CITY OF CONCORD, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

Prepared by

Finance Department

Karan Reid
Director of Finance

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Concord

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.

City of Concord
Finance Department
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CITY COUNCIL
Timothy S. Grayson, Mayor
Ronald E. Leone, Vice Mayor
Edi E. Birsan
Laura M. Hoffmeister
Daniel C. Helix

Joelle Fockler, City Clerk
Thomas J. Wentling, City Treasurer

Valerie Barone, City Manager

December 15, 2014

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, 2014 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, 2014 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.

The CAFR is divided into three sections:

- The **Introductory Section** includes this letter of transmittal, an organizational overview of the City government and prior awards received.

- The **Financial Section** consists of the independent auditors' report, Management's Discussion and Analysis, Basic Financial Statements (which include the Government-Wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements and Required Supplementary Information) and a Supplementary Section containing the Combined and Individual Fund Financial Statements and Schedules.

- The **Statistical Section** includes a number of tables of unaudited data depicting the financial history of the City, demographics and other selected information about the City.

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

Located 29 miles east of San Francisco, Concord is the largest city in Contra Costa County with a population of 124,656. 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.

Each year, the Council selects one of its members to serve as Mayor and another as Vice Mayor. Beginning in December 2013, the Mayor serves a two-year term.

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 (RSA). The RSA 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 RSA is fiduciary in nature. The RSA 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, 2014 include the following:

- Assessment of the City's unmet infrastructure and liability needs
- Development and adoption of a fiscal stability ordinance
- Continued progress towards acquiring and developing the former Concord Naval Weapons Station
- Facilitated the formation and launched Visit Concord, the Tourism Business Improvement District organization charged with implementing marketing programs to increase tourism and transient occupancy tax for the City.
- Facilitated the attraction of Concord Mazda, Fresenius Medical Care and the expansion of Concord Audi resulting in increased revenue and high skilled jobs in Concord
- Completed the construction of bicycle and pedestrian improvement projects including 1.6 mile Monument Corridor Pedestrian and Bikeway project, Chalomar Road Sidewalk Gap Closure project and Monument Boulevard Accessibility Improvements project.
- Partnered with Gurnick Academy of Medical Arts to provide blood pressure screenings, and presentations on health and wellness to seniors at the Concord Senior Center. The partnership also provided an opportunity for the nursing students to gain valuable geriatric client experience.
- Implemented first cycle of Concord/Pleasant Hill Health Care District grant awards. Eighteen grant applicants were awarded $204,000 of Health Care District Funds. As a

customer service enhancement, an on-line application process was developed to automate the application, reporting and monitoring of the program.

- Entered into a new, significantly more favorable, lease agreement with Live Nation for the operation of the Concord Pavilion.

- Distributed over 2,000 Leap Frog devices to local elementary schools and community based organizations, through a partnership with Leap Pad Company.

- Received the Arbor Day Foundation designation as a TREE CITY USA for a superior urban forest as well as the Growth Award to recognize environmental improvement and high levels of tree care. This award is designed not only to recognize achievement, but also to communicate new ideas and help the leaders of all TREE CITY USAs plan for improving community tree care.

Economic Condition and Outlook

Since Fiscal Year 2012-13, the City of Concord has seen a sustained, but slow recovery from the recession that began in Fiscal Year 2007-08. Like many cities throughout the Country and State, Concord was forced to make tough decisions to reduce expenditures during the recent economic downturn. The City cut its workforce by 25%, deferred infrastructure and facility maintenance, reduced programs, outsourced services and shifted employee benefit costs to the employees. The adoption of Measure Q, a temporary ½ cent use and transactions tax, in November 2010 was a significant event that allowed the City to rebuild its reserves over the last four years and maintain core services. The table below provides an overview of the use of Measure Q funds through the end of FY 2013-14.

Table 1: Annual Measure Q Use Tax Receipts and Uses As of June 30, 2014 (Dollars in Millions)

	Receipts	General Fund Programs & Reserves	Measure Q 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
Total	**$34.188**	**$21.817**	**$12.370**

While an economic recovery is underway in Concord, it is not recovering quickly enough to fully resolve Concord's remaining fiscal challenges including unfunded maintenance and infrastructure needs for roads, parks, facilities and street signs/lights, unfunded long-term liabilities, increases in retirement and health care costs, and revenues not keeping pace with expenditure growth.

On November 4, 2014, voters approved a nine year extension to the temporary ½ cent use and transactions tax. This temporary tax sunsets 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.

Recent economic news indicates that a slow economic recovery is continuing. Unemployment data is slowly improving, sales tax revenue is increasing, the economy is growing modestly and the Concord housing market continues to show signs of recovery.

Sales tax revenue remains the largest General Fund revenue source and provides for 42 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 $3.7 million to $40.1 million or 10% 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 $1.1 or 6% over fiscal year 2012-13. The City's net taxable assessed value increased 5.9% in fiscal year 2013-14, outpacing the countywide increase of 3.7%. Residential properties experienced the largest increase in assessed value at 7.2%. The median home price in the City increased to $400,000 in August 2014 compared to $351,500 in the prior year, representing a 13.8% increase. Although housing prices are beginning 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 2014-15 County Property Tax Assessment Roll released in August 2014, in which the City's net taxable assessed value increased 9.8%.

The City's unemployment rate was 6.5% in June 2014 compared to 7.9% in the previous year, slightly higher than the County's rate of 6.0% (7.3% in June 2013). The region's unemployment rates are lower than the State rate of 7.4% which was down from 8.5% in June 2013. According to Beacon Economics, employment in East Bay region of the San Francisco Bay Area will continue to grow although at a slightly lower rate of approximately 1.8% during the upcoming year.

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

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. A budget workshop and public hearings on the proposed budget are held during April through June with final budget adoption by the end of June. 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

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, 2014, the General Fund Reserves totaled $12.3 million, approximately 15% 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. Measure Q revenues in excess of those needed to maintain a 15% General Fund reserve are allocated to the designated Measure Q reserve, to be utilized after the temporary sales tax measure sunsets. As of June 30, 2014, the designated Measure Q Reserves totaled $12.4 million, approximately 16% of General Fund Operating Expenditures.

The total combined general fund reserves, including Measure Q and non-spendable assets, is $24.7 million or 31% of General Fund Operating Expenditures, as of June 30, 2014.

Awards

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, 2013. 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

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, 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,

Karan Reid
Director of Finance

PRINCIPAL OFFICERS (June 30, 2014)

Elected Officials

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

Thomas J. Wentling
City Treasurer

Executive Team

Valerie Barone
City Manager

Scott Johnson
Assistant 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

Tom Kuhlman
Interim Director of Information Technology

Joan Carrico
Director of Parks & Recreation

Guy Swanger
Chief of Police

Justin Ezell
Director of Public Works

Elected Officials

Appointive Advisory Boards, Committees or Commissions

The People of the City of Concord

City Treasurer

Assessment Districts
Bond Service
Deposits
Investments

City Council/Successor Agency

Mayor and Four Council Members

City Attorney

Claims Processing
Legal Council to City Council, Commissions & Committees
Liability Defense
Municipal Code Violation Prosecution
Ordinances, Resolutions, Contracts

City Manager

Assistant City Manager

Community & Economic Development

Affordable Housing Programs

Building

Economic Development

Engineering

Multi-Family Rental Inspections

Planning

Redevelopment Successor Agency

Transportation

Board of Appeals

Design Review Board

Planning Commission

Successor Agency Oversight Board

Concord Naval Weapons Station Project Office

Conveyance Strategies

Financial Feasibility

Fiscal Sustainability

Public Outreach

Reuse Planning

Community Advisory Committee

Technical Advisory Group

Police

Field Operations

Internal Operations

Investigations and Administrative Services

Office of the Chief of Police

Professional Standards

Volunteer Emergency Services

Public Works

Citywide Streetlight Assessment District & Traffic Signals

Facility Maintenance & Custodial Services

Fleet Management

Graffiti Removal

Landscape & Lighting Assessment Districts

Parks Services

Sewer Enterprise

Street Maintenance, Signs & Markings

Street Sweeping

Traffic Operations

Finance

Budget & Financial Planning

City Treasury

Disbursements

Financial Analysis & Reporting

Purchasing & Materials Management

Revenue Generation

Lease Management

Human Resources

Benefits Administration

Classification & Compensation

Employee Relations

Organizational Training & Development

Recruitment & Selection

Safety & Workers' Compensation

Personnel Board

Retirement Board

Information Technology

City Boundaries
Parcel Ownership
Land Management
Geospatial Analytics
GIS Data Layers
Street Addressing

Help Desktop Supp
Web Sites
Client-side Security
Technology Training

Enterprise Applications & Data Bases
Application & Data Base Security
Project Management Office (PMO)

Network Services
Telephone Services
Voice Mail Services
Radio/Wireless Communications
Network Security

Parks & Recreation

Camp Concord

Community Services

Facility Operations & Programs

Golf Course Enterprise

Pavilion Management & Operations Agreement

Senior & Special Recreation Services

Sports & Events

Youth & Family Services

Commission on Aging

Community Services Commission

Parks, Recreation & Open Space Commission

Office of the City Manager

City Clerk/ Administrative Services

City Council Support

Community Relations

Document Imaging/ Records Management

Franchise Management

Printing Services

Measure Q Oversight Committee

The City of Concord has a City Council/City Manager 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 for Excellence in Financial Reporting

Presented to

City of Concord
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Salvio Grant Land Joint Venture, reported as an Investment in Joint Venture, an asset of the City's Governmental Activities, which represents the following percentages of assets, net position and revenues as of and for the fiscal year ended June 30, 2014:

Opinion Unit	Assets	Net Position	Revenues
Governmental Activities	0.30%	0.33%	0.26%

The Investment in Joint Venture as discussed in Note 16 was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Investment in Joint Venture, is based solely on the report of the other auditors. 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.

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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, 2014, 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. 65, *Items Previously Reported as Assets and Liabilities*, and GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25, both* effective July 1, 2013. 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 and schedule of funding progress information on pages 4-17 and 85-88 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 15, 2014, 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.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
December 15, 2014

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 2014 FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

Government-Wide

- The City's total net position was $789 million at June 30, 2014 compared to $800 million at June 30, 2013, down $11 million from the prior year. Of this total, $722 million was governmental activities net position and $67 million was business-type activities net position.
- Government-wide governmental revenues include program revenues of $30 million and general revenues of $77 million for a total of $107 million, an increase of $10 million from the prior year's total.
- Total government-wide governmental activities expenses were $114 million, an increase of $1 million from the prior year.
- Government-wide business-type activities revenues were $24 million while expenses were $28 million.

Fund Level

- Governmental Fund balances increased $10 million in fiscal 2014 to $77 million.
- Governmental Fund revenues increased $8 million in fiscal 2014 to $106 million.
- Governmental Fund expenditures increased to $95 million in fiscal 2014, up $2 million from the prior year.
- General Fund revenues of $85 million in fiscal 2014 reflected an increase of $4 million from the prior year.
- General Fund expenditures of $78 million reflected an increase of $6 million when compared to the prior year.
- The net transfers out reflected in the General Fund remained flat at $2 million out for fiscal 2014.
- General Fund balance of $25 million at June 30, 2014 increased $5 million from fiscal 2013.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

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 and the Redevelopment Successor Agency (RSA), 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 and the Successor Agency Private Purpose Trust Fund (SAPPTF). 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.

Table 1: Citywide Net Position
As of June 30, 2014 and 2013 (Dollars in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Cash and Investments	$82.1	$68.4	$24.6	$28.0	$106.7	$96.4
Other Assets	55.8	61.1	2.9	2.9	58.7	64.0
Capital Assets	638.2	657.6	77.4	77.3	715.6	734.9
Total Assets	**776.1**	**787.1**	**104.9**	**108.2**	**881.0**	**895.3**
Long-Term Debt Outstanding	21.2	24.3	20.6	21.6	41.8	45.9
Other Liabilities	32.8	33.4	17.4	15.5	50.2	48.9
Total Liabilities	**54.0**	**57.7**	**38.0**	**37.1**	**92.0**	**94.8**
Net Position:						
Net Investment in Capital Assets	618.4	635.0	56.3	54.9	674.7	689.9
Restricted	46.7	63.1			46.7	63.1
Unrestricted	57.0	31.3	10.6	16.2	67.6	47.5
Total Net Position	**$722.1**	**$729.4**	**$66.9**	**$71.1**	**$789.0**	**$800.5**

Table 2: Citywide Changes in Net Position
For the Years Ended June 30, 2014 and 2013 (Dollars in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
EXPENSES						
General Government	$17.7	$17.2			$17.7	$17.2
Public Safety	43.1	46.4			43.1	46.4
Public Works	37.0	33.6			37.0	33.6
Community and Economic Development	8.6	8.7			8.6	8.7
Parks and Recreation Services	5.8	6.0			5.8	6.0
Interest on Long-Term Debt	1.4	1.3			1.4	1.3
Sewer			$26.8	$24.9	26.8	24.9
Golf Course			1.3	1.3	1.3	1.3
Total Expenses	**113.6**	**113.2**	**28.1**	**26.2**	**141.7**	**139.4**
REVENUES						
Program Revenues:						
Charges for Services	13.6	14.2	23.5	20.8	37.1	35.0
Operating Contributions and Grants	7.8	8.3			7.8	8.3
Capital Grants	8.2	4.0	0.1	0.0	8.3	4.0
Total Program Revenues	29.6	26.5	23.6	20.8	53.2	47.3
General Revenues:						
Taxes:						
Property Taxes	15.7	15.0			15.7	15.0
Sales Taxes	40.1	36.4			40.1	36.4
Other Taxes	11.5	10.5			11.5	10.5
Motor Vehicle in Lieu	8.1	7.7			8.1	7.7
Investment Earnings	1.3	0.1	0.2	0.1	1.5	0.2
Misc. Revenues and Transfers		0.4	0.1	0.0	0.1	0.4
Total General Revenues	76.7	70.1	0.3	0.1	77.0	70.2
Total Revenues	**106.3**	**96.6**	**23.9**	**20.9**	**130.2**	**117.5**
Change in Net Position	**(7.3)**	**(16.6)**	**(4.2)**	**(5.3)**	**(11.5)**	**(21.9)**
Beginning Net Position	**729.4**	**746.0**	**71.1**	**76.4**	**800.5**	**822.4**
Ending Net Position	**$722.1**	**$729.4**	**$66.9**	**$71.1**	**$789.0**	**$800.5**

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

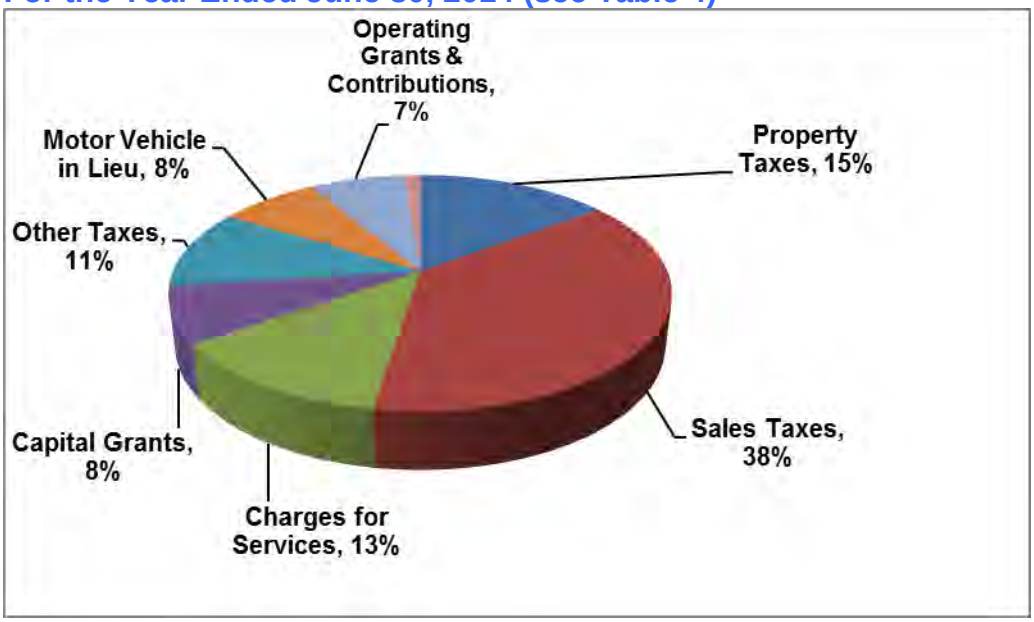
Table 3: Governmental Net Position As of June 30, 2014 and 2013 (Dollars in Millions)

	Governmental Activities	
	2014	2013
Cash and Investments	$82.1	$68.4
Other Assets	55.8	61.1
Capital Assets, net	638.2	657.6
Total Assets	**776.1**	**787.1**
Long-Term Debt Outstanding	21.2	24.3
Other Liabilities	32.8	33.4
Total Liabilities	**54.0**	**57.7**
Net Position:		
Net investment in Capital Assets	618.4	635.0
Restricted	46.7	63.1
Unrestricted	57.0	31.3
Total Net Position	**$722.1**	**$729.4**

The City's net position from Governmental Activities decreased $7.3 million, or -1%, to $722.1 million in 2014. The Governmental Net position decreased primarily from the depreciation of capital assets, especially infrastructure.

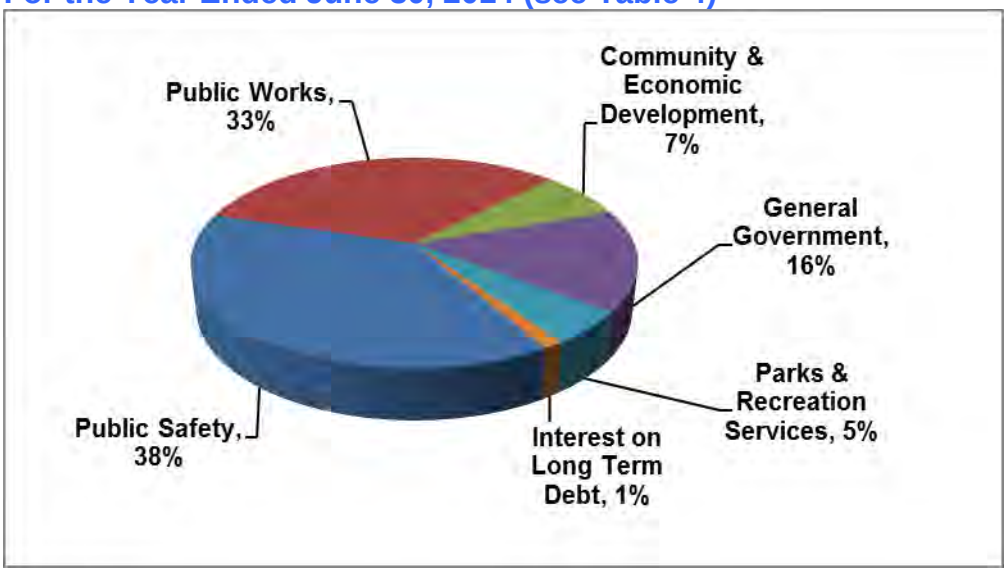
- Cash and investments increased $13.7 million, or 20%, to $82.1 million due to an increase in cash flow from major revenue sources.
- Capital assets, net of depreciation, decreased $19.4 million. This decrease is primarily due to depreciation. For more information see Note 6.
- Long-term debt decreased $3.1 million. This decrease is primarily due to the scheduled pay down of outstanding debt. See Note 7 for more information on long-term debt.
- Net investment in capital assets decreased $16.6 million.
- Restricted net position decreased $16.4 million primarily due to decrease in restrictions for capital projects and community development projects.
- Unrestricted net position reflects the resources that can be used to finance day-to-day operations. Unrestricted net position increased $25.7 million from the prior fiscal year to $57.0 million at June 30, 2014.

Governmental Activities - Sources of Revenues For the Year Ended June 30, 2014 (see Table 4)



As the Sources of Revenues Chart above shows, 15%, or $15.7 million, of the City's fiscal 2014 governmental activities revenue came from property taxes, 38%, or $40.1 million came from sales taxes, and 13%, or $13.6 million, came from charges for service. The remaining 34% came primarily from three sources – capital grants, motor vehicle in lieu, and other taxes.

Governmental Activities - Functional Expenses For the Year Ended June 30, 2014 (see Table 4)



The Functional Expenses Chart above includes only current year expenses, which are discussed in detail below. Public Safety accounted for $43.1 million or 38% of expenses, while Public Works accounted for $37.0 million or 33% of expenses, followed by General Government which accounted for $17.7 million or 16% of expenses. The remaining 13% 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 2014, the City's capital assets declined a net of $19.4 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 summarized below:

Table 4: Changes in Governmental Net Position
For the Years Ended June 30, 2014 and 2013 (Dollars in Millions)

	Governmental Activities 2014	2013
EXPENSES		
General Government	$17.7	$17.2
Public Safety	43.1	46.4
Public Works	37.0	33.6
Community & Economic Development	8.6	8.7
Parks & Recreation Services	5.8	6.0
Interest on Long-Term Debt	1.4	1.3
Total Expenses	**113.6**	**113.2**
REVENUES		
Program Revenues:		
Charges for Services	13.6	14.2
Operating Contributions and Grants	7.8	8.3
Capital Grants	8.2	4.0
Total Program Revenues	29.6	26.5
General Revenues:		
Taxes:		
Property Taxes	15.7	15.0
Sales Taxes	40.1	36.4
Other Taxes	11.5	10.5
Motor Vehicle in Lieu	8.1	7.7
Investment Earnings	1.3	0.1
Miscellaneous Revenues	0.0	0.4
Total General Revenues	76.7	70.1
Total Revenues	**106.3**	**96.6**
Change in Net Position	**($7.3)**	**($16.6)**

Total governmental expenses were $113.6 million in fiscal 2014, reflecting a $0.4 million increase from the prior year. Decreases in Public Safety ($3.3 million), Park & Recreation Services ($0.2 million) and Community & Economic Development ($0.1 million) were offset by increases in Public Works ($3.4 million) and General Government ($0.5 million).

Total governmental revenues increased $9.7 million to $106.3 million in fiscal 2014. The increase is primarily the result of a $3.7 million increase in sales tax revenue, a $4.2 million increase in capital grants, and a $1.2 million increase in investment earnings.

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.

Table 5: Governmental Activities Net Program Expense As of June 30, 2014 and 2013 (Dollars in Millions)

	Net (Expense) Revenue from Services	
	2014	2013
General Government	($10.0)	($15.7)
Public Safety	(40.7)	(44.3)
Public Works	(28.2)	(19.7)
Community & Economic Development	(2.8)	(3.9)
Parks & Recreation Services	(1.0)	(1.8)
Interest on Long-Term Debt	(1.3)	(1.3)
Total	**($84.0)**	**($86.7)**

Business-Type Activities

The net position of Business-Type Activities decreased to $66.9 million in fiscal 2014, down $4.2 million from $71.1 million in the prior year. Business-Type activities include the Sewer Fund and the Golf Course Fund with net position of $65.1 million and $1.8 million, respectively.

Table 6: Business-Type Activities Net Position As of June 30, 2014 and 2013 (Dollars in Millions)

	Business-Type Activities	
	2014	2013
Cash and Investments	$24.6	$28.0
Other Assets	2.9	2.9
Capital Assets	77.4	77.3
Total Assets	**104.9**	**108.2**
Long-Term Debt Outstanding	20.6	21.6
Other Liabilities	17.4	15.5
Total Liabilities	**38.0**	**37.1**
Net Position:		
Net investment in Capital Assets	56.3	54.9
Unrestricted	10.6	16.2
Total Net Position	**$66.9**	**$71.1**

Table 7: Changes in Business-Type Activities Net Position As of June 30, 2014 and 2013 (Dollars in Millions)

	Business-Type Activities	
	2014	2013
Net Revenues from Business-Type Activities:		
Sewer Fund	($4.6)	($5.5)
Golf Course Fund	0.1	0.1
General Revenues:		
Investment Earnings	0.2	0.1
Other	0.1	0.0
Total	**($4.2)**	**($5.3)**

The Sewer Fund generated service fee revenues of $22.1 in fiscal 2014, reflecting a $2.7 million increase over the prior year. Operating expenses increased by $1.9 million, or 7%, to $26.8 million. As a result, the Sewer Fund experienced a $4.6 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 2014.

THE CITY'S FUND FINANCIAL STATEMENTS

Governmental Funds

At June 30, 2014, the City's governmental funds reported combined fund balances of $77.4 million, a $10.7 million increase when compared with last year's combined fund balance of $66.7 million. General fund balance increased $5.0 million and General Projects fund balance decreased by $0.2 million. The Concord Housing fund balance increased $2.0 million, and Other Governmental fund balance increased $3.8 million.

Governmental fund revenues increased $7.7 million this year to $105.7 million from $98.0 million in the prior year. General Fund revenues increased $4.3 million, or 5%. General Project revenues decreased $1.7 million. Other Governmental fund revenues increased $3.0 million.

Governmental expenditures increased $2.2 million this year to $95.5 million from $93.3 million in the prior year. General Fund expenditures increased $6.5 million to $78.1 million. General Project expenditures decreased $2.3 million. Other Governmental fund expenditures decreased $1.8 million. Other Financing Sources (Uses) are primarily comprised of transfers among the various funds in the City. During fiscal 2014, the General Fund received transfers in of approximately $0.5 million to reimburse operating costs and transferred out $2.1 million to fund capital projects and debt service.

Proprietary Funds

Enterprise fund net position decreased to $66.9 million in fiscal 2014, down $4.2 million from $71.1 million in the prior year. Enterprise operating revenues were $23.5 million this year, up $2.7 million from last year. Enterprise Fund operating expenses were $27.3 million in fiscal 2014, up $2.4 million from $24.9 million in the prior year.
Internal service fund net position increased to $47.1 million in fiscal 2014, up $8.1 million from $39.0 million in the prior year. This increase is primarily due to a $4.0 million increase in net capital assets and a $3.8 million decrease in claims payable and lease payable.

ANALYSES OF MAJOR GOVERNMENTAL FUNDS

General Fund

General Fund revenues totaled $84.8 million, reflecting an increase of $4.3 million, or 5%, over the prior fiscal year, due primarily to a $1.8 million increase in Sales Taxes and a $1.1 million increase in In Lieu Sales Tax and Other Taxes, respectively. General Fund operating expenditures increased $6.5 million primarily due to an increase in General Government expenditures of $3.6 million and an increase in Public Safety expenditures of $1.7 million.

Table 8: Changes in General Fund As of June 30, 2014 and 2013 (Dollars in Millions)

	General Fund Revenues and Expenditures	
	2014	2013
REVENUES		
Taxes:		
Property Taxes	$11.9	$11.2
In Lieu Property Taxes - VLF	8.1	7.7
Sales Taxes	21.5	19.7
Measure Q Sales Taxes	11.4	10.6
In Lieu Sales Taxes	7.2	6.1
Other Taxes	11.6	10.5
Licenses and Permits	1.6	1.5
Intergovernmental	0.7	0.7
Charges for Services	5.6	5.3
Investment Earnings	0.6	1.1
Miscellaneous Revenues	4.6	6.1
Total Revenues	**84.8**	**80.5**
EXPENDITURES		
General Government	$18.6	$15.0
Public Safety	43.7	42.0
Public Works	6.1	5.6
Community and Economic Development	5.2	5.1
Parks and Recreation Services	4.3	3.8
Interest on Long-Term Debt	0.2	0.1
Total Expenditures	**78.1**	**71.6**
Excess (Deficiency) of Revenues Over Expenditures	**6.7**	**8.9**
OTHER FINANCING SOURCES (USES)		
Transfers In	0.5	0.5
Transfers Out	(2.1)	(2.4)
Total Other Financing Sources (Uses)	**(1.6)**	**(1.9)**
Net Change in Fund Balance	**5.1**	**7.0**
Fund Balance at Beginning of Year	**19.6**	**12.6**
Ending Fund Balance	**$24.7**	**$19.6**

At June 30, 2014, the General Fund balance totaled $24.7 million compared to $19.6 million in the prior year. The increase of $5.1 million in fund balance was primarily due to an increase in revenue of $4.3 million. Fiscal year 2014 had transfers out of $2.1 million. This year's ending fund balance consisted of $3.2 million categorized as nonspendable; $0.8 was assigned; and $20.7 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, 2014 was $30.9 million, an increase of $2.1 million over last year's fund balance of $28.8 million. Total revenues were $2.2 million and total expenditures were $0.2 million in fiscal 2014.

General Projects Fund

This fund tracks capital project costs that are reimbursable from grants. The fund's revenues were $4.7 million in fiscal 2014, an increase of $1.6 million compared to $6.3 million in fiscal 2013. Fund expenditures were $5.0 million in fiscal 2014 compared to $7.3 million in fiscal 2013.

The fund had a deficit balance at year end of $0.5 million compared to a deficit of $0.4 million in fiscal 2013 primarily due to the decrease in grant reimbursements.

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

Sewer Fund

Net position of the Sewer Fund at fiscal year-end was $65.1 million, a decrease of $4.4 million compared to $69.5 million at June 30, 2013. Net investment in capital assets was $54.8 million and unrestricted net position was $10.3 million at June 30, 2014.

CAPITAL ASSETS

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 2014, 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, 2014 and 2013 (Dollars in Millions)

	Balance at June 30, 2014	Balance at June 30, 2013
Governmental Activities		
Land	$15.1	$15.1
Construction in Progress	2.4	12.0
Ground Improvements	21.0	17.0
Buildings and Improvements	80.0	75.1
Machinery and Equipment	14.2	12.3
Vehicles	9.3	8.6
Streets	430.2	429.7
Sidewalks	50.4	48.9
Storm Drains/Catch Basins	443.3	443.3
Street Lights	5.8	5.8
Traffic Signals	27.3	26.4
Less: Accumulated Depreciation	(460.9)	(436.5)
Governmental Activities Capital Assets, Net	**$638.1**	**$657.7**
Business-Type Activities		
Land	$0.4	$0.4
Construction in Progress	0.2	5.1
Buildings and Improvements	8.7	8.7
Machinery and Equipment	0.2	0.2
Sewer Lines	219.1	209.5
Less: Accumulated Depreciation	(151.2)	(146.7)
Business-Type Activities Capital Assets, Net	**$77.4**	**$77.2**

The principal additions to governmental capital assets in fiscal 2014 were buildings and improvements. Business-Type Activities experienced an increase of $9.6 million in sewer lines, while net capital assets increased $0.2 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, 2014, the City entered into a lease purchase agreement with Key Government Finance in the amount of $0.4 million. At June 30, 2014, the City's debt was comprised of the following issues:

Table 10: Outstanding Debt As of June 30, 2014 and 2013 (Dollars in Millions)

	June 30, 2014	June 30, 2013
Governmental Activities Debt:		
Revenue Bonds:		
1995 Lease Revenue Bonds, 6.33 - 8.24%, due 8/1/20	2.4	2.9
Police Facility Revenue Bonds, 2.70 - 5.25%, due 8/1/13	0.0	0.5
Parking Garage Revenue Bonds, 4.0 - 5.13%, due 3/1/23	5.2	5.7
Refunding Lease Agreement		
3.3%, due 9/1/19	3.5	3.8
Lease Purchase Agreement		
4.75%, due 6/30/27	7.7	8.0
Notes Payable:		
CHFA, 3.00%, due 03/01/14	0.4	1.4
Capital Lease:		
Cisco VOIP Equipment, 3.95%, due 7/9/14	0.1	0.2
Motorola Safety Radio, 3.03%, due 12/1/16	0.6	0.7
NetApp Capital Solutions Software, 3.44%, due 04/01/15	0.2	0.3
Color Hybrid Multi-Function Printers, 5.5%, due 11/1/16	0.1	0.1
Motorola Safety Radio, 3.55%, due 8/1/18	0.2	0.3
Key Government Finance, 4.59%, due 02/25/17	0.0	0.1
US Bank 000 4.76%, due 10/15/17	0.2	0.2
US Bank 001 4.76%, due 11/1/18	0.1	0.1
Key Government Finance, 3.46%, due 12/12/18	0.4	0.0
Total Governmental Activities Debt	**$21.1**	**$24.3**
Business-Type Activities Debt:		
Enterprise Long Term Debt:		
2012 - Wastewater Revenue Refunding Bonds, 1.50-4.00%, due 02/01/29	$9.3	$9.8
2007 Certificates of Participation, Wastewater System Improvements, 3.75 - 4.50%, due 2/1/32	10.3	10.7
ABAG 41 Certificates of Participation, Diablo Creek Golf Course, 4.00 - 5.00%, due 8/1/18	1.0	1.2
Total Business-Type Activities Debt	**$20.6**	**$21.7**

Both Total Governmental Activities Debt and 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 and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net 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, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 3)	$ 80,666,824	$ 24,374,969	$ 105,041,793
Cash with Fiscal Agents (Note 3)	1,463,242	253,995	1,717,237
Receivables (Net of Allowances for Uncollectibles):			
Accounts	2,567,721	83,959	2,651,680
Due from Other Governments	9,272,813		9,272,813
Interest	19,487	2,069	21,556
Loans and Notes (Note 5)	34,897,450		34,897,450
Due from Successor Agency (Note 7)	8,297,000		8,297,000
Inventories	43,109		43,109
Internal Balances (Note 4)	(2,776,352)	2,776,352	
Investment in Joint Venture (Note 16)	2,362,972		2,362,972
Net OPEB Asset (Note 13)	1,093,430		1,093,430
Capital Assets (Note 6):			
Land and Construction In Progress	17,571,085	638,941	18,210,026
Depreciable Capital Assets, Net of Accumulated Depreciation	620,602,906	76,801,752	697,404,658
Total Assets	776,081,687	104,932,037	881,013,724
LIABILITIES			
Accounts, Deposits and Contracts Payable	3,380,669	16,937,633	20,318,302
Accrued Liabilities	3,328,525	38,155	3,366,680
Interest Payable	244,759	307,369	552,128
Refundable Deposits	3,623,203		3,623,203
Unearned Revenue	1,766,578		1,766,578
Net Pension Obligation (Note 10)	5,340,233		5,340,233
Compensated Absences (Note 7)			
Due in One Year	2,614,881	38,249	2,653,130
Due in More Than One Year	1,369,578	79,702	1,449,280
Claims Payable (Note 15):			
Due in One Year	3,323,326		3,323,326
Due in More Than One Year	7,864,354		7,864,354
Long-Term Debt (Note 7):			
Due in One Year	3,225,120	1,104,324	4,329,444
Due in More Than One Year	17,930,034	19,470,943	37,400,977
Total Liabilities	54,011,260	37,976,375	91,987,635
NET POSITION (Note 8)			
Net Investment in Capital Assets	618,444,600	56,304,062	674,748,662
Restricted for:			
Capital Projects	2,439,255		2,439,255
Debt Service	2,406,505		2,406,505
Community Development Projects	41,835,637		41,835,637
Total Restricted Net Position	46,681,397		46,681,397
Unrestricted Net Position	56,944,430	10,651,600	67,596,030
Total Net Position	$ 722,070,427	$ 66,955,662	$ 789,026,089

See accompanying notes to financial statements.

CITY OF CONCORD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	$ 17,720,024	$ 1,960,144		$ 5,742,865	$ (10,017,015)		$ (10,017,015)
Public Safety	43,124,635	1,459,631	$ 995,512		(40,669,492)		(40,669,492)
Public Works	37,036,728	2,568,214	3,926,905	$ 2,361,141	(28,180,468)		(28,180,468)
Community and Economic Development	8,634,948	4,421,290	1,284,225	136,620	(2,792,813)		(2,792,813)
Parks & Recreation Services	5,803,618	3,140,708	1,632,867		(1,030,043)		(1,030,043)
Interest on Long-Term Debt	1,356,197				(1,356,197)		(1,356,197)
Total Governmental Activities	113,676,150	13,549,987	7,839,509	8,240,626	(84,046,028)		(84,046,028)
Business-Type Activities:							
Sewer	26,764,449	22,099,344		96,626		(4,568,479)	(4,568,479)
Golf Course	1,351,250	1,442,836				91,586	91,586
Total Business-Type Activities	28,115,699	23,542,180		96,626		(4,476,893)	(4,476,893)
Total	$ 141,791,849	$ 37,092,167	$ 7,839,509	$ 8,337,252	(84,046,028)	(4,476,893)	(88,522,921)
General Revenues:							
Taxes							
Property Taxes					15,707,019		15,707,019
Sales Taxes					40,070,675		40,070,675
Motor Vehicle In Lieu, Unrestricted					8,073,738		8,073,738
Transient Occupancy Taxes					2,262,589		2,262,589
Business License Taxes					3,324,299		3,324,299
Other Taxes					5,962,699		5,962,699
Investment Earnings					1,304,981	208,050	1,513,031
Miscellaneous Revenues						92,504	92,504
Total General Revenues					76,706,000	300,554	77,006,554
Change in Net Position					(7,340,028)	(4,176,339)	(11,516,367)
Net Position - Beginning					729,410,455	71,132,001	800,542,456
Net Position - Ending					$ 722,070,427	$ 66,955,662	$ 789,026,089

See accompanying notes to financial statements.

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FUND FINANCIAL STATEMENTS

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

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2014. Individual non-major governmental 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, 2014

	General	Concord Housing	General Projects	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Investments (Note 3)	$ 30,140,865	$ 987,856	$ 2,293,487	$ 21,338,310	$ 54,760,518
Cash with Fiscal Agents (Note 3)			4,133	1,459,109	1,463,242
Receivables (Net of Allowances for Uncollectible):					
Accounts	1,491,614	2,721	213,778	838,985	2,547,098
Due from Other Governments	7,352,343		930,098	990,372	9,272,813
Interest	19,487				19,487
Due from Other Funds (Note 4)				61,718	61,718
Loans and Notes (Note 5)		32,757,092		2,140,358	34,897,450
Inventories	43,109				43,109
Advances to Other Funds (Note 4)	3,123,121	3,000,000		238,500	6,361,621
Total Assets	$ 42,170,539	$ 36,747,669	$ 3,441,496	$ 27,067,352	$ 109,427,056
LIABILITIES:					
Accounts, Deposits and Contracts Payable	$ 2,470,129	$ 9,442	$ 349,654	$ 208,821	$ 3,038,046
Accrued Liabilities	2,454,461	447	14,946	778,167	3,248,021
Due to Other Funds (Note 4)				61,718	61,718
Refundable Deposits	3,623,203				3,623,203
Unearned Revenue	249,804		1,516,743	31	1,766,578
Advances from Other Funds (Note 4)	8,550,000		1,217,000	1,370,973	11,137,973
Total Liabilities	17,347,597	9,889	3,098,343	2,419,710	22,875,539
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	160,570	5,885,769	874,674	2,552,247	9,473,260
FUND BALANCES:					
Fund Balances: (Note 8)					
Nonspendable	3,166,230	3,000,000		2,378,858	8,545,088
Restricted		27,852,011		18,829,386	46,681,397
Assigned	795,794			889,276	1,685,070
Unassigned	20,700,348		(531,521)	(2,125)	20,166,702
TOTAL FUND BALANCES	24,662,372	30,852,011	(531,521)	22,095,395	77,078,257
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 42,170,539	$ 36,747,669	$ 3,441,496	$ 27,067,352	$ 109,427,056

See accompanying notes to financial statements.

CITY OF CONCORD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS	$	77,078,257
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:		
CAPITAL ASSETS		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		606,360,480
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION		
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.		47,141,064
INVESTMENT IN PARTNERSHIP		
Long term investments are not current financial resources and therefore are not reported in the Governmental Funds.		2,362,972
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES		
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.		9,473,260
LONG-TERM ASSETS AND LIABILITIES		
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:		
Long-Term Debt		(19,368,615)
Interest Payable		(207,280)
Compensated Absences		(3,726,478)
Reimbursement agreement due from Successor Agency		8,297,000
Net Pension Obligation		(5,340,233)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	722,070,427

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, 2014

	General	Concord Housing	General Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	$ 11,914,327			$ 3,792,692	$ 15,707,019
In Lieu Property Tax - VLF	8,073,738				8,073,738
Sales	21,480,802				21,480,802
Measure Q	11,432,073				11,432,073
Sales Tax In Lieu	7,157,800				7,157,800
Transient Occupancy	2,262,589				2,262,589
Franchises	5,962,699				5,962,699
Business License	3,324,299				3,324,299
Licenses and Permits	1,575,008			395,545	1,970,553
Intergovernmental	675,565		$ 4,651,050	7,559,325	12,885,940
Charges for Services	5,584,938	$ 226		27,370	5,612,534
Fines, Forfeitures and Penalties	761,785				761,785
Parks and Recreation	2,818,062				2,818,062
Use of Money and Property	633,900	97,691	16	278,300	1,009,907
Special Assessment Collections				6,832	6,832
Other	1,140,473	2,061,946	14,412	2,058,637	5,275,468
Total Revenues	84,798,058	2,159,863	4,665,478	14,118,701	105,742,100
EXPENDITURES					
Current:					
General Government	18,582,795		22,829		18,605,624
Public Safety	43,656,334		395,265	84,626	44,136,225
Public Works	6,124,925		45,802	4,254,552	10,425,279
Community and Economic Development	5,256,085	153,579	2,146,286	1,193,054	8,749,004
Parks & Recreation Services	4,330,766		759,414	622,972	5,713,152
Capital Outlay			1,612,884	2,050,685	3,663,569
Debt Service:					
Principal				3,013,844	3,013,844
Interest and Fiscal Charges	182,286			1,064,215	1,246,501
Total Expenditures	78,133,191	153,579	4,982,480	12,283,948	95,553,198
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,664,867	2,006,284	(317,002)	1,834,753	10,188,902
OTHER FINANCING SOURCES (USES)					
Transfers In (Note 4)	459,225		859,320	2,368,008	3,686,553
Transfers (Out) (Note 4)	(2,087,531)		(717,013)	(737,147)	(3,541,691)
Total Other Financing Sources (Uses)	(1,628,306)		142,307	1,630,861	144,862
NET CHANGES IN FUND BALANCES	5,036,561	2,006,284	(174,695)	3,465,614	10,333,764
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR	19,625,811	28,845,727	(356,826)	18,629,781	66,744,493
FUND BALANCES (DEFICIT) AT END OF YEAR	$ 24,662,372	$ 30,852,011	$ (531,521)	$ 22,095,395	$ 77,078,257

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, 2014

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	$	10,333,764
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
CAPITAL ASSETS TRANSACTIONS		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.		
The capital outlay and other expenditures are therefore added back to fund balance		(1,515,577)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of $2,846,786 which has already been allocated to serviced funds.)		(22,308,140)
LONG TERM DEBT PROCEEDS AND PAYMENTS		
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net 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		3,013,839
Reimbursement agreement from Successor Agency		(935,000)
ACCRUAL OF NON-CURRENT ITEMS		
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in Governmental Funds (net change):		
Long-Term Compensated Absences		69,462
Pension costs		15,829
Deferred inflow of resources- Unavailable revenues		(4,355,275)
Interest Payable		(28,596)
Investment in Partnership		233,261
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY		
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with governmental activities, because they service those activities.		
Change in Net Position - All Internal Service Funds, less contributions from Governmental Funds		8,136,405
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(7,340,028)

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Taxes				
Property	$ 11,822,968	$ 11,822,968	$ 11,914,327	$ 91,359
In Lieu Property Tax VLF	7,831,017	7,831,017	8,073,738	242,721
Sales tax	20,710,779	20,710,779	21,480,802	770,023
Measure Q tax	10,558,000	10,878,000	11,432,073	554,073
Sales Tax In Lieu	6,716,927	6,716,927	7,157,800	440,873
Transient Occupancy	1,818,000	2,008,000	2,262,589	254,589
Franchises	5,223,000	5,223,000	5,962,699	739,699
Business License	3,200,337	3,200,337	3,324,299	123,962
Licenses and Permits	1,379,187	1,562,503	1,575,008	12,505
Intergovernmental	230,000	230,000	675,565	445,565
Charges for Services	4,822,033	5,594,674	5,584,938	(9,736)
Fines, Forfeitures and Penalties	820,000	820,000	761,785	(58,215)
Parks and Recreation	2,613,627	2,732,106	2,818,062	85,956
Use of Money and Property	953,136	953,136	633,900	(319,236)
Other	490,048	1,548,151	1,140,473	(407,678)
Total Revenues	79,189,059	81,831,598	84,798,058	2,966,460
EXPENDITURES:				
Current:				
General Government:				
Council	357,044	357,044	351,092	5,952
Manager	2,367,380	2,454,220	2,400,887	53,333
Attorney	1,178,551	1,240,951	1,106,281	134,670
Human Resources	1,329,033	1,364,699	1,241,284	123,415
Finance	10,611,345	13,831,675	13,483,251	348,424
Total General Government	15,843,353	19,248,589	18,582,795	665,794
Public Safety	42,529,761	42,775,267	43,656,334	(881,067)
Public Works	5,765,674	6,337,836	6,124,925	212,911
Community and Economic Development	5,257,533	5,706,966	5,256,085	450,881
Parks & Recreation Services	4,577,119	4,614,267	4,330,766	283,501
Debt Service:				
Interest and Fiscal Charges	135,800	135,800	182,286	(46,486)
Total Expenditures	74,109,240	78,818,725	78,133,191	685,534
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	5,079,819	3,012,873	6,664,867	3,651,994
OTHER FINANCING SOURCES (USES)				
Transfers In	1,208,486	1,208,486	459,225	(749,261)
Transfers (Out)	(2,392,912)	(3,446,015)	(2,087,531)	1,358,484
Total Other Financing Sources (Uses)	(1,184,426)	(2,237,529)	(1,628,306)	609,223
NET CHANGE IN FUND BALANCE	$ 3,895,393	$ 775,344	5,036,561	$ 4,261,217
FUND BALANCE AT BEGINNING OF YEAR			19,625,811	
FUND BALANCE AT END OF YEAR			$ 24,662,372	

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES:				
Charges for Services			$ 226	$ 226
Use of Money and Property	$ 145,000	$ 145,000	97,691	(47,309)
Other			2,061,946	2,061,946
Total Revenues	145,000	145,000	2,159,863	2,014,863
EXPENDITURES:				
Current:				
Community and Economic Development	15,000	82,000	153,579	(71,579)
Total Expenditures	15,000	82,000	153,579	(71,579)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	130,000	63,000	2,006,284	1,943,284
NET CHANGE IN FUND BALANCE	$ 130,000	$ 63,000	2,006,284	$ 1,943,284
FUND BALANCE AT BEGINNING OF YEAR			28,845,727	
FUND BALANCE AT END OF YEAR			$ 30,852,011	

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, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Non-Major Enterprise/ Golf Course	Totals	
ASSETS:				
Current Assets:				
Cash and Investments (Note 3)	$ 23,788,450	$ 586,519	$ 24,374,969	$ 25,906,306
Cash with Fiscal Agents (Note 3)		253,995	253,995	
Accounts Receivable	296	83,663	83,959	20,623
Interest Receivable	2,069		2,069	
Total Current Assets	23,790,815	924,177	24,714,992	25,926,929
Non-Current Assets:				
Advances to Other Funds (Note 4)	3,550,000		3,550,000	2,000,000
Net OPEB Asset (Note 13)				1,093,430
Capital Assets (Note 6):				
Land	334,839	60,344	395,183	
Construction In Progress	243,758		243,758	833,755
Buildings and Improvements	2,832,944	5,876,042	8,708,986	47,535,765
Machinery and Equipment	112,189	136,177	248,366	23,478,224
Sewer Collection System	219,042,107		219,042,107	
Less: Accumulated Depreciation	(147,852,394)	(3,345,313)	(151,197,707)	(40,034,233)
Net Capital Assets	74,713,443	2,727,250	77,440,693	31,813,511
Total Non-Current Assets	78,263,443	2,727,250	80,990,693	34,906,941
Total Assets	102,054,258	3,651,427	105,705,685	60,833,870
LIABILITIES:				
Current Liabilities (Payable from Current Assets):				
Accounts and Contracts Payable	16,934,615	3,018	16,937,633	342,623
Accrued Liabilities	36,752	1,403	38,155	80,504
Compensated Absences Payable (Note 7)	38,249		38,249	148,201
Interest Payable	286,896	20,473	307,369	37,479
Capital Lease Payable (Note 7)				616,806
Certificates of Participation (Note 7)	924,324	180,000	1,104,324	
Claims Payable (Note 15)				3,323,326
Total Current Liabilities	18,220,836	204,894	18,425,730	4,548,939
Noncurrent Liabilities:				
Compensated Absences Payable (Note 7)	79,702		79,702	109,780
Advance from Other Funds (Note 4)		773,648	773,648	
Capital Lease Payable (Note 7)				1,169,733
Certificates of Participation (Note 7)	18,660,943	810,000	19,470,943	
Claims Payable (Note 15)				7,864,354
Total Noncurrent Liabilities	18,740,645	1,583,648	20,324,293	9,143,867
Total Liabilities	36,961,481	1,788,542	38,750,023	13,692,806
NET POSITION: (Note 9):				
Net investment in capital assets	54,841,280	1,462,782	56,304,062	29,989,493
Unrestricted	10,251,497	400,103	10,651,600	17,151,571
Total Net Position	$ 65,092,777	$ 1,862,885	$ 66,955,662	$ 47,141,064

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, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Non-Major Enterprise/ Golf Course	Totals	
OPERATING REVENUES				
Service Fees	$ 22,099,344		$ 22,099,344	
Charges for Services				$ 20,562,332
Golf Course Fees and Charges		$ 1,409,768	1,409,768	
Other		33,068	33,068	4,069,601
Total Operating Revenues	22,099,344	1,442,836	23,542,180	24,631,933
OPERATING EXPENSES				
Operating and Maintenance	21,663,031	1,117,405	22,780,436	17,706,744
Cost of Sales and Services				64,655
Depreciation and Amortization	4,367,520	182,293	4,549,813	2,880,601
Claims and Judgments				1,264,553
Total Operating Expenses	26,030,551	1,299,698	27,330,249	21,916,553
Operating Income (Loss)	(3,931,207)	143,138	(3,788,069)	2,715,380
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	201,767	6,283	208,050	295,074
Interest Expense	(681,805)	(51,552)	(733,357)	(81,100)
Gain (Loss) from Disposition of Capital Assets		42,504	42,504	(4,049)
Other		50,000	50,000	
Total Non-Operating Revenues (Expenses)	(480,038)	47,235	(432,803)	209,925
Income (Loss) Before Contributions and Transfers	(4,411,245)	190,373	(4,220,872)	2,925,305
Contributions	96,626		96,626	5,303,869
Transfer In (Note 5)				742,103
Transfer Out (Note 5)	(52,093)		(52,093)	(834,872)
Changes in Net Position	(4,366,712)	190,373	(4,176,339)	8,136,405
Total Net Position - Beginning	69,459,489	1,672,512	71,132,001	39,004,659
Total Net Position - Ending	$ 65,092,777	$ 1,862,885	$ 66,955,662	$ 47,141,064

See accompanying notes to financial statements.

CITY OF CONCORD
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Non-Major Enterprise/ Golf Course	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 22,103,029	$ 1,550,969	$ 23,653,998	$ 24,624,938
Payments to Suppliers	(19,683,311)	(1,108,786)	(20,792,097)	(12,433,771)
Payments to Employees	22,488		22,488	(26,785)
Claims paid				(3,971,153)
Net Cash Provided by (Used for) Operating Activities	2,442,206	442,183	2,884,389	8,193,229
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Borrowings of Advances From/To Other Funds				1,575,761
Transfers In				742,103
Transfers (Out)	(52,093)		(52,093)	(834,872)
Net Cash Provided by (Used for) Non-Capital Financing Activities	(52,093)		(52,093)	1,482,992
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(4,621,215)	42,503	(4,578,712)	(5,958,424)
Principal Paid on Debt, Bond Maturities	(899,324)	(170,000)	(1,069,324)	(107,823)
Interest and Fiscal Charges Paid	(691,111)	(54,952)	(746,063)	(77,225)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(6,211,650)	(182,449)	(6,394,099)	(6,143,472)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	201,971	6,283	208,254	295,073
Net Cash Provided by (Used for) Investing Activities	201,971	6,283	208,254	295,073
Net Increase (Decrease) in Cash and Cash Equivalents	(3,619,566)	266,017	(3,353,549)	3,827,822
Cash and Cash Equivalents at Beginning of Period	27,408,016	574,497	27,982,513	22,078,484
Cash and Cash Equivalents at End of Period	$ 23,788,450	$ 840,514	$ 24,628,964	$ 25,906,306
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	$ (3,931,207)	$ 143,138	$ (3,788,069)	$ 2,715,380
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Other Non-Operating Revenue		50,000	50,000	
Depreciation and Amortization	4,367,520	182,293	4,549,813	2,880,601
Change in Assets and Liabilities:				
Receivables, Net	3,685	58,133	61,818	(6,995)
Prepaid Expenses		8,500	8,500	
Net OPEB Asset				3,935,222
Accounts Payable	1,970,458	(1,284)	1,969,174	131,577
Accrued Liabilities	31,750	1,403	33,153	(10,084)
Self Insurance Claims Payable				(1,452,472)
Net Cash Provided by (Used for) Operating Activities	$ 2,442,206	$ 442,183	$ 2,884,389	$ 8,193,229
NON-CASH TRANSACTIONS:				
Inception of capital lease				$ 752,403
Contributions and Transfers of Capital Assets, Net	$ 96,626		$ 96,626	$ 5,303,869

See accompanying notes to financial statements.

FIDUCIARY FUNDS

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

CITY OF CONCORD
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	City of Concord Retirement System Pension Trust	Successor Agency Private Purpose Trust Fund
ASSETS:		
Cash and Investments (Note 3)		
Corporate Debt Instruments	$ 10,066,850	
California Local Agency Investment Fund	1,328,323	
Federal Agencies	5,176,573	
Municipal Bonds	697,457	
Pooled Investments	4,749,228	$ 3,225,047
Foreign Bonds	967,499	
Mutual Funds	14,338,907	
Cash with Fiscal Agents (Note 3)		8,583,657
Total Cash and Investments	37,324,837	11,808,704
Receivables (Net of Allowances for Uncollectibles):		
Interest	733	4,829
Notes and Loans Receivable (Note 19)		993,170
Land Held for Resale		11,416,332
Capital Assets, Not Being Depreciated (Note 19)		448,293
Capital Assets, Being Depreciated (net) (Note 19)		1,485,049
Total Assets	37,325,570	26,156,377
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charge on refunding		1,184,104
LIABILITIES:		
Accounts Payable		22,516
Interest Payable		1,144,413
Long-Term Debt (Note 19):		
Due in One Year		5,258,000
Due in More Than One Year		57,774,937
Total Liabilities		64,199,866
NET POSITION:		
Net position held in trust for pension benefits and other purposes	37,325,570	(36,859,385)
Total Net Position	$ 37,325,570	$ (36,859,385)

See accompanying notes to financial statements.

CITY OF CONCORD
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	City of Concord Retirement System Pension Trust	Successor Agency Private Purpose Trust Fund
ADDITIONS		
Contributions	$ 1,971,829	
Property Taxes, Net of Pass Through Payments		$ 8,065,998
Other Income		4,249,595
Investment Income	3,423,144	22,411
Total Additions	5,394,973	12,338,004
DEDUCTIONS		
Retirement and Other Benefits	5,516,398	
Management Expenses	193,523	
Community Planning and Economic Development		1,059,445
Depreciation		83,597
Interest expense		1,580,265
Total Deductions	5,709,921	2,723,307
NET CHANGES IN NET POSITION	(314,948)	9,614,697
Net Position Beginning of Year	37,640,518	(46,474,082)
Net Position End of Year	$ 37,325,570	$ (36,859,385)

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.

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 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 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 government has 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 2016. Measure Q revenues in excess of those needed to maintain a 15% General Fund reserve are allocated to the designated Measure Q reserve, to be utilized after the temporary sales tax measure sunsets. As of June 30, 2014, the designated Measure Q Reserves totaled $12.37 million, approximately 15.8% of General Fund Operating Expenditures.

As of June 30, 2014, the General Fund balance, excluding non-spendable assets, totaled $21.5 million, representing 28% 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.

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 District's financial reporting process. New standards include the following:

GASB Statement No. 65 – In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement redefines certain financial elements previously reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. The objective is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). Under GASBS No. 65, when an asset is recorded in governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available. As such, the implementation of GASB No. 65 resulted in a reclassification of unavailable revenues (formerly deferred revenues), previously reported as current liabilities, are now reported as Deferred Inflows of Resources - Unavailable Revenues.

GASB Statement No. 66 – In March 2012, GASB issued Statement No. 66, *Technical Corrections – 2012 – and amendment of GASB Statements No. 10 and 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Implementation of this standard did not materially impact the financial statements.

GASB Statement No. 67 – In June 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by State and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to define contribution plans that provide postemployment benefits other than pensions.

GASB Statement No. 70 – In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by State and local governments that extend and receive nonexchange financial guarantees. The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. Implementation of this standard did not materially impact the financial statements.

Future Accounting Pronouncements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Accounting Pronouncements (Continued)

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. This Statement is not effective until the fiscal year ending June 30, 2015. The City has not determined the effect 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 is not effective until the fiscal year ending June 30, 2015. The City has not determined the effect of this Statement.

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 should be applied simultaneously with the provisions of Statement No. 68. The City has not determined the effect of this Statement.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of separate resolutions for the City.
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.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

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.

Classification

Cash and investments are classified in the financial statements as shown below at June 30, 2014:

City:	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Cash and investments in City pool	$ 54,760,518	$ 24,374,969	$ 25,906,306	$ 6,753,349	$ 111,795,142
Cash and investments with fiscal agents	1,463,242	253,995		42,380,192	44,097,429
Total cash and investments	$ 56,223,760	$ 24,628,964	$ 25,906,306	$ 49,133,541	$ 155,892,571

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City's Investment Policy

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio		Maximum Investment In One Issuer
U.S. Treasury Bills, Bonds and Notes	5 years	None	None		None
Obligations issued by United States Government Agencies	5 years	None	20%		None
State obligations- CA & Others	5 years	Third Highest Rating Category	20%		None
Bankers Acceptance	180 days	Top rating category	30%		5%
Commercial Paper	270 days	Top rating category	25%	(A)	5%
Negotiable Certificates of Deposit	5 years	Third Highest Rating Category	30%		5
Medium Term Corporate Notes	5 years	Third Highest Rating Category	30%	(A)	5
Money Market Mutual Funds	N/A	Top rating 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 Authority (local government investment pool such as CAMP)	N/A	Pursuant to Government Code 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 Maturity	Minimum Credit 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:

		Allocation Ranges	
	Target Mix	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)				
	12 months or Less	13 to 24 Months	25 to 36 Months	37 to 60 Months	Total
Investment Type:					
U.S. Government Agencies	$ -	$ 7,153,538	$ 5,349,307	$ 4,055,922	$ 16,558,767
U.S. Treasury Notes	2,825,286	2,861,823	5,619,232	2,764,001	14,070,342
Medium Term Corporate Notes		5,532,718	6,972,617	2,969,686	15,475,021
Municipal Bonds				1,297,238	1,297,238
LAIF	49,817,898				49,817,898
Certificates of Deposit		2,326,859	4,422,472		6,749,331
Held by bond trustee:					
Money Market Mutual Funds	10,300,894				10,300,894
Total	$ 62,944,078	$ 17,874,938	$ 22,363,628	$ 11,086,847	114,269,491
Cash deposits with banks and on hand					4,298,243
Total Cash and Investments					$ 118,567,734

Retirement Trust Funds:

	Remaining Maturity (in Months)				
	12 months or Less	13 to 24 Months	25 to 36 Months	37 to 60 Months	Total
Investment Type:					
Pooled Cash and Investments	$ 2,820,515	$ -	$ -	$ -	$ 2,820,515
LAIF	1,328,323				1,328,323
Medium Term Corporate Notes	162,029	501,056	618,981	8,784,784	10,066,850
US Government Agencies				5,176,573	5,176,573
Municipal Bonds				697,457	697,457
Money Market Mutual Funds	1,928,713				1,928,713
Foreign Bonds	803,453		164,046		967,499
Total	$ 7,043,033	$ 501,056	$ 783,027	$ 14,658,815	22,985,930
Non-Maturing Investments:					
Mutual Funds					14,338,907
Total Cash and Investments					$ 37,324,837

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, 2014 for each investment type as provided by Standard & Poor's for the City's investments and Moody's for the Retirement System.

City and Fiscal Agents:

Investment Type	AAA / Aam	AA+ / AA / AA-	A+ / A / A-	Total
U.S. Government Agencies	$ -	$ 16,558,767	$ -	$ 16,558,767
Municipal Bonds		187,029	1,110,209	1,297,238
Medium Term Corporate Notes	2,378,846	9,430,647	3,665,528	15,475,021
Certificates of Deposit			6,749,331	6,749,331
US Treasury Notes		14,070,342		14,070,342
Total	$ 2,378,846	$ 40,246,785	$ 11,525,068	54,150,699
Not rated:				
Cash on Hand				4,298,243
LAIF				49,817,898
Money Market Funds (U.S. Securities)				10,300,894
Total Investments				$ 118,567,734

Retirement Trust Funds:

Investment Type	AAA / Aaam	AA+/AA/AA-	A+/A/A-	Baa1 / Baa2 / Baa3	Total
Medium Term Corporate Notes	$ 909,249	$ 604,561	$ 8,553,040	$ -	$ 10,066,850
U.S. Government Agencies		5,176,574			5,176,574
Municipal Bonds	263,873	230,729	202,854		697,457
Foreign Bonds		201,610	601,842	164,047	967,499
Total	$ 1,173,122	$ 6,213,474	$ 9,357,736	$ 164,047	$ 16,908,380
Not rated:					
Pooled Cash & Investments					2,820,515
Money Market Mutual Funds					1,928,711
LAIF					1,328,323
Mutual Funds					14,338,908
Total Investments					$ 37,324,837

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment fund that represent 5% or more of total Entity-wide investments are as follows at June 30, 2014:

City and Fiscal Agents:

Fund	Issuer	Type of Investment	Amount
Entity Wide:			
	Federal Home Loan Bank	US Government Agencies	$ 6,141,985

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, 2014:

Retirement Trust Funds:

Fund	Issuer	Type of Investment	Amount
Retirement Trust Fund:			
	S&P 500 ETF	Mutual Funds - Equity	$ 3,161,850
	S&P 500 Growth Index ETF	Mutual Funds - Equity	2,019,648
	S&P 500 Value Index ETF	Mutual Funds - Equity	1,999,702
	MSCI EAFE	Mutual Funds - Equity	2,793,666

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, 2014 the funds below had made the following advances:

Fund Receiving Advance	Fund Making Advance	Amount of Advance	
General Fund	Concord Housing Fund	$ 3,000,000	(a)
	Sewer Enterprise Fund	3,000,000	(a)
	Sewer Enterprise Fund	550,000	(a)
	Worker's Compensation Internal Service Fund	2,000,000	(b)
General Projects Fund	General Fund	1,217,000	(c)
Non-major governmental funds			
Maintenance Districts			
Special Revenue Fund	Traffic System Management Special Revenue Fund	238,500	(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)
		$ 11,911,621	

(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 2015 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, 2014 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Purpose	Amount Transferred
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 Projects	General Fund	To Fund Capital Projects	782,763
General Projects	General Fund	To Fund Capital Projects	70,000
General Projects	Intergovernmental	To Fund Capital Projects	6,557
Special Revenue Funds:			
State Gax Tax	General Reimbursable Projects	To Fund Operating Costs	37,810
Storm Water Management	General Reimbursable Projects	To Fund Operating Costs	2,900
Asset Forfeiture	General Reimbursable Projects	To Setup New Funds	482,227
Capital Projects Funds:			
Special Developer	General Reimbursable Projects	To Fund Capital Projects	11,814
Intergovernmental	General Reimbursable Projects	To Fund Capital Projects	12,262
Debt Service Funds:			
Debt Serv - Refunding Lease Agreement	Risk Management	To Fund Debt Service	420,703
Debt Service - Energy Lease BofA	General Fund	To Fund Debt Service	256,860
Debt Service - ABAG	General Fund	To Fund Debt Service	736
Debt Service - Energy Lease BofA	Internal Service Fund-Building Maintenance	To Fund Debt Service	170,499
Debt Service - Energy Lease BofA	Special Revenue-Maintenace District	To Fund Debt Service	271,365
Debt Service - Performing Arts Rev Bond	General Fund	To Fund Debt Service	700,832
Internal Service Funds:			
Risk Mgmt Liability	Workers Comp	To Fund Workers Compensation Costs	100,000
Building Maintenance	General Fund	To Fund Operating Costs	200,000
Building Maintenance	Information Tech Replacement	To Fund IT Equipment	143,670
Information Tech Replacement	General Fund	To Fund Accela Project	76,340
Information Tech Replacement	General Reimbursable Projects	To Fund INET Project	170,000
Information Tech Replacement	Sewer Enterprise	To Fund Accela Project	52,093
		Total Transfers	$ 4,428,656

Interfund Receivables/Payables

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2014, the Assessments Districts fund has a balance due to the Maintenance Districts fund to temporarily fund short-term cash flow needs.

Due to Other Funds	Due From Other Funds	Amount
Non-major governmental funds		
Assessment Districts	Maintenance Districts	$ 61,718

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, 2014:

Concord Housing Fund	
Downtown Revitalization and Low and Moderate Income Housing Rehabilitation	$ 17,743,495
Successor Agency Loan	9,495,937
Virginia Lane	2,874,360
Lakeside Apartments	2,643,300
Total Concord Housing Fund	32,757,092
Non-major Governmental Funds	
Housing Conservation	1,293,005
Housing Assistance	50,000
Virginia Lane	451,761
Lakeside Apartments	345,592
Total Non-major Governmental Funds	2,140,358
Total loans and notes receivable	$ 34,897,450

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. Included in these loans, is one loan amounting to $5,418 which was made to a current employee.

Non-housing assets of the former Redevelopment Agency including the Concord Residential Club Loan were assumed by a Successor Agency as discussed in Note 18. The former Redevelopment Agency's portion of this loan totaled $557,750 and is recorded in the Successor Agency Trust Fund. At June 30, 2014 the loan receivable balance was $17,743,495.

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, 2014 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, 2014 the loan receivable balance was $3,326,121.

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, 2014 the loan receivable balance was $2,988,892.

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, 2014 the loan receivable balance was $1,293,005.

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, 2014 the loan receivable balance was $50,000.

NOTE 6 - CAPITAL ASSETS

Capital asset transactions and balances comprise the following at June 30, 2014:

	Balance at June 30, 2013	Additions	Retirements	Transfers	Balance at June 30, 2014
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 15,149,712				$ 15,149,712
Construction in progress	11,969,979	$ 1,022,619		$ (10,571,225)	2,421,373
Total capital assets not being depreciated	27,119,691	1,022,619	-	(10,571,225)	17,571,085
Capital assets being depreciated:					
Ground improvements	16,971,725			4,051,803	21,023,528
Buildings and improvements	75,145,250			4,916,255	80,061,505
Machinery and equipment	12,271,802	517,916		1,378,996	14,168,714
Vehicles	8,592,761	1,292,695	$ (800,118)	224,171	9,309,509
Streets	429,722,286	473,140			430,195,426
Sidewalks	48,849,095	1,551,352			50,400,447
Storm drain/catch basins	443,308,069				443,308,069
Street lights	5,766,714	-			5,766,714
Traffic signals	26,417,515	880,922			27,298,437
Total capital assets being depreciated	1,067,045,135	4,716,025	(800,118)	10,571,225	1,081,532,349
Less accumulated depreciation for:					
Ground improvements	(9,102,511)	(536,395)			(9,638,906)
Buildings and improvements	(35,113,063)	(2,019,491)			(37,132,554)
Machinery and equipment	(10,053,474)	(744,749)			(10,798,223)
Vehicles	(7,113,130)	(1,043,078)	800,118		(7,356,090)
Streets	(239,401,144)	(14,331,962)			(253,733,106)
Sidewalks	(21,505,141)	(992,495)			(22,497,636)
Storm drain/catch basins	(96,176,978)	(4,433,081)			(100,610,059)
Street lights	(555,993)	(192,224)			(748,217)
Traffic signals	(17,519,386)	(895,266)			(18,414,652)
Total accumulated depreciation	(436,540,820)	(25,188,741)	800,118	-	(460,929,443)
Governmental activities capital assets, net	$ 657,624,006	$ (19,450,097)	$ -	$ -	$ 638,173,991

	Balance at June 30, 2013	Additions	Retirements	Transfers	Balance at June 30, 2014
Business-Type Activities					
Capital assets note being depreciated:					
Land	$ 395,182				$ 395,182
Construction in progress	5,090,546	$ 4,717,841		(9,564,628)	243,759
Total capital assets not being depreciated	5,485,728	4,717,841	-	(9,564,628)	638,941
Capital assets being depreciated:					
Buildings and improvements	8,700,986			8,000	8,708,986
Machinery and equipment	248,366				248,366
Sewer lines	209,485,479			9,556,628	219,042,107
Total capital assets being depreciated	218,434,831	-	-	9,564,628	227,999,459
Less accumulated depreciation for:					
Buildings and improvements	(5,335,999)	(236,582)			(5,572,581)
Machinery and equipment	(243,123)	(953)			(244,076)
Sewer lines	(141,095,784)	(4,285,266)			(145,381,050)
Total accumulated depreciation	(146,674,906)	(4,522,801)	-	-	(151,197,707)
Business-type activities capital assets, net	$ 77,245,653	$ 195,040	$ -	$ -	$ 77,440,693

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	$	744,749
Public Works		22,238,455
Parks and Recreation Services		103,501
Internal Service Fund		2,102,036
Total	$	25,188,741
Business-Type Activities		
Sewer	$	4,367,520
Golf Course		155,281
Total	$	4,522,801

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 Source	June 30, 2013	Additions	Retirements	June 30, 2014	Current Portion
Governmental Activities Debt:						
Revenue Bonds:						
1995 Performing Arts Lease Revenue Bonds, 6.33-8.24% due 08/01/20	a	$ 2,920,000		$ 480,000	$ 2,440,000	$ 440,000
Police Facilities Revenue Bonds, 2.70-5.25% due 08/01/13	b	485,000		485,000	-	-
Parking Garage Revenue Bonds, 4.0-5.13% due 3/01/23	b	5,680,000		450,000	5,230,000	475,000
Refunding Lease Agreement						
3.3% due 09/01/19	b	3,883,000		398,500	3,484,500	885,500
Lease Purchase Agreement						
4.75% due 06/30/27	d	8,042,082		300,344	7,741,738	335,437
Notes Payable:						
CHFA 3% due 03/01/14	e	1,372,377		900,000	472,377	472,377
Capital Lease:						
Motorola Safety Radio 3.03%, due 12/01/16	f	741,109		177,066	564,043	182,431
Cisco VOP Equipment 3.95% due 07/09/14	f	179,987		88,199	91,788	91,788
Color Hybrid Multi-Function Printer Equipment 5.5% due 11//01/16	f	64,234		26,446	37,788	28,058
NetApp Capital Solutions Software are 3.55% due 04/01/15	f	260,895		83,904	176,991	86,930
Motorola Safety Radio 3.55% due 08/1/18	f	320,614	-	48,883	271,731	50,620
Key Government Finance 4.59% due 2/25/17	f	26,179	-	6,127	20,052	6,418
US Bank 000 4.76% due 10/15/17	f	237,487	-	51,034	186,453	53,521
US Bank 001 4.76% due 5/2/18	f	63,852	-	11,808	52,044	12,382
Key Government Finance 3.36% due 12/12/18	f	-	$ 436,826	51,177	385,649	104,658
Compensated Absences	c	4,083,738	2,963,491	3,062,770	3,984,459	2,614,881
Total Governmental Activities Debt		$ 28,360,554	$ 3,400,317	$ 6,621,258	$ 25,139,613	$ 5,840,001
Business-Type Activities Debt:						
2012 - Wastewater Revenue Refunding Bonds 1.50-4.00% due 02/01/29	g	$ 9,605,000	$ -	$ 490,000	$ 9,115,000	$ 500,000
Plus premium on refunding bonds		194,591	-	24,324	170,267	24,324
2007 Certificates of Participation - Wastewater System Improvement 3.75-4.5% due 02/01/32	g	10,685,000		385,000	10,300,000	400,000
ABAG 41Certificates of Participation - Diablo Creek Golf Course 4.0-5.0% due 08/01/18	h	1,160,000		170,000	990,000	180,000
Compensated Absences	c	95,463	87,404	64,916	117,951	38,249
Total Business-Type Activities Debt		$ 21,740,054	$ 87,404	$ 1,134,240	$ 20,693,218	$ 1,142,573

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

a. Lease revenues received by Live Nation and from general & operating revenues.
b. Lease revenues received by the Successor Agency and from general & operating revenues.
c. General Fund revenues.
d. Savings from the energy efficiency improvements.
e. Notes payable received by the Housing and Community Services Special Revenue Fund. Included is $900,000 in principal and the remaining balance is interest.
f. Operating revenues available for lease payment in the Information Technology Replacement Internal Service Fund.
g. Operating revenues received by the Sewer Enterprise Fund.
h. 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 Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	$ 3,225,120	$ 970,871	$ 1,080,000	$ 730,409
2016	2,253,095	852,975	1,110,000	697,966
2017	2,218,335	747,485	1,140,000	665,346
2018	2,045,752	642,242	1,195,000	618,621
2019	2,026,977	542,339	1,250,000	569,396
2020-2024	7,081,895	1,422,819	5,665,000	2,284,666
2025-2029	2,303,981	171,297	6,665,000	1,270,338
2030-2032			2,300,000	209,925
Total requirements	$ 21,155,154	$ 5,350,028	$ 20,405,000	$ 7,046,667
Plus unamortized premium			170,267	
Total	$ 21,155,154	$ 5,350,028	$ 20,575,267	$ 7,046,667

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, 2014, the principal balance outstanding was $2,440,000.

On September 9, 1993 the City of Concord Joint Powers Financing Authority issued the 1993 Lease Revenue Bonds in the principal amount of $9,700,000, bearing interest at rates ranging from 2.7% to 5.25%, due August 1, 2013. The Bonds are collateralized by revenue received from the City by the Authority under the lease agreement and by the Authority's interest in the site and facilities lease. Proceeds from the Bonds were used to finance a portion of the Police Facilities Project leased by the City from the former Redevelopment Agency. The former Redevelopment Agency had agreed to reimburse the City for these lease payments. On June 24, 2010 the City entered into a Refunding Lease Agreement and the proceeds were used to retire $3,520,000 of the bonds. The principal balance was paid in full during fiscal year 2014.

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. As of June 30, 2014, the principal balance outstanding was $5,230,000.

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, 2014, the principal balance outstanding was $9,115,000.

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, 2014 were $9,115,000.

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, 2014, the principal balance outstanding was $990,000.

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, 2014, the principal balance outstanding was $10,300,000.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Under related installment agreements, the City remits installments to the Authority which are 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 $15,502,961 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 2014, Wastewater System Revenues including operating revenues and non-operating interest earnings amounted to $22,301,111 and maintenance and operating costs amounted to $21,663,031. 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 2013 these costs totaled $3,820,858. Adjusted net revenues available for debt service amounted to $4,458,938, which represented coverage of 18.8% 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 in the amount of $5,075,000. The proceeds from the Agreement were used to retire a portion of the outstanding 1993 Lease Revenue Bonds and to fully repay the 1999 Judgment Obligation Bonds. The Agreement bears interest at 3.6% and is due semi-annually on March 1 and September 1. Principal payments are due annually on September 1 until September 1, 2019. As of June 30, 2014, the principal balance outstanding was $3,484,500.

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, 2014, the principal balance outstanding was $7,741,738.

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. This loan is expected to be repaid in full by March 31, 2014. As of June 30, 2014, the principal balance outstanding was $472,377.

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, 2014, the principal balance outstanding on the lease was $564,043.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

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. As of June 30, 2014, the principal balance outstanding on the lease was $91,788.

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, 2014, the principal balance outstanding on the lease was $37,788.

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, 2014, the principal balance outstanding on the lease was $176,991.

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, 2014, the principal debt outstanding on the lease was $271,731.

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, 2014, the principal debt outstanding on the lease was $20,052.

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, 2014, the principal debt outstanding on the lease was $186,453.

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, 2014, the principal debt outstanding on the lease was $52,044.

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, 2014, the principal debt outstanding on the lease was $385,649.

NOTE 8 - FUND BALANCES

Detailed classifications of the City's Governmental Fund Balances, as of June 30, 2014, are below:

	Major Funds			Other	
Fund Balance Classifications	General Fund	Concord Housing	General Projects	Governmental Funds	Total
Nonspendable:					
Items not in spendable form:					
Notes receivable				$ 2,140,358	$ 2,140,358
Advance	$ 3,123,121	$ 3,000,000		238,500	$ 6,361,621
Inventories	43,109				43,109
Total Nonspendable Fund Balance	3,166,230	3,000,000	-	2,378,858	8,545,088
Restricted for:					
Debt service				$ 2,406,505	2,406,505
Capital Projects				2,439,255	2,439,255
Housing		27,852,011		554,589	28,406,600
Health Care District				315,632	315,632
Transportation				5,216,133	5,216,133
Development services				7,406,687	7,406,687
Asset Forfeiture				490,585	490,585
Total Restricted Fund Balances	-	27,852,011	-	18,829,386	46,681,397
Assigned:					
Capital projects	795,794	-	-	889,276	1,685,070
Total Assigned Fund Balances	795,794	-	-	889,276	1,685,070
Unassigned:					
General fund	20,700,348				20,700,348
Other governmental fund deficit residuals			$ (531,521)	(2,125)	(533,646)
Total Unassigned Fund Balances	20,700,348	-	(531,521)	(2,125)	20,166,702
Total Fund Balances	$ 24,662,372	$ 30,852,011	$ (531,521)	$ 22,095,395	$ 77,078,257

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, 2014, were as listed below:

	Amount
Governmental Funds:	
General Fund	$ 795,794
Concord Housing Fund	6,617
General Projects Capital Projects Fund	771,588
Non-Major Governmental Funds:	
State Gas Tax Special Revenue Fund	74,993
Art in Public Places	14,939
Maintenance District Special Revenue Fund	3,580
Housing and Community Services Special Revenue Fund	44,164
Storm Water Management Special Revenue Fund	24,576
Special Developers Capital Projects Fund	316,279
Inter Governmental Capital Projects Fund	195,720
Total Non-Major Governmental Funds	674,251
Total	$ 2,248,250

NOTE 9 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2014, exceeded the appropriations in the following funds.

	Final Budget	Actual	Variance
Concord Housing Fund	$ 82,000	$ 153,579	$ (71,579)
Traffic Systems Management Fund	39,171	40,700	(1,529)
Housing And Community Services Fund	808,242	1,392,394	(584,152)
Asset Forfeiture Fund	76,019	83,959	(7,940)

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, 2014, the following funds had deficit fund equity:

Governmental Activities	
General Projects Fund	$ 531,521
Non-Major Governmental Fund	
Assessments District Fund	2,125
Internal Service Fund	
Risk Management Fund	381,998
Fiduciary Activities	
Successor Agency Private Purpose Trust Fund	36,859,385

The General Projects Fund had deficit fund balance of $531,521 which is expected to be eliminated by future revenue.

The Assessment Districts Debt Service Fund had deficit fund balance of $2,125 which is expected to be eliminated by future revenue.

The Risk Management Internal Service Fund had deficit net position of $381,998 which is expected to be eliminated by future revenue.

The Successor Agency Private Purpose Trust Fund had deficit net position of $36,859,385 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 Provisions

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, 2014:

Retirees and beneficiaries currently receiving benefits	237
Vested terminated employees	44
Total participants	281

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)

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.

Investment Policy

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 following was the assumed asset allocation as of June 30, 2014:

Asset Class	Target Allocation
Large Medium Cap Dometsic Equity	30%
International Equity	7.5%
Small Cap Equity	7.5%
Domestic Fixed Income	50.0%
Cash	5.0%
Total	**100%**

Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability at June 30, 2014 were as follows:

Total Pension liability	$	60,762,000
Plan fiduciary net position		(37,325,570)
CCRS's net pension liability	**$**	**23,436,430**

Plan fiduciary net positionas a percentage of the total pension liability	**61.43%**

The actuarial liabilities and assets are valued as of June 30, 2014.

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

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Return on assets	6.50%
Discount rate	6.50%
Inflation	3%, per annum
Salary Scale	Not applicable
Cost of Living	2%, per annum

Experience Study

The Plan general, demographic assumptions follow the CalPERS 1997-2007 experience study.

Mortality rates were based on the CalPERS 1997-2007 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.

Rate of Return

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real rate of Return
Global Equities	5.35%
Fixed Income	1.55%
Real Estate	4.03%
Cash	0.45%

The discount rate used to measure the total pension liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

The following presents the net pension liability of CCRS, calculated using the discount rate of 6.50%, as well as what CCRS's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
CCRS's net pension liability	$ 28,402,000	$ 23,217,000	$ 18,731,000

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

In accordance with Governmental Accounting Standards Board Statement No. 27, the following disclosures are presented as they apply to the employer reporting requirements.

Funding Status and Progress

The actuarial accrued liability was determined as part of an actuarial valuation at June 30, 2012. 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 23 year closed basis.

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

Contribution Requirements and Contributions Made

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.

Generally accepted accounting principles permit contributions to be treated as Pension assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2014, the City has calculated and recorded the Net Pension Obligation, representing the difference between the ARC and contributions, as presented below:

Fiscal Year	Annual Pension Cost	Actual Employer Contribution	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
June 30, 2012	$ 1,744,637	$ 863,610	50%	$ 4,445,843
June 30, 2013	1,956,000	1,045,781	53%	5,356,062
June 30, 2014	1,956,000	1,971,829	101%	5,340,233

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

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

Annual required contribution (ARC)	$ 2,045,000
Interest on Net Pension Obligation	348,168
Adjustment to annual required contribution	(437,168)
Annual Pension Cost	1,956,000
Contributions made:	
Contributions	1,971,829
Total contributions	1,971,829
Change in Net Pension Obligation	(15,829)
Net Pension Obligation at June 30, 2013	5,356,062
Net Pension Obligation at June 30, 2014	$ 5,340,233

Trend Information

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

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

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage AAL Funded	Unfunded (Overfunded) AAL	Annual Covered Payroll	Unfunded (Overfunded) AAL Covered Payroll
June 30, 2012	$ 39,820,000	$ 63,895,000	62.32%	$ 24,075,000	*N/A	*N/A

*Plan was closed in 1993; therefore, there is no covered payroll

NOTE 11 - CITY OF CONCORD EARLY RETIREMENT PLANS

Plan Description and Provisions

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

The City joined Public Agency Retirement Services (PARS) and participates in two plans, the Supplementary Retirement Plan and the Excess Benefit Plan. The Excess Benefit Plan consists of the highly compensated members and the Supplementary Plan includes all other eligible employees. To be eligible to participate in the plan the employee must have been classified as a Miscellaneous or Safety employee of the City as of June 1, 2009, be at least 50 years of age as of September 1, 2009, have completed as 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, 2014, 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 has been funding the Plan over a period of 5 years, choosing to buy annuities to fund the Plan, self fund, or use some combination of both. The City is using general fund salary savings to fund the Plan. At this time, staff proposes to assume a 5-year funding schedule with the first year being self-funded.

NOTE 12 - PENSION PLAN

CalPERS Safety and Miscellaneous Employees Pension Plans

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

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

NOTE 12 - PENSION PLAN (CONTINUED)

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

The Plans' provisions and benefits in effect at June 30, 2014, are summarized as follows:

	Safety	Miscellaneous
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	2.7-3%	2-2.5%
Required employee contribution rates	9-12%	6.25-8%
Required employer contribution rates	33.355%	26.105%
Actuarially required contributions	$ 7,299,296	$ 5,522,403

The City's policy and labor contracts require the City to pay 4%-7% contributions for sworn safety employees (Police) and 0% for miscellaneous employees.

CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The City does not have a net pension obligation since it pays these actuarially required contributions monthly. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the year ended June 30, 2014 were as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
Safety Plan		
June 30, 2012	$ 6,525,699	100%
June 30, 2013	6,768,964	100%
June 30, 2014	7,299,296	100%
Miscellaneous Plan		
June 30, 2012	$ 3,863,366	100%
June 30, 2013	4,858,447	100%
June 30, 2014	5,522,403	100%

CalPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.5% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service and range from 3.30% to 14.20%. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a rolling thirty year basis. Investment gains and losses are accumulated as they are realized and approximately six percent of the net balance is amortized annually.

NOTE 12 - PENSION PLAN (CONTINUED)

The schedule of funding progress presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Plans' actuarial value (which differs from market value) and funding progress over the most recently available actuarial valuation date of June 30, 2013:

Safety Plan

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2013	$ 184,886,672	$ 124,184,691	$ 60,701,981	67.2%	$ 16,682,386	363.9%

Miscellaneous Plan

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2013	$ 170,618,908	$ 115,153,527	$ 55,465,381	67.5%	$ 15,693,515	353.4%

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

NOTE 13 - OTHER POST-EMPLOYMENT HEATH 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 by bargaining unit:

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

As of June 30, 2014, approximately 396 participants were receiving benefits.

NOTE 13 - OTHER POST-EMPLOYMENT HEATH CARE BENEFITS (CONTINUED)

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2013 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) 7.61% 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.

Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2014, the City contributed $3,494,778 to the Plan which represented 9.3% of $37.7 million of covered payroll. As a result, the City has recorded the Net OPEB Asset, representing the difference between the ARC, the amortization of the Net OPEB Asset and actual contributions, as presented below:

Annual required contribution (ARC)	$ 4,786,000
Interest on Net OPEB asset	(474,000)
Adjustment to annual required contribution	618,000
Annual OPEB Cost	4,930,000
Contributions made:	
City portions of current year premiums paid	3,494,778
Total contributions	3,494,778
Disbursement from CERBT	$2,500,000
Change in Net OPEB Asset	(3,935,222)
Net OPEB Asset at June 30, 2013	5,028,652
Net OPEB Asset at June 30, 2014	$ 1,093,430

NOTE 13 - OTHER POST-EMPLOYMENT HEATH CARE BENEFITS (CONTINUED)

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2013, amounted to $62,217,000 and was partially funded as $18,655,000 in assets had been transferred into CERBT as of that date and reduced the unfunded actuarial accrued liability to $43,562,000.

The Plan's annual OPEB cost and actual contributions for fiscal year ended June 30, 2014 is set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
June 30, 2012	$ 4,038,504	$ 3,196,020	79%	$ 7,755,519
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

The Schedule of Funding Progress presents 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, 2013 from the actuarial study is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentages of Covered Payroll [(B-A)/C]
June 30, 2013	$ 18,655,000	$ 62,217,000	$ 43,562,000	29.98%	$ 32,192,000	135%

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:

Type of Coverage (Deductible)	Coverage Limits
General Liability ($500,000)	$25,000,000
Workers' Compensation ($500,000)	Statutory
All Risk Property ($10,000 per occurrence)	$600,000,000
Property Flood Risk ($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, 2014, 2013 and 2012, the amount of settlements did not exceed insurance coverage.

Uninsured Claims Payable

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

The City's liability for uninsured claims is limited to worker's compensation, general liability and auto physical damage claims, as discussed above, which are reported at their present value using expected future investment yield assumptions ranging from 3% percent. In addition, the general liability claims are based on an eighty percent confidence level. The undiscounted worker's compensation claims totaled $1,872,965 and undiscounted general liability claims totaled $1,450,361 at June 30, 2014.

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 2013 and June 30 2014:

NOTE 15 - RISK MANAGEMENT AND INSURANCE (CONTINUED)

	Workers Compensation Internal Service Fund	Risk Management/ Liability Internal Service Fund	Total 2014	Total 2013
Beginning balance	$ 8,320,000	$ 4,320,152	$ 12,640,152	$ 9,022,044
Liability for current fiscal year claims	1,906,000	(2,970,944)	(1,064,944)	7,602,216
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	(608,447)		(608,447)	764,893
Claims paid	(1,264,553)	1,485,472	220,919	(4,749,001)
Ending balance	$ 8,353,000	$ 2,834,680	$ 11,187,680	$ 12,640,152
Current portion	$ 1,872,965	$ 1,450,361	$ 3,323,326	$ 3,246,644

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 $1,658 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 - JOINT VENTURE

Salvio Grant Land Joint Venture

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

The Joint Venture financial statements for its fiscal year ended December 31, 2013 reported revenue of $233,261 and no debt obligations. The City's equity in the partnership at June 30, 2014 was $2,362,972. Financial statements for the Partnership can be obtained from the City of Concord, 1950 Parkside Drive, Concord, California 94519.

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, 2014. 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 - 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 18 - 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, 2014 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, 2014 the loan balance was $557,750.

California Automotive Retailing Group Development Agreement

In July 2009, the Agency entered into a $250,000 interest free loan agreement with California Automotive Retailing Group to rehabilitate and improve an existing automotive dealership site at 1330 Concord Avenue. Monthly payments of $2,083 for 120 months started on October 1, 2009. The Successor Agency expects the loan to be repaid on September 1, 2019. As of June 30, 2014 the loan balance was $135,420.

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, 2014, 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 18 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

Land Held for Redevelopment

As of June 30, 2014, 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, 2014, the Successor Agency held assets within the City investment pool totaling $3,225,047.

Cash with Fiscal Agents

As of June 30, 2014, the Successor Agency held assets with fiscal agents totaling $8,583,657.

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 18 - 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

Long-Term Debt

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

Current Year Transactions and Balances

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

	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
Successor Agency				
Capital assets not being depreciated:				
Land	$ 448,293			$ 448,293
Construction in progress	36,862		$ (36,862)	
Total capital assets not being depreciated	485,155		(36,862)	448,293
Capital assets being depreciated:				
Buildings and structures	2,259,347			2,259,347
Less: depreciation	(1,278,942)	$ (67,781)		(1,346,723)
Streets	300,519			300,519
Less: depreciation	(8,872)	(10,017)		(18,889)
Sidewalks	227,377			227,377
Less: depreciation	(4,547)	(4,548)		(9,095)
Lights	37,527			37,527
Less: depreciation	(625)	(1,251)		(1,876)
Equipment		36,862		36,862
Less: depreciation				
Total capital assets being depreciated	1,531,784	(46,735)		1,485,049
Successor Agency Capital assets, net	$ 2,016,939	$ (46,735)	$ (36,862)	$ 1,933,342

Tax Allocation Bonds (TABs) Outstanding

Tax Allocation Bonds were issued in 2004 by the former Redevelopment Agency to defease and retire the 1988 Current Interest Term Bonds, 1993 Senior Current Interest Term Bonds, and the 1993 Subordinate Term Bonds. Interest payments on the 2004 TABs are payable semi-annually on January 1 and July 1. The 2004 TABs are special obligations of the Agency and are secured by the Agency's tax increment revenues. 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 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 secured by a surety bond issued by AMBAC Assurance as of June 30, 2014.

NOTE 18 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

The pledge of future tax increment revenues ends upon repayment of the $69,493,551 (principal and interest) in remaining debt service on the Agency's Tax Allocation Bonds which is scheduled to occur in 2026. As disclosed in the originating offering documents, pledged future tax increment revenues are expected to provide coverage over debt service of 1.63 over the life of the long term debt. For fiscal year 2014 RPTTF amounted to $13,166,725 which represented coverage of 2.59 over the $5,080,000 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, 2014 was $45,240,000.

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 2014. 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.
As of June 30, 2014 the total amount payable on the reimbursement agreement was $5,230,000.

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, 2014 the total amount payable on the reimbursement agreement was $3,067,000.

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, 2014 the amount due that Fund under the repayment plan totaled $9,495,937. The advance does not bear interest.

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.

NOTE 18 - REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

This loan has been approved by the Department of Finance on the Recognized Obligation Payment Schedule. As of June 30, 2014 the total amount payable on the loan was $9,495,937.

Current Year Transactions and Balances

	Original Principal Amount	Balance as of June 30, 2013	Retirements	Balance as of June 30, 2014	Current Portion
2004 Tax Allocation Refunding Bonds					
3.9-5.05%, due 07/01/2025	$ 72,310,000	$ 49,385,000	$ 4,145,000	$ 45,240,000	$ 4,315,000
Total Tax Allocation Bonds		49,385,000	4,145,000	45,240,000	4,315,000
Reimbursement Agreement:					
City of Concord, 3.60%, due 09/01/2019	$ 3,116,000	3,067,000		3,067,000	468,000
Reimbursement Agreement:					
City of Concord, 4.0-5.13%, due 03/01/2023	$ 19,280,000	6,165,000	935,000	5,230,000	475,000
Loan Payable:					
Housing Successor Loan Due 06/30/2019	$ 9,495,937	9,495,937		9,495,937	
Total Successor Agency		$ 66,632,806	$ 5,080,000	$ 63,032,937	$ 5,258,000

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 June 30,	Principal	Interest
2015	$ 5,258,000	$ 2,390,344
2016	5,472,500	2,162,192
2017	5,706,500	1,915,427
2018	5,970,000	1,652,928
2019	15,737,937	1,373,742
2020-2024	18,903,000	3,538,890
2025-2026	5,985,000	305,174
Total	$ 63,032,937	$ 13,338,697

NOTE 18 - 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.

State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office will be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

On January 11, 2013 the Successor Agency remitted $8,579,587 to the Contra Costa County Auditor-Controller's office in compliance with the asset review of the Low and Moderate Income Housing Fund assets.

On June 14, 2013 the Successor Agency remitted $651,230 to the Contra Costa County Auditor-Controller's office in compliance with the asset review of the All Other Funds assets.

Subsequent Event

On October 1, 2014 the Successor Agency to the Redevelopment Agency of the City of Concord issued Tax Allocation Refunding Bonds in an amount not to exceed $47,500,000, to refund the 2001 City of Concord Joint Powers Financing Authority bonds and the 2004 Former Redevelopment Agency Tax Allocation Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

The City implemented GASB Statement No. 67, Financial Reporting for Pension Plans, for fiscal year 2013-14. Presented below is information for the City of Concord Retirement System Pension Plan, (Plan), a single-employer defined benefit retirement plan, as required by GASB Statement No. 67:

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net position (b)**	**Net Pension Liability (a) - (b)**
Balances at June 30, 2013	$ 62,399,000	$ 37,640,518	$ 24,758,482
Changes for the year:			
Service Cost		(5,516,398)	5,516,398
Interest	3,879,000		3,879,000
Contributions - employer		1,971,829	(1,971,829)
Net investment income		3,423,144	(3,423,144)
Benefits payments	(5,516,000)		(5,516,000)
Administrative expense		(193,523)	193,523
Net changes	(1,637,000)	(314,948)	(1,322,052)
Balances at June 30, 2014	$ 60,762,000	$ 37,325,570	$ 23,436,430

Plan fiduciary net position as a percentage of the total pension liability	61.43%	
Covered employee payroll	-	[1]
Net pension liability as a percentage of covered-employee payroll	N/A	

[1] Plan was closed in 1999.

Schedule of Contributions

	2014	
Actuarially determined contribution	$ 2,045,000	
Contributions in relation to the actuarially determined contribution	1,971,829	
Contribution deficiency (excess)	$ 73,171	
Covered employee payroll	-	[1]
Contributions as a percentage of covered - employee payroll	N/A	

[1] Plan was closed in 1999.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Notes to the schedule

Valuation date: Actuarially determined contribution rates are calculated as of June 30, 2012.

Actuarial Assumptions used to determine contribution rates:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar
Remaining amortization: 14 years	
Asset valuation method:	Market value
Return on Assets:	6.50%
Discount Rate:	6.50%
Inflation:	3.00% per annum
Salary Scale:	N/A
Cost of Living:	2.00%
Mortality Rates:	Rates are from the CalPERS 1997-2007 Experience Study fully gereational mortality improvement projection with Scale AA

Schedule of Investment Returns

	2014
Annual Money Rated Rate of Return, net of investment expense	9%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Presented below are the schedules of funding progress as required by GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers:

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 retirement and OPEB plans as of the valuation dates.

CalPERS Safety and Miscellaneous Employees Pension Plans

Safety Plan

Valuation Date	Actuarial Entry Age Accrued Liability	Actuarial Value of Asset	Actuarial Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2011	166,921,000	121,947,000	44,974,000	73.1%	17,031,000	264.1%
June 30, 2012	174,380,865	130,221,418	44,159,447	74.7%	16,745,994	263.7%
June 30, 2013	184,886,672	124,184,691	60,701,981	67.2%	16,682,386	363.9%

Miscellaneous Plan

Valuation Date	Actuarial Entry Age Accrued Liability	Actuarial Value of Asset	Actuarial Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2011	163,036,000	123,455,000	39,581,000	75.7%	17,127,000	231.1%
June 30, 2012	165,085,236	126,091,233	38,994,003	76.4%	15,851,381	246.0%
June 30, 2013	170,618,908	115,153,527	55,465,381	67.5%	15,693,515	353.4%

City of Concord Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentages of Covered Payroll [(B-A)/C]
June 30, 2010	$ 15,418,000	$ 49,254,000	$ 33,836,000	31.30%	$ 30,830,000	110%
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%

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

City of Concord Retirement System

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage AAL Funded	Unfunded (Overfunded) AAL	Annual Covered Payroll	Unfunded (Overfunded) AAL Covered Payroll
June 30, 2007	$ 51,199,000	$ 83,912,000	61.02%	$ 32,713,000	*N/A	*N/A
June 30, 2010	43,596,000	65,271,000	66.79%	21,675,000	*N/A	*N/A
June 30, 2012	39,820,000	63,895,000	62.32%	24,075,000	*N/A	*N/A

*Plan was closed in 1993; therefore, there is no covered payroll

Notes to the Required Supplementary Information

Note 1 This information is intended to help users assess the City's Public Safety and Miscellaneous Retirement Plans, the City's OPEB plan and the City's Retirement System's status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other employees.

Note 2 The information presented related to the City's Public Safety and Miscellaneous Retirement Plans, the City's OPEB plan and the City's Retirement System's only.

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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.

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

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.

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.

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, 2014

	SPECIAL REVENUE FUNDS			
	State Gas Tax	Maintenance Districts	Art in Public Places	Traffic System Management
ASSETS:				
Cash and Investments	$ 4,717,855	$ 4,320,021	$ 100,269	$ 180,417
Cash with Fiscal Agents				
Receivables, Net				
Accounts Receivable				
Due from Other Funds		61,718		
Due from Other Governments	368,985			
Loans and Notes				
Advances to Other Funds				238,500
Total Assets	$ 5,086,840	$ 4,381,739	$ 100,269	$ 418,917
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
Liabilities:				
Accounts, Deposits and Contracts Payable	$ 20,300			
Accrued Liabilities	30,824	$ 2,565		
Due to Other Funds				
Unearned Revenue				
Advance from Other Funds		238,500		
Total Liabilities	51,124	241,065		
Deferred Inflows of Resources:				
Unavailable Revenue				
Fund Balances:				
Nonspendable				$ 238,500
Restricted	5,035,716	4,140,674	$ 100,269	180,417
Assigned				
Unassigned				
Total Fund Balances (Deficit)	5,035,716	4,140,674	100,269	418,917
Total Liabilities Defferd Inflows				
Total Liabilities and Fund Balances	$ 5,086,840	$ 4,381,739	$ 100,269	$ 418,917

CITY OF CONCORD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

SPECIAL REVENUE FUNDS					
Housing Assistance Program	Housing and Community Services	Storm Water Management	Health Care District	Tourism Improvement District	Asset Forfeiture
$ 507,825	$ 2,522,149	$ 3,161,852	$ 316,042	$ 149,938	$ 490,585
	64,566				
	35,571				
199,892	1,940,466				
$ 707,717	$ 4,562,752	$ 3,161,852	$ 316,042	$ 149,938	$ 490,585
	$ 45,594			$ 132,140	
	730,462	$ 13,906	$ 410		
	776,056	13,906	410	132,140	
$14,447	1,785,019				
199,892	1,940,466				
493,378	61,211	3,147,946	315,632	17,798	$ 490,585
693,270	2,001,677	3,147,946	315,632	17,798	490,585
$ 707,717	$ 4,562,752	$ 3,161,852	$ 316,042	$ 149,938	$ 490,585

CITY OF CONCORD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

DEBT SERVICE FUNDS						
Police Facilities Revenue Bonds	Parking Structure Revenue Bonds	ABAG	Performing Arts Revenue Bonds	Assessment Districts	Refunding Lease Agreement	Energy Lease
$ 195,578		$ 25	$ 735,272			$ 16,521
	$ 747,874	66,206	645,029			
				$ 68,072		
$ 195,578	$ 747,874	$ 66,231	$ 1,380,301	$ 68,072	$ -	$ 16,521
				$ 8,479		
				61,718		
				70,197		
$ 195,578	$ 747,874	$ 66,231	$ 1,380,301			$ 16,521
				(2,125)		
195,578	747,874	66,231	1,380,301	(2,125)		16,521
$ 195,578	$ 747,874	$ 66,231	$ 1,380,301	$ 68,072	$ -	$ 16,521

CITY OF CONCORD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2014

CAPITAL PROJECTS FUNDS		
Special Developers	Inter-Governmental	Total Non-Major Governmental Funds
$ 2,022,567	$ 1,901,394	$ 21,338,310
		1,459,109
	706,347	838,985
		61,718
	585,816	990,372
		2,140,358
		238,500
$ 2,022,567	$ 3,193,557	$ 27,067,352
$ 818	$ 1,490	$ 208,821
		778,167
		61,718
	31	31
1,132,473		1,370,973
1,133,291	1,521	2,419,710
	752,781	2,552,247
		2,378,858
	2,439,255	18,829,386
889,276		889,276
		(2,125)
889,276	2,439,255	22,095,395
$ 2,022,567	$ 3,193,557	$ 27,067,352

CITY OF CONCORD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	SPECIAL REVENUE FUNDS					
	State Gas Tax	Maintenance Districts	Art in Public Places	Traffic System Management	Housing Assistance Program	Housing and Community Services
REVENUES:						
Taxes		$ 1,531,461				
Licenses and Permits						
Intergovernmental	$ 3,926,905					$ 776,618
Charges for Services					$ 6,876	20,494
Use of Money and Property	45,476	41,988	$ 1,293	$ 15,225	4,963	77,709
Special Assessment Collections						
Other		1,171				611,052
Total Revenues	3,972,381	1,574,620	1,293	15,225	11,839	1,485,873
EXPENDITURES:						
Current:						
Public Works	2,810,104	717,998				
Community and Economic Development				40,700		169,925
Parks & Recreation Services						321,802
Public Safety						667
Capital Outlay	527,333	48,278	28,126			387,881
Debt Service:						
Principal Repayment						900,000
Interest and Fiscal Charges		15,900				
Total Expenditures	3,337,437	782,176	28,126	40,700		1,780,275
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	634,944	792,444	(26,833)	(25,475)	11,839	(294,402)
OTHER FINANCING SOURCES (USES):						
Transfers In	37,810					
Transfers (Out)		(271,365)		(10,500)		
Total Other Financing Sources (Uses)	37,810	(271,365)		(10,500)		
Net Changes in Fund Balances	672,754	521,079	(26,833)	(35,975)	11,839	(294,402)
Fund Balances (Deficit) at the Beginning of Period	4,362,962	3,619,595	127,102	454,892	681,431	2,296,079
FUND BALANCES (DEFICIT) AT END OF PERIOD	$ 5,035,716	$ 4,140,674	$ 100,269	$ 418,917	$ 693,270	$ 2,001,677

CITY OF CONCORD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS			
Storm Water Management	Health Care District	Tourism Improvement District	Asset Forfeiture	Police Facilities Revenue Bonds	Parking Structure Revenue Bonds	ABAG	Performing Arts Revenue Bonds
$ 2,038,440	$ 222,791						
			$ 91,773				
32,893	3,504	$ 966	544	$ 102	$ 2,397	$ 391	
		6,832					
224	1,273	10,000		497,731	739,494		
2,071,557	227,568	17,798	92,317	497,833	741,891	391	
705,312							
741,328							
	274,778						
			83,959				
2,202							
				485,000	450,000		480,000
				14,731	291,582	709	226,790
1,448,842	274,778		83,959	499,731	741,582	709	706,790
622,715	(47,210)	17,798	8,358	(1,898)	309	(318)	(706,790)
2,900			482,227			736	700,832
(448,725)							
(445,825)			482,227			736	700,832
176,890	(47,210)	17,798	490,585	(1,898)	309	418	(5,958)
2,971,056	362,842			197,476	747,565	65,813	1,386,259
$ 3,147,946	$ 315,632	$ 17,798	$ 490,585	$ 195,578	$ 747,874	$ 66,231	$ 1,380,301

CITY OF CONCORD
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
Assessment Districts	Refunding Lease Agreement	Energy Lease	Special Developers	Inter - Governmental	Total Non-Major Governmental Funds
					$ 3,792,692
			$ 395,545		395,545
				$ 2,764,029	7,559,325
					27,370
			20,190	30,659	278,300
					6,832
	$ 110,412		87,280		2,058,637
	110,412		503,015	2,794,688	14,118,701
				21,138	4,254,552
$ 1,159			42,431	197,511	1,193,054
			26,392		622,972
					84,626
			144,891	911,974	2,050,685
	398,500	300,344			3,013,844
	132,615	381,888			1,064,215
1,159	531,115	682,232	213,714	1,130,623	12,283,948
(1,159)	(420,703)	(682,232)	289,301	1,664,065	1,834,753
	420,703	698,724	11,814	12,262	2,368,008
			(6,557)		(737,147)
	420,703	698,724	5,257	12,262	1,630,861
(1,159)		16,492	294,558	1,676,327	3,465,614
(966)		29	594,718	762,928	18,629,781
$ (2,125)	$ -	$ 16,521	$ 889,276	$ 2,439,255	$ 22,095,395

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, 2014

	STATE GAS TAX			MAINTENANCE DISTRICTS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Taxes				$ 1,527,302	$ 1,531,461	$ 4,159
Licenses and Permits						
Intergovernmental	$ 3,649,446	$ 3,926,905	$ 277,459			
Charges for Services						
Use of Money and Property	40,000	45,476	5,476	52,605	41,988	(10,617)
Special Assessment Collections						
Other					1,171	1,171
Total Revenues	3,689,446	3,972,381	282,935	1,579,907	1,574,620	(5,287)
EXPENDITURES:						
Current:						
Public Works	3,710,730	2,810,104	900,626	1,274,965	717,998	556,967
Community and Economic Development						
Parks & Recreation Services						
Public Safety						
Capital Outlay						
Debt Service:						
Principal Repayment						
Interest and Fiscal Charges					15,900	(15,900)
Total Expenditures	3,710,730	2,810,104	900,626	1,274,965	733,898	541,067
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(21,284)	1,162,277	1,183,561	304,942	840,722	535,780
OTHER FINANCING SOURCES (USES):						
Transfers In		37,810	37,810			
Transfers (Out)				(695,574)	(271,365)	424,209
Total Other Financing Sources (Uses)		37,810	37,810	(695,574)	(271,365)	424,209
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(21,284)	1,200,087	1,221,371	(390,632)	569,357	959,989
Adjustment to Budgetary Basis:						
Capital Outlay		(527,333)			(48,278)	(48,278)
Fund Balances at Beginning of Year	4,362,962	4,362,962		3,619,595	3,619,595	
Fund Balances at End of Year	$ 4,341,678	$ 5,035,716	$ 1,221,371	$ 3,228,963	$ 4,140,674	$ 911,711

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, 2014

	ART IN PUBLIC PLACES			TRAFFIC SYSTEM MANAGEMENT			HOUSING ASSISTANCE PROGRAM		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
							$ 9,750	$ 6,876	$ (2,874)
		$ 1,293	$ 1,293	$ 988	$ 15,225	$ 14,237	9,000	4,963	(4,037)
		1,293	1,293	988	15,225	14,237	18,750	11,839	(6,911)
				39,171	40,700	(1,529)			
				39,171	40,700	(1,529)			
		1,293	1,293	(38,183)	(25,475)	12,708	18,750	11,839	(6,911)
				95,400	-	(95,400)			
				(10,500)	(10,500)				
				84,900	(10,500)	(95,400)			
		1,293	1,293	46,717	(35,975)	(82,692)	18,750	11,839	(6,911)
		(28,126)							
	$ 127,102	127,102		454,892	454,892		681,431	681,431	
	$ 127,102	$ 100,269	$ 1,293	$ 501,609	$ 418,917	$ (82,692)	$ 700,181	$ 693,270	$ (6,911)

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, 2014

HOUSING AND COMMUNITY SERVICES			STORM WATER MANAGEMENT			HEALTH CARE DISTRICT		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			$ 1,983,000	$ 2,038,440	$ 55,440.00	$ 230,000	$ 222,791	$ (7,209)
$ 1,029,440	$ 776,618	$ (252,822)						
20,000	20,494	494						
	77,709	77,709	30,000	32,893	2,893	200	3,504	3,304
20,000	611,052	591,052		224	224	25,000	1,273	(23,727)
1,069,440	1,485,873	416,433	2,013,000	2,071,557	58,557	255,200	227,568	(27,632)
			799,061	705,312	93,749			
487,051	169,925	317,126	758,745	741,328	17,417			
300,146	321,802	(21,656)				305,056	274,778	30,278
21,045	667	20,378						
	900,000	(900,000)						
808,242	1,392,394	(584,152)	1,557,806	1,446,640	111,166	305,056	274,778	30,278
261,198	93,479	(167,719)	455,194	624,917	169,723	(49,856)	(47,210)	2,646
				2,900	2,900			
			(448,725)	(448,725)				
			(448,725)	(445,825)	2,900			
261,198	93,479	(167,719)	6,469	179,092	172,623	(49,856)	(47,210)	2,646
	(387,881)	(387,881)		(2,202)	(2,202)			
2,296,079	2,296,079		2,971,056	2,971,056		362,842	362,842	
$ 2,557,277	$ 2,001,677	$ (555,600)	$ 2,977,525	$ 3,147,946	$ 170,421	$ 312,986	$ 315,632	$ 2,646

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, 2014

TOURISM IMPROVEMENT DISTRICT			ASSET FORFEITURE			POLICE FACILITIES REVENUE BONDS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
				$ 91,773	$ 91,773			
	$ 966	$ 966		544	544		$ 102	$ 102
	6,832	6,832						
	10,000	10,000					497,731	497,731
	17,798	17,798		92,317	92,317		497,833	497,833
			76,019	83,959	(7,940)			
						485,000	485,000	
						12,731	14,731	(2,000)
			76,019	83,959	(7,940)	497,731	499,731	(2,000)
	17,798	17,798	(76,019)	8,358	84,377	(497,731)	(1,898)	495,833
				482,227	482,227	497,731		(497,731)
				482,227	482,227	497,731		(497,731)
	17,798	17,798	(76,019)	490,585	566,604		(1,898)	(1,898)
						197,476	197,476	
	$ 17,798	$ 17,798	$ (76,019)	$ 490,585	$ 566,604	$ 197,476	$ 195,578	$ (1,898)

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, 2014

PARKING STRUCTURE REVENUE BONDS			ABAG			PERFORMING ARTS REVENUE BONDS		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
$ 2,397	$ 2,397			$ 391	$ 391			
739,494	739,494							
741,891	741,891			391	391			
450,000	450,000					$ 480,000	480,000	
291,582	291,582			709	(709)	220,832	226,790	(5,958)
741,582	741,582			709	(709)	700,832	706,790	(5,958)
309	309			(318)	(318)	(700,832)	(706,790)	(5,958)
				736	736	700,832	700,832	
				736	736	700,832	700,832	
309	309			418	418		(5,958)	(5,958)
747,565	747,565		$ 65,813	65,813		1,386,259	1,386,259	
$ 747,874	$ 747,874		$ 65,813	$ 66,231	$ 418	$ 1,386,259	$ 1,380,301	$ (5,958)

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, 2014

ASSESSMENT DISTRICTS			REFUNDING LEASE AGREEMENT			ENERGY LEASE		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
			$ 110,412	$ 110,412				
			110,412	110,412				
	1,159	(1,159)						
			398,500	398,500		$ 300,344	$ 300,344	
			132,615	132,615		378,950	381,888	$ (2,938)
	1,159	(1,159)	531,115	531,115		679,294	682,232	(2,938)
	(1,159)	(1,159)	(420,703)	(420,703)		(679,294)	(682,232)	(2,938)
			420,703	420,703		678,934	698,724	19,790
			420,703	420,703		678,934	698,724	19,790
	(1,159)	(1,159)				(360)	16,492	16,852
$ (966)	(966)					29	29	
$ (966)	$ (2,125)	$ (1,159)				$ (331)	$ 16,521	$ 16,852

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, 2014

	Workers' Compensation	Risk Management/ Liability	Post-Retirement Healthcare Benefit	Fleet Maintenance/ Replacement	Information Technology Replacement
ASSETS					
Current Assets:					
Cash and Investments	$ 10,012,369	$ 2,452,682	$ 750,782	$ 2,641,486	$ 8,247,504
Accounts Receivable	11,977			8,646	
Total Current Assets	10,024,346	2,452,682	750,782	2,650,132	8,247,504
Advances to Other Funds	2,000,000				
Net OPEB Asset			1,093,430		
Capital Assets:					
Buildings and Improvements					
Equipment				9,309,510	14,168,714
Construction In Progress				50,749	758,415
Less: Accumulated Depreciation				(7,356,090)	(10,798,224)
Net Capital Assets				2,004,169	4,128,905
Total Assets	12,024,346	2,452,682	1,844,212	4,654,301	12,376,409
LIABILITIES					
Current Liabilities					
Accounts Payable					95,523
Accrued Liabilities	560			14,300	39,736
Compensated Absences Payable				31,965	59,233
Capital Lease Payable					616,806
Interest Payable					37,479
Claims Payable	1,872,965	1,450,361			
Total Current Liabilities	1,873,525	1,450,361		46,265	848,777
Non-Current Liabilities					
Compensated Absences Payable				19,095	69,266
Capital Lease Payable					1,169,733
Claims Payable	6,480,035	1,384,319			
Total Liabilities	8,353,560	2,834,680		65,360	2,087,776
NET POSITION					
Net Investment in Capital Assets				2,004,169	2,304,887
Unrestricted	3,670,786	(381,998)	1,844,212	2,584,772	7,983,746
Total Net Position	$ 3,670,786	$ (381,998)	$ 1,844,212	$ 4,588,941	$ 10,288,633

CITY OF CONCORD
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

Building Maintenance	Total
$ 1,801,483	$ 25,906,306
	20,623
1,801,483	25,926,929
	2,000,000
	1,093,430
47,535,765	47,535,765
	23,478,224
24,591	833,755
(21,879,919)	(40,034,233)
25,680,437	31,813,511
27,481,920	60,833,870
$247,100	342,623
25,908	80,504
57,003	148,201
	616,806
	37,479
	3,323,326
330,011	4,548,939
21,419	109,780
	1,169,733
	7,864,354
351,430	13,692,806
25,680,437	29,989,493
1,450,053	17,151,571
$ 27,130,490	$ 47,141,064

CITY OF CONCORD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Workers' Compensation	Risk Management/ Liability	Post-Retirement Healthcare Benefit	Fleet Maintenance/ Replacement
OPERATING REVENUES				
Charges for Services	$ 3,002,545	$ 1,194,629	$ 4,150,474	$ 2,888,358
Other		1,485,472	2,577,140	1,599
Total Operating Revenues	3,002,545	2,680,101	6,727,614	2,889,957
OPERATING EXPENSES				
Operations and Maintenance	502,586	751,188	7,419,480	1,881,278
Cost of Sales and Services			64,655	
Depreciation				1,043,079
Claims and Judgments	1,264,553			
Total Operating Expenses	1,767,139	751,188	7,484,135	2,924,357
Operating Income (Loss)	1,235,406	1,928,913	(756,521)	(34,400)
NON-OPERATING REVENUE (EXPENSES)				
Interest and Other Income	101,103	23,683	262	65,937
Interest and Other Expense				
Gain (Loss) from Sale of Capital Assets				82,366
Total Non-Operating Revenue	101,103	23,683	262	148,303
Income (Loss) Before Contributions	1,336,509	1,952,596	(756,259)	113,903
Contributions				64,600
Transfers In		100,000		
Transfers Out	(100,000)	(420,703)		
Changes in Net Position	1,236,509	1,631,893	(756,259)	178,503
Net Position Beginning	2,434,277	(2,013,891)	$2,600,471	4,410,438
Net Position Ending	$ 3,670,786	$ (381,998)	$ 1,844,212	$ 4,588,941

CITY OF CONCORD
INTERNAL SERVICE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Information Technology Replacement	Building Maintenance	Total
$ 6,382,595	$ 2,943,731	$ 20,562,332
5,134	256	4,069,601
6,387,729	2,943,987	24,631,933
4,432,657	2,719,555	17,706,744
		64,655
778,564	1,058,958	2,880,601
		1,264,553
5,211,221	3,778,513	21,916,553
1,176,508	(834,526)	2,715,380
82,953	21,136	295,074
(81,100)		(81,100)
	(86,415)	(4,049)
1,853	(65,279)	209,925
1,178,361	(899,805)	2,925,305
1,235,327	4,003,942	5,303,869
442,103	200,000	742,103
	(314,169)	(834,872)
2,855,791	2,989,968	8,136,405
7,432,842	24,140,522	39,004,659
$ 10,288,633	$ 27,130,490	$ 47,141,064

CITY OF CONCORD
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Workers' Compensation	Risk Management/ Liability	Post-Retirement Healthcare Benefit	Fleet Maintenance/ Replacement
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 2,993,328	$ 2,680,101	$ 6,727,614	$ 2,892,179
Payments to Suppliers			(3,548,913)	(1,881,278)
Payments to Employees				(34)
Claims Paid	(1,734,493)	(2,236,660)		
Net Cash Provided by (Used for) Operating Activities	1,258,835	443,441	3,178,701	1,010,867
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Borrowings of Advances From/To Other Funds			(2,428,181)	
Transfer In/ (Out)		100,000		
Transfer In/ (Out)	(100,000)	(420,703)		
Net Cash Provided by (used for) Non-Capital Financing Activities	(100,000)	(320,703)	(2,428,181)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets				(1,168,526)
Principal Paid on Debt, Bond Maturities				
Interest and Fiscal Charges Paid				
Net Cash Provided by (used for) Capital and Related Financing Activities				(1,168,526)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	101,103	23,683	262	65,937
Net Cash Provided by (used for) Investing Activities	101,103	23,683	262	65,937
Net Increase (Decrease) in Cash and Cash Equivalents	1,259,938	146,421	750782	(91,722)
Cash and Investments at Beginning of Period	8,752,431	2,306,261		2,733,208
Cash and Investments at End of Period	$ 10,012,369	$ 2,452,682	$ 750,782	$ 2,641,486
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	$ 1,235,406	$ 1,928,913	$ (756,521)	$ (34,400)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation				1,043,079
Change in Assets and Liabilities:				
Receivables, Net	(9,217)			2,222
Net OPEB Asset			3,935,222	
Accounts Payable				
Accrued Liabilities	(354)			(34)
Self Insurance Claims Payable	33,000	(1,485,472)		
Net Cash Provided by (Used for) Operating Activities	$ 1,258,835	$ 443,441	$ 3,178,701	$ 1,010,867
Inception of Capital Lease				
Non-cash Contributions and Transfers of Fixed Assets, Net				$ 64,600

CITY OF CONCORD
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

Information Technology Replacement	Building Maintenance	Total
$ 6,387,729	$ 2,943,987	$ 24,624,938
(4,324,274)	(2,679,306)	(12,433,771)
(12,753)	(13,998)	(26,785)
		(3,971,153)
2,050,702	250,683	8,193,229
	4,003,942	1,575,761
442,103	200,000	742,103
	(314,169)	(834,872)
442,103	3,889,773	1,482,992
(774,135)	(4,015,763)	(5,958,424)
(107,823)		(107,823)
(77,225)		(77,225)
(959,183)	(4,015,763)	(6,143,472)
82,953	21,135	295,073
82,953	21,135	295,073
1,616,575	145,828	3,827,822
6,630,929	1,655,655	22,078,484
$ 8,247,504	$ 1,801,483	$ 25,906,306
$ 1,176,508	$ (834,526)	$ 2,715,380
778,564	1,058,958	2,880,601
		(6,995)
		3,935,222
95,523	36,054	131,577
107	(9,803)	(10,084)
		(1,452,472)
$ 2,050,702	$ 250,683	$ 8,193,229
$ 436,826		$ 436,826
$ 1,235,327	$ 4,003,942	$ 5,303,869

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STATISTICAL TABLES AND OTHER SCHEDULES (UNAUDITED)

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information discusses about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

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

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

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

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

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

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

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

- Demographic and Economic Statistics
- Principal Employers

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

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

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

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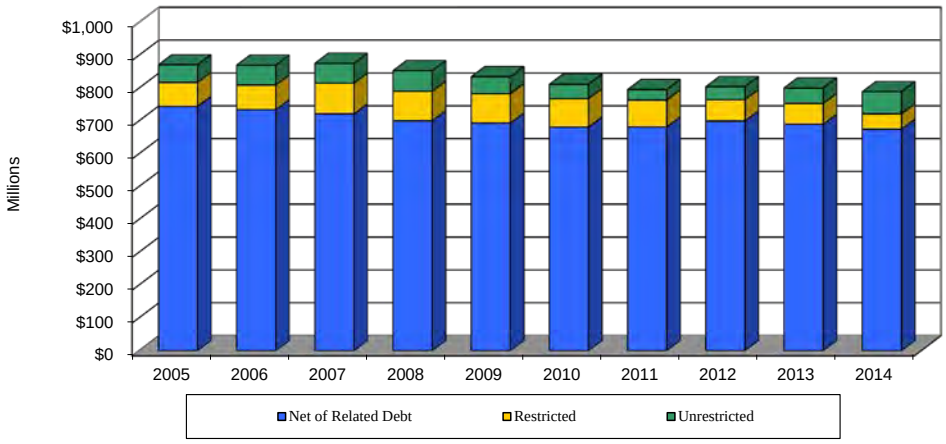
Table 1: Net Position by Component

Last Ten Fiscal Years (Accrual Basis of Accounting)



	Fiscal Year Ended June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets, Net of Related Debt	$664,630,378	$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
Restricted	73,086,978	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
Unrestricted	39,968,088	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
Total Governmental Activities Net Position	$777,685,444	$776,464,168	$785,454,847	$768,690,045	$749,886,874	$728,964,981	$715,863,349	$728,158,392	$729,410,455	$722,070,427
Business-Type Activities										
Net Investment in Capital Assets, Net of Related Debt	$79,789,175	$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
Restricted										
Unrestricted	13,760,715	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
Total Business-Type Activities Net	$93,549,890	$93,477,726	$89,899,823	$84,494,610	$84,840,523	$82,940,479	$79,844,654	$76,400,789	$71,132,001	$66,955,662
Primary Government										
Net Investment in Capital Assets, Net of Related Debt	$744,419,553	$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
Restricted	73,086,978	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
Unrestricted	53,728,803	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
Total Primary Government Net Position	$871,235,334	$869,941,894	$875,354,670	$853,184,655	$834,727,392	$811,905,460	$795,708,003	$804,559,181	$800,542,456	$789,026,089

Table 2: Changes in Net Position

Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2005	2006	2007	2008	2009
Expenses					
Governmental Activities:					
General Government	$9,622,634	$11,142,712	$13,090,236	$13,275,497	$12,738,632
Public Safety	36,466,365	37,585,077	39,002,036	42,367,364	45,291,048
Public Works	34,904,128	34,976,572	35,491,488	36,554,748	36,454,843
Community & Economic Development	5,087,871	4,836,179	5,065,830	6,530,424	10,579,123
Building, Engineering & Neighborhood Services	5,690,760	7,239,616	9,313,264	12,291,176	6,571,713
Parks & Recreation	6,771,302	7,820,034	8,230,319	9,484,383	9,463,315
Interest on Long Term Debt	6,340,280	5,919,742	5,700,631	5,521,049	5,213,438
Total Governmental Activities Expenses	104,883,340	109,519,932	115,893,804	126,024,641	126,312,112
Business-Type Activities:					
Sewer	17,880,681	18,850,426	20,803,448	24,868,475	18,688,255
Golf Course	1,774,805	1,635,069	1,769,623	1,601,983	1,679,995
Total Business-Type Activities Expenses	19,655,486	20,485,495	22,573,071	26,470,458	20,368,250
Total Primary Government Expenses	$124,538,826	$130,005,427	$138,466,875	$152,495,099	$146,680,362
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government	$237,121	$1,025,938	$883,778	$782,744	$966,501
Public Safety	1,484,683	1,371,870	1,642,445	1,499,727	1,672,348
Public Works	6,712,375	4,814,755	4,964,185	2,575,986	5,847,684
Community & Economic Development	1,567,764	4,903,145	4,492,293	3,281,902	2,390,462
Building, Engineering & Neighborhood Services	2,703,914	2,957,954	2,694,836	777,091	3,363,813
Parks & Recreation	3,390,454	2,706,210	3,015,576	3,287,962	3,492,087
Operating Grants and Contributions	6,458,722	6,825,581	8,100,031	6,188,496	4,715,761
Capital Grants and Contributions	4,392,944	14,452,119	7,755,904	8,768,985	10,512,437
Total Governmental Activities Program Revenues	26,947,977	39,057,572	33,549,048	27,162,893	32,961,093
Business-Type Activities:					
Charges for Services:					
Sewer Wastewater	14,735,514	17,130,440	15,968,289	17,915,613	18,296,077
Golf Course	1,672,696	1,556,405	1,602,581	1,535,148	1,422,154
Capital Grants and Contributions		689,253	233,662	79,419	117,915
Total Business-Type Activities Program Revenue	16,408,210	19,376,098	17,804,532	19,530,180	19,836,146
Total Primary Government Program Revenues	$43,356,187	$58,433,670	$51,353,580	$46,693,073	$52,797,239
Net (Expense)/Revenue					
Governmental Activities	($77,935,363)	($70,462,360)	($82,344,756)	($98,861,748)	($93,351,019)
Business-Type Activities	(3,247,276)	(1,109,397)	(4,768,539)	(6,940,278)	(532,104)
Total Primary Government Net Expense	($81,182,639)	($71,571,757)	($87,113,295)	($105,802,026)	($93,883,123)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes:					
Property Taxes	$21,710,942	$23,202,025	$28,151,765	$30,269,864	$29,034,866
Sales Taxes	28,313,462	27,219,549	28,574,582	27,325,370	24,253,987
Motor Vehicle In-Lieu	9,496,201	9,064,920	9,266,868	9,759,831	9,625,635
Transient Occupancy Taxes	1,629,388	1,836,002	2,057,241	2,193,085	1,710,768
Business License Taxes	3,153,959	3,107,600	3,218,553	3,157,176	3,262,762
Other Taxes	3,368,778	3,347,905	3,853,558	3,991,357	4,128,526
Grants & Contributions Not Restricted to Specific Programs					
Investment Earnings	3,147,879	2,962,518	4,218,014	5,346,348	2,300,008
Miscellaneous Revenues	74,071	59,733		53,915	247,697
Transfers	(40,321)				(16,401)
Gain (Loss) on Sale of Land		(1,559,168)	11,994,854		
Extraordinary Item-Assets Transferred to/Liabilities					
assumed by Successor Agency					
assumed by Successor Agency					
assumed by Successor Agency					
Total Governmental Activities	70,854,359	69,241,084	91,335,435	82,096,946	74,547,848
Business-Type Activities:					
Investment Earnings	535,095	1,037,233	1,190,636	1,485,065	809,161
Miscellaneous Revenues				50,000	52,450
Transfers	40,321				16,401
Total Business-Type Activities	575,416	1,037,233	1,190,636	1,535,065	878,012
Total Primary Government	$71,429,775	$70,278,317	$92,526,071	$83,632,011	$75,425,860
Change in Net Position					
Governmental Activities	($7,081,004)	($1,221,276)	$8,990,679	($16,764,802)	($18,803,171)
Business-Type Activities	(2,671,860)	(72,164)	(3,577,903)	(5,405,213)	345,908
Total Primary Government	($9,752,864)	($1,293,440)	$5,412,776	($22,170,015)	($18,457,263)

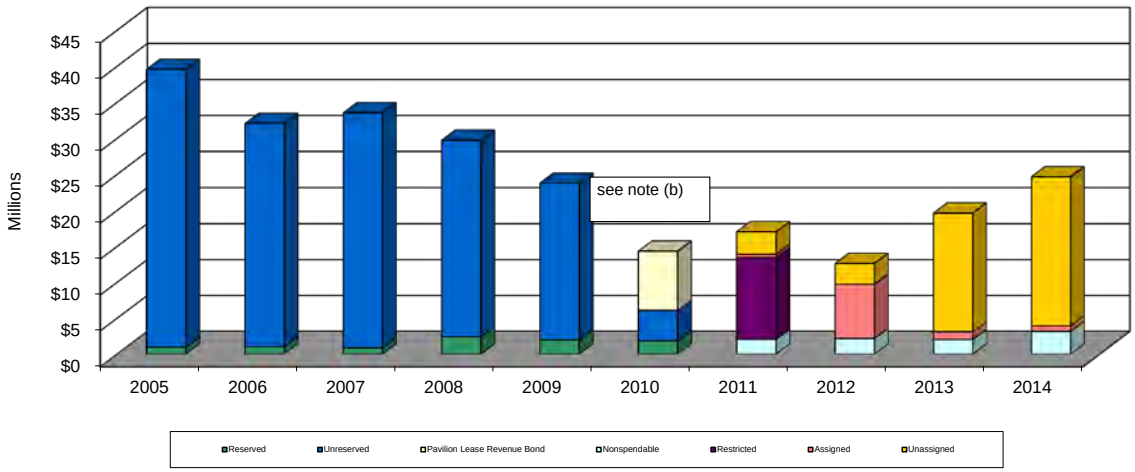
N (a) In 2010, Building, Engineering & Neighborhood Services was merged into Public Works & Engineering; and Planning & Economic Department was reorganized into Community Development Department.

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

Fiscal Year Ended June 30,				
2010 (a)	2011	2012 (b)	2013	2014
$12,443,084	$11,349,674	$13,101,551	$17,203,231	$17,720,024
43,000,455	43,122,959	43,363,091	46,357,766	43,124,635
32,833,186	37,629,109	32,023,754	33,607,422	37,036,728
20,627,408	15,777,443	10,592,117	8,677,518	8,634,948
9,810,082	7,207,017	6,979,013	6,045,819	5,803,618
5,266,740	3,936,497	3,334,049	1,282,725	1,356,197
123,980,955	119,022,699	109,393,575	113,174,481	113,676,150
21,303,268	21,695,293	23,196,668	24,908,709	26,764,449
1,323,074	1,305,929	1,313,458	1,308,344	1,351,250
22,626,342	23,001,222	24,510,126	26,217,053	28,115,699
$146,607,297	$142,023,921	$133,903,701	$139,391,534	$141,791,849
$594,633	$911,046	$1,553,733	1,528,975	1,960,144
1,805,170	1,589,312	1,635,124	1,255,763	1,459,631
8,425,897	8,491,639	8,528,881	5,675,622	2,568,214
2,917,141	6,786,730	548,425	3,226,130	4,421,290
3,332,979	3,068,375	3,019,879	2,531,616	3,140,708
5,519,453	6,071,139	7,926,836		
10,573,237	8,570,019	6,586,825		
33,168,510	35,488,260	29,799,703	14,218,106	13,549,987
18,423,702	18,238,338	19,359,526	19,420,225	22,099,344
1,326,167	1,250,804	1,382,491	1,381,788	1,442,836
19,749,869	19,489,142	20,742,017	20,802,013	23,542,180
$52,918,379	$54,977,402	$50,541,720	$35,020,119	$37,092,167
($90,812,445)	($83,534,439)	($79,593,872)	($86,653,537)	($84,046,028)
(2,876,473)	(3,512,080)	(3,768,109)	(5,381,095)	(4,476,893)
($93,688,918)	($87,046,519)	($83,361,981)	($92,034,632)	($88,522,921)
$27,916,258	$27,138,018	$19,353,337	$15,017,785	$15,707,019
23,370,649	24,585,811	33,855,151	36,423,806	40,070,675
8,797,365	8,843,361	8,117,461	7,682,740	8,073,738
1,427,813	1,391,107	1,478,874	1,832,615	2,262,589
3,324,011	3,347,429	3,377,278	3,365,317	3,324,299
4,097,706	4,438,806	4,784,146	5,269,956	5,962,699
842,470	635,145	623,823	98,740	1,304,981
114,280	33,834		357,827	
	19,296			
		20,298,845		
69,890,552	70,432,807	91,888,915	70,048,786	76,706,000
913,934	397,390	286,744	73,758	208,050
62,500	38,161	37,500	38,549	92,504
	(19,296)			
976,434	416,255	324,244	112,307	300,554
$70,866,986	$70,849,062	$92,213,159	$70,161,093	$77,006,554
($20,921,893)	($13,101,632)	$12,295,043	($16,604,751)	($7,340,028)
(1,900,039)	(3,095,825)	(3,443,865)	($5,268,788)	($4,176,339)
($22,821,932)	($16,197,457)	$8,851,178	($21,873,539)	($11,516,367)

Table 3: Fund Balance of Governmental Funds

Last Ten Fiscal Years (Modified Accrual Basis of Accounting)



	Fiscal Year Ended June 30,										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
General Fund											
Reserved	$947,419	$1,032,824	$865,652	$2,410,869	$1,995,403	$1,856,472					
Unreserved	38,634,501	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	(c)
Restricted							11,416,332		-	-	(c)
Assigned							443,832	7,571,120	1,082,256	795,794	(c)
Unassigned							3,129,741	2,867,298	16,499,789	20,700,348	(c)
Total General F	$39,581,920	$32,048,676	$33,540,917	$29,737,393	$23,801,699	$6,098,853	$17,040,411	$12,627,038	$19,625,811	$24,662,372	(a)
All Other Governmental Funds											
Reserved	$42,087,866	$38,193,568	$43,184,063	$39,242,159	$47,495,499	$50,668,540					
Unreserved	24,195,977	28,085,810	39,569,440	37,211,245	28,301,328	22,487,277					
Nonspendable										$5,378,858	(c)
Restricted							69,010,841	49,559,344	$45,936,715	$46,681,397	(c)
Assigned							1,546,816	976,992	594,718	889,276	(c)
Unassigned							(166,778)	(1,037,217)	(357,792)	(533,646)	(c)
Total All Other Governmental Funds	$66,283,843	$66,279,378	$82,753,503	$76,453,404	$75,796,827	$73,155,817	$70,390,879	$49,499,119	$46,173,641	$52,415,885	

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)

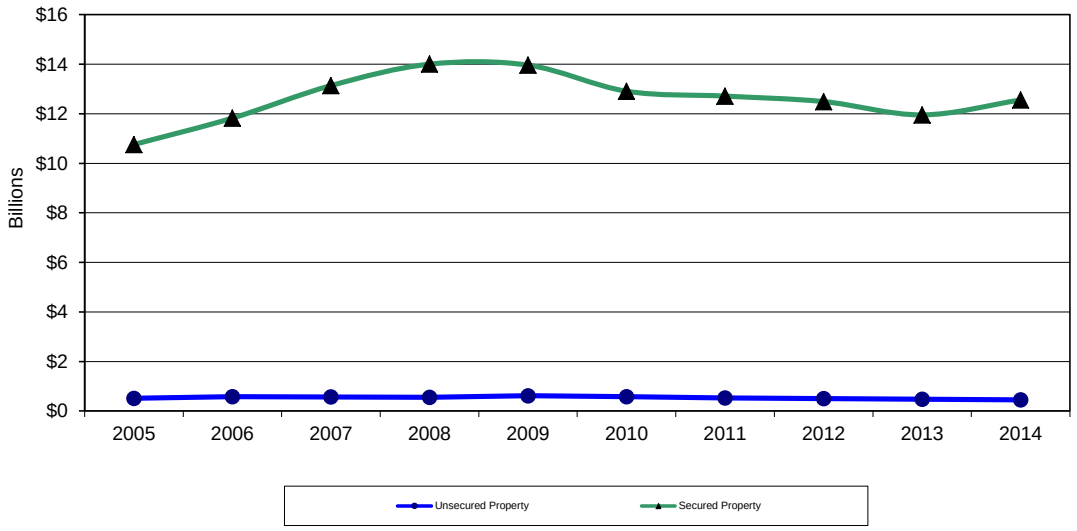
	Fiscal Year Ended June 30,				
	2005(a)	2006(a)	2007	2008	2009
Revenues					
Taxes	$62,108,412	$70,913,489	$78,285,780	$78,204,323	$75,189,694
Licenses and Permits	3,138,724	4,877,758	3,073,607	1,599,886	3,552,003
Intergovernmental	18,659,169	10,647,688	10,335,065	8,265,305	12,366,551
Charges for Services	6,399,020	7,130,622	7,182,525	6,343,372	7,289,449
Fines, Forfeitures and Penalties	717,015	897,435	989,426	1,055,807	1,108,677
Parks and Recreation	2,420,106	2,585,962	2,678,282	3,006,184	2,869,639
Use of Money and Property	4,740,989	5,371,381	5,943,217	5,968,313	4,102,165
Special Assessment Collections	99,623	75,021	72,524	65,610	67,052
Other	758,718	713,853	701,526	613,023	786,340
Total Revenues	**99,041,776**	**103,213,209**	**109,261,952**	**105,121,823**	**107,331,570**
Expenditures					
Current:					
General Government	9,422,828	11,056,922	12,633,576	12,678,872	11,984,808
Public Safety	35,687,725	37,384,952	38,587,496	40,285,037	42,843,522
Public Works	15,292,558	14,830,313	15,508,044	17,060,398	15,956,198
Building, Engineering & Neighborhood Services	5,716,968	5,009,679	5,028,829	6,408,585	6,298,643
Community & Economic Development	4,749,351	7,357,162	10,046,844	11,385,205	8,142,528
Parks & Recreation	6,682,215	7,428,161	7,828,837	8,745,778	8,806,329
Non-Departmental					
Capital Outlay	6,555,700	5,602,918	5,947,842	7,822,286	11,589,152
Debt Service:					
Principal Repayment	4,554,000	4,655,000	4,586,000	4,852,000	5,024,000
Interest and Fiscal Charges	3,950,417	5,326,328	5,133,210	4,952,854	4,860,812
Refund to Property Owners	41,453	326,836		34,431	
Total Expenditures	**92,653,215**	**98,978,271**	**105,300,678**	**114,225,446**	**115,505,992**
Excess (Deficiency) of Revenues Over (Under) Expenditures	**6,388,561**	**4,234,938**	**3,961,274**	**(9,103,623)**	**(8,174,422)**
Other Financing Sources (Uses)					
Transfers In	5,461,790	4,204,776	2,608,732	3,733,972	5,557,868
Transfers (Out)	(5,526,805)	(14,418,255)	(6,248,494)	(4,733,972)	(4,071,296)
Refunding Bonds Issued					
Proceeds from Debt Issuance	30,670		350,000		95,579
Proceeds from Sale of Property			17,294,854		
Bond Issuance Premium					
Payments to Refunded Bond Escrow					
Total Other Financing Sources (Uses)	**(34,345)**	**(10,213,479)**	**14,005,092**	**(1,000,000)**	**1,582,151**
Special/Extraordinary Items					
Loss on Sale of Property		(1,559,168)			
Assets transferred to Housing Successor					
Assets transferred to/liabilities assumed by the Successor Agency					
Total Special/Extraordinary Items		**(1,559,168)**			
Net Change in Fund Balances	**$6,354,216**	**($7,537,709)**	**$17,966,366**	**($10,103,623)**	**($6,592,271)**
Debt Service as a Percentage of Non-Capital Expenditures	10.9%	11.0%	9.8%	9.0%	9.1%

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,				
2010 (a)	2011	2012 (a)(b)	2013 (a)(b)	2014
$72,007,902	$72,687,375	$74,875,127	$69,592,219	$75,401,019
1,964,480	1,228,356	1,365,186	$1,595,963	$1,970,553
15,089,721	19,640,532	11,135,482	12,378,380	12,885,940
6,632,428	6,805,602	4,865,682	5,261,683	5,612,534
1,021,931	946,447	922,745	691,038	761,785
2,895,408	2,692,712	2,668,759	2,685,527	2,818,062
1,908,565	1,600,983	1,371,958	1,309,506	1,009,907
65,201	1,851	11,621	163,596	6,832
805,294	1,014,470	1,176,402	4,342,263	5,275,468
102,390,930	**106,618,328**	**98,392,962**	**98,020,175**	**105,742,100**
11,997,158	10,528,138	12,407,521	14,985,503	18,605,624
41,359,307	40,415,163	42,205,234	42,704,531	44,136,225
15,237,733	20,508,901	9,942,358	11,347,815	10,425,279
18,282,245	15,627,709	10,001,434	7,996,949	8,749,004
8,721,242	7,364,390	6,440,498	5,393,965	5,713,152
7,997,002	2,550,625	11,755,006	7,456,646	3,663,569
16,878,000	5,745,000	5,427,190	2,077,019	3,013,844
5,226,724	3,700,057	3,875,398	1,329,310	1,246,501
	248,938			
125,699,411	**106,688,921**	**102,054,639**	**93,291,738**	**95,553,198**
(23,308,481)	**(70,593)**	**(3,661,677)**	**4,728,437**	**10,188,902**
16,335,469	16,347,402	16,227,980	3,908,060	3,686,553
(18,444,344)	(16,484,229)	(14,533,190)	(3,240,875)	(3,541,691)
5,073,500	8,384,040			
2,964,625	**8,247,213**	**1,694,790**	**667,185**	**144,862**
		30,708,498		
		(54,046,744)		
		(23,338,246)		
($20,343,856)	**$8,176,620**	**($25,305,133)**	**$5,395,622**	**$10,333,764**
18.8%	9.7%	9.9%	4.1%	4.5%

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)
	2005	9,069,533,622	1,180,661,137	10,250,194,759	508,157,337	10,758,352,096	10,758,352,096	1%
	2006	10,026,955,409	1,222,314,892	11,249,270,301	576,005,523	11,825,275,824	11,825,275,824	1%
	2007	11,205,538,297	1,365,259,358	12,570,797,655	567,282,828	13,138,080,483	13,138,080,483	1%
	2008	11,966,162,328	1,479,908,386	13,446,070,714	556,719,852	14,002,790,566	14,002,790,566	1%
	2009	11,759,802,414	1,589,385,967	13,349,188,381	615,317,575	13,964,505,956	13,964,505,956	1%
	2010	10,676,324,483	1,654,064,090	12,330,388,573	580,130,554	12,910,519,127	12,910,519,127	1%
	2011	10,609,494,213	1,579,978,885	12,189,473,098	524,036,274	12,713,509,372	12,713,509,372	1%
	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%

Notes:

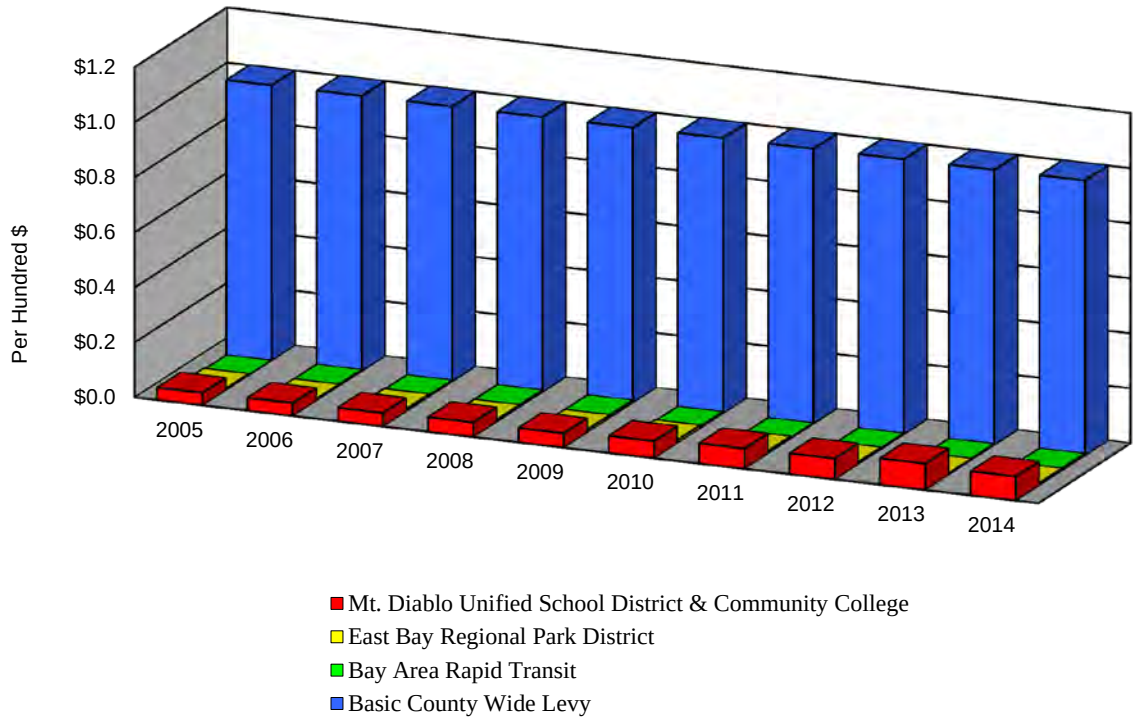
(a) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(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			
Fiscal Year	City & County Direct Rate	Bay Area Rapid Transit	East Bay Regional Park District	Mt. Diablo Unified School District & Community College	Total
2005	1.0000		0.0057	0.0453	1.0510
2006	1.0000	0.0048	0.0057	0.0465	1.0570
2007	1.0000	0.0050	0.0085	0.0489	1.0624
2008	1.0000	0.0076	0.0080	0.0532	1.0688
2009	1.0000	0.0090	0.0100	0.0521	1.0711
2010	1.0000	0.0057	0.0108	0.0619	1.0784
2011	1.0000	0.0031	0.0084	0.0733	1.0848
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

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

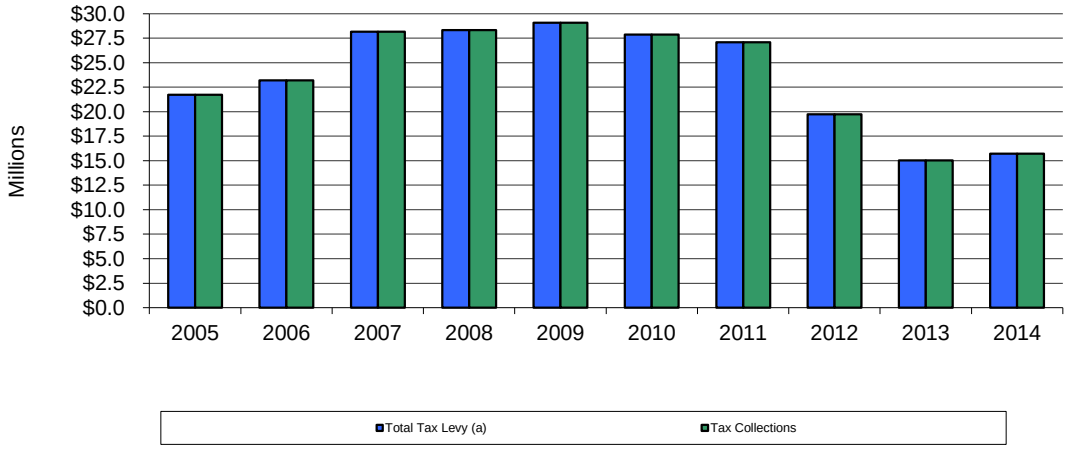
Table 7: Principal Property Taxpayers

Current Year and Nine Years Ago

		2013-14			2004-05		
Property Owner	**Primary Land Use**	**Assessed Value**	**Rank**	**Percentage of Total Assessed Value**	**Assessed Value**	**Rank**	**Percentage of Total Assessed Value**
Taubman Land Associates LLC	Regional Mall	$168,295,235	1	1.42%			
Chevron USA*	Office Building	117,437,119	2	0.99%	111,541,048	3	1.07%
DWF III Concord Technology LLC	Commercial	94,455,817	3	0.79%			
Sierra Pacific Properties, Inc.	Office Building	69,651,649	4	0.59%	92,868,259	4	0.89%
Willows Center Concord	Shopping Center	61,171,986	5	0.51%			
Seecon Financial & Construction Co.*	Office Building	60,860,005	6	0.51%	68,965,456	5	0.66%
SFG Owner A,B & D LLC	Office Building	50,290,422	7	0.42%			
Behringer Harvard Renaissance	Apartments	49,057,009	8	0.41%			
Clayton Valley Shopping Center	Shopping Center	44,932,166	9	0.38%			
Concord Center Investors LLC	Office Building	44,425,077	10	0.37%			
Bank of America	Commercial				162,684,046	1	1.56%
Wells Fargo Bank Trust	Commercial				152,521,302	2	1.46%
Rreef America Reit III Corporation B	Commercial				61,456,304	6	0.59%
California - Corporate Center LP	Commercial				55,190,778	7	0.53%
Concord Airport Plaza Associates	Commercial				53,997,164	8	0.52%
John Muir Medical Center	Institutional				46,156,084	9	0.44%
EQR Legacy Partner LLC	Residential				45,248,932	10	0.43%
Top Ten Total		**$760,576,485**		6.40%	**$850,629,373**		8.15%
City Total		$11,892,616,261			$10,442,746,291		

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)
2005	21,710,945	21,710,945	100.0000%	n/a	21,710,945	100.0000%	n/a
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

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.

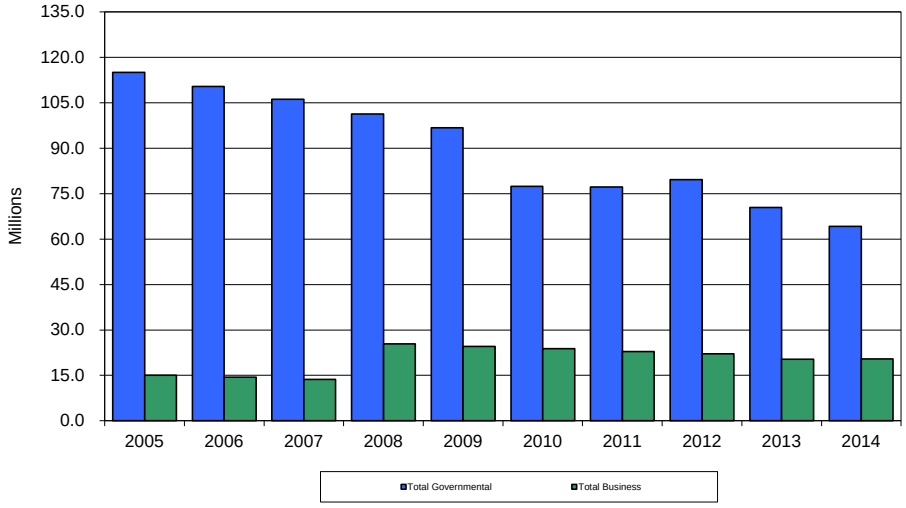
(b) Tax collections in fiscal year 2005 to 2012 are net of pass-thru payment and Educational Revenue Augmentation Fund withholding. During 2012, tax increment was no longer distributed due to the dissolution of the Redevelopment Agency.

(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	Tax Allocation Bonds (b)	Certificates of Participation	Judgment Obligation Bonds	Refunding Lease Agree-ment (b)	Special Assessment Debt	Notes Payable	Capital Lease	Lease Purchase Agreement	Total
2005	31.6	77.4	0.6	3.4		0.5	1.6			115.1
2006	30.4	74.3	0.5	3.2		0.3	1.7			110.4
2007	29.2	71.2	0.5	2.9		0.3	2.1			106.2
2008	27.9	68.0	0.4	2.5		0.2	2.3	$1.2		101.3
2009	26.6	64.4	0.3	2.2		0.1	2.4	0.8		96.8
2010	13.3	60.9	0.2		$5.1	0.1	2.4	0.5		77.4
2011	11.9	57.2	0.1		4.7		1.3	2.0	$8.4	77.2
2012	10.4	53.4			4.3		1.4	1.8	8.3	79.6
2013	9.1	49.4			3.9				8.0	70.4
2014	7.7	45.3			3.5				7.7	64.2

	Business-Type Activities						
Fiscal Year	Certificates of Participatio	Golf Equipment Lease Obligation	Notes Payable	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
2005	14.4		0.7	15.1	130.2	3.74%	1,043.29
2006	13.9		0.5	14.4	124.8	3.67%	1,002.93
2007	13.5		0.2	13.7	119.9	3.37%	957.64
2008	25.4			25.4	126.7	3.46%	1,033.32
2009	24.6			24.6	121.4	3.29%	974.33
2010	23.8			23.8	101.2	2.75%	804.04
2011	22.9			22.9	100.1	2.67%	815.97
2012	22.1			22.1	101.7	2.61%	825.45
2013	20.3			20.3	90.7	2.24%	732.56
2014	20.4			20.4	84.6	2.19%	678.67

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, 2014

	Net Debt Outstanding	Percentage Applicable to City of Concord	Amount Applicable to City of Concord
Direct Debt			
Parking Structure	$5,230,000	100.000%	$5,230,000
2007 COP - Wastewater System Improvement	10,300,000	100.000%	10,300,000
2012 Wastewater Rev Refunding Bond	9,115,000	100.000%	9,115,000
ABAG 41 COP - Diablo Creek Golf Course	990,000	100.000%	990,000
Lease Pruchase	7,741,738	100.000%	7,741,738
Pavillion	2,440,000	100.000%	2,440,000
Refunding Lease	3,484,500	100.000%	3,484,500
Total Direct Debt	$39,301,238		$39,301,238
Overlapping Debt			
Contra Costa County Pension Debt	$258,500,000	8.080%	$20,886,800
CCC PFA 1998A Lease Revenue Bonds	14,715,000	8.080%	1,188,972
CCC PFA 1999A Lease Revenue Bonds	12,745,000	8.080%	1,029,796
CCC PFA 2001A Lease Revenue Bonds	705,000	8.080%	56,964
CCC PFA 2002A Lease Revenue Bonds	7,925,000	8.080%	640,340
CCC PFA 2002B Lease Revenue Bonds	6,520,000	8.080%	526,816
CCC PFA 2003A Lease Revenue Bonds	7,375,000	8.080%	595,900
CCC PFA 2007A Lease Revenue Bonds	110,185,000	8.080%	8,902,948
CCC PFA 2007B Lease Revenue Bonds	44,640,000	8.080%	3,606,912
CCC PFA 2009A Lease Revenue Bonds	18,453,349	8.080%	1,491,031
CCC PFA 2010A-1 Lease Revenue Bonds	5,915,000	8.080%	477,932
CCC PFA 2010A-2 Lease Revenue Bonds	13,130,000	8.080%	1,060,904
CCC PFA 2010A-3 Lease Revenue Bonds	20,700,000	8.080%	1,672,560
CCC PFA 2010B Lease Revenue Bonds	14,475,000	8.080%	1,169,580
CCC PFA 2012 Lease Revenue Bonds	12,318,701	8.080%	995,351
Contra Costa Fire Pension Obligation	99,945,000	17.519%	17,509,365
BART	218,127,299	8.080%	17,624,686
East Bay Regional Park Bond	88,692,412	8.080%	7,166,347
Mt. Diablo 2002 Bond	348,880,000	39.071%	136,310,905
Mt. Diablo 2010 Bond	262,195,057	39.071%	102,442,231
Contra Costa Community College 2002 Bond	191,135,000	8.113%	15,506,783
Contra Costa Community College 2006 Bond	303,900,000	8.113%	24,655,407
Total Overlapping Debt	$2,061,176,818		$365,518,530
Total Direct And Overlapping Debt			$404,819,768

2013/14 Total Assessed Valuation		12,557,538,194
Less Redevelopment Incremental Assessed Value:		1,363,610,036
Adjusted AV		11,193,928,158
Debt to Assessed Valuation Ratios:	Direct Debt:	0.351%
	Overlapping Debt:	3.265%
	Total Debt:	3.616%

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, 2014 (Dollars in Thousands)

Assessed Valuation:		
Secured Property Assessed Value, Net of Exempt Real Property	$11,304,650	
Bonded Debt Limit (15% of Assessed Value) (a)		$1,695,697
Amount of Debt Subject to Limit:		
Total Bonded Debt	$0	
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation Not Subject to Limit	0	
Amount of Debt Subject to Limit		0
Legal Bonded Debt Margin		$1,695,697

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%

Note:

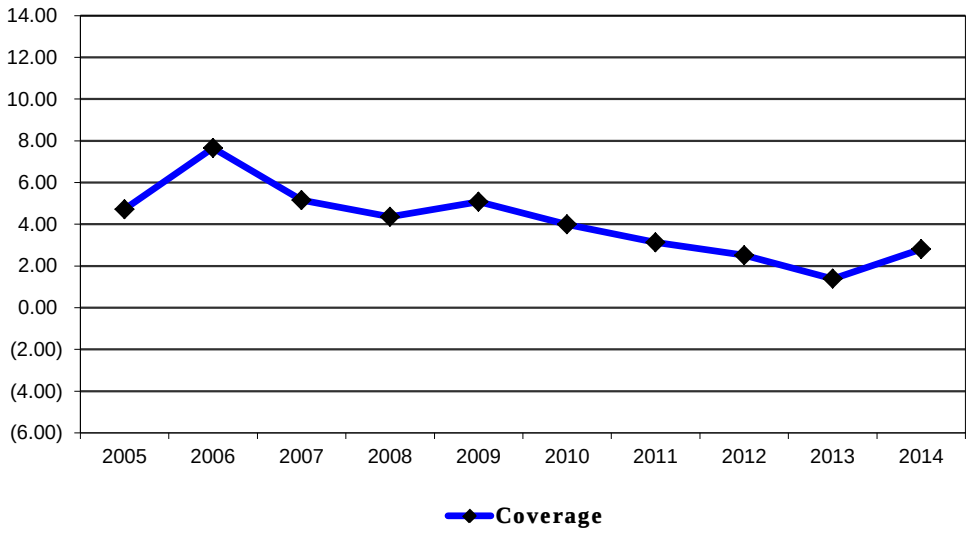
(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value.

(b) FY2013 data was revised.

Source: City of Concord Finance Department

Table 12: Sewer Revenue Bonds Coverage

Last Ten Fiscal Years



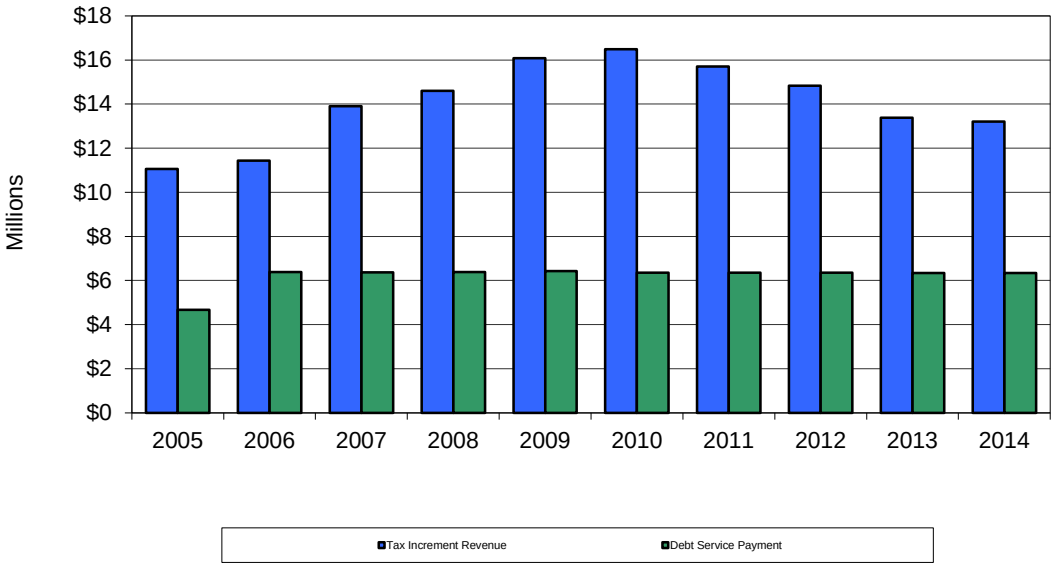
Fiscal Year	Gross Revenue (a)	Operating Expenses (b)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	15,270,609	11,448,079	3,822,530	$330,000	479,632	809,632	4.72
2006	18,157,899	11,901,646	6,256,253	345,000	472,193	817,193	7.66
2007	17,104,858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

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 Tax Allocation Bonds

Last Ten Fiscal Year



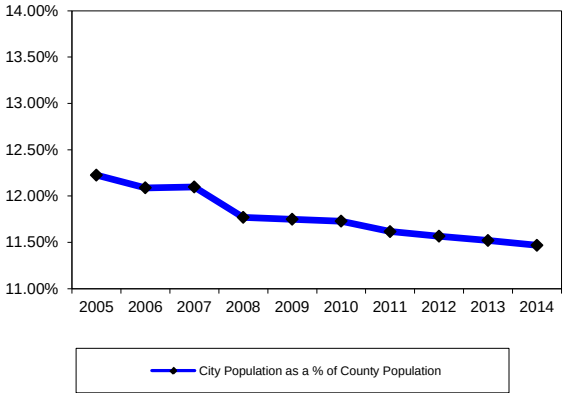
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2005	11,058,396	2,950,000	1,716,712	4,666,712	2.37
2006	11,428,431	3,220,000	3,155,171	6,375,171	1.79
2007	13,904,384	3,265,000	3,102,146	6,367,146	2.18
2008	14,598,613	3,390,000	2,986,571	6,376,571	2.29
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

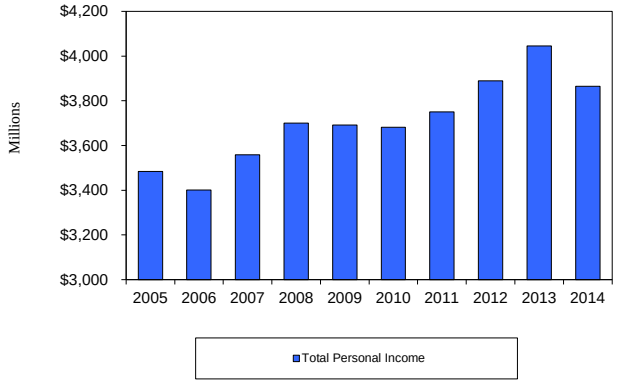
Note: * FY2013 data is updated and adjusted to reflect data collected during refunding of the 2004 Tax Allocation Refunding Bonds.

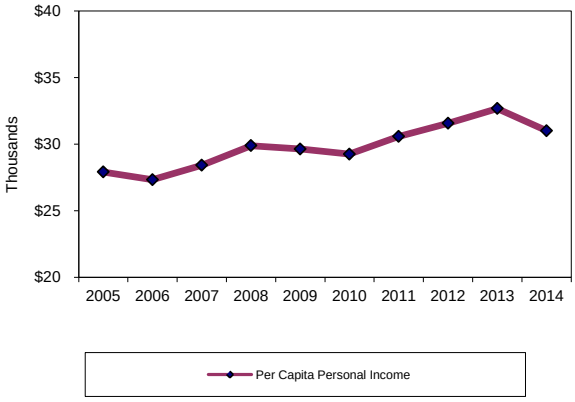
Source: Tax Allocation Refunding Bonds Series 2004 payment schedule.

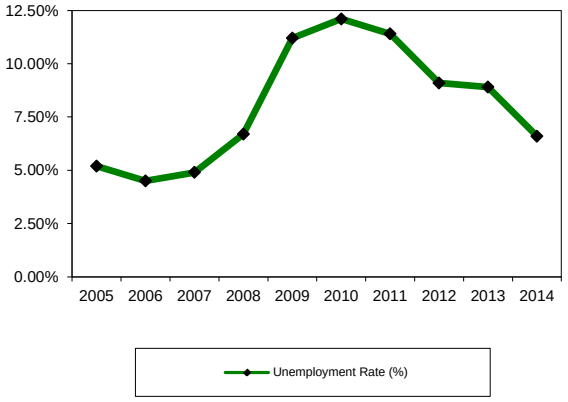
Table 14: Demographic and Economic Statistics

Last Ten Calendar Year









Calendar Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate	Contra Costa County Population	City Population % of County
2005	124,798	3,484,323,723	27,920	5.2%	1,020,898	12.22%
2006	124,436	3,400,903,754	27,331	4.5%	1,029,377	12.09%
2007	125,203	3,559,134,392	28,427	4.9%	1,034,874	12.10%
2008	123,776	3,699,669,661	29,890	6.7%	1,051,674	11.77%
2009	124,599	3,692,159,331	29,632	11.2%	1,060,435	11.75%
2010	125,864	3,681,648,000	29,251	12.1%	1,073,055	11.73%
2011	122,676	3,750,984,044	30,576	11.4%	1,056,064	11.62%
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%

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

Table 15: Principal Employers

Current Year and Eight Years Ago

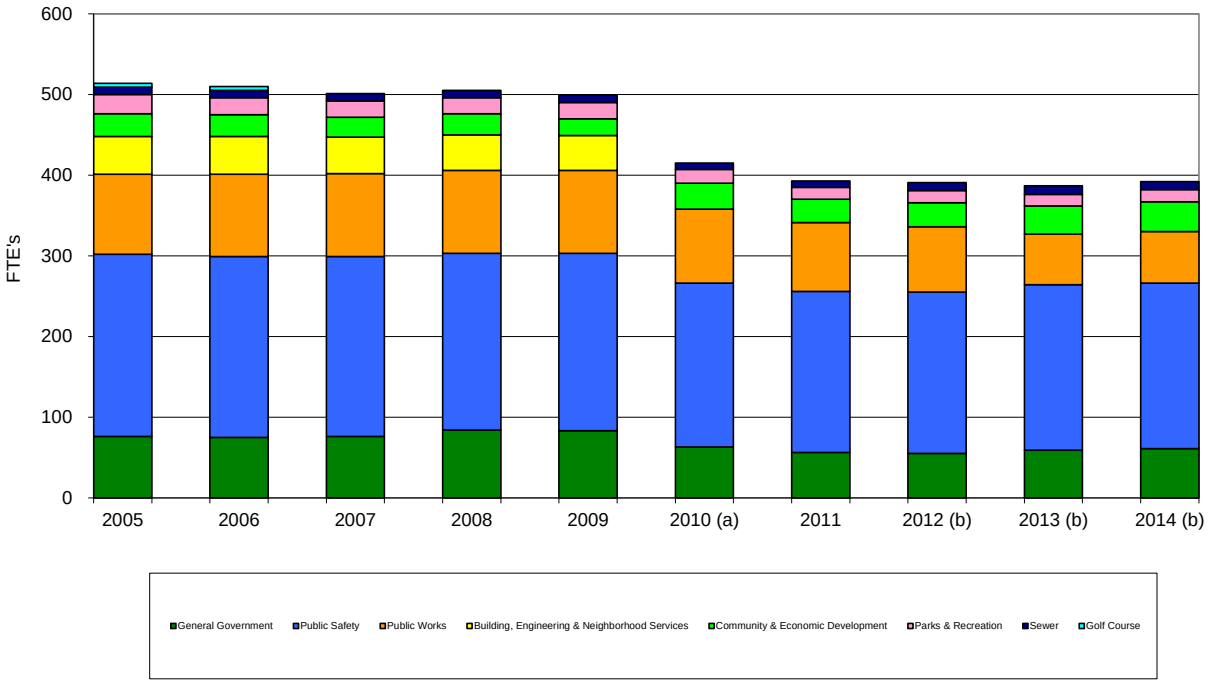
		2014			2006		
Employer		Number of Employees (Range)	Rank	Percentage of Total City Employment*	Number of Employees	Rank	Percentage of Total City Employment
John Muir Health Physical Rhb	1	1,000 to 4,999	1	4.4%			
John Muir Medical Ctr	2	1,000 to 4,999	1	4.4%			
Bank of America	3	1000 to 1499	2	1.8%	3500	2	5.3%
Chevron	4	1000 to 1499	2	1.8%	1200	4	1.8%
Fresenius Medical Care	5	500 to 999	3	1.1%			
Macy's	6	500 to 999	3	1.1%	550	8	0.8%
Wells Fargo	7	500 to 999	3	1.1%	1500	3	2.3%
Benchmark Electronics Inc	8	250 to 499	4	0.6%	700	6	1.1%
Cb&I Inc	9	250 to 499	4	0.6%			
Central Contra Costa Transit	10	250 to 499	4	0.6%			
Conco CO	11	250 to 499	4	0.6%	500	10	0.8%
Contra Costa Water District	12	250 to 499	4	0.6%	280	18	0.4%
Costco	13	250 to 499	4	0.6%	300	12	0.5%
Fry's Electronics	14	250 to 499	4	0.6%	300	12	0.5%
Jenkins Insurance	15	250 to 499	4	0.6%			
Loma Vista Adult Ctr	16	250 to 499	4	0.6%			
Sears	17	250 to 499	4	0.6%	300	12	0.5%
US Post Office	18	250 to 499	4	0.6%			
Waterworld California	19	250 to 499	4	0.6%			
Subtotal		8,500 - 21,981		22.4%	9,130		13.8%
Total City Day Population		67,900			66,570		

Source: City of Concord Community and Economic Development Department

* 2013 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



	Fiscal Year									
	2005	2006	2007	2008	2009	2010 (a)	2011	2012 (b)	2013 (b)	2014 (b)
Function										
General Government	76	75	76	84	83	63	56	55	59	61
Public Safety	226	224	223	219	220	203	200	200	205	205
Public Works	99	102	103	103	103	92	85	81	63	64
Building, Engineering & Neighborhood Services	47	47	45	44	43					
Community & Economic Development	28	27	25	26	21	32	29	30	35	37
Parks & Recreation	24	21	20	20	20	17	15	15	14	15
Sewer	9	9	9	9	9	8	8	10	11	10
Golf Course	5	5								
Total	**514**	**510**	**501**	**505**	**499**	**415**	**393**	**391**	**387**	**392**

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police:										
Number of Public Contacts	21,198	19,522	18,304	17,693	17,845	23,657	25,740	27,225	22,350	32,989
Police Calls for Service (a)	59,404	55,808	53,793	49,309	54,480	53,780	93,201	84,410	81,170	81,819
Law Violations:										
Part I Crimes	650	772	1,237	6,223	5,817	4,992	4,210	4,527	4,210	5,267
Physical Arrests (Adult and Juvenile)	3,550	3,331	4,081	3,758	4,504	3,903	3,642	3,836	2,837	3,413
Parking Violations	7,745	11,741	10,042	10,400	17,132	13,299	8,670	10,415	8,471	8,107
Public Works										
Street Resurfacing (millions of square feet)	7	8	6	6	7	2	1	1	2	2
Potholes Repaired	86	513	115	162	437	496	410	260	374	526
Culture and Recreation										
Community Services:										
Recreation Class Participants	2,977	4,089	5,030	5,299	4,826	3,935	3,534	3,021	3,157	3,364
Senior Center Activity/Event Participants	10,835	11,930	11,935	17,039	19,486	10,033	14,974	15,484	16,522	17,034
Human Services/Club Activity Participants	66,557	92,519	83,322	90,332	93,192	59,028	50,111	49,598	47,705	33,668
Library:										
Volumes in Collection (thousands)	80,653	80,155	87,089	92,413	96,462	92,703	91,984	79,630	80,573	80,955
Total Volumes Borrowed (thousands)	275,550	294,227	285,227	308,978	339,671	356,034	341,719	330,451	313,743	300,517
Wastewater										
Storm Drain Inlets	N/A	5,581	5,600	5,678	5,712	5,712	5,712	5,583	5,583	5,583
Sewer Overflows	21	26	16	12	19	17	16	18	34	28
Average Daily Pumping (millions of gallons)	11.28	14.01	12.36	13.53	10.75	9.00	(b)	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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Public Safety										
Police Stations	4	4	4	4	4	2	1	1	1	1
Police Patrol Units (black and white)	58	58	58	58	57	57	57	52	61	58
Public Works										
Miles of Streets	305	305	305	305	305	308	308	335	335	337
Street Lights	7,978	8,124	8,125	8,179	8,216	8,216	8,216	8,254	8,254	8,254
Traffic Signals	141	141	142	153	154	155	155	156	157	158
Culture and Recreation										
Community Services:										
City Parks	18	18	18	18	18	18	18	18	18	18
City Parks Acreage	379	379	379	379	379	379	379	379	379	379
Playgrounds	14	14	15	15	18	18	18	18	18	19
City Trails	7	7	7	8	8	8	8	8	8	9
Miles of City Trails	18	18	18	19	19	19	19	19	19	22
Roadway Landscaping Acreage	48	48	48	52	52	52	52	52	52	52
Regional Park Acreage	97,134	97,565	97,912	98,880	98,895	103,862	109,969	111,915	113,594	114,623
Regional Park Facilities:										
Golf Courses (18 holes)	1	1	1	1	1	1	1	1	1	1
Banquet Facility	4	4	4	4	4	4	4	4	4	4
Historic House	3	3	3	3	3	3	3	3	3	3
Community Gardens	3	3	3	3	3	3	3	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	15	17	17	17	17	17	17	17
Baseball/Softball Field Complexes	9	9	9	13	13	13	13	13	13	13
Soccer/Football Field Complexes	8	8	8	13	13	13	13	13	13	13
Library:										
City Libraries	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sewer Lines (miles)	384	384	384	383	383	383	383	383	383	389

Note: N/A denotes information is not available.

Source: City of Concord

MUNICIPAL DEBT CONTINUING DISCLOSURE

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MUNICIPAL DEBT CONTINUING DISCLOSURE

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

a.	Summary of Revenues & Expenditures and Changes in Fund Balances	(Table 1)
b.	Principal Amount of Bonds Outstanding	(CAFR, page 58)

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

a.	Balance in the Parking Structure Revenue Fund	(Table 2)
b.	Balance in the Other Funds and Accounts Held by the City or the Trustee	(Table 3)
c.	Principal Amount of Bonds Outstanding	(Table 4)
d.	Taxable Sales Transactions	(Table 5)
e.	Taxable Sales Transactions by Type of Business	(Table 6)
f.	Adopted and Final Budgets for Unrestricted General Fund	(Table 7)
g.	Summary of Revenues, Expenditures and Changes in Fund Balances	(Table 8)
h.	City's Pooled Investment Portfolio	(Table 9)
i.	General Fund - Tax Revenues by Source	(CAFR, page 27)
j.	Assessed Value of Taxable Property	(CAFR, Page 117)
k.	Largest Local Secured Property Taxpayers	(CAFR, Page 119)
l.	Tax Levies and Collections	(CAFR, Page 120)

City of Concord
Certificates of Participation (ABAG 41)

a.	Adopted and Final Budgets for Unrestricted General Fund	(Table 7)
b.	Summary of Revenues, Expenditures and Changes in Fund Balances	(Table 8)
c.	City’s Pooled Investment Portfolio	(Table 9)
d.	General Fund – Tax Revenue by Source	(CAFR, page 27)
e.	Assessed Value of Taxable Property	(CAFR, Page 117)
f.	Summary of Investments	(CAFR, pg.46-51)
g.	Principal Amount of Bonds Outstanding	(CAFR, page 58)
h.	Outstanding Debt and Lease Obligations	(CAFR, pg.58-62)
i.	Annual Contribution to Public Employees Retirement System	(CAFR, pg.65-69)

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

a.	Ten Largest Users of the Wastewater System	(Table 10)
b.	Sewer Rates	(Table 11)
c.	Debt Service Coverage Ratio	(CAFR, page 124)
d.	Principal Amount of Bonds Outstanding	(CAFR, page 58)

MUNICIPAL DEBT CONTINUING DISCLOSURE

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

a.	Historical Taxable Values and Tax Increment Revenues	(Table 12)
b.	Largest Property Taxpayers by Assessed Value and Revenue	(Table 13)
c.	Annual Assessed Value Appeals	(Table 14)
d.	Tax Revenue Collection	(CAFR, page 120)
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 125)
f.	Tax Revenue Projection	(Table 19)

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Ciyt 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

	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES:								
Debt Contribution	$1,698,279	$1,382,810	$1,402,201	$1,100,507	$800,507	$500,000	$782,032	$700,832
Operating Revenues								
Nonoperating Income	149,580	179,478	141,768	196,179	309,013	361,467	844,744	924,791
Total Revenues	1,847,859	1,562,288	1,543,969	1,296,686	1,109,520	861,467	1,626,776	1,625,623
EXPENDITURES:								
Debt Service	1,786,642	1,784,418	1,782,514	10,474,620	967,702	869,448	785,067	703,817
Operating Expenditures								
Nonoperating Expenditures	104,703	125,008	61,126	269,516	119,356	117,865	901,820	803,558
Total Expenditures	1,891,345	1,909,426	1,843,640	10,744,136	1,087,058	987,313	1,686,887	1,507,375
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(43,486)	(347,138)	(299,671)	(9,447,450)	22,462	(125,846)	(60,111)	118,248
OTHER FINANCING SOURCES (USES):								
Transfers In		577,067	335,133	1,482,788				
Transfers (Out)								
Total Other Financing Sourc	0	577,067	335,133	1,482,788	0	0	0	0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(43,486)	229,929	35,462	(7,964,662)	22,462	(125,846)	(60,111)	118,248
Fund Balance at Beginning of Ye	1,080,064	1,036,578	1,266,507	1,301,969	(6,662,693)	(6,640,231)	(6,640,231)	(6,766,077)
Fund Balance at End of Year	$1,036,578	$1,266,507	$1,301,969	($6,662,693)	($6,640,231)	($6,766,077)	($6,700,342)	($6,647,829)

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

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

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

Fiscal Year	Use of Money and Property	Principal Retirement	Interest, Fiscal Charges and Cost of Issuance	Proceeds from Debt Issuance	Transfers, Net	Ending Fund Balance
2005	14,516	(310,000)	(434,325)	0	735,620	749,007
2006	26,822	(325,000)	(420,539)	0	721,679	751,969
2007	30,488	(335,000)	(405,554)	0	709,568	751,471
2008	15,340	(350,000)	(394,341)	0	714,418	736,888
2009	34,883	(365,000)	(378,224)	0	723,041	751,588
2010	10,399	(380,000)	(362,862)	0	734,483	753,608
2011	7,428	(395,000)	(346,521)	0	733,392	752,907
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

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

Source: City of Concord Financial Statements

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

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

Fiscal Year	Use of Money and Property	Proceeds from Debt Issuance	Transfers, Net	Capital Outlay	Ending Fund Balance
2005	67,646	0	(247,333)	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	0	0	0	0	0
2011	0	0	0	0	0
2012	0	0	0	0	0
2013	0	0	0	0	0
2014	0	0	0	0	0

Source: City of Concord Financial Statements

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

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

Fiscal Year	Principal Retired	Principal Outstanding
2005	310,000	8,680,000
2006	325,000	8,355,000
2007	335,000	8,020,000
2008	350,000	7,670,000
2009	365,000	7,305,000
2010	380,000	6,925,000
2011	395,000	6,530,000
2012	415,000	6,115,000
2013	435,000	5,680,000
2014	450,000	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

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

Table 5: Taxable Sales Transactions
Last Ten Calendar Years

Calendar Year	Number of Permits	Taxable Sales Transactions
2004	3,400	2,566,498,000
2005	3,651	2,641,740,100
2006	3,559	2,566,273,900
2007	3,530	2,516,666,300
2008	3,460	2,356,818,900
2009	3,399	2,089,936,000
2010	3,388	2,050,987,900
2011	3,313	2,122,829,500
2012	3,311	2,296,522,300
2013	3,418	2,449,776,400

Sources: The HdL Companies

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

Table 6: Taxable Sales Transactions by Type of Business
Calendar Year 2013 (Dollars in Thousands)

Type of Business	Number of Permits	Taxable Sales Transactions
Autos and Transportation	366	$721,019
Building and Construction	194	317,768
Business and Industry	821	223,910
Food and Drugs	139	118,001
Fuel and Service Stations	46	156,154
General Consumer Goods	1,491	711,514
Restaurants and Hotels	357	201,606
Transfers & Unidentified	4	(195)
Total Outlets	**3,418**	**$2,449,777**

Sources: The HdL Companies

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

Table 7: Adopted and Final Budgets for Unrestricted General Fund
Fiscal Years 2013-14 and 2014-15

	2012-14 Adopted General Fund Budget	2012-14 Final General Fund Budget	2013-15 Adopted General Fund Budget
REVENUES:			
Taxes	$67,881,028	$68,391,028	$72,668,614
Licenses and Permits	1,379,187	1,559,187	1,695,187
Intergovernmental	230,000	230,000	235,000
Charges for Current Services	7,435,660	8,330,096	8,173,355
Fines and Forfeitures	820,000	820,000	780,000
Use of Money and Property	953,136	397,749	530,569
Other	490,048	1,258,151	295,000
Total Revenues	79,189,059	80,986,211	84,377,725
EXPENDITURES:			
Current:			
Salaries and Benefits	53,881,097	56,658,097	57,785,225
Operating Expenditures	9,144,246	10,760,734	10,617,446
Fixed Charges	10,995,097	10,995,097	11,522,748
Total Expenditures	74,020,440	78,413,928	79,925,419
Excess (Deficiency) of Revenues Over Expenditures	5,168,619	2,572,283	4,452,306
OTHER FINANCING SOURCES (USES):			
Conversion to unallocated reserve balance		99,303	
Transfers In	871,991	871,991	878,880
Transfers (Out)	(2,392,912)	(2,745,183)	(2,951,135)
Total Other Financing Sources (Uses)	(1,520,921)	(1,773,889)	(2,072,255)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	3,647,698	798,394	2,380,051
Fund Balance at Beginning of Year	19,523,833	19,696,097	20,494,491
Fund Balance at End of Year	$23,171,531	$20,494,491	$22,874,542

Sources: City of Concord Financial Statements and Adopted Budget

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

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

	Fiscal Year Ended June 30,				
	2005	2006	2007	2008	2009
REVENUES:					
Taxes	$47,698,542	$56,102,956	$61,059,439	$60,165,471	$55,544,816
Licenses and Permits	1,538,066	1,671,153	1,661,706	1,149,753	1,262,916
Intergovernmental	9,742,965	1,403,045	1,105,917	959,923	808,849
Charges for Current Services	6,112,694	7,016,914	6,989,030	6,312,313	7,271,613
Fines and Forfeitures	671,137	787,598	920,845	993,105	1,044,448
Parks and Recreation	2,420,106	2,585,962	2,678,282	3,006,184	2,869,639
Use of Money and Property	1,166,428	1,465,897	1,577,463	1,571,499	1,083,367
Other	198,408	332,986	203,118	315,337	540,540
Total Revenues	69,548,346	71,366,511	76,195,800	74,473,585	70,426,188
EXPENDITURES:					
Current:					
General Government	8,791,670	10,331,725	12,370,595	12,258,475	11,567,366
Public Safety	35,442,623	36,860,686	38,056,048	39,945,559	42,592,777
Public Works	7,889,828	8,315,970	8,228,093	8,798,826	9,050,960
Building, Engineering & Neighborhood Services	1,303,665	4,691,323	4,649,666	6,255,946	5,592,315
Community & Economic Development	4,946,941	1,513,787	1,744,610	1,838,002	1,736,656
Parks & Recreation	5,669,750	5,767,138	6,138,323	7,382,172	7,167,464
Non-Departmental					
Capital Outlay					
Total Expenditures	64,044,477	67,480,629	71,187,335	76,478,980	77,707,538
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,503,869	3,885,882	5,008,465	(2,005,395)	(7,281,350)
OTHER FINANCING SOURCES (USES):					
Transfers In	837,530	694,061	166,562	541,298	2,482,510
Transfers (Out)	(3,272,716)	(12,113,187)	(3,682,786)	(2,339,427)	(1,136,854)
Sale of Fixed Assets					
Total Other Financing Sources (Uses)	(2,435,186)	(11,419,126)	(3,516,224)	(1,798,129)	1,345,656
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	3,068,683	(7,533,244)	1,492,241	(3,803,524)	(5,935,694)
Fund Balance at Beginning of Year	36,513,237	39,581,920	32,048,676	33,540,917	29,737,393
Fund Balance at End of Year	$39,581,920	$32,048,676	$33,540,917	$29,737,393	$23,801,699

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,				
2010	2011	2012	2013	2014
$52,029,984	$53,425,251	$62,950,131	$65,752,896	$71,608,327
1,127,710	1,194,147	1,282,817	1,494,008	1,575,008
647,814	939,964	361,631	664,823	675,565
6,615,092	6,782,831	4,858,806	5,254,807	5,584,938
826,815	775,197	821,727	640,065	761,785
2,895,408	2,692,712	2,668,759	2,685,527	2,818,062
235,178	211,982	400,921	1,141,885	633,900
411,299	684,553	883,589	2,832,605	1,140,473
64,789,300	66,706,637	74,228,381	80,466,616	84,798,058
11,481,742	10,500,718	12,325,452	14,955,958	18,582,795
41,133,055	40,106,984	41,916,877	41,998,811	43,656,334
9,881,512	8,510,769	5,777,184	5,554,707	6,124,925
4,150,460	3,799,918	4,633,243	5,145,952	5,256,085
6,404,528	5,580,991	4,800,248	3,804,647	4,330,766
48,811	59,449	52,538	150,250	182,286
73,100,108	68,558,829	69,505,542	71,610,325	78,133,191
(8,310,808)	(1,852,192)	4,722,839	8,856,291	6,664,867
680,927	13,816,643	2,878,730	499,904	459,225
(10,072,965)	(1,022,893)	(12,014,942)	(2,357,422)	(2,087,531)
(9,392,038)	12,793,750	(9,136,212)	(1,857,518)	(1,628,306)
(17,702,846)	10,941,558	(4,413,373)	6,998,773	5,036,561
23,801,699	6,098,853	17,040,411	12,627,038	19,625,811
$6,098,853	$17,040,411	$12,627,038	$19,625,811	$24,662,372

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, 2014

Investment	Carrying Value	Percent of Portfolio	Yield/360-Day Year Equivalent
U.S Treasury Bond/Note	$14,070,342	25.99%	0.270%
Federal Agency Bond/Note	17,856,005	32.97%	0.930%
Corporate Note	15,475,021	28.58%	1.130%
Certificate of Deposit	6,749,331	12.46%	0.580%
Total Investments	**$54,150,700**	**100.00%**	**0.772%**

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

Source: City of Concord Finance Department

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

Table 10: Ten Largest Users of the Wastewater System

12 MONTHS THROUGH JUNE 30, 2014

	Customers	Type of Use	Percent
1.	MT. DIABLO UNIFIED SCHOOL DISTRICT	29 School Sites	0.72%
2.	JOHN MUIR MEDICAL CENTER	Hospital and Medical Campus	0.65%
3.	CONCORD FAMILY APARTMENTS LP	302 Apartments	0.49%
4.	KILLARNEY PROPERTIES	300 Apartments	0.49%
5.	U.S. COAST GUARD	286 Dwelling + 3 offices	0.47%
6.	CONCORD MOBILE COUNTRY CLUB	280 Mobile Homes + 2 Pools + 2 Rec Centers	0.46%
7.	CONCORD GARDENS MOB HOME PARK	260 Mobile Homes + Rec Bldg	0.43%
8.	GSG RESIDENTIAL PARK CENTRAL	259 Apartments	0.42%
9.	WILLOWS CENTER CONCORD	Shopping Center	0.39%
10.	EVILSIZOR JOHN L & MARY A	218 Apartments	0.36%

Source: City of Concord Public Works Department

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

Table 11: Sewer Rates for Fiscal Year 2013-14

RESIDENTIAL OWNERS		
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
COMMERCIAL OWNERS - Charge based upon quantity of water used in cubic feet		
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.
INSTITUTIONAL OWNERS		
1.	Minimum rate for any premises	$402.00
2.	As defined in Section 110-31, except for Convalescent Hospitals	4.02/100 cu. ft.
INDUSTRIAL OWNERS - Charge based upon quantity of water used and quality of effluent		
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
SPECIAL DISCHARGE PERMITS, AS ISSUED BY THE DISTRICT		
1.	Charge based upon quantity of water used and quality of effluent	Determined Individually
SPECIAL CONTRACTUAL AGREEMENT		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,				
	2010	2011	2012	2013	2014
Total Assessed Values	$1,993,650	$1,919,565	$1,866,714	1,691,399	1,703,210
Base Year Values	(339,586)	(339,586)	(339,586)	(339,586)	(339,586)
Incremental Assessed Values	1,654,064	1,579,979	1,527,128	1,351,813	1,363,624
Incremental Property Taxes	17,849	16,898	16,078	14,255	13,962
Less:					
Educational Revenue Augmentation Fund					
Tax Increment Pass Through	(1,161)	(996)	(943)	(518)	(387)
Tax Increment Rebate	(196)	(347)	(306)	(350)	(362)
Net Tax Revenues	**$16,492**	**$15,555**	**$14,829**	**$13,387**	**$13,213**

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

Table 13: Largest Property Taxpayers by Assessed Value and Revenue

Fiscal Year 2013-14

	Property Owner	Primary Land Use	2012-13 Assessed Value	2013-14 Assessed Value	2013-14 Projected Revenue (a)
1.	Chevron USA, Inc.	Office Building	$116,169,770	$115,275,613	$1,152,756
2.	DWF III Concord Technology LLC	Commercial	n/a	94,455,817	944,558
3.	Sierra Pacific Properties, Inc.	Office Building	80,011,052	69,651,649	696,516
4.	Willows Center Concord	Shopping Center	59,930,204	61,128,806	611,288
5.	SFG Owner A LLC	Office Building	91,154,064	50,290,422	502,904
6.	Behringer Harvard Renaissance	Apartments	48,168,718	49,057,009	490,570
7.	Concord Center Investors LLC (b)	Office Building	43,234,740	44,425,077	444,251
8.	Concord Airport Plaza Associates	Office Building	42,765,982	42,936,301	429,363
9.	Lowes HIW Inc.	Commercial	39,306,234	39,652,669	396,527
10.	Seecon Financial & Construction	Office Building	47,671,760	37,894,300	378,943
	Total		**$622,073,564**	**$604,767,663**	**$6,047,677**

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

Table 14: Annual Assessed Value Appeals
Last Five Fiscal Years

	Fiscal Year				
	2010	2011	2012	2013	2014
Appeals Filed	122	57	189	132	95
Appeals Resolved to Date	31	33	135	45	74
Appeals Pending	91	24	54	41	21
Appreals Resolved with Value Change	n/a*	n/a*	62	39	23
Percent of Resolved Appeals Successful	n/a*	n/a*	46%	87%	31%
Initial Assessed Value of Successful Appeals	n/a*	n/a*	$543,407,450	$140,829,744	$117,522,788
Board Approved Assessed Value	n/a*	n/a*	$375,373,916	$125,431,999	$98,468,878
Percent Reduction in Original Value	n/a*	n/a*	31%	11%	16%
Values of Appeals Pending	$1,134,104,612	$375,576,330	$207,095,917	$138,201,792	$105,607,153

Notes: Data in this report covers the entire City of Concord.
* FY2010 and FY2011 Data not avaliable
Source: Contra Costa County Assessor's Office

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 2013-2014

	FY2013-2014		
	No. of Parcels	**Taxable Value**	**% of Total**
Commercial	397	$ 1,107,155,065	65.0%
Residential	352	229,938,394	13.5%
Industrial	78	100,833,987	5.9%
Other Secured	146	108,881,416	6.4%
Unsecured	959	156,401,442	9.2%
Total	**1,932**	**1,703,210,304**	**100%**

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,				
	2010	2011	2012	2013	2014
Assessed Value	$ 1,993,650	$ 1,919,565	$ 1,866,714	$ 1,691,399	$ 1,703,210
Base Year Value	(339,586)	(339,586)	(339,586)	(339,586)	(339,586)
Incremental AV	1,654,064	1,579,979	1,527,128	1,351,813	1,363,624
Tax Rate*	1.012%	1.010%	1.004%	1.000%	1.000%
Secured/Unsecured	16,740	15,953	15,335	13,518	13,636
Unitary	794	783	771	757	795
Supplemental / Other	315	162	(29)	(20)	(469)
Subtotal Gross Revenue	17,849	16,898	16,077	14,255	13,962
Less: County Admin**	(188)	(176)	(161)	(207)	(189)
Less: Pass Through**	(1,161)	(996)	(943)	(518)	(387)
Net Tax Incr. / RPTTF Revenue	**$ 16,500**	**$ 15,726**	**$ 14,973**	**$ 13,530**	**$ 13,386**
Less: Senior Reimb. Agreement	(677)	(623)	(625)	(621)	(578)
Historic Tax Revenues	**$ 15,823**	**$ 15,103**	**$ 14,348**	**$ 12,909**	**$ 12,808**

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 2013-14

	Property Owner	Number of Parcels	Assessed Value Secured	FY2013-14 Unsecured	Total	% of Total AV**	% of AV Incr.**
1.	Chevron USA, Inc.	8	$111,342,117	$3,933,496	$115,275,613	6.8%	8.5%
2.	DWF III Concord Technology LLC	2	94,455,817		94,455,817	5.5%	6.9%
3.	Sierra Pacific Properties, Inc.	4	69,621,272	30,377	69,651,649	4.1%	5.1%
4	Willows Center Concord	2	61,128,806		61,128,806	3.6%	4.5%
5	SFG Owner A LLC	4	50,290,422		50,290,422	3.0%	3.7%
6.	Behringer Harvard Renaissance	2	49,057,009		49,057,009	2.9%	3.6%
7.	Concord Center Investors LLC (b)	7	44,425,077		44,425,077	2.6%	3.3%
8.	Concord Airport Plaza Associates	3	42,936,301		42,936,301	2.5%	3.1%
9.	Lowes HIW Inc.	5	39,652,669		39,652,669	2.3%	2.9%
10.	Seecon Financial & Construction	3	37,894,300		37,894,300	2.2%	2.8%
	Total Top 10 Taxpayers	**40**	**$600,803,790**	**$3,963,873**	**$604,767,663**	**35.51%**	**44.35%**

Note:
**Percentages calculated based on FY2013-14

Total assesssed value of	1,703,210,304
Total Incremental Assessed Value of	1,363,624,486

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 2013-14

FY2013-2014 Appeals	Number of Filings	County Roll Value ($Millions)	Applicant Opinion ($Millions)	Estimated/Actual Resolved Value ($Millions)	Estimated/Net Reduction in AV Value ($Millions)	% Reduction
Appeals Resolved	24	$176	$86	$172	$3	2%
Appeals Pending	11	$84	$28	$80	$4	5%
Total Appeals Filed	35	$260	$114	$252	$7	7%

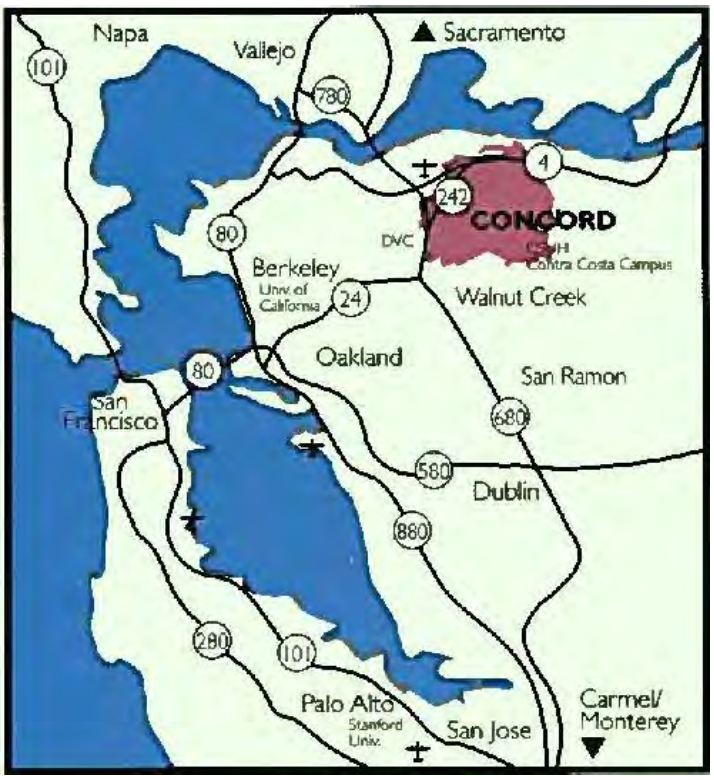
Source: Keyser Marston Associates, Inc. September 15, 2014

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

Table 19: Projection of Tax Revenues for Debt Services

Next 10 Fiscal Years (dollars in thousands)

Year Ending 6/30	Parcel I Tax Revenue	Parcel II Tax Revenue	Parcel IV Tax Revenue	Parcel V Tax Revenue	Total Centaral Concord Project Revenues	Less: Senior Reimbursement Agreement	Total Concord Project Tax Revenues	Debt Service	Debt Sevice Coverage
2014 *	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2015	$ 8,237	$ 4,943	$ 514	$ 452	$ 14,146	$ (576)	$ 13,570	$ 5,563	2.44x
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	-	14,032	3,151	4.45x
2021	8,144	4,922	514	452	14,032	-	14,032	3,146	4.46x
2022	8,144	4,922	514	452	14,032	-	14,032	3,145	4.46x
2023	8,144	4,922	514	452	14,032	-	14,032	3,142	4.47x
2024	8,144	4,922	514	452	14,032	-	14,032	2,586	5.43x
2025	8,144	4,922	514	452	14,032	-	14,032	2,583	5.43x

CONCORD, CALIFORNIA

BAY AREA MAP