

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

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

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

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

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

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

Both these Statements include the financial activities of the City, Concord/Pleasant Hill Health Care District, City of Concord Joint Powers Financing Authority, and Concord Sanitary Sewer Services, Inc., which are legally separate but are component units of the City because they are controlled by the City, which are financially accountable for the component units' activities.

CITY OF CONCORD
STATEMENT OF NET POSITION
JUNE 30, 2015

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

See accompanying notes to financial statements.

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	19,637,141	\$ 2,207,723	\$ 32,565,998	\$ 1,257,735	\$ 16,394,315		\$ 16,394,315
Public Safety	48,814,600	1,222,722	1,398,626		(46,193,252)		(46,193,252)
Public Works	33,134,581	349,321	4,925,952	3,423,249	(24,436,059)		(24,436,059)
Community and Economic Development	9,953,592	4,105,601	1,493,177	662,003	(3,692,811)		(3,692,811)
Parks & Recreation Services	4,870,437	2,928,447	55,529	598,958	(1,287,503)		(1,287,503)
Interest on Long-Term Debt	1,273,563				(1,273,563)		(1,273,563)
Total Governmental Activities	117,683,914	10,813,814	40,439,282	5,941,945	(60,488,873)		(60,488,873)
Business-Type Activities:							
Sewer	25,835,431	24,349,277		85,532		(1,400,622)	(1,400,622)
Golf Course	1,333,597	1,449,756				116,159	116,159
Total Business-Type Activities	27,169,028	25,799,033		85,532		(1,284,463)	(1,284,463)
Total	\$ 144,852,942	\$ 36,612,847	\$ 40,439,282	\$ 6,027,477	(60,488,873)	(1,284,463)	(61,773,336)
		General Revenues:					
		Taxes					
			Property Taxes		17,457,504		17,457,504
			Sales Taxes		11,554,083		11,554,083
			Motor Vehicle In Lieu, Unrestricted		8,864,341		8,864,341
			Transient Occupancy Taxes		2,619,411		2,619,411
			Business License Taxes		3,423,860		3,423,860
			Other Taxes		6,188,928		6,188,928
			Investment Earnings		2,507,489	93,481	2,600,970
			Miscellaneous Revenues			50,000	50,000
		Special Item (Note 16)					
			Restructure Investment in Partnership		(2,362,972)		(2,362,972)
			Total General Revenues		50,252,644	143,481	50,396,125
			Change in Net Position		(10,236,229)	(1,140,982)	(11,377,211)
			Net Position - Beginning, as restated (Note 18)		580,590,909	66,955,662	647,546,571
			Net Position - Ending		\$ 570,354,680	\$ 65,814,680	\$ 636,169,360

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

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

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2015. Individual non-major governmental funds are aggregated and titled “Other Governmental Funds”.

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are property taxes, sales taxes, unrestricted revenues from the State, charges for services, and interest income. Expenditures are made for public safety, most street work and other services not required to be accounted for in another fund.

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

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

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

**CITY OF CONCORD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015**

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

See accompanying notes to financial statements.

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

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	30,310,334
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
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		5,145,511
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.)		(22,436,030)
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		(15,283,935)
Reimbursement agreement from Successor Agency		(5,698,000)
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		(238,839)
Pension expense CCRS		(7,213,949)
Pension expense CalPERS		953,575
Deferred inflow of resources- Unavailable revenues		4,073,414
Interest Payable		(12,510)
Investment in Partnership		(2,362,972)
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		2,527,172
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	<u>(10,236,229)</u>

See accompanying notes to financial statements.

**CITY OF CONCORD
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

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

See accompanying notes to financial statements.

**CITY OF CONCORD
CONCORD HOUSING FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

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

See accompanying notes to financial statements.

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PROPRIETARY FUNDS

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

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

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

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.

FIDUCIARY FUNDS

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

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

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

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

See accompanying notes to financial statements.

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

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

See accompanying notes to financial statements.