,859,935           |                        | 94,859,935           | 5.4%               | 6.6%               |
| 3.                            | GSG Residential Park Central     | 2                    | 76,276,729           |                        | 76,276,729           | 4.3%               | 5.3%               |
| 4.                            | Sierra Pacific Properties, Inc.  | 4                    | 73,221,741           | 27,280                 | 73,249,021           | 4.1%               | 5.1%               |
| 5.                            | Willows Center Concord           | 2                    | 61,910,929           |                        | 61,910,929           | 3.5%               | 4.3%               |
| 6.                            | SFG Owner A LLC                  | 4                    | 50,387,972           |                        | 50,387,972           | 2.8%               | 3.5%               |
| 7.                            | Behringer Harvard Renaissance    | 2                    | 49,299,491           |                        | 49,299,491           | 2.8%               | 3.4%               |
| 8.                            | Concord Center Investors LLC (b) | 7                    | 44,626,762           |                        | 44,626,762           | 2.5%               | 3.1%               |
| 9.                            | Concord Airport Plaza Associates | 3                    | 42,971,568           |                        | 42,971,568           | 2.4%               | 3.0%               |
| 10.                           | Lowes HIW Inc.                   | 5                    | 39,577,538           |                        | 39,577,538           | 2.2%               | 2.8%               |
| <b>Total Top 10 Taxpayers</b> |                                  | <b>40</b>            | <b>\$641,609,869</b> | <b>\$5,256,172</b>     | <b>\$646,866,041</b> | <b>36.49%</b>      | <b>45.14%</b>      |

Note:

\*\*Percentages calculated based on FY2014-15

Total assessed value of 1,772,617,612

Total Incremental Assessed Value of 1,433,031,794

Source: Keyser Marston Associates, Inc. September 15, 2014

**Successor Agency of the Former Redevelopment Agency of the City of Concord  
(Contra Costa County, California) Tax Allocation Refunding Bonds Series 2014**

**Table 18: Assessed Value Appeals for Project Area**  
Fiscal Year 2014-15

| <b>FY2014-2015 Appeals</b> | <b>Number of Filings</b> | <b>County Roll Value (\$Millions)</b> | <b>Applicant Opinion (\$Millions)</b> | <b>Estimated/Actual Resolved Value (\$Millions)</b> | <b>Estimated/Net Reduction in AV Value (\$Millions)</b> | <b>% Reduction</b> |
|----------------------------|--------------------------|---------------------------------------|---------------------------------------|---|---|--------------------|
| Appeals Resolved           | 2                        | \$35                                  | \$34                                  | \$34  | \$1   | 3%                 |
| Appeals Pending            | 7                        | \$21                                  | \$8                                   | \$20  | \$1   | 3%                 |
| <b>Total Appeals Filed</b> | <b>9</b>                 | <b>\$56</b>                           | <b>\$42</b>                           | <b>\$54</b>   | <b>\$2</b>  | <b>6%</b>          |

Source: HDL Coren & Cone

**Successor Agency of the Former Redevelopment Agency of the City of Concord  
(Contra Costa County, California) Tax Allocation Refunding Bonds Series 2014**

**Table 19: Projection of Tax Revenues for Debt Services**

Next 10 Fiscal Years (dollars in thousands)

| <b>Year<br/>Ending<br/>6/30</b> | <b>Parcel I Tax<br/>Revenue</b> | <b>Parcel II Tax<br/>Revenue</b> | <b>Parcel IV<br/>Tax<br/>Revenue</b> | <b>Parcel V<br/>Tax<br/>Revenue</b> | <b>Total Central<br/>Concord Project<br/>Revenues</b> | <b>Less: Senior<br/>Reimbursement<br/>Agreement</b> | <b>Total Concord<br/>Project Tax<br/>Revenues</b> | <b>Debt<br/>Service</b> | <b>Debt Service<br/>Coverage</b> |
|---------------------------------|---------------------------------|----------------------------------|--------------------------------------|-------------------------------------|---|---|---|-------------------------|----------------------------------|
| 2016                            | \$8,144                         | \$4,922                          | \$514                                | \$452                               | \$14,032  | (\$578)   | \$13,454  | \$5,751                 | 2.34x                            |
| 2017                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | (578)   | 13,454  | 5,733                   | 2.35x                            |
| 2018                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | (576)   | 13,456  | 5,733                   | 2.35x                            |
| 2019                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | (578)   | 13,454  | 5,717                   | 2.35x                            |
| 2020                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | 0   | 14,032  | 3,151                   | 4.45x                            |
| 2021                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | 0   | 14,032  | 3,146                   | 4.46x                            |
| 2022                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | 0   | 14,032  | 3,145                   | 4.46x                            |
| 2023                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | 0   | 14,032  | 3,142                   | 4.47x                            |
| 2024                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | 0   | 14,032  | 2,586                   | 5.43x                            |
| 2025                            | 8,144                           | 4,922                            | 514                                  | 452                                 | 14,032  | 0   | 14,032  | 2,583                   | 5.43x                            |

Source: Keyser Marston Associates, Inc. September 15, 2014

# CONCORD, CALIFORNIA

## BAY AREA MAP

